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To Our Shareholders

ASIAN had a remarkable year in 2017. We started off with a very strong first half year with exceptionally good results in our frozen squid business, high volumes in petfood and a surge in our market share in shrimp feed. In fact, we had to put full focus on shipping out products on time, resolving constraints of some line capacity and labor availability. In the second half of the year we had resolved these bottlenecks and kept up with demand in a more comfortable manner. Overall, our business developed very well in 2017. We made significant progress in realizing our strategic goals towards 2020.

ASIAN produces and trades quality seafood and petfood. These are two sectors that are expected to grow worldwide for some time to come, as the number of people and pets are globally increasing and with increasing wealth, more money is spent. ASIAN intends to be part of that growth market. We have a history of over forty years and Thailand has an excellent production infrastructure to meet today's and tomorrow's requirements. With a well-developed tuna canning industry, Thailand is very well positioned to capture a major market share in the global premium petfood market. During the past five years Thai shrimp farmers have invested in sustainable, bio-secure and safe farming methods, meeting modern standards. These are exciting developments for Thailand and ASIAN.

During 2017, we grew our petfood business significantly. We strengthened our position as a quality co-developer for premium petfood brand owners and realized a y.o.y. growth of more than 60%. We see good opportunities to further increase this business.

In our shrimp processing business, we see a lower than expected output due to reduction in farm outputs caused by bad weather earlier in the year. Nevertheless, we improved our processing results as demand and prices were strong, and we gained market share in our shrimp feed business due to a continued focus on quality and efficiency that increased demand for our products. We are positive about the prospects of Thai shrimp exports and expect growth in the years to come. In our squid business we saw an exceptional good first half of the year but a reversed situation in the second half due to very low global market prices while Thai squid catch was limited and relatively expensive. This is expected to normalize again, but further action will need to be taken to reduce this kind of volatility in the future and ASIAN has a strong brand recognition that offers possibilities to achieve this. Our tuna canning business gave relatively stable results. Our policy is not to take short or long positions and adapt volumes processed to market demand. This helped us during a year where tuna prices were unpredictable and volatile. Finally, results in our distribution business was good with higher sales revenues.

The sales revenues in 2017 grew to 9.7 billion baht with net profit of 418 million baht. These are satisfactory results that bring us into a good position to pursue our further business expansion.

For the years to come we intend to work hard towards two strategic objectives: moving closer to our customers in order to better service them and explain the quality of the products we produce, and to focus on efficiency. This will further grow our revenues and profitability. Also, we will focus on gradually reducing the volatility that is inherent to the seafood business, by diversification of our product range and with more involvement in upstream supply chains.

I thank our customers, employees, suppliers and all other stakeholders for their contribution to a very good year for ASIAN and I hope we can continue to work together.

A handwritten signature in blue ink, appearing to read 'Somsak Amornrattanachakul', written over a horizontal line.

(Mr. Somsak Amornrattanachakul)

Chairman of the Board of Directors

Message from the Audit Committee

The Audit Committee of Asian Seafoods Coldstorage Public Company Limited consists of four independent directors whose qualifications meet requirements and the best practice guidelines for the Audit Committee stipulated by the Stock Exchange of Thailand (SET), and criteria set by the Securities and Exchange Commission (SEC) and the SET. Current members of the Audit Committee comprise of

1. Mrs. Sunanta Tiasawan Chairman of the Committee
2. Mrs. Yaowanee Kruo-ngarjnuakool Audit Committee
3. Mr. Kittichai Laokurkulpong Audit Committee
4. Mr. Somboon Phaobanchong Audit Committee

Ms. Phastrawan Prichapanuwat acts as the secretary to the Audit Committee.

The Audit Committee performs duties within scope of responsibilities as delegated by the Company's Board of Directors which are in accordance with the requirements of the SET. In 2017, the Audit Committee convened five meetings, of which four were general meetings and one was a session to privately meet auditors without the participation of the Company's management. Members of the Audit Committee jointly attended every meeting of the Audit Committee with management and external auditors as deemed appropriate. The meetings' important issues were summarized as follows:

1. Review the quarterly and the annual financial statements for 2017. The Committee questioned and listened to explanation of management and auditor to ensure accuracy and completeness of financial statements, and adequacy of disclosed information. The Audit Committee agreed with auditor that these financial statements were appropriately accurate in compliance with Generally Accepted Accounting Principles.
2. Review and express opinions on connected transactions or those may lead to conflicts of interest as well as disclose information of these transactions as required by the SET's and the SEC's regulations. Auditor opined that material information of transactions made with related companies was disclosed and presented in financial statements and notes to financial statements. The Audit Committee agreed with the auditor's opinion.
3. Review internal control and internal audit systems. The Audit Committee approved internal auditor's annual audit plan which has been improved and

developed efficiency and covered important tasks and units. The Audit Committee also reviewed internal audit's reports associated with the Company's operating performance starting from planning, reporting and follow-up of performing functions as advised by the Company's internal auditor to ascertain efficiency. The Audit Committee expressed opinion that internal audit was performed in an appropriately sufficient manner and resulted in real effectiveness, and internal control of the Company and subsidiaries was at a satisfactory level.

4. Consider, nominate and propose remuneration of auditor. The Audit Committee considered performance and independency, and nominated Ms. Sumalee Reewarabandith, Certified Public Accountant (Thailand) No.3970; and/or Ms. Manee Rattanabunnakit, Certified Public Accountant (Thailand) No. 5313; and/ or Mrs. Poonnard Paocharoen, Certified Public Accountant (Thailand) No. 5238, of EY Office Limited as the Company's auditors of 2017. The Audit Committee also approved remuneration of auditors for 2017.
5. Review good corporate governance and monitor performance of the Company's management concerning declaration of intention to participate in Private Sector Collective Action Coalition Against Corruption to practice in consistent with requirements and recommendations of Institute of Directors (IOD). The Audit Committee opined that the Company's policy complied with the project and encouraged employees to acknowledge and understand the best practice guidelines and applied corporate governance principles in accordance with the SET's and IOD's guidelines.

The Audit Committee opined that the Company reported financial information and operating performance accurately, had accurate internal control and internal audit systems for information disclosure of connected transactions, and performed duties in compliance with good corporate governance in adequate and reliable manner, as well as continuously improved the operating system for better quality and appropriateness with business circumstance.



(Mrs Sunanta Tiasawan)

Chairman of the Audit Committee

ASIAN Business

Policy and Business Overview

Asian at a glance

Founded more than 40 years ago, ASIAN is a family of Thai companies that produce delicious seafood and petfood for export to customers around the world. We take pride to process carefully sourced raw materials into fine frozen shrimp and squid products, premium petfood, canned tuna, and sillago for tempura dishes. We make feed for shrimp and fish farmers and thus have a strong relationship with the producers we source from.

ASIAN SEAFOOD COLDSTORAGE PCL is listed on the Stock Exchange of Thailand (SET: ASIAN) since 1994, but we still maintain our values that stem from our origin as a family business. That means making the extra effort that distinguishes us from others and which is appreciated by our customers for many years.



Our business is organized in five segments: Frozen Food, Petfood, Tuna, Feed and Distribution. Our Frozen Food business operates three factories well located in Thailand. In Klong-Toey, Bangkok, we produce sillago fish which is used in tempura dishes and exported to Japan. This factory also has a cold storage close to the port and therefore is an ideal logistical base for our Distribution business which imports frozen seafood for delivery to restaurants, modern retail and foodservice customers in Thailand. The second factory is located in Samutsakorn, 30 km south of Bangkok, where the main fish market of Thailand is, and where we produce cooked, fried and breaded shrimp products in many different formats. Our third factory is in the south of Thailand, Surat Thani, in the middle of the main shrimp farming area of the country. We buy shrimp straight from the farm and transport them live to the factory for processing into sashimi shrimp. Also our squid products are processed in this factory.

Petfood and Tuna products are processed in our cannery, also located in Samutsakorn. This factory is one of the newest in Thailand, with modern facilities and equipment. With a focus on premium petfood, we have invested heavily in product development and production technology, making us a supplier of choice for top quality petfood and tuna products.

Our fifth factory is located in Petchaburi, 100 km south of Bangkok and produces extruded fish feed and pelleted shrimp feed. We also own an aquaculture farm where we test new feed diets and develop farming methods and systems in order to better support our customers.

All our factories are certified for most internationally adopted quality and social responsibility standards. Food safety, good and fair labor practices are of key importance to us, while we work together with our suppliers to continuously improve sustainability our raw material sourcing.

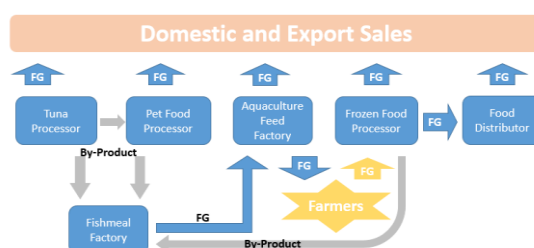
We R the right choice!

In whatever we do, we have our customer in our mind. Although most of our raw materials come from fisheries and supply chains are sometimes volatile, our aim is to deliver on the right time and at the right quality. Therefore, we have built over the years a stable and trusted suppliers base. Many of our customers are brand owners and rely on Asian to have their products always in the shelves or in stock. Reliable supply is a main reason why **we are the right choice!**

But our ambition is also to help our customers grow their business with new, innovative products. Increasingly we serve as a co-developer that understand our customers' business and provide ideas for new products. We invest in research and development, ranging from new product formulas, to packaging methods and processing technology. We even operate a research shrimp farm in order to test new methods to improve yield and quality.

Finally, our production set-up is as flexible as possible. This way, we can quickly respond to new ideas our customers bring to us and make it reality.

ASIAN LINK

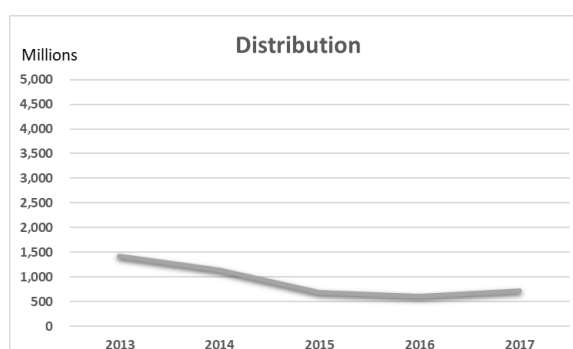
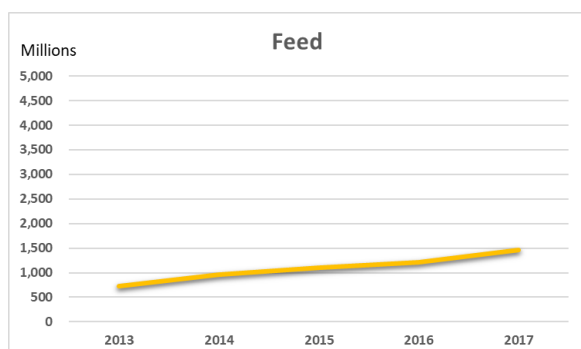
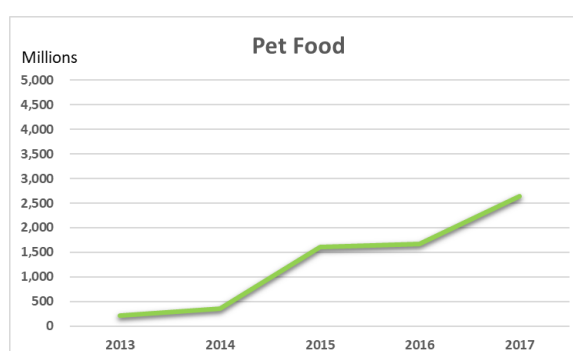
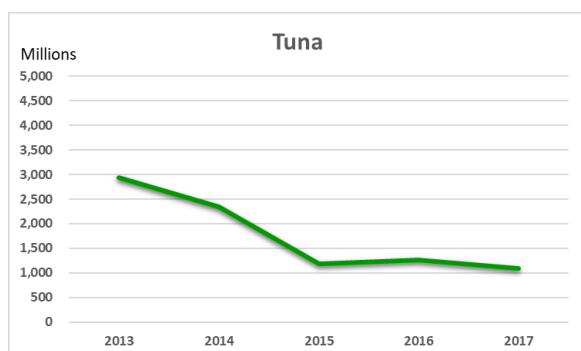
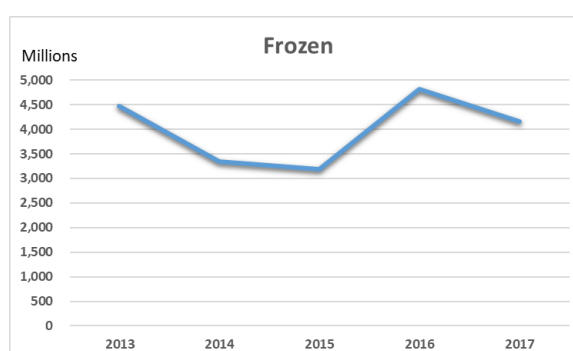
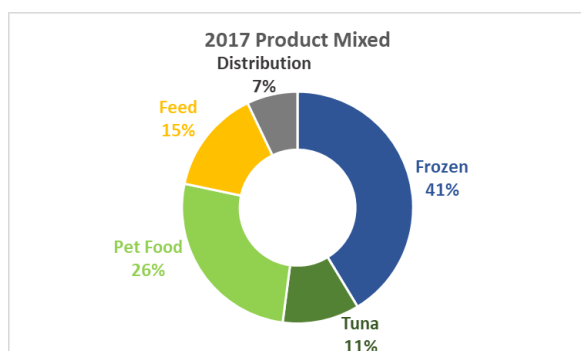
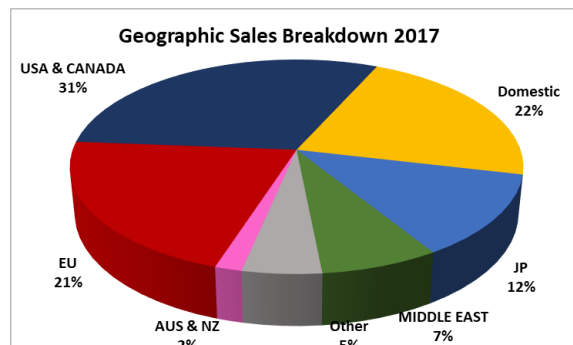
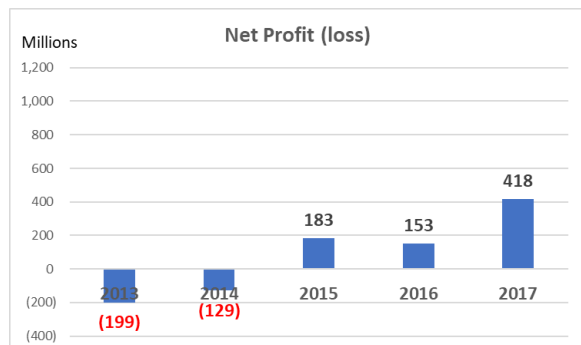
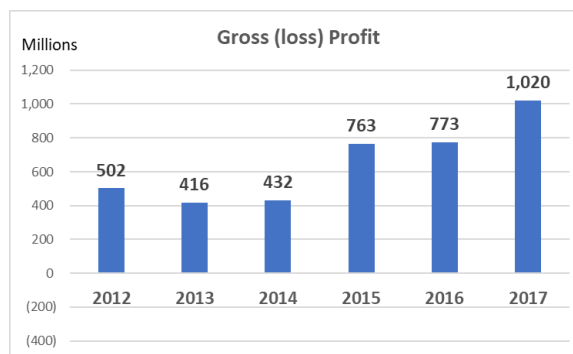
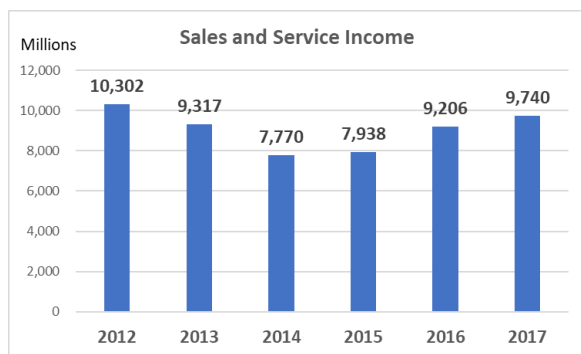


There is a logical link between Asian's activities. We try to make the most out of our raw materials and our facilities.

The trimmings of our tuna canning are a main ingredient for our pet foods. Next to domestically sourced poultry, tuna is the main protein source for our pet foods. The by-products of our tuna canning are converted into fresh fishmeal. This is an important ingredient for our feed factory, and by producing this ourselves we can guarantee the origin and the quality of our shrimp and fish feeds.

With many shrimp farmers we have long relationships and we buy the freshly harvest shrimp for processing in our factories. Our feed sales staff supports farmers with advice about feed type and feeding regime, we provide quality control services to make sure the healthy shrimp will be harvested.

Asian in Number



Business Overview

In 2017 ASIAN delivered a very strong result and we made good progress towards achieving our strategic goals for the year 2020: doubling our sales in 5 years time to 15 billion baht and improving our profitability with less volatility.

Our petfood business made a significant step up with a huge volume growth in our target premium segment, both with existing customers and with new business. Many new products have been co-developed with existing customers and this will lay a good foundation for further growth.



Our market share in shrimp feed has increased and we have grown our volume, despite a disappointingly flat farmed shrimp output in Thailand, where weather conditions were the main

constraint for more growth. This also hampered volume growth in our shrimp processing, however, with a less volatile shrimp price throughout the year we improved margins substantially. Our squid business saw an exceptionally strong first half year with good prices and volumes, and an excellent appreciation of our branded product quality in the European market. However, due to unusually good catch of south American squid, prices dropped in the second half of the year, putting severe pressure on squid volumes and margins towards the end of the year. Broadening our product range and sourcing options under our strong brand is work in progress towards more stability and growth in this business segment.

Sales revenues in 2017 amounted to 9.7 billion baht, a growth of 6% compared to the previous year. This was the result of a strong volume growth of 15% which was partly off-set by USD exchange rate effects of -5% and price effects of -4%.



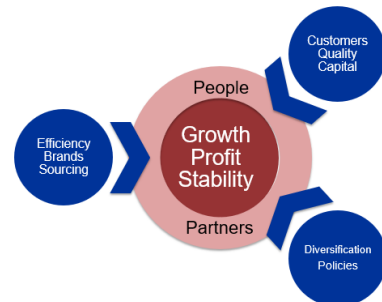
The gross profit was 1,020 million baht, an increase of 32% compared to the year before. Gross profit margin improved from 8.4% to 10.5%. This was a result of a better product mix, improved margins in our shrimp business and better utilisation rates in our factories. Also here, the USD/THB exchange rates negatively affected the margin, which was partly off-set by positive hedging results (recorded in other income, not in gross profit).

Net profit was 418 million baht, an increase of 170% versus last year. This was the result of a better gross profit and controlled operating expenses.

Our balance sheet further strengthened with the D/E ratio decreasing to 1.7, from 1.9 the year before. This is important as it provides the room to implement our growth agenda, which will include capital investments that are higher than depreciation, notably in automation and overseas business expansion. Anticipating further increases in labour cost on one hand, and our ambition to move closer to our customers, these are two key investment areas in order to realise our strategic goals. Working capital increased, mainly as a result of higher inventories and this will be a focus area of improvement for the years to come.

We concluded a refinancing of existing loans with a 1.5 billion baht 5 year loan, in order to bring our long term financing to the targeted range of 50-65% of total financing.

“Closer to consumer and efficiency”



By the end of 2017 we concluded a review and fine-tuning of our strategy. Our objective remains to grow on the back increased shrimp farm output in Thailand and the global demand growth of premium wet petfood. A stronger focus will be on marketing and therefore sales units will be established in our key markets, steered by a new marketing unit in Thailand. In order to address the volatility in seafood, a stronger upstream position in the supply chain will be pursued, as well as diversification of the species processed and marketed. Finally, recognizing the increasing cost of labor in Thailand, improved efficiency and automation will be an integral part of our operations.

Nature of Business & Products

Asian Seafoods Coldstorage PLC

Asian Seafoods Coldstorage PLC engages in distribution and exports of processed frozen seafood under its own brands of TCC, Sakura and Asian Seafoods, and OEM brand.

The Company now has two following manufacturing plants

- The first plant, located in Soi Kueynam-Tai, Klongtoey, has production capacity of 4,000 tons a year (which equal to around 2,400 tons of finished products per year).
- The second plant, located on Rama II road, Mueng, Samutsakorn, has production capacity of 24,000 tons per year (which equal to around 14,000 tons of finished products per year).

The Company's products consist of four main types as following

1. Frozen sillago fish products comprise sillago butterfly fillet and breaded sillago fish fillet.
2. Frozen shrimp products which are processed frozen shrimp, frozen cooked shrimp, frozen breaded shrimp and frozen fried breaded shrimp.
3. Frozen squid products which are whole round squid, whole cleaned squid, squid fillet, fired and grilled squid and squid sashimi.
4. Ready-to-eat product such as seafood curry.

Other Important Information

Type of Business	: Frozen Food Processor for Export and Cold Storage
Established Date	: 27 September 1982
Issued and paid up	542.72 Million Baht
Capital	(par value of 1 Baht per share)
Company Registration	0107536001061 (Old No. PLC. 180)
Website	: http://www.asianseafoods.co.th
1 st Factory	No. 742 Soi Kluanamthai Ardnarong Rd. Klongtoey District, Klongtoey Bkk 10110 Tel. (02) 249-7113, (02) 249-5255, (02) 249-9324
	: Fax. (02) 249-5256, (02) 249-3605, (02) 249-3675
2 nd Factory and	No. 55/2 Moo 2 Rama II Rd.
Head Office	: Bangkrajao District, Muang Samutsakorn Province 74000
	Tel. (034) 822204-7, (034) 822700-6
	Fax. (034) 822407

First Subsidiary

Asian Seafoods Coldstorage (Suratthani) Co. Ltd.

The Company is engaged in processed frozen aquatic animal business, with an annual production capacity of 18,000 tons (which equal to around 10,000 tons of finished products per year). It distributes and exports products under both its own brands such as ASP, TCC, and Blue Chef, and OEM brands.

The Company's main products can be divided into the following four major categories

1. Frozen squid products comprise whole round, cleaned and fillet.
2. Frozen shrimp products which are frozen raw shrimp and frozen cooked shrimp.
3. Ready-to-cook seafood mixed products.
4. Shishamo Product.

Other Important Information

Type of Business	: Frozen Food Processor for Export.
Established Date	: 18 August 1993
Registered Capital	: 100 Million Baht (par value of 10 baht per share)
Head Office	: No.55/2 Moo 2 Rama II Rd. Bangkrajao District, Muang, Sumutsakorn 74000 Tel. (034) 822-204-7, (034) 822-700-6 Fax. (034) 822-407, (034) 822-698-9, (034) 822-706
Factory	: 57 Moo 4 Tarsatorn District, Punpin Suratthani Province 84130 Tel. (077) 276-888 Fax. (077) 276-811, (077) 276-822, (077) 276-833
Share Holding	: 100% owned by Asian Seafoods Coldstorage PLC.

Second Subsidiary

Asian Alliance International Co., Ltd.

Asian Alliance International Co., Ltd. is a manufacturer and distributor of process tuna products and exporters of OEM human and pet food products.

The Company's capacity are as follows:

- Tuna products or human foods with an annual production capacity of 17,500 tons of finished products.
- Wet pet food products with an annual production capacity of 34,000 tons of finished products.
- Fishmeal products with an annual production capacity of 6,000 tons.

The Company's main products can be categorized into the following 4 major types

1. Canned and pouch tuna products
2. Frozen tuna products
3. Wet pet food in can, pouch and plastic cup
4. Fishmeal product for animal feed

Other Important Information

Type of Business	: Tuna Frozen and Canning Processor, and By-product such as Canned Pet Food and Fishmeal.
Established Date	: 15 March 2005
Registered Capital	: 1,700 Million Baht (par value of 10 baht per share)
Head Office	: No.55/2 Moo 2 Rama II Rd. Bangkrajao District, Muang, Sumutsakorn 74000 Tel. (034) 822204-7, (034) 822700-6 Fax. (034) 822407, (034) 822698-9, (034) 822706
Factory	: No. 8/8 Moo 3 Rama II Rd. Bang Bor District Muang Samutsakorn Province 74000 Tel. (034) 845566-8 , (034) 845575-91 Fax. (034) 845547, (034) 845593
Share Holding	: 100% owned by Asian Seafoods Coldstorage PLC.

Third Subsidiary

Asian Feed Co., Ltd.

Asian Feed Co., Ltd. manufactures and distributes both sinking and floating aquaculture feed under its own trademarks comprising Asian, Rambo, Super Hero, Hero, Victor, Allstar, Faster and "Ruay Puan". The Company has advanced laboratory and academic expertise to provide water quality analysis inspection, aquatic animal quality evaluation, food quality development, technique advisory for rearing and solution for diseases in aquatic animals.

The Company's seven machineries for sinking feed pellet manufacturing have a combined production capacity of 60,000 tons a year and another one for floating feed pellet manufacturing with a capacity of 36,000 tons per year.

The Company's main products are consisted of two major types as follows:

1. Sinking pellet products are feeds for black-tiger shrimp and vennamei shrimp, supplementary feed for shrimp and sinking pellet for fish feed.
2. Floating pellet products are feeds for sea bass fish, Nile tilapia, striped snake-head fish, catfish, frog and crab.

Other Important Information

Type of Business	: Aquaculture Feed Processor and Chemical.
Established Date	: 19 August 1988
Registered Capital	: 800 Million Baht (par value of 100 baht per share)
Head Office	: No.55/2 Moo 2 Rama II Rd. Bangkrajao District, Muang, Sumutsakorn 74000 Tel. (034) 822204-7, (034) 822700-6 Fax. (034) 822407, (034) 822698-9, (034) 822706
Factory	: No. 239 Moo 3 Phetkasem 180-181 Rd. Thayang District, Thayang, Phetchaburi 76130 Tel. (032) 437922-4 Fax. (032) 437134-5
Share Holding	: 100% owned by Asian Seafoods Coldstorage PLC

Fourth Subsidiary

Asian Food Co., Ltd.

Asian Food Co., Ltd. engages in procuring frozen food products from both locally and internationally to distribute in domestic market. The Company's main customers are food business and modern trade operators.

Other Important Information

Type of Business	: Frozen Food for Domestic Distribute.
Established Date	: 12 September 2012
Registered Capital	: 1 Million Baht (par value of 10 baht per share)
Head Office	: No.55/2 Moo 2 Rama II Rd. Bangkrajao District, Muang, Sumutsakorn 74000 Tel. (034) 822204-7, (034) 822700-6 Fax. (034) 822407, (034) 822698-9, (034) 822706
Factory	: No. 742 Soi Kluanamthai Ardnarong Rd. Klongtoey District, Klongtoey Bkk 10110 Tel. (02) 249-7113, (02) 249-5255, (02) 249-9324 Fax. (02) 249-5256, (02) 249-3605, (02) 249-3675
Share Holding	: Asian Seafoods Coldstorage PLC. share Holding 100%

Accounting Auditors

For Asian Seafoods Coldstorage PLC. and its 4 subsidiaries

- Ms. Sumalee Reewarabandit
Registration auditor License No. 3970

On behalf of

EY Office Co., Ltd.

193/136-137, 33rd Floor, Lake Rajada Building,

Rajadapisek Road, Klongtoey, Bangkok 10110

Tel. (02) 264-0777

Securities Registrar

Thailand Securities Depository Co., Ltd. (TSD)

The Stock Exchange of Thailand

93 Ratchadaphisek Road, Din Daeng,

Din Daeng, Bangkok 10400

Tel. (02) 009-9999 Fax. (02) 099-9991

BOI's Certificates

The company and its subsidiaries granted certificates from The Board of Investment of Thailand (BOI) as of the Act to promote investment, B.E.2520 (1977) under conditions as follow

Company	Type of Certificates	Certificates No.	Date
Asian Seafoods Coldstorage PLC.	Cold Storage or Cold Storage and Refrigerated Transport Business	1982(3)/2554	1 Feb 2011
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	Manufacture of food or food preservation or food ingredient, using modern technologies	2938(5)/2555	5 Nov 2012
Asian Feed Co., Ltd.	Manufacture of feed or feed ingredient	1658(2)/2554	14 Dec 2010
Asian Alliance International Co., Ltd.	Manufacture of Pet Food or Pet Food ingredient	1920(2)/2554	2 May 2011
	Manufacture of food or food preservation or food ingredient, using modern technologies	2669(2)/2555	24 Sep 2012

Benefits which the company and its subsidiaries receives such as

1. Tax exemption for importing machines as the BOI approval.
2. 8 years income tax exemption on additional net profit incurred from an annual production of the business granted BOI certificates

Property of Business

Property of Asian Seafoods Coldstorage PLC.

As of 31st December 2017

Type of Property	Book Value (Million baht)
1.Land	805.84
2.Building and Land Development	308.68
3.Machines and Equipment	
Machines and Equipment	117.94
Furniture and Office Supplies	3.45
Vehicles	8.58
Work under Construction and	1.15
Machine under installation process	
Total	1,245.64

Property of Asian and its 4 subsidiaries

As of 31st December 2017

Type of Property	Book Value (Million baht)
1.Land	984.13
2.Building and Land Development	753.79
3.Machines and Equipment	
Machines and Equipment	819.98
Furniture and Office Supplies	22.46
Vehicles	25.94
Work under Construction and	53.26
Machine under installation process	
Total	2,659.56

Assets as the Collateral of Loans

According to the Consolidated Financial Statement as of December 31st, 2017, Asian Seafoods Coldstorage PLC. uses buildings belong to Asian Alliance International Co., Ltd. and the land Asian Alliance International Co., Ltd. located on, which is belong to Asian Seafoods Coldstorage PLC. as the collateral to 2 term loan facilities form Kasikornbank Public Company Limited which are

1. Term loan of 850 million baht which was approved since 2014
2. Term loan of 1,500 million baht which was approved in 2017

Investment Policy

The Company strategy its investment in 5 business segments which the company are in currently. Those business segments are Frozen Food and Frozen Food Processor, Tuna Canning Processor, Pet Food Processor, Feed Processor, and Distribution. All business, both domestic and export, are relevant or supporting each other, or increase productivities of Asian Group. The company also invest in the company which has growth potential. The Company will invest only in the company that it is able to control and will assign directors or committee to manage all subsidiaries to ensure that the policy of each subsidiaries will not conflict with the Company's policy.

Property Reappraisal Details

In fiscal year 2017, the company and its subsidiaries have not appraised and appraised assests during the accounting period.

Corporate Governance

Stock and Shareholder Information

Company Shares and Capital

As of December 31st, 2017, the company has registered shares capital of 542,730,702 baht and paid up of 542,727,549 Baht. All of those are common stocks at par value of 1 baht per share.

Shareholders

Name of Shareholder	No. of share as of Dec 31 st 2016	Share- holding portion (%)	No. of share as of Dec 31 st 2015	Share- holding portion (%)	Change Increase / (Decrease) in 2016
1.Mr.Somsak Amornrattanaichai	272,784,471	50.26	180,385,314	49.86	92,399,187
2.Mr.Somchai Amornrattanaichai	71,415,000	13.16	47,610,000	13.16	23,805,000
3.Miss Siripat Amornrattanaichai	28,767,000	5.30	14,075,100	3.89	14,691,900
4. Thai N V D R Co.,Ltd.	26,708,339	4.92	10,116,024	2.80	16,592,315
5. Mrs. Jiranya Amornrattanaichai	13,114,250	2.42	13,009,500	3.60	104,750
6. Mr.Preecha Angkumsrup	7,300,000	1.35	-	-	7,300,000
7. Mr.Settha Yuwatanon	5,150,000	0.95	-	-	5,150,000
8. Mr. Somkiet Limsong	4,956,600	0.91	3,304,400	0.91	1,652,200
9. Mr.Ekapol Sittikornmethakul	4,088,200	0.75	-	-	4,088,200
10. Mrs.Lawal Wanglee	3,815,000	0.70	-	-	3,815,000
11. Mr.Boonchai Pana-sakulkarn	3,000,000	0.55	-	-	3,000,000
12. NORBAX, INC.	2,462,850	0.45	-	-	2,462,850
13. Miss Ajchara Mak-ratree	1,888,000	0.35	-	-	1,888,000
14. Mr.Kajornkiat Ung-Aram	1,413,200	0.26	-	-	1,413,200
15. CHASE NOMINEES LIMITED	1,395,900	0.26	-	-	1,395,900
16. Other shareholders	94,468,739	17.41	93,320,130	25.79	1,148,609
	542,727,549	100.00	361,820,468	100.00	180,907,081

หมายเหตุ -Amornrattanaichai hold shares in total of 386.11 million shares, which is 71.15%
 - Thai Nationality Shareholder is 99.08%
 - Other Nationality Shareholder is 0.92%

Others Stock Issued within a Year

On 20 September 2017, the Extraordinary General Meeting of Shareholders No. 1/2017 approved the increase of the Company's registered share capital by Baht 180,910,234, from the existing registered share capital of Baht 361,820,468 to Baht 542,730,702, by issuing 180,910,234 newly issued ordinary shares, with a par value of Baht 1 each, to accommodate the stock dividend payment.

The Company allotted 180,907,081 shares as the dividend to the shareholders as mentioned in Note 29 to the financial statements. Then, the company paid up shares capital increased to 542,727,549 baht. The Company registered the resulting change in its paid-up capital with the Ministry of commerce on 17th October 2017

Dividend Payment Policy

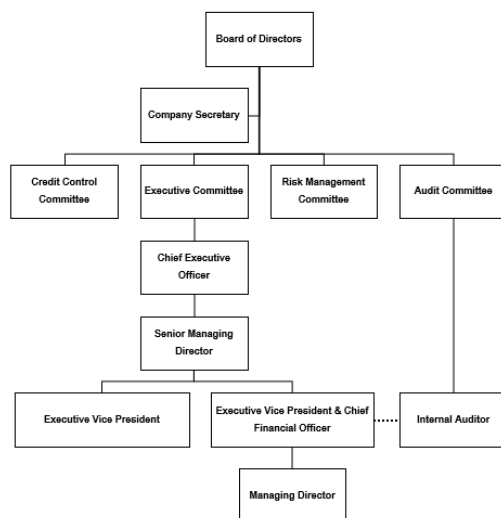
AsianSeafoods Coldstorage PLC. has a dividend payment policy at around 50% of net profit after tax and legal reserve. However, the Board of Directors have authorized to propose such a policy each year considering its future investment plan, its financial covenants, and every other obligation with the financial institutions, including the company liquidity by mean to sustain the company potential to deal with the changing economic environment, financial situation, and the company growth target.

In 2017, The Board of Director considered Statement of financial position of the company as of 31st December 2016 and found out that there are 849.63 retain earning. This, including with high performance of the company in the 1st half of the year, resulted in rapid share price increase. Board of Director saw the opportunity to increase shares volume in order to generate more floating to maintain investor interest, which will be good for future fund-raising plan. The Board of Director, then, resolved to propose to the Extraordinary General Shareholder's Meeting No.1/2017 to pay share and cash dividend from retain earning at the rate of 0.556 baht per share. The dividend will pay out as stock dividend at the rate of 0.50 baht per share, at the ratio of 2 existing share to 1 dividend share, and pay out as cash dividend at the rate of 0.056 baht per share. The dividend payment in total will be 180.91 million shares and 20.26 million bahts cash. The EGM approved the proposal on 20th September 2017.

Moreover, the Board of Director resolve to propose to the Annual General Shareholder's Meeting of 2018 to consider and approved dividend payment of 0.25 baht per share from Non-BOI operation result, which is around 32.45% of its 2017 performance.

Management

Organization Chart



Board of Directors

Directors

1. Mr. Somsak Amornrattanachaikul Chairman of the Board
2. Mr. Somchai Amornrattanachaikul Director
3. Mr. Suriya Prasatbuntitya Director
4. Mr. Aekarat Punnasung Director
5. Mrs. Suree Jangsawat Director
6. Mr. Somsak Sathidthumrong Director
7. Mrs. Sunanta Tiasuwan Independent Director
8. Mrs. Yaowanee Kruo-ngarjnkool Independent Director
9. Mr. Somboon Paobunjong Independent Director
10. Mr. Kittichai Laokurkulpong Independent Director

Directors' Information

See also in the section of Directors and management information.

Responsibilities and Authorities of the Board of Directors

See also in the corporate governance policy.

Incumbency of the Directors

See also in the corporate governance policy.

Audit Committee

Committees

1. Mrs. Sunanta Tiasuwan Chairperson of Audit Committee
2. Mrs. Yaowanee Kruo-ngarjnkool Audit Committee
3. Mr. Kittichai Laokurkulpong Audit Committee
4. Mr. Somboon Paobunjong Audit Committee

Committees' Information

See also in the section of Directors and management information.

Responsibilities and Authorities of Audit Committee

See also in the corporate governance policy.

Incumbency of Audit Committee

See also in the corporate governance policy.

Executive Committee

Committees

1. Mr. Somsak Amornrattanachaikul Chief Executive Officer
2. Mr. Somchai Amornrattanachaikul Senior Managing Director
3. Mr. Hendrikus Van Westendorp Executive Vice President and Chief Financial Officer
4. Mr. Suriya Prasatbuntitya Executive Vice President
5. Mr. Panop Svetarundra Executive Committee
6. Mr. Aekarat Punnasung Executive Committee
7. Mrs. Suree Jangsawat Executive Committee
8. Mr. Wallop Lormlimp Executive Committee
9. Mr. Yasuto Togashi Executive Committee
10. Mr. Somsak Sathidthumrong Executive Committee
11. Ms. Sirirat Wongmethavee Executive Committee
12. Mr. Chitsanucha Puangsuda Executive Committee

Committees' Information

See also in the section of Directors and management information.

Responsibilities and Authorities of Executive Committee

See also in the corporate governance policy.

Executive Committee Appointment

See also in the corporate governance policy.

Credit Control Committee

Committees

1.Mr. Suriya	Prasatbuntitya	Chairman
2.Mr. Somchai	Amornrattanachaikul	Committee
3.Mr. Hendrikus Van Westendorp		Committee
4.Mr. Aekarat	Punnasung	Committee
5.Mrs. Suree	Jangsawat	Committee
6.Mr. Wallop	Lormlimp	Committee
7.Mr. Yasuto	Togashi	Committee
8.Mr. Chitsanucha Paungsuda		Committee & Secretary

Committees' Information

See also in the section of Directors and management information.

Responsibilities and Authorities of Credit Control Committee

See also in the corporate governance policy.

Credit Control Committee Appointment

See also in the corporate governance policy.

Risk Management Committee

Committees

1. Mr. Suriya	Prasatbuntitya	Chairman
2. Mr. Somboon	Paobunjong	Committee
3. Mr. Somsak	Amornrattanachaikul	Committee
4. Mr. Somchai	Amornrattanachaikul	Committee
5. Mr. Hendrikus Van Westendorp		Committee
6. Mr. Panop	Svetarundra	Committee
7. Mr. Aekarat	Punnasung	Committee
8. Mrs. Suree	Jangsawat	Committee
9. Mr. Wallop	Lormlimp	Committee
10. Mr. Yasuto	Togashi	Committee
11. Mr. Bundit	Pichetpongsa	Committee
12. Ms. Varanratch	Assanupong	Committee
13. Mr. Chitsanucha Paungsuda		Committee & Secretary

Committees' Information

See also in the section of Directors and management information.

Responsibilities and Authorities of Risk Management Committee

See also in the corporate governance policy.

Risk Management Committee Appointment

See also in the corporate governance policy.

Company Secretary

Company Secretary Information

Name	: Mr. Chitsanucha Puangsuda
Position	: Company Secretary
Date of Appointment	: 1 st March 2017
Education	: Bachelor of Laws, Ramkhamhaeng University
Percentage of Shares Hold:	None
Work Experience	:
2016 – Present:	Assistant Managing Director, Asian Seafoods Coldstorage PLC.
2016:	Deputy manager of Legal, Metro Systems Corporation PLC.
2005 – 2015:	Audit, Metro Systems Corporation PLC.
1997 – 2015:	Committee Investigating Corruption, Metro Systems Corporation PLC.
1994 – 2016:	Lawyer, Metro Systems Corporation PLC.

Responsibilities of Company Secretary

See also in the corporate governance policy.

Board Remuneration Policy and Remuneration of 2017

The Company has a policy allowing the board to screen and nominate directors and consider their remunerations themselves, the board consider their remuneration which were competitive to the ones of a similar type of industry and the same size of business, including business expansion and profitability. In 2017, The board has considered and proposed to the shareholders to approve the directors' remuneration in amount of not exceeding 2,000,000 baht. The details are as follow:

- 1) Meeting Allowance: To pay the directors who are not the employee of the company, which are Chairman of the Audit Committee pay 25,000 baht per meeting, the members of the Audit Committee pay 15,000 baht per meeting, independent directors pay 15,000 baht per meeting and risk committee pay 5,000 baht per meeting.
- 2) Annual Bonus: to be considered and paid according to the company's performance.

Directors' remuneration of 2017

Directors	Directors' Meeting Allowance (Baht)	Risk Committees' Meeting Allowance (Baht)	Audit Committees' Meeting Allowance (Baht)
1.Mr.Somsak Amornrattanachakul (Chairman of the Board)	-	-	-
2.Mr.Somchai Amornrattanachakul (Committee)	-	-	-
3.Mr.Suriya Prasatbuntitya (Committee)	-	-	-
4.Mr.Aekarat Punnasung (Committee)	-	-	-
5.Mrs.Suree Jangsawat (Committee)	-	-	-
6.Mr.Somsak Sthidthummarong (Committee)	-	-	-
7.Mrs.Sunanta Tiesuwan (Independent Director & Chairperson of Audit Committee)	75,000	-	125,000
8.Mrs.Yaowanee Kruo-ongarjnkool (Independent Director & Audit Committee)	75,000	-	75,000
9.Mr.Somboon Paobanjong (Independent Director & Audit Committee)	75,000	35,000	75,000
10.Mr.Kittichai Laokurkulpong (Independent Director & Audit Committee)	75,000	-	75,000

The Company Manpower and the subsidiaries'

Manpower of the company and its subsidiaries

As of December 31st

(Unit:man)

Company	Monthly Employee		Daily Employee		Total	
	2016	2017	2016	2017	2016	2017
ASIAN	347	280	1,432	1,351	1,779	1,640
SURAT	234	243	1,241	1,233	1,475	1,476
AAI	369	464	1,207	2,780	1,576	3,244
Feed	163	180	11	30	174	210
Total	1,113	1,176	3,891	5,394	5,004	6,570

Notes : Factory workers working 8 hours per shift and may have to work overtime according to the company's regulation.

Salary and Wages paid

(Unit : Million baht)

Company	Monthly Employee		Daily Employee		Total	
	2016	2017	2016	2017	2016	2017
ASIAN	102.26	101.05	152.42	151.25	254.68	252.30
SURAT	58.03	49.98	94.27	131.16	152.30	181.14
AAI	109.63	118.75	99.91	374.43	209.54	493.18
Feed	41.16	40.59	1.46	3.28	42.62	43.87
Total	311.08	310.37	348.06	660.12	659.14	970.49

Notes:

ASIAN refer to Asian Seafoods Coldstorage PLC.
 SURAT refer to Asian Seafoods Coldstorage (Suratthani) Co., Ltd.
 AAI refer to Asian Alliance International Co., Ltd.
 FEED refer to Asian Feed Co., Ltd.

Corporate Governance Policy

Asian Seafoods Coldstorage Public Company Limited's Board of Directors realizes duties and responsibilities to maximize benefits to shareholders and impacts on society, communities, environment, the country and other stakeholders including customers, trade partners, creditors, employees and competitors. Board of Directors has set out policies for the Company's Corporate Governance to be strictly followed by Directors, Executive Management and employees, and create transparency and fairness to stakeholders. Important corporate governance's policy has been set out in the following five elements.

Section 1: Shareholders' Rights

The Company's shareholders can exercise their ownership rights in controlling the Company through appointments of directors to act on behalf of them and they have rights to make a decision concerning the Company's major changes as following:

- 1) Rights to register as the Company's shareholders
- 2) Rights to transfer shares. However, such share transfer that causes foreign ownership in the Company exceeding 20 % of total paid-up shares is not permitted.
- 3) Rights to obtain the Company's material news and information regularly and adequately
- 4) Rights to attend meeting to cast vote in the Company's shareholder meeting
- 5) Rights to appoint or remove the Company's Directors
- 6) Rights to consider remuneration for the Company's Directors
- 7) Rights to appoint auditor and consider auditor's remuneration
- 8) Rights to consider profit allocation and receive a share of the Company's profit
- 9) Rights to participate in making decision and acknowledge results of the Company's decision-making concerning changes in the Company's fundamentals as following
 - Divestment or transfer of the Company's entire business or some significant parts to other persons
 - Acquisition or being recipient of business transfer from other companies
 - Entering, amending or terminating contracts concerning rental business of the entire company or some significant parts, assigning others to manage the Company's business, or

amalgamating business with others with an aim at sharing profit and loss

- Amendments to the Company's Articles of Association or the Company's rules and regulations
- Capital increases or decreases
- Merger and acquisition or company's closure
- Debenture issuance
- Extra items which are not transactions on normal course of business

The Company opens up full opportunities for all groups of shareholders including institutional shareholders to equally participate and cast vote in shareholder meeting. The Company refrains from any actions which limit rights to access to the Company's information or attend shareholder meeting. The Company shall proceed the following matters related to shareholder meeting

Before Shareholder Meeting

- 1) Preparing invitation letter to shareholder meeting and supporting documents which contain complete and clear details of important information in both English and Thai languages
- 2) Disseminating invitation letter to shareholder meeting and supporting documents at least 14 days prior to the meeting date through the Stock Exchange of Thailand's information system and the Company's website
- 3) Dispatching invitation letter to shareholder meeting and supporting documents including the proxy form (in case that shareholders do not attend the meeting by themselves) to shareholders at least 14 days ahead of the meeting date to provide shareholders enough time to study information for making decisions on voting
- 4) Providing channels for shareholders to ask about agenda in shareholder meeting or submit questions in advance to the Company Secretary via e-mail: Asian-secretary@asianseafoods.co.th

On Shareholder Meeting Date

- 1) Setting date, time and venue for shareholder meeting held in area in which headquarters are located or neighboring provinces in order to be convenient for shareholders who will attend the meeting
- 2) Employing computer system for shareholder registration process and providing sufficient time for registration
- 3) Encouraging shareholders to use ballots in casting vote in every agenda
- 4) In case of shareholders unable to attend meeting, they can appoint a proxy to participate in the meeting and cast vote

- 5) Informing shareholders about a clear criteria in voting at the start of meeting
- 6) Do not add agenda other than those stated in shareholder meeting's invitation notice or change important information without advance notice
- 7) The Company's Directors and Executive Management participating in shareholder meeting and opening opportunities for shareholders to raise questions and opinions and ask for clarification from Directors, Executive Management or Auditor in related agenda before voting
- 8) Opening opportunities for shareholders to vote directors on individual basis.
- 9) Counting vote and disclosing outcome in each agenda to shareholders clearly and transparently by soliciting shareholders' representatives as witness to observe the vote count

After Shareholder Meeting Date

- 1) Reporting meeting resolutions and vote result of each agenda through the SET's news system and the Company's website by the following business day
- 2) Arranging shareholder meeting's minutes which contain complete details of important matters to submit to the SET and disseminate through the Company's website by 14 days after the meeting date
- 3) Disseminating shareholder meeting minutes through the Company's website and informing through the SET's news system

Section 2: Equitable Treatment to Shareholders

The Company has policies to treat all shareholders—individual investors and local and foreign institutional investors—equally and fairly. The Company's policies as following

Giving information ahead of shareholder meeting

- 1) Informing shareholder meeting's schedule, agenda and Board of Directors' opinions to the SET and disseminating such information in both English and Thai versions through the Company's website at least 14 days prior to the meeting date
- 2) Informing criteria for the meeting, voting procedures and voting rights of each type of share class to shareholders before the meeting and disseminating in the Company's website

Minority shareholder right protection

- 1) Refraining from adding agenda other than those stated in shareholder meeting's invitation notice or changing important information without advance notice
- 2) Opening opportunities for shareholders to cast vote in appointing directors on individual basis
- 3) Shareholders who collectively hold at least 5% of the Company's total voting rights have rights to sign in a single letter and submit to the Company Secretary via e-mail Asian-secretary@asianseafoods.co.th to request to add agenda items in Ordinary Shareholders' Meeting.
- 4) Shareholders who collectively hold at least one-fifth of the issued shares or no less than 25 shareholders who collectively own at least one-tenth of the issued shares can sign in a single letter to be eligible to nominate director candidates. They also must submit information to be used for qualification consideration and consent letter of the nominated candidates to the Company's Board of Directors through the Company Secretary at Asian-secretary @asianseafoods.co.th – at least 120 days prior to a date which set shareholder meeting.

Prevention of Insider Trading Activities

- 1) Directors, Executive Management and all employees are absolutely prohibited from using the Company's inside information which is a significant matter and has not been disclosed to public for personal or others' gains.
- 2) Directors, Executive Management and all employees are refrained from disclosing a significant business information as well as material information concerning the Company's stakeholders to either insiders or outsiders even they retired, resigned or are employment terminated, it is exceptionally permitted when such information disclosure is to comply with regulations prescribed by laws or resolution of the Company's Board of Directors.
- 3) Directors, Executive Management and all employees must always bear in mind that information which are important to business operations must be disclosed only by the Company's authorized personnel. When they are queried about material information and are not in charge to disclose such information, they should suggest inquirers to contact to those who have duty in disclosing information.

Directors, Executive Management and all employees have rights to trade the Company's shares, but personnel at all levels, their spouses and children who do not come of age are required to arrange and disclose shareholding report, and any changes in shareholding

to the Company's Secretary to submit to the Company's director meeting at least 14 days before the meeting date to safeguard against a conflict of interest

Directors' Conflict of Interests

- 1) Directors, Executive Management and employees are barred from engaging in business which directly and indirectly competes with the Company.
- 2) Directors, Executive Management and employees shall avoid making connected transactions with related persons and juristic persons as such transactions could cause conflict of interest with the Company.
- 3) Directors are in charge of overseeing the Company to strictly follow criteria, procedures, and disclose information concerning connected transactions as prescribed by laws or regulations required by regulators.
- 4) Persons who have vested interest must refrain from taking part in consideration of items they have conflict of interest.
- 5) In case that connected transaction is essential, such transaction must be done in a normal course of business, accordance with principles approved by Board of Directors, and in a transparent and fair manner. Besides, the Company's optimal benefits must be taken into account and the connected transactions are executed in a similar manner to outsider transactions.
- 6) Connected transactions which do not fall into usual course of business in line with general principles approved by the Company's Board of Directors and could lead to conflict of interest are subject to auditing and opinion given by the Audit Committee before seeking approval from the Company's Board of Directors or shareholders.
- 7) Connected transactions of which characteristics and size are beyond Executive Board's approval limit are subject to auditing and opinions of Audit Committee before seeking approval from the Company's Board of Directors or shareholders.

The Company's directors and executives have duties to report vested interest of themselves and related persons who have vested interest in the Company's business management in compliance with criteria, conditions and procedures required by Capital Market Supervisory Board. The Company's Secretary takes responsible for gathering and submitting copy of reports concerning vested interest to inform the Chairman of the Board and Chairman of Audit Committee in the earliest Board and the Audit Committee after date of receiving the report and before the agenda is considered. The directors who have vested interest must be prohibit from taking part in meeting when the agenda is considered.

Section 3: Stakeholders' Rights

The Company has set out practice policy for each group of stakeholders by largely taking rights of stakeholders as prescribed by laws and mutual benefits between the Company and the following groups of stakeholders into account.

Shareholders The Company offers good and sustainable returns to shareholders by efficiently managing and striving to deliver robust operating performance and operating business with transparency, honesty and fairness. The Company respects to shareholder rights to obtain necessary information accurately and equally.

Customers The Company continuously creates innovative products and manufacturing procedures to produce quality and safety products at a low cost, offer the best services, and provide complete and accurate product information to satisfy customers and consumers.

Trading partners The Company is concerned about equitable treatment of trading partners, mutual benefits, developing and sustaining relationship in capacity of business alliance. The Company treats all trading partners in accordance with procurement procedures which stipulate process and practices clearly.

Creditors The Company honors payment in both principal and interest to all types of creditors in a complete and timely manner, and follow borrowing obligations completely.

Employees The Company appropriately takes care of and treats employees at all levels, provide adequate resources for working, improve employees potential, transparently and fairly consider compensation, promotion and rotation, maintain working environment to be safe for employees' life and assets in line with international standards, and open to employees' suggestion and opinions to build positive attitude at workplace and organization for business sustainability.

Competitors The Company is committed to business competition with integrity. It shall not violate intellectual property of others or competitors and acquire confidential information of competitors by improper means.

Society, Community and Environment

The company complies with laws and/or relevant regulations. The Company is concerned about energy conservation and activities for the sake of society and environment in order to create good reactions, improve quality of life of people in communities, support education and protect environment.

Government sector

The Company provides collaboration and support state policies for the sake of the nation under laws and related criteria.

Independent and other organizations in society

The Company coordinates and exchanges information with independent and other organizations in society to jointly develop social and the country.

To express the Company's determination to apply Code of Business Conduct to operations in order to build a good conscience, transparent management, integrity and justice, the Company has set out the anti-corruption and complain-receiving policy and protection rights of those who make complaints for suggestions and complains related to the Company's operations to be in line with the Company's motto "We r the Right Choice".

Section 4: Disclosure and transparency

Disclosure and the person in charge of disclosing

The Company has focused on disclosure of both financial and non-financial information in an accurate, complete, transparent, thorough and timely manner to allow investors and all stakeholders to steadily access to reliable information which is sufficient for decision making through the Company's website and the SET's in compliance with regulations set by the Securities and Exchange Commission (SEC) and the SET. The material information includes the annual registration statement (Form 56-1), annual report (Form 56-2), financial information, shareholders' structure, Directors and sub-committees, dividend payment policy, Corporate Governance, Code of Conduct, other activities of the Company, etc.

The Company has authorized CEO and those whom assigned by CEO to disclose the Company's information. The Company secretary takes responsible to disclose material information to the SET, the SEC, shareholders and investors, and coordinate with high-ranking executives overseeing financial issues to provide information and answer shareholders', investors', securities analysts' and general people's questions about financial information, operating performance, nature of business, policies, planning, investment and factors that could significantly affect operating performance. Information disclosure adheres to principles of accuracy, completeness, on-time and equality.

Accounting Auditor and Financial Report Arrangement

The Company's Directors must conduct operating performance report, disclose material information transparently and adequately in financial statements of the Company and subsidiaries, and regularly submit to the SEC and the SET for shareholders' and investors' interests. The Company's and subsidiaries' financial statements must be audited by accounting auditors who are independent, knowledgeable, skillful, possess full qualifications, and are appointed by shareholders at general meeting to ensure that the Company's and subsidiaries' financial statements are conducted in compliance with standards and Generally Accepted Accounting Principle, and on the basis of appropriate accounting policy, prudence concept, accuracy and completeness to reflect the Company's true financial position and operating performance.

Besides, the Company requires the Audit Committee to audit reliability and accuracy of financial report, and adequate and appropriate internal control system to ensure the Company's financial statements are reliable.

Section 5: Board's Responsibilities

Structure of the Company's Board of Directors

- Board of Directors comprises of at least 5 but not exceeding 12 members and Independent Directors account for at least one third of all directors or at least 3. At least a half of Board of Directors' members must be domiciled in the Kingdom.
- Board of Directors elects the Company's Chairman from directors and may select Vice Chairman, Managing Director and other positions as deemed appropriate.

Appointment of Directors and Remuneration

- Appointment of new directors or directors who replace the retiring directors is subject to shareholders' resolution. Persons who are appointed as directors must receive a majority vote from shareholders who attend the meeting and cast vote. Chairman at the meeting shall have mandate to elect directors in case that candidates receive the equal vote.
- Board of Directors appoints persons who are qualified and their characters are not prohibited under Public Limited Companies Act as directors to fill the vacancy resulted from reasons other than retirement upon term completion. The appointed directors serve the remaining term of

directors whom are replaced. The appointment takes into effect from the next meeting with exception that the remainder of term is less than 2 months. The appointment of directors in this case requires votes of at least three-fourths of the remaining directors.

- Directors' Pension and Remuneration are determined by shareholder meeting and they are reviewed annually. The approval requires at least two-thirds of shareholders attending the meeting.

Director Qualifications

- Must be a natural person and
 - 1) Come of age
 - 2) Do not go bankrupt, or are ruled by court as incompetent or quasi-incompetent person
 - 3) Never been sentenced imprisonment by court's verdict which reaches its finality on charge of fraudulent
 - 4) Never been fired or dismissed by government offices, organizations or state agencies on charge of fraudulent
 - 5) No untrustworthy characteristics as prescribed by Section 89/3 of the Securities and Exchange Act B.E. 2535 (amendments) and Notification of the Securities and Exchange Commission Kor Chor. 8 / 2 5 5 3 Re: Determination of Untrustworthy Characteristics of Company Directors and Executives
- Must be capable person, and has experience, which benefits to business operations, and adequate time to fully dedicate to perform duties of director. Each person shall not serve as director of more than 5 listed companies at the same time.
- Enable to be director of other companies which do not operate with the similar nature to and competition with the Company. However, it is exceptionally permitted if shareholders are informed ahead of the appointment.
- Independent Director must not hold a significant stake in any partnerships or be director who has taken part in management, worker, employee, advisor who receive salary, or shareholder who own exceeding 1% of voting shares of company with the similar nature to and significant competition with the Company or subsidiaries. A person in this category cannot be appointed as a director even in the case that shareholders are informed prior to the appointment.

Incumbency of the Directors

- In each year of Annual General Meeting, at least one-third of the total directors must retire by rotation. In case that number of directors cannot

be divided into three parts, a number nearest to one-third is required to retire.

- Retiring director is eligible to re-elect.
- Apart from retirement upon term completion, directorship can be terminated when
 - 1) Died
 - 2) Resigned
 - 3) Disqualified or has prohibited characteristics prescribed by Public Limited Companies Act
 - 4) Shareholder meeting has a resolution to remove. To approve the resolution, it requires vote from three-fourths of attending shareholders who have voting rights and collectively hold at least a half of shares owned by attending shareholders who have voting rights.
 - 5) Revoked by court as the director acts or malfeasances which causes or probably causes damages to the Company
- Director who intends to resign must tender a resignation letter to the Company. Resignation comes into effect when the Company receives the letter.

Duties and Responsibilities of Board of Directors

- 1) Be responsible for all affairs of the Company and has authority to perform duties under scope of laws, the Company's objectives and regulations, resolutions of shareholder meetings.
- 2) Determine policies and management direction, and oversee performance of sub-committees, Executive Directors in particular, to act in accordance with policies set under two major criteria – maximizing benefits to the Company and complying with laws and relevant requirements.
- 3) Bound to conduct information disclosure to shareholders and all groups of stakeholders accurately, completely, transparently and reliably as prescribed by laws.
- 4) Arrange appropriate and efficient risk management process, and efficient and standardized internal control and audit systems to be able to evaluate major risks and manage risks.
- 5) Arrange appropriate corporate governance policy in compliance with Good Corporate Governance Principles.
- 6) Appoint the Company's Secretary to help overseeing the Board of Directors' activities and facilitate the Company and Board of Directors to comply with laws and relevant requirements.
- 7) Provide Code of Business Conduct for Directors, Executive Management and employees to be guidelines for the Company's business operations.

- 8) Carrying out business to be compliance with Good Corporate Governance and encourage all person in the Company to acknowledge and strictly follow through communication.
- 9) Arrange a clear and transparent process concerning connected transactions.
- 10) Arrange a clear reporting process of the Audit Committee to the Board of Directors when suspicious transactions or actions which could a significant effect on the Company's financial position and operating performance are found, and the Board of Directors must address the problems within duration Audit Committee deemed appropriate.
- 11) Arrange to review and improve important policies and plans to be updated and suitable for business circumstance regularly.
- 12) Perform other duties associated with the Company's business as assigned by shareholders.

Authorities of the Board of Director

- Consider and approve material transactions under scope of duties of Board of Directors as prescribed by laws and the Company's requirements, and investment in other business, joint venture, incorporation of new companies and investment divestment.
- Consider and approve borrowing, lending, seeking credit facilities from financial institutions or becoming guarantor for amount exceed 300 million baht per contract.
- Consider and approve investment transactions worth more than 3 million baht under normal course of business with aims at expanding business and improving business operations.
- Consider and appoint/remove sub-committees to support the works of The Company's Board of Directors as deemed appropriate and necessary, and supervising and evaluating performances of sub-committees regularly.

Appointment of Sub-Committees

Audit Committee

● Duties of Audit Committee

- 1) Review the Company's financial reporting process to ensure that it is accurate and adequate.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, consider an internal audit unit's independence, as well as approve appointment, transfer and dismissal of head of

internal audit unit or any other unit in charge of internal audit tasks.

- 3) Review the Company's compliance with Securities and Exchange Act, the SET regulations, and laws related to the Company's business.
- 4) Review Connected Transactions, or transactions that may cause conflict of interest to be compliance with laws and the SET's regulations to ensure that such transactions are reasonable and for the highest benefit of the Company.
- 5) Arrange report of the Company's audit committee and disclose in the Company's annual report. Audit committee's report consists of the SET's criteria and regulations and is signed by Audit Committee's Chairman.
- 6) Perform any other duties as assigned by the Company's Board of Directors with consent of Audit Committee.

● Authorities of the Audit Committee

- 1) Consider, select and nominate the Company's accounting auditor and propose such person's remuneration, as well as attend a non-management meeting with the auditor at least once a year.
- 2) Comments on the Internal Auditor Manager nomination, transfer, or termination, or other function relevant to internal auditor responsibilities.

● Appointment of Audit Committee

Audit Committee must not involve in daily operation of the company and must be appointed by the Board of Director. Currently, Audit Committee of the company has 4 members.

● Incumbency of Audit Committee

- 1) Audit Committee member serves the remaining term of member in the Company's Board of Directors. Audit Committee members who retire upon term completion may be re-elected.
- 2) In case of vacancy due to reasons other than retire upon term completion, the Company's Board of Directors has duty to appoint qualified persons as Audit Committee to at least meet a minimum number required by the SET. Those who fill the vacancy serve the remaining term of members in the Company's Board of Directors.

Executive Committee

● Duties of Executive Committee

- 1) Formulate the Company's business plan and working guidelines, and oversee performance to be in accordance with the Company's policies and plans.

- 2) Supervise, oversight and examine performance of Managing Director and executives to ensure that it is in accordance with policies and business plans.
- 3) Perform any other duties as assigned by the Company's Board of Directors.

- **Authorities of the Executive Committee**

- 1) Consider and approve matters related to the Company's normal business operations, or seek an approval from the Company's Board of Directors for matters which significantly affect the Company.
- 2) Consider and approve annual budget.
- 3) Consider and approve borrowing, lending, seeking credit facilities from financial institutions or becoming guarantor for amount not exceeding 300 million baht per contract
- 4) Consider and approve delegating a particular or several persons the authority to sign documents related to money withdrawal of each transaction as well as limit amount those persons are authorized to approve for each withdrawal.

- **Appointment of Executive Committee**

Executive Committee consists of Directors and high-ranking Executives whose roles are related to routine management and/or authorized signatory directors who are appointed by Board of Directors' meeting.

Credit Committee

- **Duties of Credit Committee**

- 1) Steer the related unit to uphold policies or guidelines approved by the Company's Board of Directors to improve efficiency in managing the group of companies' debtors.
- 2) Review domestic debtors credit data on monthly basis in order to report to the Company's Board of Directors at meeting and propose solutions.

- **Authorities of Credit Committee**

- 1) Consider, determine, and announce policies and procedures to access to new customers who are local customers of the group.
- 2) Consider and determine policies of credit line, and control credit ceiling.

- **Appointment of Credit Committee**

Members of Credit Committee are appointed by a resolution of Board of Directors' meeting.

Risk Management Committee

- **Duties of Risk Management Committee**

- 1) Control and support risk management in according with the company strategy, target, and changing in business environment
- 2) Recommend, follow up and evaluate risk management and internal control.
- 3) Report work under risk management issues and recommendations, including with appropriate procedure in order to control risk efficiently.

- **Authorities of Risk Management Committee**

- 1) Determine and review Risk management policy and framework.

- **Appointment of Risk Management Committee**

Risk Management Committee consists of Directors and high-ranking Executives whose roles are related to routine management and one independent director who are appointed by Board of Directors' meeting.

Company Secretary

- **Duties and Responsibilities of the Company's Secretary**

The Company's Secretary is obliged to perform duties as prescribed by Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551, which has been implemented since August 31, 2008, with responsibility, prudence, honesty and integrity and compliance with laws, the Company's objectives and regulations, and resolution of Board of Directors and shareholders. The Company's Secretary has the following statutory functions:

- 1) Prepare and Keep the following documents
 - a) Statutory register of directors
 - b) Notice of Board of Directors' meeting, minutes of Board of Directors' meeting and annual report
 - c) Notice of shareholders' meeting and minutes of shareholders' meeting
- 2) Keep Directors and Executives' vested interests reports
- 3) Dispatch copy of vested interests reports of Directors, Executives and related persons to Board of Directors' and Audit Committee's chairmen within 7 days after the Company obtains such reports.
- 4) Oversee information disclosure and report in part that Secretary takes responsibilities to compliance unit which are in charge to oversee the applicable rules and regulations prescribed by state agencies
- 5) Carry out other matters as set by Capital Market Supervisory Board
- 6) Perform other duties delegated by the Company

Vision and Mission

Vision

To be a food and pet food manufacturer worldwide with quality, safety, social responsibility and environmental sustainability.



Mission

- Provide good return for stakeholders and maintain a good relationship with business partners to grow sustainably together
- Cultivate good society and good health among Asian Group's people and their families
- Serve global standard quality products with competitive prices
- Never stop innovating in both new products and processes to satisfy the needs of our customers and increase efficiency
- Create educated and experienced workforce with the right attitude toward their duties
- Supply sufficient information technology in overall management and communication.
- To be lawful organization with licit labor condition and anti-corruption.
- Responsible to society and sustainable environment.

Code of Conduct

Asian Seafoods Coldstorage Public Company Limited believes that Code of Business Conduct will lead to security and sustainable growth and development. Therefore, "Code of Asian Conduct", a good practice guideline for conducting business, is mandatory and applied to the Company's Directors, Executives and all employees in order to make all sections to perform duties in the same direction with ethics, honesty and integrity, transparency which can be examined, and ensure quality of people and learning. The Company sets out Code of Conduct as following

Code of Conduct for Directors and Executives

1. Performing duties as prescribed by laws, objectives, rules and regulations, related policies and resolutions of shareholders' meeting.
2. Performing duties with honesty and integrity, caution and prudence for optimal benefits of the Company and all stakeholders with a concern about fairness and justice in accordance with human rights both at present and in the future, as well as the Company's good image.
3. Carrying out business in a politically neutral manner, and not supporting any particular party or faction and be under influence of any specific political party
4. Avoiding or not getting involved in accepting and offering inappropriate assets or benefits to those who have vested interests in the Company, leading to conflict of interests with the Company, for personal and family's benefits. For examples, not accepting entertainment, gifts, tickets, other tickets for recreation, accommodation or proposals that exceed custom or tradition.
5. Not exploiting authorities for personal gains both directly and indirectly.
6. Not becoming director of the Company's competitors and not have vested interests in business of which nature directly and indirectly competes with the Company in order to avoid conflict of interests and ensure that business is managed with full capability and efficiency.
7. Refraining from performing any actions in manner that manages or handles affairs of other companies which can undermine the Company's benefits or is in favor of any persons or juristic

persons regardless that such acts are for personal or others' benefits.

8. Not using the Company's secret in an inappropriate manner and keeping confidential information of the Company and stakeholders to prevent leaking to others who are not related. The Aforesaid confidentiality obligation does not terminate when employee leaves job, but it is exceptionally permitted when the information disclosure is abide by laws or obligation.
9. Dedicating time to perform duties to the best of capability for the Company's utmost benefits.
10. Upholding their own honor to be accepted by social and behaving to be suitable for roles, duties, and time and place.
11. Action with care and respect to others rights and honor.
12. Not acquiring, divesting, transferring and receiving transfer of the Company's securities by taking advantage of insider information which are not disclosure for their own and others' benefits

Code of Conduct for Employees

1. Performing duties in compliance with laws, objectives, rules and regulations, and relevant policies as well as good custom and tradition, regardless of whether it is written.
2. Upholding honesty and integrity, fairness and ethics in performing duties
3. Taking responsibilities, prudence and dedication. The Company's optimal benefit is important factor that must be taken into account.
4. Seeking knowledge and experience to upgrade as knowledgeable person, and regularly finding out ways to improve efficiency and effectiveness of works under responsibilities.
5. Making optimal use of the Company's assets, preventing damages or loss of assets and not using such assets for personal benefits.
6. Upholding honor to be accepted by society and behaving abstaining from all vices and drugs and not behaving in a manner that disgrace and taint reputation of oneself and the Company.
7. Treating others with kindness, respecting others' rights and dignity, and honoring each other.
8. Listening to others' opinions with reason and without bias.
9. Building unity and helping one another for the sake of works, society and the country as a whole.

10. Abstaining from immorality or any acts of sexual harassment of other employees as such actions contribute to annoyance or hostile environment in workplace which erode morale, trigger emotional adversary or aggressive behavior, and annoy other employees without reason. Such behaviors include sexual assault, obscenity, woo, or indecency either verbally or physically.

11. Not using the Company's secret in an inappropriate manner and keeping confidential information of the Company and stakeholders to prevent leaking to others who are not related. The Aforesaid confidentiality obligation does not terminate when employee leaves job, but it is exceptionally permitted when the information disclosure is abide by laws or obligation.
12. Not exploiting information obtaining from performing duties for improper benefits of oneself and others both directly and indirectly.
13. Not taking part in any acts or concealing any actions which may lead to conflict of interests with the Company or failure to perform duties with fairness, or getting involved in concealing any illegal actions.
14. Not making career or profession, or doing any acts which affect carrying out duties or reputation of oneself and the Company.
15. Avoiding any acts or to express opinions in any issues which may hurt organization's reputation or image to outsiders, media, social media or any forms of social network.
16. Not taking credit for works of others who are both insider and outsider.

Code of Conduct for Stakeholders

The Company realizes an importance of all groups of stakeholders to success of the Company's operations, Code of Conduct for stakeholders then applies to Directors, Executives and all employees. Practice guidelines are as follows

Treatment to Shareholders

1. Determining to be shareholders' representative by conducting business transparently with reliable accounting and financial system.
2. Performing duties with honesty and integrity for benefits of all related parties as a whole and strictly pursuing shareholder meeting's resolutions. In case that shareholder meeting's

resolutions cannot be followed, shareholders shall be informed of this without delay or shareholder meeting shall be called to consider and approve carrying out material matters which Board of Directors and Executive Board have no authority to make decision.

3. Taking care of and protecting all shareholders to be treated equally under basic rights.
4. Determining to create quality and stable growth to ensure that shareholders will receive sustainable returns from the Company's efficient performance and good operating results.
5. Disclosing information to shareholders in a complete, accurate and timely manner.

Treatment to Customers

1. Satisfying customers by delivering quality products and services with safety in health and sanitary, life and assets.
2. Complying with customers' contracts and agreements with fairness. Negotiation in advance with customers must be held in a rapid manner, in case that it fails to abide by contracts and agreements, to jointly seek solutions and protect damages.
3. Not asking, accepting or offering improper benefits to customers.
4. Committing to equal and fair treatment for all customers without bias.
5. Disclosing accurate, complete and adequate information about products to customers without concealing, distorting content, giving false information and misleading communicated information.
6. Committing to strictly keep customers secrecy and not exploiting such information for improper benefits of oneself and others.
7. Not using pictures or contents that causes negative attitude, social segregation and inappropriate value, sexual and morale in particular, in the Company's promotion activities.
8. Maintaining environment, and internal and surrounding areas of property under the Company's management in safety conditions for health, sanitary, life and assets.
9. Providing communication channels for customers in making complains about product quality and responding customer demand swiftly.

Treatment to Trade Partners

1. Complying with trade partners' contracts and agreements with fairness. Negotiation in advance with trade partners must be held in a rapid manner, in case that it fails to abide by contracts and agreements, to jointly seek solutions and protect damages.
2. Keeping long relationship with trade partners and building co-operation in aspects of economy, society and environment.
3. Overseeing transparency in procurement system for goods and services by treating every trade partners equally and fairly in compliance with the Company's regulations.
4. In procurement process, goods and services shall not be specified for a particular trade partner or deliberately acts in favor of particular products and services, but it is exceptionally permitted if necessary in case that it has enough reasons to support.
5. Providing the same details, information and conditions to every trade partners.
6. Not asking, accepting or offering improper benefits for trade to trade partners.
7. Inspecting goods and works, and paying goods and services on-time and correctly.

Treatment to Creditors

1. Strictly fulfill contracts or agreements signed with creditors. Promptly negotiate with creditors in advance in case of inability to meet obligations in order to find out resolutions and prevent any damages.
2. Conducting works to assure creditors that the Company's financial position and debt-servicing ability are sound.
3. Utilizing proceeds arising from borrowing to be in accordance with objectives and not using the proceeds in a way that could damage the Company.
4. Disclosing information to creditors in an accurate, complete and timely manner.
5. Not requesting, accepting or offering improper benefits to creditors.

Treatment to Employees

1. Providing fair employment conditions to ensure employees receive appropriate compensation based on their ability, potential, work performance and the Company's operating results. Compensation is also in line with what other companies in the same industry is offering.

2. Providing transparent, fair and integrity, and accountable process of consideration, selection, appointment and reshuffle, welfare offering, rewards, employment termination and punishment.
3. Strictly complying with laws, rules and regulations related to employees.
4. Encouraging employees to develop and exchange knowledge and ability thoroughly and regularly.
5. Guarding working environment to be regularly safe for employees' health, sanitary, life and assets.
6. Encouraging discussions and cooperation between the Company and employees and proposing information about improvement of working life quality to those who have authorities in making decisions for mutual development.
7. Respecting equal and equitable rights of employees at all levels in showing opinions without intervention and providing appropriate and fair hearing and complaint processes.

Treatment to Trade Competitors

1. Not using improper means in obtaining trade secrets of trade competitors.
2. Behaving and complying with framework of fair competitions, prohibiting from ruining trade competitors' reputation by using false information or inappropriate means.
3. Enhancing and supporting exchanging useful information for business to strengthen business and help sustainable development of economy, social, environment and the country.

Treatment to society, communities and environment

1. Adhering to laws, rules and regulations, and orders strictly and striving to upgrade compliance to the higher standards if it is useful to society, communities, environment and the nation.
2. Preventing society, community and environment from being damaged by the Company's operations.
3. Instilling conscience to the Company's personnel at all levels and stakeholders to make them realize about responsibilities toward society, community and environment.
4. Operating business with a concern about efficient use of resources and an appreciation of value.

5. Carrying out business in parallel to making society, community and all stakeholders conduct good practices and have culture and morale, supporting educational activities and public benefits, saving energy and protecting environment.
6. Applying knowledge from experiences in executing works related to social responsibility to develop and create new innovations to add value to business and society.
7. Cooperate with public sector and departments related to any incidents stemmed from the Company's operations and affected society, community and environment.
8. Adhering to democratic regime of which the King is head of state and prompting the Company's personnel to exercise their rights under the Kingdom's constitution. The company has no policy to provide both directly and indirectly financial or activity supports to any politicians or political parties.
9. Setting up complaints system for any matters which may affect communities in order to examine, find out causes, improve and address problems, and inform progress to complainants in an appropriate period.

Treatment to Public Sector

1. Coordinating with public sector by strictly complying with laws, rules and regulations related to business operations and not using forced and child labor
2. Supplying information about relevant laws in order to use as a reference, regularly updating information, and facilitating employees to easily access to information.
3. Cultivating conscience of responsibilities to the pursuit of laws and the Company's rules and regulations to employees at all levels continuously.
4. Committing to carrying out projects which are a boon to public regardless they are policy assigned by public sector or initiated by the Company.

Treatment to independent and other social organizations

1. Disclosing and exchanging information about economic, social and environment with independent and other social organizations.
2. Supporting activities held by independent and other organizations in order to enhance sustainable development and response to social expectations.
3. Taking impacts on economic, social and environment into account when joining force with independent and other social organizations.

Corporate Governance Best Practice Report

The Company has formulated corporate governance policy consisting of five sections as described in the topic “Corporate Governance Policy”. The Company’s Board of Directors has put emphasis on corporate governance best practice, complied with the set policy, and entrenched good ethical practices in operating business, as well as stipulated measures in work practice control. Report on compliance with each section is summarized in following.

● Shareholders’ rights

The Company’s shareholders have ownership rights and control the Company through an appointment of the Board of Directors to perform duties in shareholders’ capacity. In 2016, shareholders exercised rights defined in the Company’s corporate governance policy. The Company holds the annual general meeting of shareholders (AGM) as prescribed policy in compliance with the Stock Exchange of Thailand (SET)’s rules and regulations, and the Securities and Exchange Commission (SEC)’s requirements as follows:

1. Prior to shareholders’ meeting, the Company sent notification of shareholders’ meeting, provided them documents which contain a completely important information and proxy forms in both Thai and English languages, and disseminated it through the company’s website and sent the copies by mail.

- The AGM 2017, held on April 19th, 2017, disseminated through the company’s website on March 16th, 2017, and copies were sent on April 4th, 2017.
- The EGM No.1/2017, held on September 20th, 2017, disseminated through the company’s website on August 22nd, 2017, and copies were sent on September 5th, 2017.

2. The meeting was held at the Company’s headquarters, and the Company’s shuttle bus service was available at two locations to facilitate convenience to shareholders who wanted to attend the meeting;

First: at the SET’s building

Second: at a parking lot in front of Central Plaza Rama 2,

3. Computer system was used for registration, and ballots were available for shareholders and proxy in casting votes in each agenda.

4. Criteria for casting vote were informed apparently before the meeting started. To ensure transparency in vote count, shareholders’ representatives were invited to be witnesses in the vote count process on voluntary basis and vote results in each agenda were clearly disclosed.

5. No agenda in additional to those stated in the meeting notice was proposed.

6. In AGM 2017, 18 members of Board of Directors and management attended the meeting, one was absent. All members of Board of Directors and management attended the EGM No.1/2017. Board allowed shareholders to ask questions, express opinions and sought clarifications from the Company’s Board of Directors, management or auditor in relevant agenda before casting vote.

7. Board members were elected with an individual vote count.

8. Resolution and vote count results in each agenda were informed through the SET’s information disclosure system on April 19th, 2017.

9. The meeting minutes which contained significant matters completely were arranged, submitted to the SET on the date and posted on the Company’s website.

● Equitable treatment to shareholders

The Company’s policy is geared towards equitable and fair treatment to all shareholders - retail and both local and foreign institutional investors - in exercising their rights as stipulated in corporate governance policy. Such treatments include providing information prior to meetings, minority shareholder rights protection, and measures against insider trading and board members’ vested interest.

● Stakeholders’ rights

The Company has set out policy in treating each group of stakeholders by taking stakeholders’ rights as prescribed by laws into account and abiding by mutual benefits between the Company and stakeholders as mentioned in corporate governance policy is the important issue.

Moreover, the Company has operated business based on a principle that all employees must perform duties for the Company’s maximum benefits, so they must act

and make any decisions without influence of demand of their own, family, cousins and persons who are personally known by complying with the Company's rules and regulations with the same standard.

- **Information disclosure and transparency**

Internal control and internal audit systems

Internal audit office has laid down control system and suggested what should be revised to units which had been inspected to improve efficiency of internal control in guarding against risks which could damage the Company and adding value to the inspected systems.

Relations with investors

The Company has launched a website www.asianseafoods.co.th and disclosed financial statements and information through online system of the SET to investors and they can contact the Company at the Company's secretary unit at telephone number (034) 845575 ext. 5356 and e-mail address Asian-Secretary@asianseafoods.co.th or investors' relations via the Company's website.

- **Board of directors' responsibilities**

The Company has clearly specified duties and responsibilities, and approval authority of Board of Directors, the Executive Board, the Audit Committee, the Risk Management Committee, the Credit and Debt Collection Committee and other sub-committees in the Company's corporate governance policy, and assigned the Executive Board to monitor performance of management on a monthly basis. The Company has set up meeting to consider business operation plans of both the Company and subsidiaries to set guidelines for business operation harmonization.

The Company's Board of Directors has been appointed in accordance with AGM's resolutions, and passed consideration of Board of Directors as stipulated in the Company's regulations and elected by the AGM.

The Company's Board of Directors consists of up to 12 members, 8 of which are executive directors and the remaining 4 are non-executive directors. In 2017, the Company's Board of Directors had 10 members, 6 of which were executive directors and 4 were non-executive directors.

Even though non-executive directors accounted for only 4 persons (representing to 40%), they all are

knowledgeable and capable directors who have full of freedom in expressing opinions.

A member of Board of Directors is also served as Chairman of the Board of Directors and Chief Executive Officer as he is knowledgeable and capable persons particularly in this business.

Board of Directors Meetings

The Company regularly organizes Board of Directors meeting every three months by setting date, time, place and the meeting's agenda, and dispatched an invitation letter and meeting documents in advance to provide the Board of Directors sufficient time and information for a careful consideration.

In 2017, the Company held 4 Board of Directors meetings, average meeting time around 4.0 hours per meeting. Each meeting, Chief Financial Officer, each subsidiaries' Managing Directors, and Chief of Internal Auditor were attended to provide essential information. There also one meeting of the Independent Directors only before Audit Committee meeting on February 28th, 2017 to discuss general issues on management and corporate governance of the company, and inform Chief Executive Officer to manage the issues. 4 Audit Committee meetings were conducted in 2017. Directors who attended the meetings are summarized as follows:

Name of the Directors	Number of meetings attended (times)	
	BOD Meeting	Audit Committee Meeting
1.Mr.Somsak Amornrattanachaiikul	4	Not an Audit Committee
2.Mr.Somchai Amornrattanachaiikul	4	Not an Audit Committee
3.Mr.Suriya Prasartbunditya	4	Not an Audit Committee
4.Mr.Aekarat Pannasung	3	Not an Audit Committee
5.Mrs.Suree Jangsawat	4	Not an Audit Committee
6.Mr.Somsak Satittumarong	4	Not an Audit Committee
7.Mrs.Sunanta Tiasuwan	4	4
8.Mrs.Yaowanee Kruo-ongarjnukool	4	4
9.Mr.Kittichai Laokurkulpong	4	4
10.Mr.Somboon Paobanjong	4	4

The Company's Board of Directors agreed with the Company' and subsidiaries' financial statements and operating performances, and the important market situation in 2016 as approved by the certified auditor.

Other Sub-Committees

In 2017, 18 Executive Committee's Meeting were held with 9 Risk Management Committee's Meeting and 6 Credit Control Committee's Meeting. Committees who attended the meetings are summarized as follows:

Name of Committee	Number of meetings attended (times)		
	Executive Committee	Risk Committee	Credit Committee
1.Mr.Somsak Amornrattanachaikul	17	9	Not a Committee
2.Mr.Somchai Amornrattanachaikul	16	9	6
3.Mr.Suriya Prasartbunditya	17	9	6
4.Mr.Hendrikus Van Westendorp	15	8	6
5.Mrs.Suree Jangsawat	14	9	6
6.Mr.Aekarat Pannasung	17	8	6
7.Mr.Wallop Lomplim	18	9	6
8.Mr. Yasuto Togashi	14	7	6
9. Mr.Chitsanucha Puangsuda	15	9	6
10.Mr.Panop Svetarundra	13	7	Not a Committee
11.Mr.Somsak Salittumarong	16	Not a Committee	Not a Committee
12.Ms.Sirirat Wongmetavee	14	Not a Committee	Not a Committee
13.Mr.Somboon Paobanjong	Not a Committee	7	Not a Committee
14.Mr.Bundit Pichetpongsa	Not a Committee	6	Not a Committee
15.Ms.Varanratch Assanupong	Not a Committee	9	Not a Committee

Self-Evaluation of Directors and Committee

Criteria

The Company address self-evaluation of each directors and conclude the result in each committee every year, including Chief Executive Officer and Chief Financial Officer. The evaluation form used has adjusted from the SET guideline.

Procedure

The Company Secretary submit self-evaluation form to each directors, Chief Executive Officer, and Chief Financial Officer at the end of the year. The company secretary will follow up and conclude the evaluation result, then inform in the first BOD meeting of the year for consideration and discuss.

Self-evaluation Results

Summarize of Self-evaluation of Directors, Chief Executive Officer and Chief Financial Officer of 2017

Directors/Committee	Avg. Score	Lowest Score	Highest Score
Board of Directors	93%	86%	100%
Executive Committee	91%	86%	98%
Audit Committee	93%	89%	100%
Credit Control Committee	91%	84%	100%
Risk Management Committee	90%	86%	95%
Chief Executive Officer	81%	-	-
Chief Financial Officer	91%	-	-

Succession Plan

The succession plan of the company and its subsidiaries, for the management positions are still under consideration.

Executive Remuneration

The total remuneration of top 5 Executive of Asian Seafoods Coldstorage PLC. (Managing Director and Up) for the year 2017 are 20.52 million baht, including salary, bonus, providence funds and others.

Internal control and Risk management

Opinions of the Company's Board of Directors on internal control system

The Company realizes the importance of good internal control and risk management, so it emphasizes on appropriately sufficient and efficient internal control in consistent with risk management of the Company's Board of Director to minimize risk to the acceptable level in order to achieve business operational goals and add value to stakeholders by adhering to good corporate governance principles. The Company's Board of Directors delegates the Audit Committee and Internal Audit Department to regularly review and follow up outcomes to be in line with situation and the changing risks, and ensure that the Company's internal control system has business efficiency and effectiveness.

Control Environment

- The Company sets the clear and measureable goals for business operations, and defines the Company's corporate governance policy and code of ethics in writing to safeguard against conflicts of interest with concerns over fairness to all stakeholders.
- The Company identifies the clear organization structure and line of command to set up checks and balances, and create a written handbook for scope of authority of all parties to be guideline for practices with respect to duties and responsibilities, and internal control system.

Risk Assessment

- The Company has set up a working panel on risk management consisting of representatives from the Company and subsidiaries to be tasked with setting an annual risk management plan, under which specifies risks that hamper achievement of the Company's objectives, risk management strategy in each level and measures in evaluating efficiency of risk controls in various aspects to reduce chances and impacts that may arise. A meeting of the Company's Board of Directors held on November 9, 2016 resolved to form the Risk Management Committee tasked with putting risk management into the apparently concrete practices, and defining roles and duties of all level personnel related to risk management.

- The Company communicates risk management policy to responsible management and employees in each line of business to acknowledge and comply with the plan, and regularly report performance and problems to the Risk Management Committee.

Control Activities

- The Company sets control standards as seemed appropriate to risks in each operational system by taking the proper types of control activities either preventive or detective controls into a consideration.
- The Company sets policy in approving transactions or other items with concerns over the maximum benefits and transparency as importance matters.

Information & Communication

- The Company has an appropriate and effective information and communication system and communication channels for both internal and external stakeholders to facilitate carrying out internal controls as specified.
- The Company has an effective control system for accessibility and usage of information system, and regularly reports material information to management and the Company's Board of Directors for making any decisions. Besides, the Company has invested in information system or SAP to improve effectiveness of the Company's information system and make internal control more stringent.

Monitoring Activities

- The Company appropriately and regularly sets monitoring system, performance and code of business conduct evaluation system, in order to achieve the specified goals via regularly Risk Management Committee meeting.
- The Company requires internal control office to coordinate with internal audit company in inspecting systems with respect to risk factors, and report inspection results and progress of monitoring to the Audit Committee and the high-ranking management.

- The Audit Committee reviewed and assessed the Company's internal control system, and opined that the Company's internal control system is appropriate and sufficient for carrying out business to meet objectives and goals efficiently. The Audit Committee also found no significant shortcomings.

Responsibilities associated with internal control system

- 1) The Company's Board of Directors sets out policy and oversees to have good and appropriate internal control system, as well as requires regular monitoring and evaluation.
- 2) The Audit Committee, in capacity of the Company's Board of Directors, performs duties and responsibilities concerning oversights of a review of internal control system, and report performances to the Company's Board of Directors and shareholders.
- 3) Management has duties and responsibilities in overseeing and inspecting working system under supervisions that it is effective and accurate in accordance with regulations governing working by reviewing performing functions in accordance with the existing internal control system and tightening internal control system, as well as instilling good disciplines and consciousness concerning internal control to subordinates.
- 4) Personnel at all levels must continuously and constantly comply with rules, regulations, instructions, measures and internal control system which set by the Company.
- 5) Internal audit office directly takes responsible for an evaluation of adequacy, effectiveness and efficiency of internal control system, and inspects practices to be in line with the system to improve internal control measures to be appropriate to the changing situation, environment and risk factors so that effectiveness and efficiency of the Company's performance are increased.

Opinions of the Company's Audit Committee on internal control system.

Views details in topic "Report of the Audit Committee".

Risk Factors

In late 2016, the company started its Risk Management Committee and determined to analyze and evaluate risks, including communicate risks information continuously throughout the organization. The Risk Management Committee, which be appointed by the Board of Directors, comprises of many managerial staff of each business and be authorized to establish procedures and measurements to manage risks, including specified events of risk level to warn the operating staff to implement such a procedure. Every business has to set up its own plan to manage risks and report to the committee every quarter. The committee needs to monitor and evaluate efficiency of risks preventive and control continuously.

The company assigns the Risk Management Committee to response for company's risk management, in terms of evaluate and analyze risks factors, chance to occur, level of its affect, including setting up the appropriate procedures for the key risks factors. Such the procedures will be proposed for BOD's approval. In risks management, each department will point out its risk factors and create plan to manage that factors. Risk Management Committee, then, will evaluate chance and severity of its effect to point out if that factors are at the level of organization risks. The Risk Management committee will set up the procedure to manage organization risk factors.

Risk Management Policy

1. Every employee, including Management, is risk caretaker, which will have their own role and contribution in the company risk factors control. Every employee must understand their duty and responsibility relevant to risk management.
2. Risk management procedure must be applied in every process of the business under the principle of Good Corporate Governance, using appropriate information technology to reduce chance of occurrence or its effect, which, in the other way, increase chance of success.
3. Operate and support risk management throughout the organization by efficiently using the available resources to identify, evaluate, and manage risk.
4. Urge and support risk management, so that every employee realize how importance of risk management, lift its to be the organization culture.

Duty and Responsibility

1. Risk Management Committee

- Set up risk management policies, targets, and strategies.
- Develop efficient risk management system throughout the company.

- Support and urge of cooperation of employee in risk management control in every level of the company risk factors.
- Monitor risk management system to be appropriate and efficient.

2. Audit Committee

- Build up such confidence in internal control that it was appropriate for risk management.
- Monitor and control risk management independently.
- Communicate with Risk Management Committee to understand the company key risk factors so that those will be link to the internal control system.

3. Chief Executive Officer

- Monitor key risk factors and ensure that appropriate plan was implemented.
- Support risk management policy and ensure that risk management was implemented throughout the organization.

4. Internal Audit Department

- Ensure that there is appropriate internal control to manage risks and all risk management plan was really operated.
- Communicate with Risk Management Committee to understand risk factors and audit internally using Risk-based Internal Control and report quarterly to the Audit Committee.

Objectives of Risk Management Plan

1. To ensure that the company set up risk management plan which link to goals and objectives of the company.
2. To acknowledge key risk factors which will affect to key success factors of the company and add value to the company.
3. To have plan to deal with future risks.
4. To reduce chance and impact of risk that the company will not achieve its goals and objectives.
5. To set up good management information systems which link to risk management monitoring to ensure that the risk management plan will achieve its goals and objective.
6. To realize risk management as one of organization culture so that every employee will always pay their attention to.

Implementation Procedure

1. Appoint Risk Management Committee to study risk factors for the company in overview and set up committee's objectives and authorization.
2. Arrange the meeting among the committee to address risk factors and reasons using Brainstorming, past data, and checklist of audit.

3. Analyze risk factors.
 - 3.1. Likelihood: High, Medium and Low
 - 3.2. Impact:
 - 3.3. Prioritize all risk factors using its Likelihood and Impact.
4. Evaluate risk factors, plan, and available resources.
5. Treat Risk using evaluation result and manage the one with high risk results first. Plan for an appropriate internal control system to reduce that risk.
6. Monitor risk factors in Risk Management Committee Meeting. Plan and progress must be updated.

In 2017, Risk Management Committee operated as plan and address the key risk factors for the company as follows:

Manpower Risk

The company realize that employees are the important and valuable factor of success, advancement and stable growth, and address this issue as one of its sustainability issues. The company plan its manpower carefully and has its own internal function to monitor changes of relevant laws and regulations to ensure that those were strictly follows.

The company concluded the implementation of our sustainability and labor conditions policy to ensure that fair labor conditions and compliant is always the company first priority. With the recruitment of daily workers, the use of agents will be shifted out in order to better supervise conditions and working hours.

Moreover, the Company focuses on excelling employees' capability by improving academic performance of human resources, enhancing work culture, providing adequate modern instruments for working, offering compensation and welfare which are comparable to other companies' in the same industry, creating good working environment and ensuring the maximum life safety.

Raw Material Costs Risk

The Company and subsidiaries have determined on developing new products under value-added production line and manage to increase sales of these products continuously and reduce fluctuations of raw material prices. The Company, however, still relies on raw materials related to commodity and agricultural products which are raw materials - cost around 80% of its costs of goods sold.

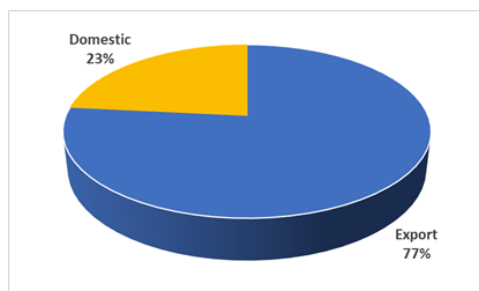
The Company's and subsidiaries' important raw materials include fish, shrimp, squid and tuna – agricultural products of which prices fluctuate in line with demand and supply in the market. Prices of these raw materials change rapidly if there is speculation on these products, so efficiency in raw

material procurement, storage management and control of flows of raw material inventory will allow the Company to take advantage of rivals in both local and internal markets – in particularly countries where have cheaper labour costs and higher abundance of raw material sources than Thailand such as China, Vietnam, India, Indonesia and the Philippines.

The Company has set the following guidelines for raw material procurement, storage management and control of flows of raw material inventory, with an aim at conducting business efficiently.

- **Monitoring news and information:** The Company has assigned staffs to base in domestic raw material sources to closely procure and monitor news and information concerning market situation of raw materials. Besides, the Company can anticipate and make decisions immediately when the situation changes, thanks to over 30 years' experience and expertise in frozen seafood business.
- **Raw material reserves:** The Company procures and produces to reserve raw materials in following.
 - 1) Sillago fish. The Company will purchase sillago fish for a reserve purpose when its price falls dramatically to prevent uncertainty in production outputs as sillago fish (or so-called sillago sihama fish) is a marine animal in sand bank habitats and cannot be farmed, while its supply in natural resource is uncontrollable.
 - 2) Frozen shrimp. The Company in a normal course of business will purchase the raw material when orders are obtained. However, the Company will partly reserve shrimp supply when price tumbles significantly.
 - 3) Frozen squid. The Company will reserve squid supply in the same case as sillago fish.
- **Seeking raw material sources directly from farmers** to cover the country's areas without advance purchase contracts. The Company relies on good relationship built from being an aquatic animal feed distributor to these farms. Relationship is also created as the Company provides advice and assistance regarding raising technique, and purchases raw materials if quality meets the Company's requirements.
- **Importing raw materials.** The Company will import raw materials in case of high prices of local raw materials relative to those in overseas markets, or lack or shortfall of raw material supply in domestic market.

Foreign Exchange Risks



In 2017, the company's and subsidiaries' revenue contributed from exporting products accounted for 77% of the total revenue, and the US dollar accounted for the majority of the revenue. Yen and Australian dollar made up for the rest. With high foreign currency exposure, the Company carries risks associated with foreign exchange. However, such risks are limited by raw material imports as the Company has used foreign currency earned from exports to pay for the raw materials, hedging using foreign currency forward contracts and close monitoring of foreign currency movement.

Financial and Leverage Risk

The company's strategy is to finance our business with long term funding for half to two-third and to reduce the number of short term facilities in order to increase efficiency. The company also set up its internal target to improve its balance sheet ratios to maintain its capability to expand the business in the future.

In 2017, the Company's long-term credit and debentures were as follows:

Type of Loans (million baht)	Total Facilities	Approval Dates	Outstanding as of Dec 31 st , 2017	Current Portion
Long Term Loan	850.0	Jul 2014	310.0	240.0
Long Term Loan	1,500.0	Jul 2017	1,500.0	280.0
2-year Debenture	150.0	Mar 2016	150.0	150.0
2-year Debenture	200.0	Sep 2016	200.0	200.0

For the long-term credit facilities, the company agreed to the covenant with financial institutions, requiring the company's debt to equity (D/E) ratio not to exceed 2.5 times in 2015 and 2016 and 2.0 times since 2017 till maturity date, and maintain current ratio at least 1.2 times since 2015 to the payment due date. If the company fails to meet the financial ratio requirements, lenders could call the debt ahead of the due date and it will take a toll on the company's financial liquidity. Under the restrictive covenants of the long-term credit facilities, the company is also required to maintain a minimum debt service coverage ratio of 1.2 times. Otherwise, the company is unable to pay dividend or any other benefits to shareholders.

For the debenture covenants, the Company's net D/E is limited at 3 times and the Company's dividend payout ratio is set at no more than 60% of consolidated net profit.

In 2017, the company managed to maintain D/E, net D/E and debt service coverage ratio as required.

In 2017, the company has no fund raised from bill of exchange (B/E) and on outstanding balance. The company has enough short-term facilities which are lower cost compare to the year before while the money market situation during the year was not quite comfort. However, the company closely monitors and analyzes the debt instrument market situation and other factors to ensure that the financial cost of the company is reasonable.

Anti-Corruption Risk

Asian Seafoods Coldstorage Public Company Limited has taken part in declaring intention in "Thailand's Private Sector Collective Action Coalition Against Corruption" to combat all types of corruptions and set appropriate responsibilities, practice guidelines in operating business and developing towards sustainable organization.

Risk Management Committee assess the overall procedures for Anti-Corruption Risk, and addressed 3 issues, including solutions and monitoring procedure as follows

- **Corruption in Procurement.** In general, procurement is one of issue risk to corruption. The company need to monitor all process precisely, including additional procedure from the Risk Management Committee.

Solutions:

1. Adding new suppliers in the Approve Vendors List, the document must be added, including review by Procurement Manager and approve by Managing Director. Approve Vendor List must be updated constantly.
2. All vendor payment must be paid via Financial Department with receipt.
3. Procurement officers and Financial Officers must not have personnel relationship.
4. Vendor Evaluation must be done every 6 month or at least once a year.

Corruption with Thai Customs Officers on Importing Raw Material. In some case, the importing raw material may not match the details in Packing List received from procurement department and course the problem.

Solutions:

1. Procurement Department must confirm with both the buyer and the seller in all details of importing material and coordinate with Logistic Department in all importing process to ensure the accuracy.
2. The Logistic Manager must review document before importing process.
3. Develop emergency procedure in the case that the material could not go through importing process, such as document correction, contact procurement department.

4. All importing expense must have receipt and must be reviewed.

- **Corruption with Thai Customs Offices on Exporting Goods.** In some cases that the goods could not go through the exporting process.

Solutions:

1. Address strictly quality standard to all company's products.
2. Train quality control officers to be specialist.
3. Address appropriate procedures to deal with exporting issues, such as returns all products to the factory to analyze the problems, reserve stock.
4. Train Logistic officers to specialize in accuracy, problem-solving, and communications.
5. All exporting expenses must have receipt and must be reviewed

Risk Associated with Trade Barriers in Overseas Market

Exports contribute to the major source of revenue to the Company and subsidiaries, and customers of all business segments with exception of aquatic animal feed business are diversified almost across the world, so the Company and subsidiaries have received impacts from both tariff and non-tariff barriers to trade from time to time. The Company and subsidiaries has set guidelines to address the problem as follows:

- **Trade liberalization.** Thailand has lost competitiveness relative to rivals in the global trade market. The material adverse effect in 2014 took a toll on shrimp product business and such effect in 2015 included the lifting of Generalized System of Preferences (GSP) privileges for Thailand's fishing industry by the European Union starting from January 1, 2015. The GSP cut dealt a blow to the Company's export sales in the first quarter of that year, and frozen squid products were hit hard as main customers of the products are in Italy.

Solution: Given that quality of the Company's and subsidiaries' frozen squid products has been recognized by the market, the products have been produced under their own trademarks and the Company at that time had the raw material reserves in a certain level, the Company managed to negotiate with customers and sales then bounced back rapidly.

- **The US anti-dumping duty against Thailand's shrimp** raised costs in importing shrimp there, however. the rates have continuously declined.

Solution: The Company and subsidiaries reduce sales proportion of products which are imposed the anti-dumping tariff and other taxes such as raw and boiled shrimp but raise that of pre-fried and deep fried battered shrimp, and other value-added products which are not levied by the anti-dumping duties and have higher profit margin.

- **Stringent measures for inspection of diseases and drug residues in marine animal products** have been taken by the EU and several import markets as well as new standards have been implemented to control exports.

Solution: The Company and subsidiaries have adopted inspection, and quality and food safety control systems, as well as quality control systems that meet international standards and recognized by food industry in production process to control quality of products to the levels that gain acceptance of customers in every regions of the world (sees additional details in topic "Sustainable Development").

- **The EU has issued a yellow card to Thailand over Illegal, unreported and Unregulated (IUU) fishing** and the US has lowered Thailand's human trafficking ranking to tier 3.

Solution: The Thai government and associations related to the industries have put a lot of effort into eliminating problems concerning IUU fishing activities and human trafficking in fishing industry and manufacturing plants. In January 2016, the EU extended the yellow card status as it has satisfied with Thailand's measures but it requested Thailand to tighten and put more effort into enforcement in period ahead. The issue is the first priority of all related parties, the Company and subsidiaries determine to jointly solve the problem to make Thailand gain acceptance from other countries. To confirm the clear intention, the Company and subsidiaries are among operators which signed the **Memorandum of Understanding (MOU) with state agencies, pledging not to engage in illegal fishing, buy, import, export, transfer or distribute aquatic animals and related products derived from illegal fishing, forced labor and human trafficking.** The Company is committed to fully comply with the MoU either alone or through coordination with other parties to maintain transparent operation standards which can be inspected throughout processes and encourage sustainable fisheries. The Company promises not to involve in illegal fishing, buy, import, export, transfer or distribute aquatic animals and related products derived from illegal fishing, forced labor and human trafficking, and not to use these materials in production process of the aquatic animal processing industry and sell as seafood, and strictly comply with laws governing fisheries, labor and human trafficking.

Risk Factor Associated with The Lease Contract Renewal of The First Plant

The Company leases the space from the Port Authority of Thailand to be a location for a frozen seafood manufacturing plant which is the Company's first factory. At present, the plant is the main production base for frozen sillago fish products. The Port Authority of Thailand has already renewed the lease agreement with the Company.

Related Party Transactions

Definition of Related Party Transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the company, whether directly or indirectly, or which are under common control with the company. They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the company that gives them significant influence over the company, key management personnel, directors, and officers with authority in the planning and direction of the company's operation.

The related company and relationship

Company Name	Type of Business	Relationship
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	Frozen Food Processor	The company's subsidiary.
Asian Alliance International Co., Ltd.	Tuna Frozen and Canning Processor and by-product such as Canned Pet Food and Fishmeal.	The company's subsidiary.
Asian Feed Co., Ltd.	Aquaculture Feed Processor Chemical.	The company's subsidiary.
Asian Seafoods Coldstorage (Sriracha) Co., Ltd.	Frozen fish and processing frozen fish.	Asian Feed Co., Ltd.'s subsidiary. (Registration of cessation completed since May 30 th , 2014. The subsidiary is pending liquidation process.)
Asian Food Co., Ltd.-	Frozen Food for Domestic Distribute.	The company's subsidiary.

To consider if one is related party, details in actual relation must be considered rather than just legal relation.

Transfer pricing policy

Sales	Cost plus margin
Cold storage service income	Contract price
Rental income	Contract price
Management fee income	Mutually agreed price
Interest income	4.20 – 4.50 % per annum
Other income	Cost plus margin and mutually agree price
Purchases of raw materials	Cost plus margin
Purchases of services	Cost plus margin and mutually agreed price
Interest expense	4.06 – 4.35 % per annum
Other expense	Cost plus margin and mutually agreed price

During the year, the company had business transactions with its subsidiaries. Such transactions, which are summarized below, were concluded on commercial terms and bases agreed upon between the company and its subsidiaries.

Revenues from its subsidiaries	Separate Financial Statements	
	2017	2016
	baht	baht
Sales	41,018,836	11,542,270
Cold storage service income	92,545,641	96,586,969
Rental income	19,200,000	15,600,000
Management fee income	41,880,000	25,713,588
Interest income	21,058,604	17,159,853
Other income	6,675,177	8,890,295
	<u>222,378,258</u>	<u>175,492,975</u>

Expenses to its subsidiaries	Separate Financial Statement	
	2017	2016
	baht	baht
Purchased of raw materials	163,748,026	196,628,308
Interest expense	3,632,750	2,571,871
Other expenses	5,052,416	2,536,742
	<u>172,433,191</u>	<u>201,736,921</u>

Related parties receivables	Separate Financial Statement	
	2017	2016
	baht	baht
Trade receivable	8,480,443	16,382,772
Accrued interest receivable	1,899,954	2,109,174
Others receivable	14,966,458	9,476,189
	<u>25,346,855</u>	<u>27,968,135</u>

Loan to related parties	Separate Financial Statement	
	2017	2016
	baht	baht
Short-term loan	572,200,000	654,700,000
deduct Allowance for doubtful debts	(41,836,226)	(41,836,226)
	<u>530,363,774</u>	<u>612,863,774</u>

Short-term loan to its subsidiaries mature at call with no collateral. Interest rate were 4.20% to 4.50% (4.29% to 5.06% in 2016).

Related parties payables	Separate Financial Statement	
	2017	2016
	baht	baht
Trade payables	8,823,087	3,227,457
Accrued interest expenses	7,293	70,434
Other payables	406,257	500,154
	<u>9,236,636</u>	<u>3,798,045</u>

Loan from Subsidiaries	Separate Financial Statement	
	2017	2016
	baht	baht
Short-term loan	12,800,000	16,000,000

Short-term loan from its subsidiaries was mature at call with no collateral. Interest rate were 4.29% to 5.06% (4.82% to 5.14% in 2015)

Legal Dispute

Claim against Asian Alliance International Co., Ltd.

1. In March 2011, Asian Alliance International Co., Ltd. (subsidiary) received an arbitration from the German Arbitration that the subsidiary had to pay the debts on a breach of contract amounting to USD 1.21 million with interest at 2% per annum and the legal costs amounting to EUR 0.03 million.

In December 2012, Central Intellectual Property and International Trade Court ordered to insist the arbitration and in May 2013, the subsidiary filed an appeal to the Supreme Court. The case was finalised on 26 January 2016 that the Court judged the subsidiary has to pay according to the arbitration.

As at 31 December 2016, the subsidiary had recorded provision for litigation costs of this case of Baht 28.8 million in the consolidated financial statements after it reached the settlement with its claimant. Subsequently, in February 2017, the subsidiary has made the payment to claimant in full.

2. In October 2016, Asian Alliance International Co., Ltd. received an arbitration claim lodged by a Claimant via the American Arbitration Association. The Claimant represented an insurer of one of the subsidiary's customers that conducted a voluntary recall of certain products produced by the subsidiary in 2015. The Claimant filed a subrogation claim amounting to USD 3.15 million, asserting the subsidiary and the importer of the products were liable for the expenses of the recall. The subsidiary denies liability.

In September 2017, all parties agreed to settle the case. In doing so, the subsidiary agreed to pay the Claimant USD 625,000 and received USD 243,256 for its unpaid bills and USD 531,744 for its undelivered cargoes. Unpaid bills and undelivered cargoes were booked as allowance for doubtful debts and non-conforming stock, respectively; therefore, there was no negative impact on the consolidated financial statements.

The settlement agreement was distributed and settled; therefore, the case was closed.

Asian's Sustainability

Policy in overview

To attain mission and business sustainability in accordance with our motto **"We R the Right Choice"**, Asian Group has outlined strategy and important policies in the following 4 aspects

1. Delivering quality and safety products to customers

Given that the Company operates in food industry and it is a production base for exports to other countries across the world, the Company always realizes that consumer confidence and business sustainability directly rely on food quality and safety. Food quality, safety control and inspection systems, which have been internationally recognized standards by food industry, have been adopted to control quality throughout all production processes of every company in the group. (See also the details of quality standard and certificate that the company and its subsidiaries acquires in the company website.)

Moreover, all packaging company used are non-toxic which can be dispose normally or even be able to re-cycle.

2. Developing quality human resources who have job skills and knowledge, and positive attitude at work

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries realize that employees are the most important and valuable factor of success, advancement and stable growth. The Company then focuses on excelling employees' capability by improving academic performance of human resources, enhancing work culture, providing adequate modern instruments for working, offering compensation and welfare which are comparable to other companies' in the same industry, creating good working environment and ensuring the maximum life safety. Employees should perform duty with responsibility, honesty and integrity, determination and dedication, and compliance with rules and regulations for the Company's interests.

Human Resource Management Policy

1. The Company provides job security for employees by taking necessity of job positions based on human resource plan into account, opening opportunities for the current employees whose competent are suitable for vacancies before hunting outsiders, and giving fairness in promoting competent persons who have knowledge and positive attitude to vacancies needed by the Company without barriers of gender, age, race, religion, political ideology, and trade union and labor unions.
2. The Company is committed to develop knowledge and capability of workforces by supporting training, job rotation and information, and offering alternatives to be appropriate with workers' skills and knowledge to maximize their potential which will lead to the Company's growth and employee's advancement.
3. The Company offers compensation and welfare which are comparable to other companies' in the same industry or other leading industries. It regularly surveys and compares salary and welfare as reference. Different salary rates depend largely on job positions and responsibilities. The increment is based on merits and the Company's financial position.
4. The Company pays overtime in line with its regulations and the overtime payment must not lower than rate required by laws.
5. The Company has a fair performance evaluation practice to motivate employees to maximize their efficiency. Annual salary increment is based on job performance, while ability and performance of employees who get promoted determine salary increase.
6. The Company employs the two-way communication channel, especially when discussing with employees' representatives in any issues related to their works, to learn their attitudes and opinions.
7. The Company strictly complies with laws and regulations governing safety and will implement reliable work safety standards in case that there are no laws and regulations stipulated on those issues.
8. All levels of supervisors take responsible for overseeing safety in workplace to workers by arranging safety workstations and equipment to employees, and outlining guidelines to keep them safe at work.
9. The Company has tried to prevent any accidents, injuries and illness to which is work-related. With a serious cooperation from all employees, the Company will limit and manage safety risks resulted from business operations.
10. The Company provides safety equipment and training to employees to educate them how to work safely.
11. All employees have duties to learn about safety at work, comply with the set guidelines, use available safety equipment and inform supervisors when they spot situations which could

lead to dangerous in order to address the problems.

12. Supervisors must treat themselves in a manner that earns respect from employees and employees must not act in a manner that does not respect supervisors.
13. The Company will pay compensation and benefits that employees deserve to receive as stipulated in the Company's regulations when their jobs are terminated but not less than rights required by laws.

Legal and Human Rights Compliance Policy

The Company and subsidiaries are committed to treat all employees with equal honor and dignity. Its practice principles are as follows:

1. The Company's workforces must thoroughly understand laws related to their direct duty and responsibilities, and strictly comply with the applicable laws. They must ask for advices from supervisors if there is any question.
2. During working abroad, employees should study laws, custom, traditions and cultures of countries for where they must work before doing anything related to the Company's business to prevent breaching those countries' laws, customs, traditions and cultures.
3. The Company supports and respects human rights protection, and avoids getting involved in any human rights violations such as usage of forced and child labor.
4. The Company respects and treats all stakeholders fairly on the basis of human dignity, equal treatment and non-discrimination of origin, race, gender, age, color, religion, physical condition, and social and family status.
5. All management and employees must not act in a way that harms or threatens not only verbally but also physically others on the basis of race, gender, religion, age, and psychological and physical disability.
6. The Company encourages surveillance on compliance with the Company's internal regulations concerning human rights and enhances all stakeholders to comply with the international standards on human rights principles.

Progress of Training Plan for the year 2017

Type of Courses	Target	Performance	
		% of Employee Trained 2016	2017
Outsource Training	Train Employee according to plan	100%	97.20%
In-house Training	Train Employee according to plan	91%	82.14%

The company's employee development plan was set up via training plan, both for monthly employees and daily workers. The training was set up at least 6 hours for each employee, which were compliance with the workforce development plan of the Employment Department of Thailand. The training courses, both outsourcing and in-house training, were set up as the employee requirement.

- In-house training mostly due to the basic need for the job which every employee must be trained, including both new staff and review for the current staff.
- Outsourcing training is the training aim to improve specific employee to develop work skill and specialization.

Moreover, Human Resource Department focus on improving target employees who have potential to promote to be junior, medium, and top management level in the organization to ensure that they can increase their potential and growth with the company.

In the next 2 years, the company set up replacement plan and target potential employee and plan to develop them with better management skill to further improve the organization.

3. Avoiding illegal fishing, and purchasing, importing, exporting, transiting and distributing aquatic animals and related products obtained through illegal fishing and labour, and human trafficking.

Asian Group is the manufacturers of foods of which natural resources, including tuna, sillago fish, shrimp, squid and other aquatic animals, are the main raw material sources, the group of companies are then well aware of environmental importance, conservation of marine sources in particular. The Thai government together with associations related to the industry has put all attempts to eradicate illegal, unreported and unregulated fishing (IUU) activities and slavery labor problems in both fishing industry and manufacturing

plants. The Company and subsidiaries are seriously determined to address these problems to help Thailand regain international acceptance. To confirm a clear intention, the Company and subsidiaries have been among fishing operators who signed a Memorandum of Understanding (MoU) with state agencies to fight against illegal fishing activities and deny procuring, importing, exporting, transiting and distributing aquatic animals and products obtained from illegal fishing. The MoU is also extended to illegal labor and human trafficking. The Company and its subsidiaries will strictly comply with the agreement individually and jointly with other parties in order to maintain transparent operating standards, enable to examine all processes and attain sustainable fisheries. To honor the agreement, the Company and subsidiaries will not get involved in illegal fishing, procure, import, export, transit and distribute aquatic life and products obtained from illegal fishing and labor, and human trafficking. The Company and subsidiaries will not process aquatic animals obtained from illegal fishing and labor, and human trafficking in the industry and sell these seafood, and they will strictly adhere to laws regulating fisheries, labor and human trafficking.

All parties which jointly signed the MoU have agreed to provide collaboration in knowledge exchange, conferences, activities, academic seminars and training, research study on the appropriate topics and projects, and support related issues to state agencies.

4. Shunning getting involve in corruption

Anti-Corruption Policy

Asian Seafoods Coldstorage Public Company Limited is committed to conducting ethical business practices by adhering to responsibilities towards society and all stakeholders in accordance with Good Corporate Governance practice. The Company has taken part in declaring intention in "Thailand's Private Sector Collective Action Coalition Against Corruption" to combat all types of corruptions.

To make sure that the Company has policy to set appropriate responsibilities, practice guidelines and requirements to protect all of the Company's business activities from getting involved in corruptions, and the Company cautiously considers and conduct business activities which could risk of corruptions, it has launched a written anti-corruption policy to be a clear practice guidelines in operating business and developing towards sustainable organization.

Definition of anti-corruption policy

Corruption definition covers committing bribes by proposing, promising, asking and requesting to offer, or receive inappropriate assets or benefits to let particular persons perform or refrain from performing duty to obtain or retain business benefits with exception in cases that they are permitted by laws, announcements, rules and regulations, local customs and traditions or trade usages.

Anti-Corruption Policy

Board of Directors, Executive Management, and employees of Asian Seafoods Coldstorage Public Company Limited and subsidiaries are prohibited from committing or accepting corruptions in all forms both directly and indirectly with coverage of entire business in every country and all related departments. The group of companies will regularly inspect practices and review policies and practice guidelines of anti-corruption to catch up with the changes in business, rules and regulations, and law obligations.

Political Supporting Policy

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries have supported practices in compliance with laws under democratic form of government with the King as Head of State, and have political neutrality. Board of Directors, Executive Management, and employees of the Company and its group have rights to freedom of taking part in political activities under the constitution.

Charitable Donation Policy

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries have policy to promote engaging in community participation through donation for charity. Offering or receiving donation for charity can be done through activities that apparently shows that it is for public charity and it must ensure that donation is not used as excuse for giving bribery.

Financial Support Policy

Asian Seafoods Coldstorage Public Company Limited has policy to provide financial supports only to activities of which objectives are for business or the Company's good reputation and image without hidden intention of business benefits or trade advantage.

Policy Associated with Obtaining and Giving Gifts, and Entertainment and Other Expenses.

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries' Board of Directors, Executive Management and employees are prohibited from obtaining or giving gifts, and paying higher

entertainment or other expenses than necessary and beyond traditions.

Directors' Duties and Responsibilities on Anti-Corruption Policy

1. The Company's Board of Directors has duties and responsibilities in approving policies and overseeing to create efficient system that supports anti-corruption to ensure that executive management is well realized and pays attention to counter corruption and cultivates it as company culture.
2. Audit Committee has duties and responsibilities in auditing financial reporting and accounting, internal control, internal audit and risk management systems to ensure that the systems are in compliance with international standards, concise, appropriate and efficient, and free from breaching the anti-corruption policy.
3. Executive Board of Directors must act as a leader in pursuing anti-corruption measures and giving recommendations concerning practices in line with the anti-corruption policy to workforces under a chain of command.
4. Private Sector Collective Action Coalition Against Corruption Council has duties and responsibilities in proposing policies and guidelines of practices to the Company's Board of Directors and requiring to set up a system, promote and support the anti-corruption policy in order to communicate to employees and all related parties. The council also shall review the appropriateness of the system and measures to be in line with changes in business, and rules, regulations and legal requirements.
5. A working panel on Private Sector Collective Action Coalition Against Corruption has duties and responsibilities in setting out measures, practice rules and regulations, channel to report tips, investigation and punishment, and proposing to Private Sector Collective Action Coalition Against Corruption Council. The panel also takes responsible to set out communication method and trainings to employees and all related parties, and practice methods in assessing risks of corruption on business operations.
6. Internal Audit Department has duties and responsibilities in examining and auditing whether working process is accurate and in line with policies, practice guidelines, authorities, regulations and laws to ensure that control system is appropriate and sufficient for risks concerning corruptions which may arise. The department's duties and responsibilities are also extended to investigate in case that any tips are given and report to Audit Committee.

Practice guidelines

1. Directors, Executive Management, and employees at all levels shall pursue the anti-corruption policy by not directly or indirectly engaging into any act of corruption.
2. Directors, Executive Management and employees at all levels must not ignore and be negligent when any acts of corruptions related to the Company and subsidiaries are detected and they must report the issue to supervisors or responsible persons. They shall provide cooperation in investigation. Should they have any questions or doubts, they can consult their supervisors or responsible persons through established channels.
3. The Company and subsidiaries shall provide justice and protect employees who deny getting involved in corruptions or report any acts of corruptions related to the Company by adopting measures to protect whistleblowers or those who cooperate in reporting the corruption as specified by the Whistleblowing Policy.
4. Those who violate the anti-corruption policy are deemed as breaching the Company's regulations, and shall be considered for disciplinary punishment as stipulated, and law punishment may be imposed if such actions violate laws.
5. The Company and subsidiaries have determined to build and maintain corporate culture that corruptions are unacceptable, and give importance to disseminate, educate and create understanding to other persons who must perform duties relevant to the Company and subsidiaries to be compliance with the anti-corruption policy.

Whistleblowing and Whistleblower Protection Policy

Asian Seafoods Cold storage Public Company Limited is committed to good corporate governance, and accurate, fair, transparent and accountable business operations. Therefore, the Company opens opportunities for stakeholders from both inside and outside the organization to notify or lodge complaints about suspected acts of breaching laws, Good Corporate Governance principles, the Company's rules and regulations, policies, and Code of Business Conduct, false financial statements or shortcomings of the Company's internal control system. The Company sets up channels, methods, procedures, and rights protection of complainants and whistleblowers as follows:

Notifications and Complaints

In case that employees and stakeholders from both inside and outside the organization have any questions

or detect suspected acts of breaching laws, Good Corporate Governance principles, the Company's rules and regulations, policies, and Code of Business Conduct, false financial statements or shortcomings of the Company's internal control system, they can ask questions, give tips or file complaints, and submit evidences to responsible persons or units through the following channels:

Complaints against the Company's units and such complaints have nothing to do with Chief Executive Officer or Chairman can be made at hot line for complaint receipts (24 hours), the Company Secretary, Internal Audit Office, Chief Executive Officer or Audit Committee.

Complaints against Chief Executive Officer or Chairman can be filed at Audit Committee.

Channels for reports and complaint receipts

1. Hot line for complaint receipts (24 hours) Tel: 095-372-0144
2. The Company Secretary of Asian Seafoods Coldstorage Public Company Limited.
 - Telephone: 034-845575 ext. 5356
 - Email: Asian-secretary@asianseafoods.co.th
 - Mail: The Company's Secretary
Asian Seafoods Coldstorage Public Company Limited
55/2 Rama II Road, Bangkokchao,
Muang, Samudsakorn 74000
3. Internal Audit Office of Asian Seafoods Coldstorage Public Company Limited
 - Telephone: 034-845575 ext. 5350
 - Email: Asian-secretary@asianseafoods.co.th
 - Mail: Internal Audit Office's manager
Asian Seafoods Coldstorage Public Company Limited
55/2 Rama II Road, Bangkokchao,
Muang, Samudsakorn 74000
4. Chief Executive Officer of Asian Seafoods Coldstorage Public Company Limited
 - Telephone: 034-845575 ext. 5102
 - Email: Asian-secretary@asianseafoods.co.th
 - Mail: Chief Executive Officer
Asian Seafoods Coldstorage Public Company Limited
55/2 Rama II Road, Bangkokchao,
Muang, Samudsakorn 74000
5. Audit Committee of Asian Seafoods Coldstorage PCL
 - Email: Auditcommittee@asianseafoods.co.th

- Mail: Audit Committee
Asian Seafoods Coldstorage Public Company Limited
55/2 Rama II Road, Bangkokchao,
Muang, Samudsakorn 74000

Whistleblower Protection Policy

1. The Company ensures that complainant or whistleblower will be protected from any types of unfair treatment, which constitute changes in positions, job descriptions and workplace, annoyance, threats, employment termination or any other unfair practices by virtue of his/her having reported a Protected Disclosure under this Policy. Employee who unfairly or inappropriately treats others or cause damages to others who are protected under this policy, is considered to have committed a disciplinary offence and shall be liable for disciplinary punishment. He/she may be penalized as the law stipulates if such action is deemed an illegal offence.
2. Complainant or whistleblower or those who deny involving in committing corruptions will be protected from position downgrade, employment termination, negative effects from punishment or any malicious actions to them.
3. Complainant or whistleblower can maintain anonymity if they are concerned about safety and damages. However, disclosing his or her identity can help the Company report progress, clarify or alleviate damages more conveniently and rapidly.
4. Complainant or whistleblower can request the Company to provide appropriate protection measures. The Company itself can put protection measures in place without request if considered that such complaints may cause damages and danger.
5. Conditions, and tips and complaint consideration

Conditions and Criteria in Complaint Consideration

The complaint shall be deemed top secret. The complainant may file complain through more than one channel, and does not need to disclose his/her identity. However, if he/she does disclose his/her identity, this will allow the Company to report him/her outcome and progress of the investigation, request additional information concerning the matter of complaint, or alleviate damages in a faster or more convenient manner. The Company reserves rights to only investigate the following complaints or tips

1. Details of complaints, information or tips must be clear or adequate to prove that there is ground for investigation.
2. The Company will keep name, surname, address, picture or other information that can identify complainant, informant or whistleblower secret. If it needs to circumvent to this guideline, the Company will disclose only so much of it as necessary to ensure the safety and prevent damages even in the case that revealing identity is their requests.
3. Rights of complainants, informants, or whistleblowers will be protects regardless they are either the Company's employees or outsiders.

Related persons

The Company assigns Corporate Legal Department to take responsible for receiving complaints from related persons during process of notification (complaints, informants and complaint receivers) and complaint receipt, and handling complaints by itself or forwarding to Scrutiny Commission.

1. Corporate Legal Department or Scrutiny Commission are in charge of gathering facts concerning suspected acts of violating laws, Good Corporate Governance Principles, the Company's rules and regulations, policies, Code of Business Conduct, inaccurate financial report or shortcomings of internal control system in order to evaluate, screen information to consider process and appropriate course of actions in handling each complaint. The Department may either handle complaint or send to Scrutiny Commission appointed by Chief Executive Officer, Executive Board or Board of Directors.
2. Human Resources oversee disciplinary matters.
3. Chief Executive Officer is the company's top executive.
4. Executive Committee
5. Audit Committee
6. Board of Directors
7. Scrutiny Commission contains those who are appointed by the Company's Chief Executive Officer, Executive Committee or Board of Directors.

Procedures

1. Register of complaints and forwarding

- 1.1. All channels that receive tips or complaint will inform to Corporate Legal Department to open the case and gather information within 24 hours.
- 1.2. Corporate Legal Department registers to receive complaint and keep it confidential, and sets schedule to inform such complaint to related persons as following
 - In case of an adverse impact on the Company's reputation, it must be processed immediately and urgently (within 24 hours).
 - It must be processed in a fast manner for other cases (48 hours as the latest).
- 1.3. Corporate Legal Department records information in document file (confidential) by identifying following information from complainant.
 - Name of complainant, with exception of anonymous request
 - Date of complaint
 - Name of person or event
 - Other relevant information
- 1.4. Corporate Legal Department or Scrutiny Commission investigate, garner facts and send a copy to Chief Executive Officer. Corporate Legal Department seeks Chief Executive Officer's orders to either assign Corporate Legal Department to be in charge of investigation or set up Scrutiny Commission to conduct investigation, with exception of the following cases
 - 1.4.1. In case that Chief Executive Officer is allegedly involved in complaint, Scrutiny Commission will be formed by Audit Commission and a copy of investigation details must not submitted to Chief Executive Officer.
 - 1.4.2. In case that complaint is important matters such as impacts on the Company's image and reputation, financial position or conflicts of interest from business operations, or complaint involves the Company's Chief Executive Officer, Chairman or high-ranking executives, it will be forwarded to Audit Committee to hold a meeting to discuss the issue within 5 business days.

2. Investigation of Facts and Chain of Command

- 1.1 Corporate Legal Department or Scrutiny Commission investigate to find facts and provide recommendation to those involve in complaint to conduct or behave in an appropriate manner. If disciplinary punishment is imposed, they can consult with Human Resources Department to ensure that such penalty is in line with standards and send investigation outcome, opinions, and practice guideline or punishment, depending on each case, to Executive Directors to consider for further actions.
- 1.2 Corporate Legal Department or Scrutiny Commission, in case that complaint is filed by anonymous source and it does not have sufficient information, report investigation result and opinions to Executive Directors to seek a proper practice guideline. If Executive Directors decides that the complaint cannot be processed further, the case will be closed and forwarded to Corporate Legal Department to send a copy to inform Scrutiny Commission and person who receive the complaint.
- 1.3 If Corporate Legal Department or Scrutiny Commission decide that accused does not commit any wrongdoing, the complaint results from misunderstanding, or accused or those who are involved in the complaints are already advised to conduct appropriate behavior and the complaint case is considered to be closed without any punishment, Corporate Legal Department has duty to report to Executive Directors to seek an approval for closure of the case and send a copy to report the final solution to Scrutiny Commission and person who receive the complaint.
- 1.4 In case that complaint involved with the Company's violation of laws, rules and regulation, Code of Conduct and such action causes damages to any persons, Corporate Legal Department or Scrutiny Commission will propose the complaint, opinions and practice guidelines to Executive Directors to take actions.
- 1.5 In case that complaint is important matters such as impacts on the Company's image and reputation, financial position or conflicts of interest from business operations, or complaint involves the Company's Chief Executive Officer, Chairman or high-ranking executives, Corporate Legal Department will propose the Company's Board of Directors to permit Scrutiny Commission to carry out investigation.

3. Reporting summary findings to complainant and adjustment

- 3.1. Corporate Legal Department immediately follows decision of the Company's Executive Board or Board of Directors (depending on case) by coordinating with relevant persons and Human Resources Department.
- 3.2. Corporate Legal Department reports final solution to persons who receive the complaint and complainant, record it and propose to Audit Committee for acknowledgement on quarterly basis.
- 3.3. Corporate Legal Department follows up adjustment (if any), report to the Company's Executive Directors and Board of Directors (depending on each case) and inform persons who receive the complaint and Audit Committee.

4. Filing false complaint or wrong channels.

The Company's and subsidiaries' employee who files complaint and gives tips, testimony and information with a mala fide intention or wrong channels shall be liable to disciplinary penalty as prescribed by the Company's rules and regulations, and policies. In case that it is filed by outsider and causes the Company's damages, the Company will consider filing lawsuit against him/her as deemed appropriate.

5. Responsibilities of Corporate Legal Department

Corporate Legal Department is warrant disciplinary action if it ignores or fails to pursue this policy.

Revenue by Business Segment

(Million Baht)

Business Segment	Company	ASIAN Shareholding portion %	2017		2016		2015	
			Domestic	Export	Domestic	Export	Domestic	Export
Frozen Business	ASIAN	-	101	1,941	233	2,018	173	1,263
	SURAT	100	112	2,009	118	2,447	85	1,672
Tuna Business	AAI	100	155	929	350	912	300	892
Pet Food Business	AAI	100	109	2,536	136	1,511	175	1,427
Aquaculture Feed Business	AFEED	100	1,423	45	1,189	21	1,110	-
Distribution Business	ASIAN	-	323	-	250	-	316	-
	AFOOD	100	395	-	361	-	379	-
Others	ASIAN	-	100	-	106	-	111	-
Deduct Elimination of inter-company transaction			(438)	-	(447)	-	(366)	-
Total Revenue			2,280	7,460	2,296	6,909	2,283	5,654

Note	ASIAN	Refer to	Asian Seafoods Coldstorage PLC.
	SURAT	Refer to	Asian Seafoods Coldstorage (Suratthani) Co., Ltd.
	AAI	Refer to	Asian Alliance International Co., Ltd.
	AFEED	Refer to	Asian Feed Co., Ltd.
	AFOOD	Refer to	Asian Food Co., Ltd.

Management Discussion and Analysis

Operating Result

The company operate its business in 5 business segments, which are Frozen business, Tuna business, Pet Food business, Aquaculture Feed business, and Distribution business. Sale revenue by segment was stated in the table

In 2017, total sales and services revenue, including other revenues, is around 9,740 million baht, 6% increase compare to 2016. Sales revenues of frozen business for the full year decreased to 4,163 million baht, decreased 14% compare to 2016, especially in Q4. This decrease was due to low squid sales in the second half of the year, particularly in Q4 (down 65% y.o.y.). Squid customers in Europe switched from Thai squid to exceptionally low priced South American squid, following the bumper catch that pushed overall squid prices down.

A lower USD FX rate, averaging around 5% lower, impacted sales revenues.

Gross profit was higher in shrimp than the year before. Due to a revaluation of squid inventories in Q4, however, profitability in the squid business was significantly below last year. Sillago margins were satisfactory and stable.

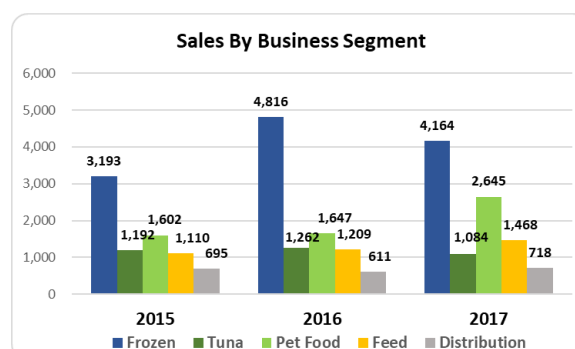
Canned Tuna revenues went down around 14% compare to last year, to 1,084 million baht, mainly due to lower capacity planned. Given the unpredictable pricing throughout the year, no long positions were taken as sales contracts were matched to available fish, result in margins which were in line with last year.

Sales revenues on Petfood increase 61% over the year to 2,645 million baht, mainly due to volume increases even lower USD FX rate outpaced price increases. The additional dog food line became operational in Q4. New product development is well under way and is expected to bring volume in the course of 2018.

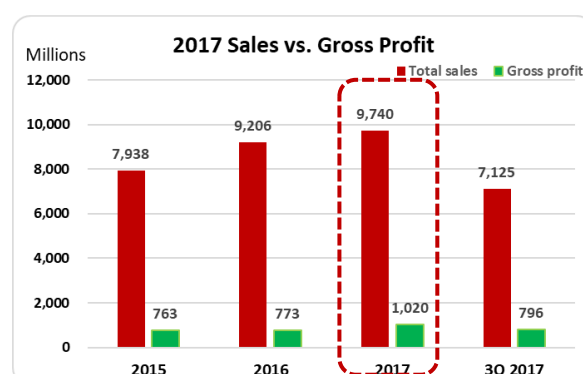
Feed revenues increased 21% y.o.y. to 1,468 million baht, both in shrimp feed and fish feed. Our feed quality is well received. Margins remained good throughout the year, and a significant lower allowance for doubtful needed to be taken, which improved profitability significantly over the year. Asian's market share increased due to more shrimp farmers being flexible in their choice of feed supplier.

Apart from weather conditions, good quality shrimp larvae remain a main obstacle for further growth.

Distribution revenue increased to around 718 million baht, especially in Q4/2017. Margin were good and stable.



As the company strategy is to increase portion of value added products in every business segment, the gross profit increased to 10.5% in 2017, increased from 8.4% in 2016 even weaken USD pressure the profitability so much in the second half of the year.



Net profit for 2017 is around 418 million baht compare to 155 million baht in 2016. Earning before taxed increased to around 371 million baht, mainly from better gross profit margin and lower in allowance for doubtful debt and other selling and administration expenses compare to the year before.

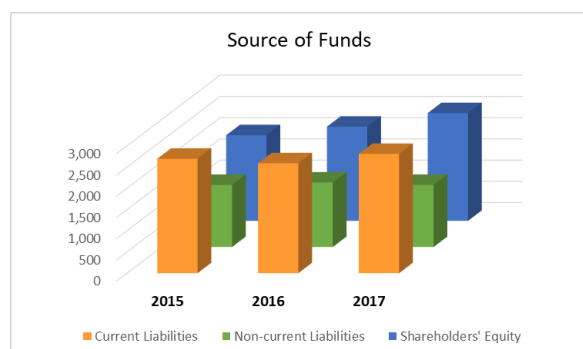
The company adjusted its Deferred taxed assets in 2017 which increased around 47 million baht due to accumulative loss carry forward that the auditor agreed that the subsidiaries will be able to utilize.

Financial Position

Assets

The company and its subsidiaries have total assets of 6,811 million baht, increased 485 million baht from last year (8% increasing), mainly from increase in inventory. The other are comprising from 200 million baht investment in replacement of equipment, infrastructure and ERP software. Depreciation and amortization amounted 189 million Baht.

Source of Fund



The company and its subsidiaries have their source of fund as follow:

- Shareholders' Equity:** The company's equity was 2,539 million baht, 321 million baht increased from last year. The company paid stock dividend in October 2017 which increased its paid-up share capital from 362 million baht to 543 million baht. Net profit increased 140 million baht.
- Current Liabilities:** Total current liabilities were 2,809 million baht, increase 221 million baht compare to 2016. Net working capital at the end of the year increased 527 million baht to 3,295 million baht as inventory was increased significantly. Short term facilities the company and its subsidiaries have by the end of December 2016 are as follow:

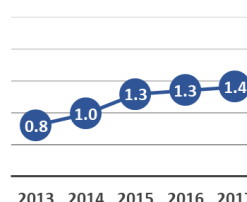
Type of facilities (million baht)	Total Facilities	Outstanding Balance	Availale
Short-term	2,989.0	1,284.13	1,704.87.0
B/E	500.0	-	500.0

- Long term debts & debentures:** In 2017, the Company's long-term credit and debentures were as follows:

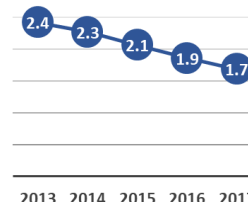
Type of Loans (million baht)	Total Facilities (million baht)	Approval Dates	Outstanding as of Dec 31 st , 2016 (million baht)	Current Portion (million baht)
Long Term Loan	850.0	July 2014	310.0	240.0
Long Term Loan	1,500.0	July 2017	1,500.0	280.0
2-year Debenture	150.0	March 2016	150.0	150.0
2-year Debenture	200.0	September 2016	200.0	200.0

Liquidity

Current Ratio

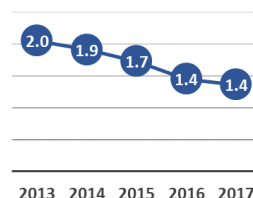


DE Ratio



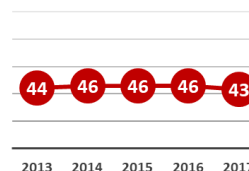
The Current Ratio is 1.4. The Debt to Equity ratio decreased from 1.9 a year before to 1.7 as per 31st December 2017. Under the terms of long term loan agreements the D/E ratio must be below 2.5 at 31 December 2016, and below 2.0 at year-end 2017. Net Debt to Equity ratio was 1.8 at year end. Under the terms of the bond agreement this ratio must be below 3.0.

Net DE Ratio

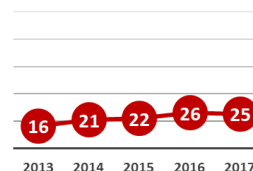


AR days of the company is at the same rate compare to last year. AP days improved a bit while inventory days is increased as inventory volume increased.

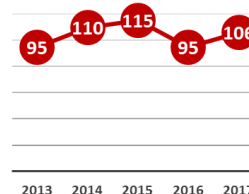
AR Days



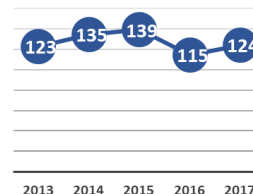
AP Days



INV Days

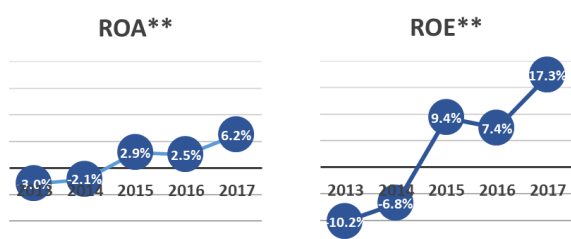


Net WC Days*



Asset Management Efficiency

Asset Management efficiency is better compare to the year before as Return on assets is 6.2% compare to 2.5% last year. Return on Equity increase to 17.3%. Book value per share increased to 4.68 baht per share comparing to 4.09 baht per share last year from the operating profit this year (calculated at 542.73 million shares which are the number of shares at 31st December 2017).



** ROA= last 4 quarter net profit/Average total asset

** ROE= last 4 quarter net profit/Average total shareholders' equity

Obligations or Other significant factors

Ability to maintain its financial covenant

For the long-term credit facilities, the Company agreed to the covenant with financial institutions, requiring the Company's debt to equity (D/E) ratio not to exceed 2.5 times in 2016 and 2.0 times since 2017 till maturity date, and maintain current ratio at least 1.2 times since 2016 to the payment due date. Under the restrictive covenants of the long-term credit facilities, the Company is also required to maintain a minimum debt service coverage ratio of 1.2 times. Otherwise, the Company is unable to pay dividend or any other benefits to shareholders.

For the debenture covenants, the Company's net D/E is limited at 3.0 times and the Company's dividend payout ratio is set at no more than 60% of consolidated net profit.

In 2017, the Company managed to maintain D/E, net D/E and current ratio as required. The Company's debt service coverage ratio also surpassed 1.2 times.

Dividend Payout

In 2017, The Board of Director considered Statement of financial position of the company as of 31st December 2016 and found out that there are 849.63 retain earning. This, including with high performance of the company in the 1st half of the year, resulted in rapid share price increase. Board of Director

saw the opportunity to increase shares volume in order to generate more floating to maintain investor interest, which will be good for future fund-raising plan. The Board of Director, then, resolved to propose to the Extraordinary General Shareholder's Meeting No.1/2017 to pay share and cash dividend from retain earning at the rate of 0.556 baht per share. The dividend will pay out as stock dividend at the rate of 0.50 baht per share, at the ratio of 2 existing share to 1 dividend share, and pay out as cash dividend at the rate of 0.056 baht per share. The dividend payment in total will be 180.91 million shares and 20.26 million baht cash. The EGM approved the proposal on 20th September 2017.

Moreover, the Board of Director resolve to propose to the Annual General Shareholder's Meeting of 2018 to consider and approved dividend payment of 0.25 baht per share from Non-BOI operation result, which is around 32.45% of its 2017 performance.

Significant non-recurring transactions

- In 2017, allowance for doubtful debt increased for the total of 18 million baht, mainly from Aquaculture feed business.



Mr.Somsak Amorrattanachaikul

Chairman of the Board of Director
Chief Executive Officer Asian Seafoods Coldstorage PLC.

Age (Years): 58 years old

Education : BA Political Science Ramkhamhaeng University

Other Professional Qualification (From IOD or others):

Role of Chairman Program ๙๙ 9/2003

Experience :

1999 – Present :

Chairman of the Board of Director

Chief Executive Officer, Asian Seafoods Coldstorage PLC. And
Subsidiaries

Percentage of Shares Hold : 50.26%



Mr.Somchai Amorrattanachaikul

Director Senior Managing Director
Asian Seafoods Coldstorage PLC.

Age (Years): 63 years old

Education : Junior High School, Wat Mahatat School

Other Professional Qualification (From IOD or others):

- None -

Experience :

1992 – Present : Director Senior Managing Director,

Asian Seafoods Coldstorage PLC. And Subsidiaries

Percentage of Shares Hold : 13.16%



Mr. Suriya Prasatbuntitya

Director Senior Vice President
Asian Seafoods Coldstorage PLC.

Age (Years): 64 years old

Education : Master of Development Administration in Public Administration,
National Institute of Development Administration

Other Professional Qualification (From IOD or others) : Director Certification Program 250/2017

Experience :

2015 – Present : Director and Senior Vice President, Asian Seafoods Coldstorage PLC.

2012 – 2015 : The governor of Chiang Mai The governor of Tak

2007 – 2012 : Deputy Governor of, Samut Sakorn and Pathum Thani Province

2004 – 2007 : Director of the Bureau in the Department of Disaster Prevention and Mitigation

1996 – 2004 : Director of District officer, Khon Kean, Ayutthaya and Sing Buri Province

Percentage of Shares Hold : - None -



Mr. Aekarat Punnasung

Director Managing Director
Asian Seafoods Coldstorage PLC

Age (Years): 48 years old

Education : Master of Business Administration in International Marketing,
University of Newcastle, England

Other Professional Qualification (From IOD or others) : Director Certification Program 150/2011

Experience :

2012 – 2014 : Assistant Senior Managing Director, Asian Seafoods Coldstorage PLC.

2010 – 2012 : Assistant Managing Director (Marketing) Asian Seafoods Coldstorage PLC.

2009 – 2010 : Assistant Managing Director, Asian Alliance International Co., Ltd.

2008 – Present : Director, Asian Seafoods Coldstorage PLC.

2004-2011: Assistant Managing Director Asian Seafoods Coldstorage (Suratthani) Co., Ltd.

Percentage of Shares Hold : - None -



Mrs. Suree Jangsawat

Director Managing Director
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.

Age (Years): 56 years old

Education : Bachelor of Business Administration, Ratchapat Suratthani Niversity

Other Professional Qualification (From IOD or others) : Director Certification Program 144/2011

Experience :

2013 – 2014 : Managing Director, Asian Feed Co., Ltd. And Assistant Managing Director,
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.

2012 – 2013 : Assistant Senior Managing Director, Asian Seafoods Coldstorage PLC.

1999 – Present : Director, Asian Seafoods Coldstorage PLC.

1999 – 2011 : Assistant Managing Director (Purchasing RM-General),
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.

Percentage of Shares Hold : 0.02%



Mr. Aekarat Punnasung

Director Managing Director
Asian Seafoods Coldstorage PLC.

Age (Years): 52 years old

Education : Master of Business Administration in International Marketing,
University of Newcastle, England

Other Professional Qualification (From IOD or others) : Director Certification Program 150/2011

Experience :

2012 – 2014 : Assistant Senior Managing Director, Asian Seafoods Coldstorage PLC.

2010 – 2012 : Assistant Managing Director (Marketing) Asian Seafoods Coldstorage PLC.

2009 – 2010 : Assistant Managing Director, Asian Alliance International Co., Ltd.

2008 – Present : Director, Asian Seafoods Coldstorage PLC.

2004-2011 : Assistant Managing Director Asian Seafoods Coldstorage (Suratthani) Co., Ltd.

Percentage of Shares Hold : 0.03%

Directors and Management Information



Mrs. Sunanta Tiasuwan
Independent Director
Chairman of Audit Committee
Asian Seafoods Coldstorage PLC.

Age (Years): 66 years old

Education : Ordinary National Diploma in Business Studies and Administration
University of Westminster (UK)

Other Professional Qualification (From IOD or others) : - Director Certification Program 2002
- Capital Market Academy Class 11/2010-2011

Experience :

2012 – Present : Independent Direct/Chairperson of Audit committee, Asian Seafoods Coldstorage PLC.

2007 – Present : Audit Committee, Eastern Star Real Estate PLC.

2004 – Present : Director, Bridge View Co., Ltd.

1999 – Present : Director, Crystal Line Co., Ltd.

1998 – Present : Director and CFO, Pranda Jewelry PLC.

1994 – Present : Associate Judge, Juvenile Court, Samut Prakan Province

1993 – Present : Director, Prima Gold International Co., Ltd.

1990 – Present : Chairperson Director, Forward Freeland Co., Ltd.

Percentage of Shares Hold : - None -



Mrs. Yaowanee Kruo-ngarjnukool
Independent Director Audit Committee
Asian Seafoods Coldstorage PLC.

Age (Years): 65 years old

Education : Master of Accountancy Branch Banking and Finance, Chulalongkorn University
Bachelor of Accountancy Branch Banking and Finance, Chulalongkorn University

Other Professional Qualification (From IOD or others) : Director Certification Program 150/2011

Experience :

2008 – Present : Independent Direct and Audit committee, Asian Seafoods Coldstorage PLC.

2006 – 2007 : Manager Accounting and Tax Planning, The Siam Cement PLC.

2003 – 2005 : Senior Auditor, The Siam Cement PLC.

Percentage of Shares Hold : - None -



Mr. Somboon Paobanjong
Independent Director Audit Committee
Asian Seafoods Coldstorage PLC.

Age (Years): 61 years old

Education : Master of Arts in Political Science, Kasetsart University
Bachelor of Arts (Political Science), Chulalongkorn University

Other Professional Qualification (From IOD or others) : - None -

Experience :

2008 – Present : Independent Director and Audit Committee, Asian Seafoods Coldstorage PLC.

Present: Director, Thai Eak Farm Co., Ltd.

Director, Yuen Yong Layer Farm Co., Ltd.

Percentage of Shares Hold : - None -



Mr. Kittichai Iakurkulpong
Independent Director Audit Committee
Asian Seafoods Coldstorage PLC.

Age (Years): 68 years old

Education : Master of Development Administration in Public Administration
forum National Institute of Development Administration

Other Professional Qualification (From IOD or others) : - None -

Experience :

2012 – Present : Independent Director and Audit Committee, Asian Seafoods Coldstorage PLC.

2006 – 2009 : Manager, Siam Commercial Bank PLC., Lad Prao Soi.59 Branch

2003 – 2006 : Manager, Siam Commercial Bank PLC., Ramkamhaeng Branch

Percentage of Shares Hold : - None -



Mr. Hendrikus (Rik) Van Westendorp
Executive Vice President Chief Financial officer
Asian Seafoods Coldstorage PLC.

Age (Years): 54 years old

Education : Senior Executive Program Harvard Business School – Tsing Hua – CEIBS (2009)
Commercial Technical Program Nijenrode Business University, Breukelen (1987)
BSc Mechanical Engineering, Amsterdam (1986)

Other Professional Qualification (From IOD or others) : - None -

Experience :

2011 – 2015 : Chief Financial Officer, Nutreco Asia

2009 – 2011 : Managing Director Skretting Asia, Shanghai, China (Nutreco)

2005 – 2009 : Managing Director Skretting Japan, Fukuoka, (Nutreco)

2003 – 2005 : Projects Director Europe Marine Harvest Europe, Amersfoort, Netherlands

2000 – 2002 : Post – Merger Integration Manager Marine Harvest Europe, Bergen, Norway

1997 – 2000 : Group Financial/M&A Manager Nutreco Holding, Boxmeer, Netherlands

1990 – 1995 : Investment Manager, Gilde Investment Fund BV

1987 – 1990 : Management Assistant, Gilde Investment Fund BV

Percentage of Shares Hold : - None -



Mr. Panop Svetarundra
Executive Director
Asian Seafoods Coldstorage PLC.

Age (Years): 54 years old

Education : 1987 – 1989 Sasin Graduate School of Business, Bangkok
MBA, Finance Major
1982 – 1986 Drake University, Iowa, USA BA, Finance Major

Other Professional Qualification (From IOD or others) : - None -

Experience :

2017 – Present : Director, Asian Seafoods Coldstorage PLC

2012 – 2015 : Head of Treasury Group, Executive Vice President & Director
Krung Thai Bank PCL, Head Office

2010 – 2015 : Board of Directors Trinity Wattana PLC,
Security Brokerage Company

2011 – 2012 : Treasurer, Senior Vice President & Manager
Krung Thai Bank PCL., Head Office

2008 – 2011 : Treasurer, First Vice President & Manager
Krung Thai Bank PCL., Head Office

2007 – 2008 : Head of Treasury Sales, First Vice President
Krung Thai Bank PCL., Head Office

1998 – 2006 : FX Marketing Group, Head & Vice President
BNP Paribas, Bangkok Branch

1995 – 1998 : Senior Corporate Advisor, Assistant Vice President
Bank of America, Bangkok Branch

Percentage of Shares Hold : - None -



Mr. Yasuto Togashi
Managing Director
Asian Alliance International Co., Ltd.

Age (Years): 53 years old

Education : Bachelor of Engineering (Ship Building), Yokohama National University, Japan

Other Professional Qualification (From IOD or others) : - None -

Experience :

2017 : Managing Director, Asian Alliance International Co., Ltd.

2009 – 2017 : General Manager and Asst. Vice President, Central Restaurants Group Co., Ltd. (Thailand)

2004 – 2009 : Managing Director, Rich Oak Co., Ltd. (Thailand)

2002 – 2004 : Asst. Manager, Asian Operations Section, Maruha Corporation (Japan)

2000 – 2002 : Managing Director, Maruha Holdings (Thailand) Co., Ltd.

1994 – 2000 : Representative, Maruha Corporation Bangkok Representative Office

1993 – 1994 : Marketing Officer, Canned Food Dept, Maruha Corporation (Japan)

1991 – 1993 : Project Secretary, New Business Development Office, Taiyo Fishery Co., Ltd. (Japan)

1986 – 1991 : Engineering Officer, Engineering Consulting Office, Taiyo Fishery Co., Ltd. (Japan)

Percentage of Shares Hold : - None -



Mr. Wallop Lomlimp
Assistant Managing Director
Asian Feed Co., Ltd.

Age (Years): 51 years old

Education : Bachelor of Science Agro-Industry, Prince Songkla University

Other Professional Qualification (From IOD or others) : - None -

Experience :

2015 – Present : Managing Director, Asian Feed Co., Ltd.

2008 – 2015 : Assistant Managing Director, Asian Seafoods Coldstorage PLC. And Asian Feed Co., Ltd.

2000 – 2008 : Factory Manager, Asian Seafoods Coldstorage (Surattani) Co., Ltd.

1996 – 1999 : Factory Manager, Sea Royal Seafood Co., Ltd.

1988 – 1995 : Factory Manager, Surattani Marine Products Co., Ltd.

Percentage of Shares Hold : - None -



Mr. Bundit Pichetpongsa
Assistant Managing Director
Asian Alliance International Co., Ltd.

Age (Years): 40 years old

Education : Master of Business Administration, University of South Australia

Other Professional Qualification (From IOD or others) : - None -

Experience :

2016 – Present : Assistant Managing Director, Asian Alliance International Co., Ltd.

2014 – 2016 : Commercial Manager, Asian Alliance International Co., Ltd.

2013 : Assistant Managing Director, Asian Seafoods Coldstorage PLC.

2012 – 2013 : Factory Manager, Asian Alliance International Co., Ltd.

2010 – 2011 : Production Manager, Asian Alliance International Co., Ltd.

2007 – 2009 : Assistant Production, Asian Alliance International Co., Ltd.

Percentage of Shares Hold : - None -



Mr. Chitsanucha Puangsuda
Assistant Managing Director
Asian Seafoods Coldstorage PLC.

Age (Years): 49 years old
Education : Bachelor of Laws, Ramkhamhaeng University
Other Professional Qualification (From IOD or others) : - None -
Experience :
2016 – Present : Assistant Managing Director, Asian Seafoods Coldstorage PLC.
2016 : Deputy manager of Legal, Metro Systems Corporation PLC.
2005 – 2015 : Audit, Metro Systems Corporation PLC.
1997 – 2015 : Committee Investigating Corruption, Metro Systems Corporation PLC.
1994 – 2016 : Lawyer, Metro Systems Corporation PLC.
Percentage of Shares Hold : - None -



Ms. Sirirat Wongmathawee
Assistant Managing Director
Asian Seafoods Coldstorage (Suratthani)

Age (Years): 48 years old
Education : Bachelor of Art Program in Journalism, Thammasat University
Master of Business Administration, Assumption University
Other Professional Qualification (From IOD or others) : - None -
Experience :
2015 – Present : Assistant Managing Director, Asian Seafoods Coldstorage (Suratthani) Co., Ltd.
Other Positions before 2015
- Manager, Overseas Marketing Dept., Asian Seafoods Coldstorage (Suratthani) Co., Ltd
- Deputy Manager, Overseas Marketing Dept., Asian Seafoods Coldstorage (Suratthani) Co., Ltd.
- Officer, Overseas Marketing Dept., Asian Seafoods Coldstorage (Suratthani) Co., Ltd.
- Executive Secretary to Managing Director, Asian Seafoods Coldstorage PLC.
Percentage of Shares Hold : - None -



Ms. Varanratch Assanupong
Assistant Managing Director
Asian Alliance International Co., Ltd.

Age (Years): 42 years old
Education : Master of Business Administration (Finance),
New York Institute of Technology (NYIT), USA
Bachelor of Business and Administration (Finance) , Kasetsart University
Other Professional Qualification (From IOD or others) : - None -
Experience :
2017-Present : Finance and Investor Relation Manager, Asian Seafoods Coldstorage PLC.
2014 – 2017 : Company Secretary and Finance Manager, Asian Seafoods Coldstorage PLC.
2013 – 2014 : Financial Analyst, Central Pattana PLC.(CPN)
25011 – 2013 : Financial Analyst, Honda Phraram 3. Co., Ltd.
Percentage of Shares Hold : - None -

Subsidiaries Directors**Director and Committee of 4 subsidiaries**

Director Name	Subsidiary			
	SURAT	AAI	FEED	FOOD
1. Mr.Somsak Amornrattanachaikul	X	X	X	X
2. Mr.Somchai Amornrattanachaikul	/	/	/	/, //
3. Mrs.Suree Junsawat	//			
4. Mr.Wallop Lomplim			//	
5. Mr.Yasuto Togashi		//		

Note: X = Chief Executive Officer

/ = Senior Managing Director

// = Director

SURAT = Asian Seafoods ColdStorage (Suratthani) Co.,Ltd.

AAI = Asian Alliance International Co.,Ltd.

FEED = Asian Feed Co.,Ltd.

FOOD = Asian Foods Co.,Ltd.

Chief of Internal Auditor**And Chief of Internal Control**

Chief of Internal Auditor: Miss Phastrawan Prichapanuwat

Position : Internal audit department manager

Ages : 35 Years

Date Appointed : May 8, 2017

Educations

- Bachelor Degree Major in Accounting-Auditing (Rathchamangala University of technology Krungthep)
- Master Degree (MBA), Major in Accounting, (Ramkhamhaeng University)
- Fraud risk management and internal auditing of financial institution (The institute of internal auditors of thailand)
- Technical insight into modern integrated risk management (National Institute of Development Administration)
- COSO-ERM (Federation of accounting professions)
- Internal Audit Program: Prepared Course for Certified Internal Auditor: Pre – CIA (Faculty of commerce and accountancy, Chulalongkorn University)
- J-SOX Flash Report

No. of shares hold : None

Personal relationship

to the Executives : None

Experiences

- 2017- Present: Asian seafood cold storage public company limited
- 2016: T.C. pharmaceutical industries Co., Ltd. and Red Bull Beverage Co., Ltd.
- 2008-2015: Ajinomoto (Thailand) Co., Ltd.
- 2005-2008: S.K. accountant services Co., Ltd.

Asian Seafoods Coldstorage Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2017

Independent Auditor's Report

To the Shareholders of Asian Seafoods Coldstorage Public Company Limited and its subsidiaries

Opinion

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asian Seafoods Coldstorage Public Company Limited and its subsidiaries and of Asian Seafoods Coldstorage Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

The Group is principally engaged in the production of processed frozen seafood and provision of cold storage services. Revenue from export sales is the most significant amount representing 77% of total revenues and there is a variety of conditions in these sales and delivery. As a result, the Group has to consider these conditions in its revenue recognition. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant documents, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Allowance for doubtful debts for trade receivables

As discussed in Note 8 to the financial statements as at 31 December 2017, the Group had an outstanding balance of trade receivables over 12 months, amounting to Baht 213 million, while allowance for doubtful debts of Baht 213 million, representing 16% of total trade receivables, has been recorded. Therefore, the management is required to exercise considerable judgement in determining the allowance for doubtful debts for these long-outstanding debtors. There are therefore risks with respect to the amount of the allowance for doubtful debts for trade receivables.

I assessed and tested the internal controls of the Group relating to the determination of allowance for doubtful debts for trade receivables. I also assessed the key information, assumptions and methods used by the Group in calculating allowance for doubtful debts for trade receivables by applying the following procedures:

- Gaining an understanding of the basis applied in determining the allowance calculation and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.
- Reviewing aging report to identify trade receivables with indicators longer than normal collection.
- Assessing the potential to collection of debt from past experience and analytical procedures from current financial data, economic condition and nature of outstanding balance of these account receivables.
- Reviewing account receivables collection amount occurring after the date of the financial statements.

Net realisable value of inventories

Estimating the net realisable value of inventories, as disclosed in Note 9 to the financial statements, is an area of significant management judgement, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the amount of provision set aside for diminution in the value of inventories.

I assessed and tested the internal controls of the Group relevant to the determination of provision for diminution in the value of inventories by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I also assessed the method and the assumptions applied by management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventories and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.

- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing details of sales transactions occurring after the date of the financial statements with the cost of inventories for each product line.

Impairment on investments in subsidiaries

Because some subsidiaries had operating losses and deficits, the process of determining the impairment loss of investments in the subsidiaries, requires significant management judgement with respect to its projections of future operating performance of the subsidiaries, and determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of impairment loss recorded on investments in subsidiaries.

I gained an understanding of management's determination process and assessed the following:

- The assumptions applied in preparing 5-year plans and cash flow projections for the subsidiaries, based on the understanding I gained of the process by which the figures were arrived at, comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections, and comparison of the long-term growth rate of the subsidiaries with economic and industry forecasts.
- The discount rate, based on comparison of the average cost of capital and other data with those used by comparable organisations.
- Considering the scope and probability of potential changes in the key assumptions.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

EY Office Limited
Bangkok: 21 February 2018

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	38,640,315	66,509,731	9,542,466	8,320,410
Trade and other receivables	8	1,190,889,506	1,195,139,522	198,718,110	197,706,859
Short-term loans to subsidiaries	6	-	-	530,363,774	612,863,774
Inventories	9	2,682,146,431	2,197,578,401	585,309,491	644,621,507
Other current assets		36,368,903	33,746,528	12,267,147	10,903,826
Total current assets		3,948,045,155	3,492,974,182	1,336,200,988	1,474,416,376
Non-current assets					
Investments in subsidiaries	10	-	-	2,425,000,000	2,275,000,000
Investment properties	11	40,301,375	40,301,375	-	-
Property, plant and equipment	12	2,659,560,137	2,675,031,174	1,245,644,592	1,289,805,860
Intangible assets	13	42,807,417	46,107,777	41,693,272	45,159,557
Deferred tax assets	24	95,112,543	49,571,018	-	-
Other non-current assets		24,856,809	21,609,129	21,047,655	19,380,195
Total non-current assets		2,862,638,281	2,832,620,473	3,733,385,519	3,629,345,612
Total assets		6,810,683,436	6,325,594,655	5,069,586,507	5,103,761,988

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

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	14	1,284,125,366	1,386,617,062	148,296,631	595,963,446
Short-term loans from subsidiaries	6	-	-	12,800,000	16,000,000
Trade and other payables	15	608,935,867	686,441,872	106,693,820	138,170,409
Current portion of long-term loans	16	518,725,000	257,949,138	518,725,000	257,949,138
Current portion of long-term debentures	17	349,847,574	187,201,219	349,847,574	187,201,219
Current portion of finance lease liabilities	18	758,083	2,129,859	541,493	1,664,237
Income tax payable		2,610,482	-	-	-
Provision for litigation costs	30.4	-	28,802,000	-	-
Other current liabilities		43,975,459	38,577,055	6,750,367	5,502,516
Total current liabilities		2,808,977,831	2,587,718,205	1,143,654,885	1,202,450,965
Non-current liabilities					
Long-term loans	16	1,289,235,685	995,374,479	1,289,235,685	995,374,479
Long-term debentures	17	-	349,508,132	-	349,508,132
Finance lease liabilities	18	1,431,607	1,306,577	765,084	1,306,577
Deferred tax liabilities	24	116,825,913	124,873,394	72,233,857	44,723,730
Provision for long-term employee benefits	19	53,582,325	47,333,160	30,286,222	27,509,835
Other non-current liabilities		2,039,644	2,011,718	2,031,934	2,004,008
Total non-current liabilities		1,463,115,174	1,520,407,460	1,394,552,782	1,420,426,761
Total liabilities		4,272,093,005	4,108,125,665	2,538,207,667	2,622,877,726

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

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Shareholders' equity					
Share capital	20				
Registered					
542,730,702 ordinary shares of Baht 1 each					
(2016: 361,820,468 ordinary shares					
of Baht 1 each)		542,730,702	361,820,468	542,730,702	361,820,468
Issued and paid-up					
542,727,549 ordinary shares of Baht 1 each					
(2016: 361,820,468 ordinary shares					
of Baht 1 each)		542,727,549	361,820,468	542,727,549	361,820,468
Premium on ordinary shares		552,813,994	552,813,994	552,813,994	552,813,994
Retained earnings					
Appropriated - statutory reserve	22	54,000,000	41,000,000	54,000,000	41,000,000
Unappropriated		976,844,819	849,630,459	1,002,638,158	1,146,050,661
Other components of shareholders' equity	21	412,204,069	412,204,069	379,199,139	379,199,139
Total shareholders' equity		2,538,590,431	2,217,468,990	2,531,378,840	2,480,884,262
Total liabilities and shareholders' equity		6,810,683,436	6,325,594,655	5,069,586,507	5,103,761,988
		-	-	-	-

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

Directors

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales	25	9,732,835,474	9,197,029,329	2,365,184,046	2,500,530,124
Cold storage service income	25	7,335,971	9,138,764	99,881,612	105,725,734
Reversal of allowance for impairment of investments in subsidiaries	10	-	-	150,000,000	175,000,000
Other income		147,853,362	141,799,539	122,244,655	131,704,646
Total revenues		9,888,024,807	9,347,967,632	2,737,310,313	2,912,960,504
Expenses					
Cost of sales and services		8,720,511,392	8,433,655,920	2,210,428,795	2,443,512,182
Selling expenses		313,356,573	354,357,392	105,480,227	133,711,171
Administrative expenses		346,300,064	274,330,878	145,741,581	85,145,947
Total expenses		9,380,168,029	9,062,344,190	2,461,650,603	2,662,369,300
Profit before finance cost and tax income					
(income tax expenses)		507,856,778	285,623,442	275,659,710	250,591,204
Finance cost		(137,262,040)	(149,872,010)	(97,866,574)	(105,994,105)
Profit before tax income (income tax expenses)		370,594,738	135,751,432	177,793,136	144,597,099
Tax income (income tax expenses)	24	47,427,740	18,884,017	(30,706,464)	(33,393,525)
Profit for the year		418,022,478	154,635,449	147,086,672	111,203,574
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss)	19	(818,625)	19,041,772	(432,446)	8,886,707
Changes in surplus on revaluation of land	21	-	150,177,420	-	139,106,420
Less: Income tax effect	24	163,725	(33,843,838)	86,489	(29,598,625)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income tax		(654,900)	135,375,354	(345,957)	118,394,502
Other comprehensive income for the year		(654,900)	135,375,354	(345,957)	118,394,502
Total comprehensive income for the year		417,367,578	290,010,803	146,740,715	229,598,076
Earnings per share					
26					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.77	0.28	0.27	0.20
(Unit: Share)					
Weighted average number of ordinary shares		542,727,549	542,727,549	542,727,549	542,727,549

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

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	370,594,738	135,751,432	177,793,136	144,597,099
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	189,335,793	190,070,805	55,202,373	64,047,492
Allowance for doubtful debts (reversal)	9,770,722	96,431,231	(857,337)	8,223,623
Write-off other receivables	-	12,209,959	-	-
Reduction of cost of inventories to net realisable value (reversal)	(10,520,460)	90,682,113	5,318,121	7,531,598
Reversal of allowance for impairment of investments in subsidiaries	-	-	(150,000,000)	(175,000,000)
Loss (gain) on sales of equipment	22,769,431	(2,944,155)	3,392,280	(2,751,057)
Reversal of provision for litigation costs	-	(16,767,515)	-	-
Long-term employee benefit expenses	6,193,140	12,311,312	2,808,941	6,088,811
Unrealised loss (gain) on exchange rate	(8,782,746)	5,529,418	(1,838,373)	57,129
Loss (gain) on forward exchange contracts	2,813,560	1,954,381	1,622,512	(986,068)
Interest income	(2,843,682)	(464,900)	(21,326,051)	(17,413,050)
Interest expense	137,262,040	149,872,010	97,866,574	105,994,105
Profit from operating activities before changes in operating assets and liabilities	716,592,536	674,636,091	169,982,176	140,389,682
Decrease (increase) in operating assets				
Trade and other receivables	(11,355,396)	(205,685,850)	(2,130,909)	(16,892,861)
Inventories	(474,047,570)	(57,167,749)	53,993,895	154,534,253
Other current assets	(2,486,073)	36,913,804	(1,259,760)	(4,590,327)
Other non-current assets	(1,599,005)	5,483,619	(49,310)	5,612,250
Increase (decrease) in operating liabilities				
Trade and other payables	(70,041,810)	196,169,859	(20,048,036)	(7,125,013)
Cash paid for litigation cost	(28,802,000)	-	-	-
Other current liabilities	5,526,154	13,695,426	1,247,851	116,644
Cash paid for long-term employee benefits	(762,600)	(1,926,059)	(465,000)	(1,488,059)
Other non-current liabilities	27,926	(152,349)	27,926	(152,348)
Cash flows from operating activities	133,052,162	661,966,792	201,298,833	270,404,221
Cash paid for interest	(134,749,486)	(155,434,525)	(95,921,676)	(105,190,156)
Cash paid for income tax	(6,008,955)	(11,029,752)	(5,701,218)	(4,906,774)
Cash received from withholding income tax	973,220	-	973,220	-
Net cash flows from (used in) operating activities	(6,733,059)	495,502,515	100,649,159	160,307,291

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

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Acquisitions of investment properties	-	(6,050,100)	-	-
Acquisitions of equipment	(196,083,876)	(84,848,000)	(15,840,212)	(9,449,771)
Acquisitions of computer software	(4,275,000)	(38,951,525)	(4,275,000)	(39,118,900)
Proceeds from sales of equipment	3,953,531	3,109,894	1,505,411	2,855,794
Decrease (increase) in short-term loans to subsidiaries	-	-	82,500,000	(397,700,000)
Interest received	2,843,682	1,180,403	21,535,271	16,603,301
Net cash flows from (used in) investing activities	(193,561,663)	(125,559,328)	85,425,470	(426,809,576)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts				
and short-term loans from banks	(91,413,130)	(584,281,482)	(446,044,073)	68,466,993
Decrease in short-term loans from subsidiaries	-	-	(3,200,000)	(29,500,000)
Net cash received from long-term loans	1,500,000,000	746,250,000	1,500,000,000	746,250,000
Repayment of long-term loans	(950,000,000)	(210,000,000)	(950,000,000)	(210,000,000)
Net cash received from long-term debentures issuing	-	349,321,117	-	349,321,117
Repayment of long-term debentures	(187,500,000)	(562,500,000)	(187,500,000)	(562,500,000)
Decrease in finance lease liabilities	(2,415,427)	(3,615,429)	(1,862,363)	(2,463,345)
Dividend paid	(96,246,137)	(90,434,717)	(96,246,137)	(90,434,717)
Net cash flows from (used in) financing activities	172,425,306	(355,260,511)	(184,852,573)	269,140,048
Net increase (decrease) in cash and cash equivalents	(27,869,416)	14,682,676	1,222,056	2,637,763
Cash and cash equivalents at beginning of year	66,509,731	51,827,055	8,320,410	5,682,647
Cash and cash equivalents at end of year	38,640,315	66,509,731	9,542,466	8,320,410
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Increase (decrease) in other payables for acquisitions				
of equipment	(139,827)	8,646,693	(3,367,701)	4,995,822
Increase (decrease) in other payables for acquisitions				
of computer software	(3,850,008)	4,275,000	(4,275,000)	4,275,000
Acquisitions of equipment under finance lease liabilities	918,318	1,834,244	-	1,834,244

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

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	Total
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
					Surplus on revaluation of land	
Balance as at 1 January 2016	361,820,468	552,813,994	41,000,000	770,196,309	292,062,133	2,017,892,904
Profit for the year	-	-	-	154,635,449	-	154,635,449
Other comprehensive income for the year	-	-	-	15,233,418	120,141,936	135,375,354
Total comprehensive income for the year	-	-	-	169,868,867	120,141,936	290,010,803
Dividend paid (Note 29)	-	-	-	(90,434,717)	-	(90,434,717)
Balance as at 31 December 2016	361,820,468	552,813,994	41,000,000	849,630,459	412,204,069	2,217,468,990
Balance as at 1 January 2017	361,820,468	552,813,994	41,000,000	849,630,459	412,204,069	2,217,468,990
Profit for the year	-	-	-	418,022,478	-	418,022,478
Other comprehensive income for the year	-	-	-	(654,900)	-	(654,900)
Total comprehensive income for the year	-	-	-	417,367,578	-	417,367,578
Increased share capital (Note 20)	180,907,081	-	-	-	-	180,907,081
Dividend paid (Note 29)	-	-	-	(277,153,218)	-	(277,153,218)
Transferred unappropriated retained earnings to statutory reserve (Note 22)	-	-	13,000,000	(13,000,000)	-	-
Balance As at 31 December 2017	542,727,549	552,813,994	54,000,000	976,844,819	412,204,069	2,538,590,431
						-
						-

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

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Separate financial statements					Total
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
					Surplus on revaluation of land	
Balance as at 1 January 2016	361,820,468	552,813,994	41,000,000	1,118,172,438	267,914,003	2,341,720,903
Profit for the year	-	-	-	111,203,574	-	111,203,574
Other comprehensive income for the year	-	-	-	7,109,366	111,285,136	118,394,502
Total comprehensive income for the year	-	-	-	118,312,940	111,285,136	229,598,076
Dividend paid (Note 29)	-	-	-	(90,434,717)	-	(90,434,717)
Balance as at 31 December 2016	<u>361,820,468</u>	<u>552,813,994</u>	<u>41,000,000</u>	<u>1,146,050,661</u>	<u>379,199,139</u>	<u>2,480,884,262</u>
Balance as at 1 January 2017	361,820,468	552,813,994	41,000,000	1,146,050,661	379,199,139	2,480,884,262
Profit for the year	-	-	-	147,086,672	-	147,086,672
Other comprehensive income for the year	-	-	-	(345,957)	-	(345,957)
Total comprehensive income for the year	-	-	-	146,740,715	-	146,740,715
Increased share capital (Note 20)	180,907,081	-	-	-	-	180,907,081
Dividend paid (Note 29)	-	-	-	(277,153,218)	-	(277,153,218)
Transferred unappropriated retained earnings to statutory reserve (Note 22)	-	-	13,000,000	(13,000,000)	-	-
Balance As at 31 December 2017	<u>542,727,549</u>	<u>552,813,994</u>	<u>54,000,000</u>	<u>1,002,638,158</u>	<u>379,199,139</u>	<u>2,531,378,840</u>
						-
						-

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

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2017

1. General information

Asian Seafoods Coldstorage Public Company Limited (“the Company”) is a public limited company incorporated and domiciled in Thailand. The Company is principally engaged in the production of processed frozen seafood and provision of cold storage services. The registered office of the Company is at 55/2 Rama II Road, Bangkachao, Muang Samudhsakorn, Samudhsakorn. There are eight branches located in Bangkok and Samudhsakorn.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Asian Seafoods Coldstorage Public Company Limited (hereinafter called as “the Company”) and the following subsidiaries (hereinafter called as “the Group”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017	2016
			Percent	Percent
<u>Subsidiaries directly held by the Company</u>				
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	Production of processed frozen seafoods	Thailand	100	100
Asian Alliance International Co., Ltd.	Production of packaged seafoods, animal feeds and fishmeal	Thailand	100	100
Asian Feed Co., Ltd.	Production of feedstuff	Thailand	100	100
Asian Food Co., Ltd.	Domestic distribution of frozen seafoods	Thailand	100	100
<u>Subsidiary held by Asian Feed Co., Ltd.</u>				
Asian Seafoods Coldstorage (Sriracha) Co., Ltd.	Currently non-active	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

During the year, the Group has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

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

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

The management of the Group believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods are valued at the lower of cost under the weighted average method and net realisable value. The cost of inventories includes raw material costs, labor costs and attributable factory overheads.

Work in process, raw materials, packing materials, spare parts and factory supplies are valued at the lower of weighted average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

Investments in subsidiaries, presented in the separate financial statements, are stated at cost less allowance for impairment loss.

4.6 Investment properties

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

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

4.7 Property, plant and equipment/Depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When the carrying amount of land is increased as a result of a revaluation, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of “Surplus on revaluation of land”. However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When the carrying amount of land is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in “Surplus on revaluation of land” in respect of the same asset.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Land improvement	5 - 25 years
Buildings and building improvement	5 - 30 years
Machinery and equipment	2 - 21 years
Furniture, fixtures and office equipment	5 - 20 years
Motor vehicles	3 - 10 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation and construction.

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

4.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses (if any).

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

Intangible assets with finite useful lives are computer software which has estimated useful life of 10 years and no amortisation is charged for computer software under installation.

4.9 Related party transactions

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

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

4.10 Long-term leases

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

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

4.11 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange rate are included in determining income.

4.12 Impairment of assets

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

An impairment loss is recognised in profit or loss. However in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

4.14 Provisions

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

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income.

Interest rate swap contracts

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

4.17 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful debts

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

Provision for diminution in the value of inventories

In determining a provision for diminution in the value of inventories, the management needs to make judgement and estimates for slow-moving and obsolete inventories based upon, among other things, the product life cycle, the competitive environment, economic circumstances and the situation within the industry.

Impairment of investments in subsidiaries

The Company records provision for impairment loss on investments in subsidiaries when the indicator of impairment exists. This requires the management judgement with respect to its projections of future performance of the subsidiaries.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates as described in Note 12 to the financial statements.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Group has contingent liabilities as a result of litigations. The management has used judgement to assess of the results of the litigations and has recorded the provision for litigation costs with reasonable loss estimated as at the end of reporting period.

6. Related party transactions

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

(Unit: Thousand Baht)

	Separate		
	financial statements		Transfer pricing policy
	2017	2016	
<u>Transactions with subsidiaries</u>			
(eliminated from the consolidated financial statements)			
Sales	41,019	11,542	Cost plus margin
Cold storage service income	92,546	96,587	Contract price
Rental income	19,200	15,600	Contract price
Management fee income	41,880	25,714	Mutually agreed price
Interest income	21,059	17,160	4.20% - 4.50% per annum (2016: 4.29% - 5.06% per annum)
Other income	6,675	8,890	Cost plus margin and mutually agreed price
Purchases of raw materials	163,748	196,628	Cost plus margin
Interest expense	3,633	2,572	4.06% - 4.35% per annum (2016: 4.29% - 5.06% per annum)
Other expenses	5,052	2,537	Cost plus margin and mutually agreed price

As at 31 December 2017 and 2016, the balances of the accounts between the Company and its subsidiaries as presented in the separate financial statements are as follows.

(Unit: Thousand Baht)

	2017	2016
Trade receivables - subsidiaries (Note 8)	8,480	16,383
Other receivables - subsidiaries (Note 8)	14,966	9,476
Short-term loans to subsidiaries - net	530,364	612,864
Interest receivable from subsidiaries (Note 8)	1,900	2,109
Trade payables - subsidiaries (Note 15)	8,823	3,227
Other payables - subsidiaries (Note 15)	406	500
Short-term loans from subsidiaries	12,800	16,000
Interest payable to subsidiaries (Note 15)	7	70

Short-term loans to subsidiaries and short-term loans from subsidiaries

As at 31 December 2017 and 2016, the balances of short-term loans to subsidiaries and short-term loans from subsidiaries and the movements during the year are as follows.

(Unit: Thousand Baht)

Short-term loans to	Interest rate (percent per annum)	Principal repayment schedule	Separate financial statements			Balance as at 31 December 2017
			Balance as at 31 December 2016	Increase during the year	Decrease during the year	
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	4.20 - 4.50	At call	184,000	894,070	(707,070)	371,000
Asian Alliance International Co., Ltd.	4.20 - 4.50	At call	264,500	492,000	(654,000)	102,500
Asian Feed Co., Ltd.	4.20 - 4.50	At call	206,200	273,049	(380,549)	98,700
Asian Food Co., Ltd.	4.20 - 4.21	At call	-	63,000	(63,000)	-
Total			654,700	1,722,119	(1,804,619)	572,200
Less: Allowance for doubtful debts			(41,836)	-	-	(41,836)
Total short-term loans to - net			612,864	1,722,119	(1,804,619)	530,364

(Unit: Thousand Baht)

Short-term loans from	Interest rate (percent per annum)	Principal repayment schedule	Separate financial statements			Balance as at 31 December 2017
			Balance as at 31 December 2016	Increase during the year	Decrease during the year	
Asian Alliance International Co., Ltd.	4.06 - 4.22	At call	-	608,200	(608,200)	-
Asian Food Co., Ltd.	4.06 - 4.35	At call	16,000	177,400	(180,600)	12,800
Total short-term loans from			16,000	785,600	(788,800)	12,800

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	20,516	15,611	11,406	8,486
Post-employment benefits	717	914	378	508
Total	21,233	16,525	11,784	8,994

Guarantees

The Company has guaranteed bank credit facilities of the subsidiaries as described in Notes 14 and 30.3 c) to the financial statements without charging guarantee fee.

The Company's bank overdraft and short-term bank loan facilities are guaranteed by Asian Seafoods Coldstorage (Suratthani) Co., Ltd. (subsidiary) without charging guarantee fee.

The Company's long-term bank loan facilities are guaranteed by the mortgage of the buildings of Asian Alliance International Co., Ltd. (subsidiary) without charging guarantee fee.

7. Cash and cash equivalents

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Cash	763	825	97	99
Bank deposits	37,877	65,685	9,445	8,221
Total	38,640	66,510	9,542	8,320

As at 31 December 2017, bank deposits in savings accounts carried interests between 0.13% and 1.10% per annum (2016: 0.13% and 2.50% per annum).

8. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
<u>Trade receivables - subsidiaries (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	-	-	8,478	16,381
Past due up to 3 months	-	-	2	2
Total trade receivables - subsidiaries	-	-	8,480	16,383
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	341,384	796,872	110,776	114,270
Past due				
Up to 3 months	702,642	275,316	43,784	42,925
3 - 6 months	33,119	11,504	13,157	57
6 - 12 months	24,358	21,208	677	17
Over 12 months	212,722	417,174	7,654	8,520
Total	1,314,225	1,522,074	176,048	165,789
Less: Allowance for doubtful debts	(212,722)	(385,800)	(7,654)	(8,561)

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2017	2016	2017	2016
Total trade receivables - unrelated parties, net	1,101,503	1,136,274	168,394	157,228
Total trade receivables - net	1,101,503	1,136,274	176,874	173,611

Other receivables

Other receivables - subsidiaries (Note 6)	-	-	14,966	9,476
Other receivables - unrelated parties	137,358	104,653	4,337	10,248
Forward contract receivables	1,668	4,481	641	2,263
Interest receivable from subsidiaries (Note 6)	-	-	1,900	2,109
Total	139,026	109,134	21,844	24,096
Less: Allowance for doubtful debts	(49,639)	(50,268)	-	-
Total other receivables - net	89,387	58,866	21,844	24,096
Total trade and other receivables - net	1,190,890	1,195,140	198,718	197,707

9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	1,688,437	1,226,266	(107,450)	(117,971)	1,580,987	1,108,295
Work in process	57,673	153,947	-	-	57,673	153,947
Raw materials	728,856	541,075	-	-	728,856	541,075
Packing materials	214,380	182,133	-	-	214,380	182,133
Spare parts and factory supplies	25,001	23,524	-	-	25,001	23,524
Goods in transit	75,249	188,604	-	-	75,249	188,604
Total	2,789,596	2,315,549	(107,450)	(117,971)	2,682,146	2,197,578

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	453,323	431,076	(25,331)	(20,013)	427,992	411,063
Work in process	44,528	63,297	-	-	44,528	63,297
Raw materials	90,790	149,504	-	-	90,790	149,504
Packing materials	15,344	14,901	-	-	15,344	14,901
Goods in transit	6,655	5,857	-	-	6,655	5,857
Total	610,640	664,635	(25,331)	(20,013)	585,309	644,622

During the current year, the Group reduced cost of inventories by Baht 24 million (2016: Baht 91 million) (Separate financial statements: Baht 5 million and 2016: Baht 8 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 35 million, and reduced the amount of inventories recognised as expenses during the year.

10. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows.

Company	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding		Cost	
			percentage			
	2017	2016	2017	2016	2017	2016
			(%)	(%)		
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	100,000	100,000	100	100	100,000	100,000
Asian Alliance International Co., Ltd.	1,700,000	1,700,000	100	100	1,699,993	1,699,993
Asian Feed Co., Ltd.	800,000	800,000	100	100	775,000	775,000
Asian Food Co., Ltd.	1,000	1,000	100	100	1,000	1,000
Total					2,575,993	2,575,993
Less: Allowance for impairment loss					(150,993)	(300,993)
Investments in subsidiaries - net					2,425,000	2,275,000

The subsidiaries did not pay any dividend in years 2017 and 2016.

11. Investment properties

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	2017	2016
Net book value at beginning of year	40,301	10,675
Land received from a debtor repayment	-	23,576
Acquisition of land	-	6,050
Net book value at end of year	40,301	40,301

Investment properties comprise of land that the Group seized from its debtors as debt repayment. Currently, it has been held for an undetermined future use. The fair values of the investment properties as at 31 December 2017 and 2016 amounted to Baht 68.6 million, which had been determined based on valuation performed by an accredited independent valuer using the market approach.

12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Revaluation basis	Cost basis						
			Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
	Land	Land improvement						
Cost / Revalued amount								
1 January 2016	821,657	94,365	1,560,576	2,103,644	98,774	153,987	57,934	4,890,937
Additions	-	271	11,682	22,863	6,041	3,145	42,893	86,895
Disposals	-	-	-	(6,338)	(286)	(8,748)	-	(15,372)
Transfer in (out)	-	-	7,416	20,702	452	-	(28,570)	-
Revaluations	150,177	-	-	-	-	-	-	150,177
31 December 2016	971,834	94,636	1,579,674	2,140,871	104,981	148,384	72,257	5,112,637
Additions	12,299	1,349	18,684	111,335	9,377	2,764	41,054	196,862
Disposals/Write-off	-	(1,191)	(4,689)	(105,029)	(606)	(7,305)	-	(118,820)
Transfer in (out)	-	7,357	20,574	28,837	3,285	-	(60,053)	-
31 December 2017	984,133	102,151	1,614,243	2,176,014	117,037	143,843	53,258	5,190,679
Accumulated depreciation								
1 January 2016	-	(54,636)	(783,852)	(1,219,263)	(80,802)	(125,573)	-	(2,264,126)
Depreciation for the year	-	(3,702)	(56,311)	(116,938)	(7,221)	(4,514)	-	(188,686)
Depreciation on disposals	-	-	-	6,276	286	8,644	-	15,206
31 December 2016	-	(58,338)	(840,163)	(1,329,925)	(87,737)	(121,443)	-	(2,437,606)
Depreciation for the year	-	(4,308)	(61,477)	(110,063)	(7,066)	(2,696)	-	(185,610)
Depreciation on disposals/Write-off	-	340	1,346	83,951	221	6,239	-	92,097

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis	Cost basis						
				Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total	
	Land	Land improvement	Buildings and building improvement	Machinery and equipment				
31 December 2017	-	(62,306)	(900,294)	(1,356,037)	(94,582)	(117,900)	-	(2,531,119)
Net book value								
31 December 2016	971,834	36,298	739,511	810,946	17,244	26,941	72,257	2,675,031
31 December 2017	984,133	39,845	713,949	819,977	22,455	25,943	53,258	2,659,560
Depreciation for the years								
2016 (Baht 168 million included in manufacturing cost, and the balance in selling and administrative expenses)								188,686
2017 (Baht 176 million included in manufacturing cost, and the balance in selling and administrative expenses)								185,610

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis	Cost basis						
				Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total	
	Land	Land improvement	Buildings and building improvement	Machinery and equipment				
Cost / Revalued amount								
1 January 2016	666,736	44,414	721,580	572,635	30,898	54,870	4,815	2,095,948
Additions	-	102	-	5,457	1,180	2,945	3,670	13,354
Disposals	-	-	-	(3,734)	-	(8,714)	-	(12,448)
Transfer in (out)	-	-	870	2,933	-	-	(3,803)	-
Revaluations	139,106	-	-	-	-	-	-	139,106
31 December 2016	805,842	44,516	722,450	577,291	32,078	49,101	4,682	2,235,960
Additions	-	-	1,598	8,482	1,240	-	1,152	12,472
Disposals	-	-	-	(9,545)	(15)	(1,183)	-	(10,743)
Transfer in (out)	-	-	4,439	243	-	-	(4,682)	-
31 December 2017	805,842	44,516	728,487	576,471	33,303	47,918	1,152	2,237,689
Accumulated depreciation								
1 January 2016	-	(31,100)	(379,168)	(413,993)	(25,801)	(45,516)	-	(895,578)
Depreciation for the year	-	(1,218)	(25,666)	(31,890)	(2,334)	(1,811)	-	(62,919)
Depreciation on disposals	-	-	-	3,733	-	8,610	-	12,343
31 December 2016	-	(32,318)	(404,834)	(442,150)	(28,135)	(38,717)	-	(946,154)
Depreciation for the year	-	(888)	(26,288)	(21,367)	(1,714)	(1,479)	-	(51,736)
Depreciation on disposals	-	-	-	4,986	1	859	-	5,846
31 December 2017	-	(33,206)	(431,122)	(458,531)	(29,848)	(39,337)	-	(992,044)
Net book value								
31 December 2016	805,842	12,198	317,616	135,141	3,943	10,384	4,682	1,289,806
31 December 2017	805,842	11,310	297,365	117,940	3,455	8,581	1,152	1,245,645
Depreciation for the years								
2016 (Baht 57 million included in manufacturing cost, and the balance in selling and administrative expenses)								62,919

(Unit: Thousand Baht)

Separate financial statements							
Revaluation basis	Cost basis						
		Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Land	Land improvement						
2017 (Baht 47 million included in manufacturing cost, and the balance in selling and administrative expenses)							51,736

The Group arranged for an independent professional valuer to appraise the value of land in 2016 using the market approach.

Key assumptions used in the valuation are summarised below.

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Price per square wah (Baht)	625 - 28,000	3,800 - 28,000	Increase in fair value

Had the land been carried in the financial statements on a historical cost basis, their net book values as of 31 December 2017 and 2016 would have been as follows.

(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements
	2017	2016	2017
Land	432,312	420,013	331,844

As at 31 December 2017, the Group has vehicles and equipment under finance lease agreements with net book value of Baht 3 million (2016: Baht 6 million) (Separate financial statements: Baht 2 million, 2016: Baht 3 million).

As at 31 December 2017, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 996 million (2016: Baht 910 million) (Separate financial statements: Baht 444 million, 2016: Baht 375 million).

As at 31 December 2017, the Group has pledged its property and plant with net book value of Baht 619 million (2016: Baht 630 million) as collateral against credit facilities received from banks as described in Note 16 to the financial statements (Separate financial statements: land with net book value of Baht 471 million, 2016: Baht 471 million).

13. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Computer software under installation	Total	Computer software	Computer software under installation	Total
Cost						
1 January 2016	7,572	180	7,752	5,819	-	5,819
Additions	36	43,077	43,113	24	43,257	43,281
Transfer in (out)	43,257	(43,257)	-	43,257	(43,257)	-
31 December 2016	50,865	-	50,865	49,100	-	49,100
Additions	425	-	425	-	-	-
31 December 2017	51,290	-	51,290	49,100	-	49,100
Accumulated amortisation						
1 January 2016	(3,372)	-	(3,372)	(2,812)	-	(2,812)
Amortisation for the year	(1,385)	-	(1,385)	(1,128)	-	(1,128)
31 December 2016	(4,757)	-	(4,757)	(3,940)	-	(3,940)
Amortisation for the year	(3,726)	-	(3,726)	(3,467)	-	(3,467)
31 December 2017	(8,483)	-	(8,483)	(7,407)	-	(7,407)
Net book value						
31 December 2016	46,108	-	46,108	45,160	-	45,160
31 December 2017	42,807	-	42,807	41,693	-	41,693

14. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	2017	2016	2017	2016	2017	2016
Bank overdrafts	MRR + 3.25, MOR	MRR + 3.25, MOR	7,207	842	3,259	103
Promissory notes	3.90 - 4.17	3.85 - 4.70	398,674	573,923	-	347,369
Trust receipt	3.10 - 4.50	2.50 - 5.53	746,444	546,869	95,038	63,508
Packing credits	2.95 - 3.75	2.85 - 5.00	131,800	264,983	50,000	184,983
Total			1,284,125	1,386,617	148,297	595,963

The Company's bank overdraft and short-term loan facilities are guaranteed by Asian Seafoods Coldstorage (Suratthani) Co., Ltd. (subsidiary).

The subsidiaries' bank overdraft and short-term loan facilities are guaranteed by the Company as described in Note 30.3 c) to the financial statements.

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Trade payables - subsidiaries (Note 6)	-	-	8,823	3,227
Trade payables - unrelated parties	408,499	519,972	38,575	78,796
Other payables - subsidiaries (Note 6)	-	-	406	500
Other payables - unrelated parties	79,677	48,020	18,782	8,374
Interest payable to subsidiaries (Note 6)	-	-	7	70
Accrued expenses	120,760	118,450	40,101	47,203
Total	608,936	686,442	106,694	138,170

16. Long-term loans

			(Unit: Thousand Baht)	
			Consolidated/ Separate	
Loan	Interest rate (percent per annum)	Repayment schedule	financial statements	
			2017	2016
1	THBFIX 3M +2.5	Quarterly repayment as from July 2014 until January 2019	310,000	510,000
2	THBFIX 6M +2.3	Quarterly repayment as from January 2017 until July 2021	-	750,000
3	THBFIX 6M +1.9	Quarterly repayment as from February 2018 until May 2022	1,500,000	-
Total			1,810,000	1,260,000
Less: Deferred financial fee			(2,039)	(6,677)
Less: Portion due within one year			(518,725)	(257,949)
Portion due more than one year			1,289,236	995,374

In July 2014, the Company entered into a loan agreement of Baht 850 million with a bank. Principal and interest are to be paid in quarterly installments from July 2014 to January 2019. The loan carries an interest rate at THBFIX 3M plus 2.5% per annum. However, the Company swapped loan interest to fixed rate of 4.55% per annum. The loan is secured by the mortgage of the Company's land and the buildings of Asian Alliance International Co., Ltd. (Subsidiary).

In July 2016, the Company entered into a loan agreement of Baht 750 million with the above mentioned bank for use in its financial restructuring purpose. Repayments were to be paid in quarterly installments from January 2017 to July 2021. The loan carried an interest rate at THBFIX 6M plus 2.3% per annum and was secured by the mortgage of the Company's land and the buildings of Asian Alliance International Co., Ltd. (Subsidiary).

In September 2017, the Company entered into a loan agreement of Baht 1,500 million with the above mentioned bank for use in the Company's operation and repayment the above loan agreement in July 2016 of Baht 750 million. Principal and interest are to be paid in quarterly installments from February 2018 to May 2022. The loan carries an interest rate at THBFIX 6M plus 1.90% per annum. However, the Company swapped loan interest to fixed rate of 3.95% per annum. The loan is secured by the mortgage of the Company's land and the buildings of Asian Alliance International Co., Ltd. (Subsidiary).

The loan agreements contain several covenants which, among other things, require the Group to maintain current ratio, debt-to-equity ratio and debt service coverage ratio at the rates prescribed in the agreements.

17. Long-term debentures

						(Unit: Thousand Baht)	
						Consolidated / Separate	
						financial statements	
						Carrying amount	
Maturity date	No. of units	Par value	Interest rate	Term of interest payment	2017	2016	
	(Thousand units)	(Baht)	(% p.a.)				
1. Entirely redeem on 21 July 2017 (1 year 11 months 29 days)	750	1,000	5.40	Quarterly	187,500	750,000	
Less: redemption					(187,500)	(562,500)	
Total					-	187,500	
2. Entirely redeem on 19 March 2018 (2 years 3 days)	150	1,000	4.90	Quarterly	150,000	150,000	
3. Entirely redeem on 28 September 2018 (1 year 11 months 30 days)	200	1,000	4.35	Quarterly	200,000	200,000	
Total long-term debentures					350,000	537,500	
Less: Deferred debenture issuing costs					(152)	(791)	
Less: Portion due within one year					(349,848)	(187,201)	
Portion due more than one year					-	349,508	

The long-term debentures are unsecured and unsubordinated.

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios, including debt to equity ratio not exceeding 3:1.

In June 2016, the Company informed the debenture holders of its intention to exercise early redemption of the debentures No.1 on 23 July 2016 instead of 21 July 2017 as an earlier call date at 75% of par value, totaling Baht 562.5 million.

18. Finance lease liabilities

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Finance lease liabilities	2,339	3,617	1,379	3,138
Less: Deferred interest expense	(149)	(180)	(73)	(167)
Total	2,190	3,437	1,306	2,971
Less: Portion due within one year	(758)	(2,130)	(541)	(1,664)
Portion due more than one year	1,432	1,307	765	1,307

The Group has entered into the finance lease agreements with leasing companies for rental of equipment and motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows.

	(Unit: Thousand Baht)					
	As at 31 December 2017					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1-5 years	Total	Less than 1 year	1-5 years	Total
Future minimum lease payments	839	1,500	2,339	588	791	1,379
Deferred interest expense	(81)	(68)	(149)	(47)	(26)	(73)
Present value of future minimum lease payments	758	1,432	2,190	541	765	1,306

(Unit: Thousand Baht)

As at 31 December 2016

	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	1-5 years	Total	1 year	1-5 years	Total
Future minimum lease payments	2,238	1,379	3,617	1,759	1,379	3,138
Deferred interest expense	(108)	(72)	(180)	(95)	(72)	(167)
Present value of future minimum lease payments	<u>2,130</u>	<u>1,307</u>	<u>3,437</u>	<u>1,664</u>	<u>1,307</u>	<u>2,971</u>

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Provision for long-term employee benefits at beginning of year	47,333	55,990	27,510	31,796
Included in profit or loss:				
Current service cost	4,874	9,775	2,057	4,577
Interest cost	1,319	2,536	752	1,512
Included in other comprehensive income:				
Actuarial (gain) loss	819	(19,042)	432	(8,887)
Benefits paid during the year	(763)	(1,926)	(465)	(1,488)
Provision for long-term employee benefits at end of year	<u>53,582</u>	<u>47,333</u>	<u>30,286</u>	<u>27,510</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost of sales and services	4,509	8,784	1,755	4,059
Selling and administrative expenses	1,684	3,527	1,054	2,030
Total expenses recognised in profit or loss	<u>6,193</u>	<u>12,311</u>	<u>2,809</u>	<u>6,089</u>

As at 31 December 2017, the Group expects to pay Baht 1.7 million of long-term employee benefits during the next year (2016: Baht 3.7 million) (Separate financial statements: Baht 0.8 million, 2016: Baht 2.5 million).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefits is 11 years (2016: 11 years) (Separate financial statements: 11 years, 2016: 11 years).

Significant actuarial assumptions are summarised below.

	(Unit: percent per annum)	
	Consolidated / Separate	
	financial statements	
	2017	2016
Discount rate	2.99	2.99
Salary increase rate	3.50 - 5.00	3.50 - 5.00
Employee turnover rate	0 - 50	0 - 50

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

	(Unit: Thousand Baht)			
	As at 31 December 2017			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(4,130)	4,758	(2,070)	2,354
Salary increase rate	5,187	(4,573)	2,598	(2,320)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Employee turnover rate	(4,769)	5,957	(2,270)	2,763

	(Unit: Thousand Baht)			
	As at 31 December 2016			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3,947)	4,562	(2,063)	2,355
Salary increase rate	4,474	(3,952)	2,311	(2,066)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Employee turnover rate	(4,110)	5,106	(2,015)	2,445

20. Share capital

On 20 September 2017, the Extraordinary General Meeting of the Company's Shareholders No. 1/2017 approved the increase of the Company's registered share capital by Baht 180,910,234, from the existing registered share capital of Baht 361,820,468 to Baht 542,730,702, by issuing 180,910,234 newly issued ordinary shares, with a par value of Baht 1 each, to accommodate the stock dividend payment. Subsequently, the Company paid the stock dividend of 180,907,081 new ordinary shares, as mentioned in Note 29 to the financial statements, increasing the Company's issued and paid-up share capital to Baht 542,727,549. The Company registered the increase in its registered capital and paid-up capital with the Ministry of Commerce on 17 October 2017.

21. Surplus on revaluation of land

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Balance - beginning of year	412,204	292,062	379,199	267,914
Add: Revaluation	-	150,177	-	139,106
Less: Income tax effect	-	(30,035)	-	(27,821)
Balance - end of year	<u>412,204</u>	<u>412,204</u>	<u>379,199</u>	<u>379,199</u>

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

22. Statutory reserve

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

23. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Salaries, wages and other employee benefits	1,094,348	929,626	285,836	275,212
Depreciation	185,610	188,686	51,736	62,919
Amortisation	3,726	1,385	3,467	1,128
Transport expenses	237,924	200,473	56,398	66,675
Raw materials and consumables used	6,756,944	6,832,064	1,596,161	1,932,728
Changes in inventories of finished goods and work in process	365,897	66,291	3,478	152,575

24. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current income tax:				
Current income tax charge	2,717	-	-	-
Adjustment in respect of income tax of previous year	3,281	-	3,110	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(53,426)	(18,884)	27,596	33,394
Income tax expenses (tax income) reported in the statement of comprehensive income	(47,428)	(18,884)	30,706	33,394

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Deferred tax on				
Actuarial gain (loss)	(164)	3,809	(86)	1,778
Surplus on revaluation of land	-	30,035	-	27,821
	<u>(164)</u>	<u>33,844</u>	<u>(86)</u>	<u>29,599</u>

The reconciliation between accounting profit and income tax expenses (tax income) is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Accounting profit before tax	<u>370,595</u>	<u>135,751</u>	<u>177,793</u>	<u>144,597</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	74,119	27,150	35,559	28,919
Adjustment in respect of income tax of previous year	3,281	-	3,110	-
Deferred tax assets - tax losses	(90,285)	30,293	(2,037)	9,670
Previously recognised deferred tax assets which were unusable during the year	17,281	-	-	-
Effects of consolidation	176	(274)	-	-
Effects of:				
Promotional privileges	(55,100)	(80,737)	(7,249)	(5,391)
Non-deductible expenses	3,566	5,652	1,505	649
Additional expense deductions allowed	(466)	(968)	(182)	(453)
Total	<u>(52,000)</u>	<u>(76,053)</u>	<u>(5,926)</u>	<u>(5,195)</u>
Income tax expenses (tax income) reported in the statement of comprehensive income	<u>(47,428)</u>	<u>(18,884)</u>	<u>30,706</u>	<u>33,394</u>

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Deferred tax assets				
Allowance for doubtful debts	50,800	73,852	1,526	1,712
Allowance for impairment loss on investments in subsidiaries	-	-	30,199	60,199
Provision for long-term employee benefits	10,716	9,467	6,057	5,502
Unused tax losses	70,434	-	-	-
Total	131,950	83,319	37,782	67,413
Deferred tax liabilities				
Surplus on revaluation of land	(110,364)	(110,364)	(94,800)	(94,800)
Depreciation	(43,299)	(48,257)	(15,216)	(17,337)
Total	(153,663)	(158,621)	(110,016)	(112,137)
Net	(21,713)	(75,302)	(72,234)	(44,724)

As at 31 December 2017, the Group has unused tax losses amounting to Baht 693 million (2016: Baht 1,349 million) (Separate financial statements: Baht 155 million, 2016: Baht 208 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of unused tax losses.

As at 31 December 2017, the unused tax losses of the Group will gradually expire in 2025.

25. Promotional privileges

Certificate No.	Asian Seafoods Coldstorage Plc.	Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	Asian Alliance International Co., Ltd.	Asian Feed Co., Ltd.
	1982(3)/2554	2938(5)/2555	1920(2)/2554	1658(2)/2554
Promoted operations	Coldstorage services	Manufacturing or preservation of food additives with high processing technology	Production of animal feeds	Production of feedstuff and feedstuff mix
<u>Promotional privileges for</u>				
1. Exemption from corporate income tax for a period of 8 years, commencing from the date the promoted operations commenced generating revenues, to the extent that the amount of tax exempted does not exceed 100% of investment capital exclusive of land and working capital. Period of corporate income tax exemption	-	-	Granted	Granted
2. Exemption from corporate income tax for a period of 8 years, commencing from the date the promoted operations commenced generating revenues. Period of corporate income tax exemption	-	-	15 Sep 2011 - 14 Sep 2019	4 Jan 2011 - 3 Jan 2019
3. Utilisation of net loss incurred during the exemption period as a deduction from net profit incurred subsequent to such period for another 5 years.	Granted	Granted	-	-
4. Exemption from income tax on dividend that is distributed from the promoted operations.	13 Jul 2012 - 12 Jul 2020	14 Jan 2013 - 13 Jan 2021	-	-
5. Additional 25% deduction for the cost of installation or construction of facilities.	Granted	Granted	Granted	Granted
6. Exemption from import duty on machinery as approved by the Board of Investment.	Granted	Granted	Granted	Granted
7. Exemption from import duty on imported essential raw materials used in manufacturing for export sales for a period of 1 year commencing from the first importation date.	Granted	Granted	Granted	Granted
8. Exemption from import duty on imported articles for re-export for a period of 1 year commencing from the first importation date.	-	-	Granted	-
9. Exemption from import duty on imported essential raw materials used in manufacturing for export sales for a period of 5 years commencing from the first importation date.	-	-	-	Granted
10. Exemption from import duty on imported articles for re-export for a period of 5 years commencing from the first importation date.	-	-	-	Granted

The Group's operating revenues for the years ended 31 December 2017 and 2016, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements						
	Promoted operations		Non-promoted operations		Total	
	2017	2016	2017	2016	2017	2016
Sales and services						
Domestic sales and services	692,025	632,897	1,588,465	1,643,803	2,280,490	2,276,700
Export sales	4,108,970	2,880,441	3,350,711	4,049,027	7,459,681	6,929,468
Total	4,800,995	3,513,338	4,939,176	5,692,830	9,740,171	9,206,168

(Unit: Thousand Baht)

Separate financial statements						
	Promoted operations		Non-promoted operations		Total	
	2017	2016	2017	2016	2017	2016
Sales and services						
Domestic sales and services	67,217	62,714	456,652	527,579	523,869	590,293
Export sales	-	-	1,941,197	2,015,963	1,941,197	2,015,963
Total	67,217	62,714	2,397,849	2,543,542	2,465,066	2,606,256

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares used to calculate earnings per share for the years ended 31 December 2017 and 2016 in proportion to the change in the number of shares as a result of the distribution of the stock dividend of 180,907,081 shares on 17 October 2017 as if the stock dividend had been issued at the beginning of the earliest period reported.

27. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments as follows.

- Frozen and canned food products
- Feedstuff
- Other business is coldstorage services

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

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

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

For the years 2017 and 2016, the Group has no major customer with revenue of 10% or more of the entity's revenues.

The following tables present revenue, profit (loss) and total assets information regarding the Group's operating segments for the years ended 31 December 2017 and 2016.

(Unit: Million Baht)

	Frozen and canned food products		Feedstuff		Other business		Total		Eliminations		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues												
External customers	5,650	6,412	4,082	2,785	8	9	9,740	9,206	-	-	9,740	9,206
Inter-segment	314	277	31	73	93	97	438	447	(438)	(447)	-	-
Total revenues	<u>5,964</u>	<u>6,689</u>	<u>4,113</u>	<u>2,858</u>	<u>101</u>	<u>106</u>	<u>10,178</u>	<u>9,653</u>	<u>(438)</u>	<u>(447)</u>	<u>9,740</u>	<u>9,206</u>
Segment profit (loss)	502	391	567	430	(49)	(49)	1,020	772	-	-	1,020	772
Other income											148	142
Selling expenses											(314)	(354)
Administrative expenses											(346)	(274)
Finance cost											(137)	(150)
Tax income											47	19
Profit for the year											<u>418</u>	<u>155</u>

(Unit: Million Baht)

	Frozen and canned food products		Feedstuff		Other business		Total		Eliminations		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Total assets	7,284	6,915	1,843	1,661	746	777	9,873	9,353	(3,062)	(3,028)	6,811	6,325

28. 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 rate of 2% of basic salary. The fund, which is managed by TISCO Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to Baht 3.1 million (2016: Baht 2.2 million) were recognised as expenses (Separate financial statements: Baht 1.3 million, 2016: Baht 1.2 million).

29. Dividends

On 19 April 2017, the 2017 Annual General Meeting of the Company's shareholders passed a resolution approving a dividend payment of Baht 0.21 per share from the 2016 Non-BOI operating profit, or a total of Baht 75.98 million. The dividend was paid in May 2017.

On 20 September 2017, the Extraordinary General Meeting of Shareholders No. 1/2017 approved the dividend payment from the Company's retained earnings at the rate of Baht 0.556 per share. The dividend was paid on 16 October 2017 in stock dividend and cash dividend as follows.

- Stock dividend of 180,910,234 ordinary shares with a par value of Baht 1 each, issued at a rate of 1 dividend share for every 2 existing shares, in the total amount of Baht 180,910,234, or equivalent to a dividend payment of Baht 0.50 per share.
- Cash dividend at the rate of Baht 0.056 per share or in the total amount of Baht 20,261,946.

On 21 April 2016, the 2016 Annual General Meeting of the Company's shareholders passed a resolution approving a dividend payment of Baht 0.25 per share from the 2015 Non-BOI operating profit, or a total of Baht 90.4 million.

30. Commitments and contingent liabilities

30.1 Capital commitment

As at 31 December 2017, the Group had outstanding capital commitment of Baht 2.2 million (2016: None) in respect of building construction.

30.2 Lease and service agreement commitments

The Group has entered into operating lease agreements in respect of the leases of buildings and equipment and related service agreements. The terms of the agreements are generally between 1 and 3 years.

As at 31 December 2017 and 2016, the Group has future minimum payments required under these agreements as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Payable:				
In up to 1 year	11.5	12.9	1.8	1.5
In over 1 and up to 3 years	4.0	3.6	0.3	-

30.3 Guarantees

- As at 31 December 2017, there were outstanding bank guarantees of Baht 42 million and USD 1 million (2016: Baht 36 million and USD 1 million) (Separate financial statements: Baht 26 million and USD 1 million, 2016: Baht 20 million and USD 1 million) issued by banks on behalf of the Group to guarantee electricity use and letter of credit facilities.
- As at 31 December 2017 and 2016, the Company had pledged cheques amounting to Baht 20 million to guarantee its purchase of raw materials.
- As at 31 December 2017, the Company had provided guarantees to secure the subsidiaries' credit facilities obtained from banks amounting to Baht 767 million (2016: Baht 1,062 million).

30.4 Litigations

- In march 2011, Asian Alliance International Co., Ltd. (subsidiary) received an arbitration from the German Arbitration that the subsidiary had to pay the debts on a breach of contract amounting to USD 1.21 million with interest at 2% per annum and the legal costs amounting to EUR 0.03 million. In December 2012, Central Intellectual Property and International Trade Court ordered to insist the arbitration and in May 2013, the subsidiary filed an appeal to the Supreme Court. The case was finalised on 26 January 2016 that the Court judged the subsidiary had to pay according to the arbitration. As at 31 December 2016, the subsidiary had recorded provision for litigation costs of this case of Baht 28.8 million in the consolidated financial statements after it reached the settlement with its claimant.

Subsequently, in February 2017, the subsidiary had made the payment to claimant in full.

b) In October 2016, Asian Alliance International Co., Ltd. received an arbitration claim lodged by a Claimant via the American Arbitration Association. The Claimant represented an insurer of one of the subsidiary's customers that conducted a voluntary recall of certain products produced by the subsidiary in 2015. The Claimant filed a subrogation claim amounting to USD 3.15 million, asserting the subsidiary and the importer of the products were liable for the expenses of the recall. The subsidiary denies liability. In September 2017, all parties agreed to settle the case. In doing so, the subsidiary agreed to pay the Claimant USD 625,000 and received USD 243,256 for its unpaid bills and USD 531,744 for its undelivered cargoes. Unpaid bills and undelivered cargoes were booked as allowance for doubtful debts and non-conforming stock, respectively; therefore, there was no negative impact on the consolidated financial statements. The settlement agreement was distributed and settled; therefore, the case was closed.

31. Fair value hierarchy

As at 31 December 2017 and 2016, the Group had the following assets and liabilities that were measured or disclosed at fair value using level 2 (fair value is measured using other observable inputs for such assets and liabilities, whether directly or indirectly) as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Assets measured at fair value				
Forward contract receivables	1,668	4,481	641	2,263
Land	984,133	971,834	805,842	805,842
Assets and liabilities disclosed at fair value				
Investment properties	68,629	68,629	-	-
Long-term loans	1,809,083	1,255,183	1,809,083	1,255,183
Long-term debentures	349,845	536,692	349,845	536,692

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

32. Financial instruments

32.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, receivables and payables, loans receivable, short-term and long-term loans, long-term debentures and finance lease liabilities. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, loans and other receivable. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables, loans and other receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposits at banks, short-term loans receivable, bank overdrafts, short-term and long-term loans, long-term debentures and finance lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2017 and 2016, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

Consolidated financial statements						
As at 31 December 2017						
	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	37,877	763	38,640	0.13 - 1.10
Trade and other receivables	-	-	-	1,190,890	1,190,890	-
	-	-	37,877	1,191,653	1,229,530	
Financial liabilities						
Bank overdrafts and short-term loans from banks	1,276,918	-	7,207	-	1,284,125	2.95 - 10.38
Trade and other payables	-	-	-	608,936	608,936	-
Long-term loans	518,725	1,240,000	49,236	-	1,807,961	3.95 - 4.55
Long-term debentures	349,848	-	-	-	349,848	4.35 - 4.90
Finance lease liabilities	758	1,432	-	-	2,190	0.36 - 0.56
	2,146,249	1,241,432	56,443	608,936	4,053,060	

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2016

	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	65,685	825	66,510	0.13 - 2.50
Trade and other receivables	-	-	-	1,195,140	1,195,140	-
	-	-	65,685	1,195,965	1,261,650	
Financial liabilities						
Bank overdrafts and short-term loans from banks	1,385,775	-	842	-	1,386,617	2.50 - 11.13
Trade and other payables	-	-	-	686,442	686,442	-
Long-term loans	198,725	307,961	746,637	-	1,253,323	3.66 - 4.55
Long-term debentures	187,201	349,508	-	-	536,709	4.35 - 5.40
Finance lease liabilities	2,130	1,307	-	-	3,437	0.36 - 0.56
	1,773,831	658,776	747,479	686,442	3,866,528	

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2017

	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	9,445	97	9,542	0.13 - 1.10
Trade and other receivables	-	-	-	198,718	198,718	-
Short-term loans to subsidiaries	530,364	-	-	-	530,364	4.20 - 4.50
	530,364	-	9,445	198,815	738,624	
Financial liabilities						
Bank overdrafts and short-term loans from banks	145,038	-	3,259	-	148,297	3.10 - 10.38
Short-term loans from subsidiaries	12,800	-	-	-	12,800	4.06 - 4.35
Trade and other payables	-	-	-	106,694	106,694	-
Long-term loans	518,725	1,240,000	49,236	-	1,807,961	3.95 - 4.55
Long-term debentures	349,848	-	-	-	349,848	4.35 - 4.90
Finance lease liabilities	541	765	-	-	1,306	0.36 - 0.56
	1,026,952	1,240,765	52,495	106,694	2,426,906	

(Unit: Thousand Baht)

Separate financial statements						
As at 31 December 2016						
	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	8,221	99	8,320	0.13 - 2.50
Trade and other receivables	-	-	-	197,707	197,707	-
Short-term loans to subsidiaries	612,864	-	-	-	612,864	4.29 - 5.06
	<u>612,864</u>	<u>-</u>	<u>8,221</u>	<u>197,806</u>	<u>818,891</u>	
Financial liabilities						
Bank overdrafts and short-term loans from banks	595,860	-	103	-	595,963	2.50 - 11.13
Short-term loans from subsidiaries	16,000	-	-	-	16,000	4.29 - 5.06
Trade and other payables	-	-	-	138,170	138,170	-
Long-term loans	198,725	307,961	746,637	-	1,253,323	3.66 - 4.55
Long-term debentures	187,201	349,508	-	-	536,709	4.35 - 5.40
Finance lease liabilities	1,664	1,307	-	-	2,971	0.36 - 0.56
	<u>999,450</u>	<u>658,776</u>	<u>746,740</u>	<u>138,170</u>	<u>2,543,136</u>	

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and loans denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

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

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2017	2016	2017	2016	2017	2016
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	21,527	18,365	23,935	19,003	32.68	35.83
Japanese yen	32,651	45,361	41,731	79,763	0.29	0.31
Australian dollar	-	652	-	13	-	25.94
Euro	-	-	155	133	39.39	38.14

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2017	2016	2017	2016	2017	2016
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	1,885	1,380	3,081	2,493	32.68	35.83
Japanese yen	11,402	24,999	30,660	76,946	0.29	0.31

As at 31 December 2017 and 2016, forward exchange contracts outstanding, which will mature in one year, are summarised below.

Foreign currency	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	Contractual Amount	Contractual exchange rate	Contractual Amount	Contractual exchange rate
	(Thousand)	(Baht per 1 foreign currency unit)	(Thousand)	(Baht per 1 foreign currency unit)
<u>Sold amount</u>				
US dollar	7,155	32.47 - 33.44	1,653	32.54 - 33.44
Japanese yen	96,768	0.29 - 0.31	43,360	0.29 - 0.31
<u>Bought amount</u>				
US dollar	7,314	32.42 - 32.53	500	32.53
Japanese yen	33,049	0.30	33,049	0.30
Foreign currency	As at 31 December 2016			
	Consolidated financial statements		Separate financial statements	
	Contractual Amount	Contractual exchange rate	Contractual Amount	Contractual exchange rate
	(Thousand)	(Baht per 1 foreign currency unit)	(Thousand)	(Baht per 1 foreign currency unit)
<u>Sold amount</u>				
US dollar	10,603	34.93 - 35.97	1,229	35.81 - 35.97
Japanese yen	22,818	0.31 - 0.34	16,818	0.34
Australian dollar	394	26.44	-	-
<u>Bought amount</u>				
US dollar	10,149	34.64 - 35.66	1,366	34.64 - 35.02

32.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

33. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 1.7:1 (2016: 1.9:1) and the Company's was 1.0:1 (2016: 1.1:1).

34. Events after the reporting period

On 21 February 2018, the meeting of the Company's Board of Directors passed the following resolutions.

- a) Approved to pay a dividend of Baht 0.25 per share, or a total of Baht 135.7 million, to the shareholders in respect of the 2017 Non-BOI operating profit and its retained earnings. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.
- b) Approved the decrease of the Company's registered capital from the existing registered capital of Baht 542,730,702 to Baht 542,727,549, by decreasing 3,153 ordinary shares with a par value of Baht 1 each, which remained from allocation of stock dividend according to the resolution of the Extraordinary General Meeting of Shareholders. No.1/2017, and the amendment of the Company's Memorandum of Association to be consistent with the capital decrease.

The above resolutions will be submitted for approval in the Annual General Meeting of Shareholders to be held in April 2018.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2018.