



ASIAN SEAFOODS COLDSTORAGE PUBLIC COMPANY LIMITED
ANNUAL REPORT

2018



**"We are The
Right Choice"**

To be an international food and feed manufacturer
with a commitment to quality, safety, corporate social responsibility
and environmental sustainability.

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To Our Shareholders



In 2018 ASIAN continued the good performance of last year, despite some turbulence in the frozen seafood business. Sales revenues and profit before tax was almost the same as the previous record year, close to 10 billion baht and 360 million baht respectively. This came after a slow start in the first quarter where we experienced a very tight supply of Thai squid with declining sales prices and a steep decline of the US dollar versus the baht. This was off-set by a best third quarter in the company's history where we booked increased shrimp and pet food sales and reported a record Q3 profit. For the second year in a row return on equity was higher than 13% and our balance sheet has further strengthened. I am pleased to report that ASIAN has been granted an investment grade rating of BBB- by TRIS Rating Co., Ltd. in February this year.

Our main markets are (frozen) seafood and (wet) pet food. We see common trends but also diverging trends in these markets. Both markets are main export destinations for Thailand and serve a globally growing demand. However, the enough supply of raw materials to Thai seafood processors has become a critical link in the supply chain. Thai shrimp farmed output is still at a low level compared to the peak seven years ago and at higher cost than surrounding countries. Thai squid catch is declining and sourcing sillago at the right specifications has become more difficult. In more and more countries, consumers of seafood also become increasingly interested in how the products are sourced. In pet food, on the other hand, supply of good raw materials in Thailand is ample and, in particular for premium products, at competitive cost and with a well-developed supply infrastructure. In the fast-growing premium segment, product differentiation, branding and flexibility are key and pose operational challenges to our industry.

These different types of complexity require a different strategy for seafood and pet food.

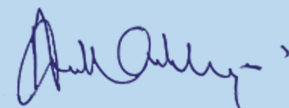
ASIAN will step up pace to convert our seafood business to more value-added products, reflecting a value-over-volume strategy. This requires a better marketing and communication directed to consumers, as well as a improvement of plant efficiencies.

In pet food ASIAN will further invest in capacity, ERP and branding in order to capture a share of the global growth, with a focus on China and Europe.

In this respect, several important first steps were already taken in 2018. In January, we established Asian Group Services Co. Ltd. in Bangkok, which coordinates marketing and brand development, intellectual property and business partnerships. In May, we concluded a joint venture in Germany, Asian Group Europe GmbH, to better market our pet food to the European private label market. Also in May, we took a minority stake in Inter Petrina Co. Ltd, owner of the “Maria” pet food brand. In July we combined the utilization of two cold storage facilities in SamutSakhon into one and in October we terminated production of sillago in our Klong Thoei plant and moved it to the SamutSakhon plant. In December, a subsidiary company in China was established, Thaiya Corporate (Shanghai) Co., Ltd., to facilitate import, sales and distribution of pet food and seafood. That month we also started construction of a fully automated warehouse at Asian Alliance International, our pet food and tuna plant. And, after months of development, last February we introduced our pet food brand “Monchou” which will be rolled out in Thailand and China in 2019.

These steps are important for transitioning ASIAN into a value focused, stable company, that can continue delivering a good financial performance and a rewarding and safe workplace. More steps are necessary, and we will recalibrate our longer-term goals during our annual strategy review this first quarter. I am confident that we are well positioned to complete this process in the time to come and further build on the positive developments so far.

A special thanks is in place to our customers, employees, suppliers and other stakeholders that have contributed to making 2018 a great year for ASIAN.



(Mr. Somsak Amornrattanachai)
Chairman of the Board of Directors

ASIAN >>

Report of the Audit Committee

The Audit Committee of Asian Seafoods Coldstorage Public Company Limited consists of 3 independent directors whose qualifications meet the Stock Exchange of Thailand's requirements. Current members of the Audit Committee comprise of

- | | | |
|------------------|-------------------|---------------------------------|
| 1. Mrs. Sunanta | Tiasuwan | Chairman of the Audit Committee |
| 2. Mrs. Yaowanee | Kruo-ongarjnukool | Audit Committee |
| 3. Mr. Somboon | Phaobanchong | Audit Committee |

Miss. PhastrawanPrichapanuwat acts as the secretary to the Audit Committee

In 2018, the Audit Committee held a total of 4 meetings, all of which were fully attended by the Committee's members. The Audit Committee performed its duties pursuant to the Audit Committee Charter and as assigned by the Board of Directors.

In 2018, the Audit Committee performed its duties as briefly described below:

- 1. Reviewed the 2018 quarterly and annual financial statements of the Company and its subsidiaries.** 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 financial statements of the Company and its subsidiaries fairly present, in all material respects, the information as required by financial reporting standards, are reliable and beneficial to users of the Company's financial statements.
- 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. **Selection and Nomination of External Auditor, and Audit Fee.** The Audit Committee has selected an independent/external auditor for 2018 on the basis of the prior year's performance, qualifications, skills, knowledge, proficiency and professional experience, 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. Ponnard Paocharoen, Certified Public Accountant (Thailand) No. 5238, of EY Office Limited as the Company's auditors of 2018. The Audit Committee also approved remuneration of auditors for 2018.
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 has performed its duties in a prudent, vigilant, and independent manner. The Audit Committee is of the opinion 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 Tiasuwan)
Chairman of the Audit Committee

Report of the Risk Management Committee



Asian Seafoods Coldstorage Public Company Limited has realized the importance of risk management throughout the organization. Then, the company apply an integrated risk management system that is linked to the objectives and goals of the organization at all levels by enhancing smooth business operation, lowering the chance of potential damage, and minimizing the magnitude of unavoidable loss down to the acceptable and controllable level.

In 2018, the Risk Management Committee held 10 meetings which Risk Management Committee members attended the meeting to constitute a quorum every time.

In 2018, the Risk Management Committee performed its duties as briefly described below:

1. Considered and assigned the 2018 risk management plan of the Company and its subsidiaries.
2. Followed up, assessed, and feedbacked on the implementation of 2018 risk management plan of the Company and its subsidiaries.
3. Quarterly reported the performance of the Risk Management Committee to the Board of Directors in the meeting.
4. Review the risk management practices of the Company and its subsidiaries.
5. Set up the measures to control the fixed assets of the Company and its subsidiaries and proposed for Board of Director's approval.
6. Set up the Conflict of Interest Policy and proposed for Board of Director's approval.
7. Considered and updated Risk measurement which efficient for current situation. The new measurement will be applied with 2019 Risk Factors in order to develop 2019 risk management plan.

The Company has officially announced the implementation of corporate risk management policy and communicate to all directors, executive officers, and employees of the Company to acknowledge in order to be a corporate culture that has always been attentive instead of occasional discrimination.

The Risk Management Committee performed its duties in 2018 in accordance with the scope of duties and responsibilities assigned by the Board of Directors with systematically, carefully and completely in accordance with good corporate governance for the benefit of the company, shareholders and stakeholders appropriately.

A handwritten signature in dark ink, appearing to read 'Suriya P.' with a stylized flourish at the end.

(Mr. Suriya Prasatbuntitya)

Chairman of the Risk Management Committee

Report of Credit Committee

Asian Seafoods Coldstorage PLC. has appointed the Credit Committee since 2015 as the company realized that there are significant amount of overdue debts in its subsidiaries. The Committee comprises of key persons relevant to the issue, including key persons in each subsidiary, to ensure that the Committee will manage debts efficiently. The Committee focus on setting up credit policy and credit scoring measurement, which are applicable and reliable. Credit lines authorization chart also being proposed and approved, including implement debt monitoring and problem-solving procedure in order to solve relieve the overdue debts issue. In overall, the Committee operated well during the past few years, as overdue debts issues is improve continuously.

In 2018, the Credit Committee held 6 meetings which Credit Committee members attended the meeting and constituted its quorum every time.

The Credit Committee performed its duties in 2018 in accordance with the scope of duties and responsibilities assigned by the Board of Directors with systematically, carefully and completely in accordance with good corporate governance for the benefit of the company, shareholders and stakeholders appropriately. In 2018, the Credit Committee performed its duties as briefly described below
Proposed to the Board of Directors to consider and approve debt write-off in accordance with the relevant regulations so the Company could record those amounts as its expenses before tax.

Proposed to the Board of Directors to consider and approve to sell bad debts in order to limit loss and reduce the debt collection expenses.

Proposed to the Board of Directors to consider and authorize Credit Committee to operate debt repayment.

Assigned Legal Department to follow up the overdue debt in written if that debt is overdue more than 90 days for good sake of litigation process and also approve Legal Department to pursue the case to the Court, if the settlement could not be reached or such debt is exceed authority of the Credit Committee.

Moreover, the Committee, together with Accounting Department and Auditors focusing on the new accounting standard relevant to doubtful debt allowance in order to update the doubtful debt allowance policy and ensure that it will comply with the new Accounting standards that will enforce in the course of 2020.



(Mr. Suriya Prasatbuntitya)
Chairman of Credit Committee



ASIAN Business



Vision & Mission

Vision

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

Mission



To deliver good returns to stakeholders and maintain a good relationship with business alliances for mutual sustainable growth



To be an organization with good society and environment, and healthy and happy workforces and persons concerned.



To innovate both products, in order to satisfy customer demand, and manufacturing process, in order to maximize work efficiency.



To produce foods with international standards and competitive prices.



To provide sufficiently modern information technology for communication and management



To adopt corporate social responsibility and environmental sustainability



To operate business in compliance with applicable laws, good labor standards and anti-corruption practices



To improve skills and knowledge of workforces, and foster positive attitude to the organization.

Business Overview and Key Strategies

Asian at a glance

Founded more than 40 years ago, ASIAN is a family of Thai companies that produce delicious seafood for export to customers around the world. We take pride to process carefully sourced raw materials into fine frozen shrimp and squid products, sillago fish for tempura dishes, can tuna, and several kinds of ready-to-cook products. Moreover, ASIAN lately diversified to produce high quality premium petfood products which reliably serve world class brands. We make feed for shrimp and fish farmers and thus have a strong relationship with the producers we source from.

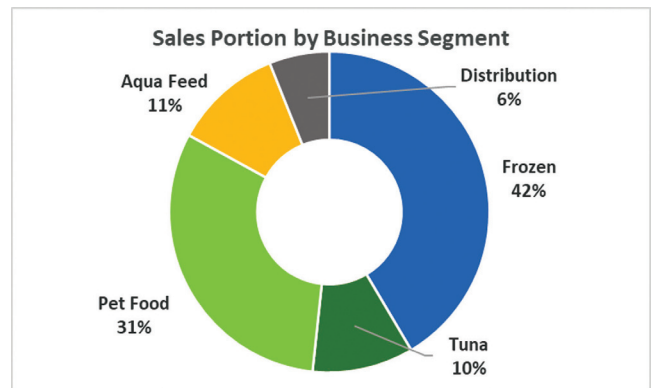
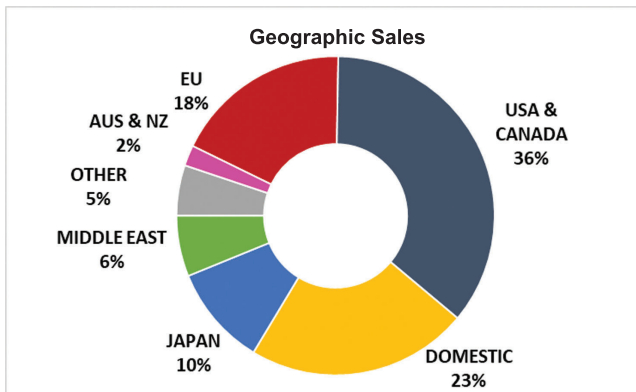
ASIAN SEAFOODS COLDSTORAGE PCL is listed on the Stock Exchange of Thailand (SET: ASIAN) since 1994, but we still maintain our values that stem from our origin as a family business. That means making the extra effort that distinguishes us from others and which is appreciated by our customers for many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

 <p>FROZEN BUSINESS</p>	<p>Our business is organized in five segments: Frozen Food, Petfood, Tuna, Feed and Distribution. Our Frozen Food business operates two factories well located in Thailand. The first factory 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, sillago and seabass products in many different formats mostly exported to USA and Japan. The second 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. In Klong-Toey, Bangkok, we have 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.</p>
 <p>TUNA BUSINESS</p>	
 <p>PETFOOD BUSINESS</p>	
 <p>FEED BUSINESS</p>	
 <p>DISTRIBUTION BUSINESS</p>	

Petfood and Tuna products are processed in our cannery, also located in Samutsakorn. This is an extensive factory 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 fourth factory is located in Phetchaburi, 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.



ASIAN has market all over the world. Petfood and frozen shrimp are exported to USA&Canada. While, EU is the main market for squid products. As ASIAN established its own distributor in Germany, more of petfood product expect to export to EU in the very next future. Middle east country is the main market for Tuna canned and pouched products. Aquaculture feed products still sold in domestic market only as the opportunity to export is limited. ASIAN products mix improved, also its profitability, along the time as its petfood and value-added product portion increased. This expected to be even more improve in the future as the petfood market trend to grow all over the world. Frozen size will be remain, focus on increase value-added portion rather than overall volume.

We Are the Right Choice!

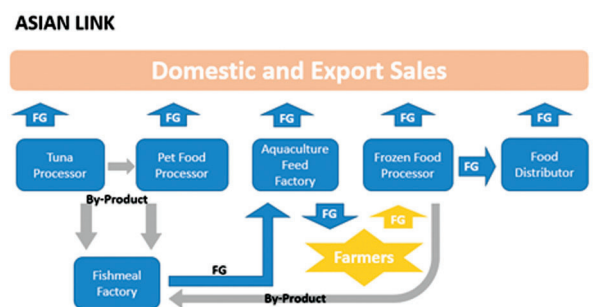
In whatever we do, we have our customer in our mind. Although most of our raw materials come from fisheries and supply chains are sometimes volatile, our aim is to deliver on the right time and at the right quality. Therefore, we have built over the years a stable and trusted suppliers base. Many of 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.

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.

Corporate Key Strategies

ASIAN formulated its strategy in 2016 in 'Ambition 2020' which is based on moving closer to the consumer, continuously improve efficiency and maintain stable profit margins at 10-12%, while growing sales revenues significantly.

The main drivers of sales revenue growth are growing global demand of seafood (shrimp) and premium pet food.

The main drivers for stable and better gross profit margins are an increased focus on value added products, a relative higher share of pet food, lower unit production cost and more downstream involvement in our key markets, e.g. own import/distribution and product branding.

The implementation so far is very well on track, despite some adverse market developments like slower than expected recovery of shrimp farming in Thailand and a structurally weakening USD exchange rate.

Over the past three years our consolidated sales revenues have grown 22% to almost 10 billion baht, while our gross profit increased 32% from 763 million baht to 1,007 million baht (12% of sales).

Around 80% of sales is exported and over the past three years our export sales have grown 35% (corrected for FX changes). Main contributor to this growth was pet food, which grew 99% by more than doubling volumes. Frozen seafood, shrimp, squid and sillago, grew 18% while volumes slightly decreased with 5%. The remaining export business is canned tuna, which declined 13% in sales revenues, while volumes declined 36%, but, at significantly improved profit margins. The revenues of our domestic business were flat, with lower volumes.

With the establishment of sales and distribution subsidiary companies in Europe and China a literal step closer to consumers has been taken and this will further be developed in the coming years. Also, own pet food brands have been developed and launched with an initial focus on the fast-growing Asian market. This is a transition into a consumer brand company, an exciting new phase for ASIAN.

Steps towards improved efficiency have been taken by investment in a fully automated warehouse, increased labor efficiency in our plants, implementation of SAP for better control, and closure of one of the three frozen seafood production sites. In aqua-feed, the latest nutritional know-how is incorporated into least-cost formulation software, resulting in better performing diets at more competitive cost.

Our Ambition 2020 strategy will overall remain unchanged, but recognizing market developments, within the portfolio adjustments were made as to target and execution. Consolidated sales revenues are targeted to grow to 13.2 billion baht, with the ambition to add to that through acquisitions - mainly in pet food related business. With a much stronger balance sheet as per end of 2018, ASIAN is in the financial position to consider medium sized acquisitions that fit the marketing and distribution capabilities built up and that will be further developed.

Accelerated growth is targeted in petfood, as a result of an increased OEM customer portfolio, contribution of own brands and expansion into dry petfood. Add-on acquisitions will be actively pursued.



In the frozen seafood business, it is targeted to transition to 100% value added products at a faster pace than previously planned for. This means not only investments in VAP production capacity, which offers interesting global opportunities, but also reduction of commodity shrimp business. This is a consequence of an absent recovery of Thai shrimp farming and increased competition from other countries. Hence, overall sales growth target is limited, but comes with a more stable and higher profit margin.

ASIAN's tuna business is targeted to grow selectively, continuing our value-over-volume strategy. This has yielded excellent results, and it is anticipated further growth in several niches is possible.

Growth target for our feed business is reduced, in view of the not growing aquaculture market in Thailand. Main focus is feed performance, margin improvement and credit management. In order to provide farmers with better quality fry, scaling up our hatchery activities is targeted, after very successful pilots during the previous year. It is expected this will support feed sales.

Sales (Billion Baht)	2015	Key Strategy/Success	2020 Target
Total Asian Group	7.9		13.2+
Pet Food Business	1.6	Co-Developer, Dry Feed, Branding	5.5+
Frozen Business	3.7	VAP	4.0
Tuna Business	1.2	VAP	1.5
Feed Business	1.1	Sustainability and Fishmeal Substitution	1.5
Distribution	0.7		0.7
<i>Inter-company sales</i>	(0.4)		
Consolidate GP	7.8%		12%-15%

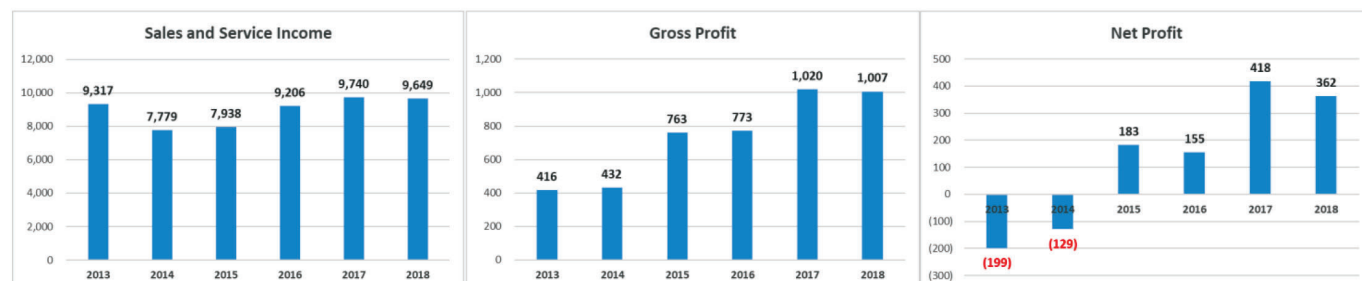
Dividend Payment Policy

Asian Seafoods Coldstorage PLC. has a dividend pay-out 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 to financial institutions, in order to maintain solid financial ratios and liquidity, to sustain the company potential to deal with the changing economic environment, financial situation and the company growth target.

For financial year 2018, the Board resolved to propose to the annual general meeting of shareholders to consider and approve a cash dividend pay-out of 0.25 baht per share (2017: 0.25 baht per share), paid from the profits of the businesses that are not exempted from corporate income tax (non-BOI business). This will be a pay-out ratio of 37.5% of consolidated net profit. Taken into account were investment plans in equipment for the frozen business and canning, as well as planned investments in subsidiaries, including targeted Debt to Equity ratio at 1.5-1.8x bandwidth.

Business Overview

In 2018 ASIAN delivered an overall strong result. Sales revenues amounted to 9.6 billion baht and profit before tax was 358 million baht. Petfood sales increased strongly with 16% while Frozen sales was stable, recovering in the second half of the year from a weak start. Tuna sales was slightly down 7% but profitability increased, a result of selective order intake. Feed sales was disappointingly 28% down and this was due to lower farming volumes in Thailand and increased competition.



Cashflow from operations was particularly good at 1 billion baht, and was positively impacted by a strong reduction of working capital, in particular lower inventories in Frozen. This reflected in a strong reduction of leverage, with a debt-to-equity ratio reduced to 1.4 from 1.7 the year before.

The improved balance sheet offers room for investments for further business expansion and efficiency projects.

Petfood

Sales revenues of Petfood rose 16% to 3.1 billion baht. Almost all revenues are in USD, and with the USD trading around 4.8% lower compared to the year before, sales revenues increased over 20% when corrected for FX effect.

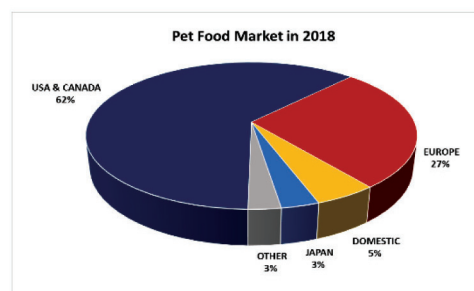
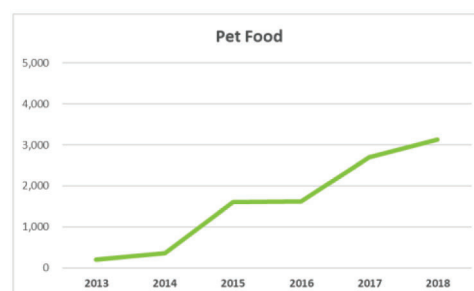
North America was the biggest market, followed by Europe. ASIAN works closely together with the product development teams of customers which results in rapid innovation cycles. Capacity of plastic cup lines and pouch lines were expanded while the construction of a fully automated warehouse with 15000 pallet positions started in November.

Further growth is targeted in private label products, mainly for the Japanese and European markets, and early 2019 ASIAN launched its own brand targeting mainly the Chinese market. For this purpose, a subsidiary company was established which will import, sell and distribute pet food. A dual marketing strategy is pursued: traditional distribution through brick and mortar pet shops and modern trade and a proprietary online marketing and trading platform for home delivery. Online pet food sales comprise an estimated 40% of the Chinese market and is growing rapidly.

In 2019 the own branded product range will include dry feed, which will be initially subcontracted but ultimately produced in-house.

Frozen seafood

The sales revenues of Frozen was stable at 4.1 billion baht. However, two positive developments were noted: first, our Squid inventories were markedly reduced after the demand for Thai squid slowed down in the second half of 2017. This was done in a controlled manner, with on average satisfactory prices. Second, the proportion of value-added shrimp improved, with an increase of 71%.



Overall this resulted in better results, although a further shift to value added products is necessary. This will be undertaken at an accelerated pace during 2019, and commodity shrimp business will be reduced. Unlike Vietnam, in Thailand is no shrimp reprocessing industry because import of raw materials is not allowed. Therefore, it is anticipated that availability of competitively priced raw materials will remain scarce.

Sales is geographically well spread with north America, Italy, Japan and China being the main export destinations. Further efforts will be made to improve domestic sales, with shrimp products under our own brand to be launched in modern trade in the course of 2019.

During 2018, one production site was closed and the production moved to another site. Further efficiency optimisation will be done in 2019, in conjunction with investments in VAP capacity expansion.

Tuna

Tuna sales revenues were 1.0 billion baht, slightly down compared to the year before. However, the product/customer mix improved significantly. Average sales price in THB of finished products went 17% up, which is an excellent achievement in view of on average lower tuna raw material prices and a lower USD exchange rate.

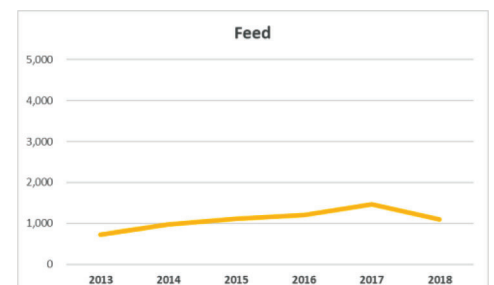
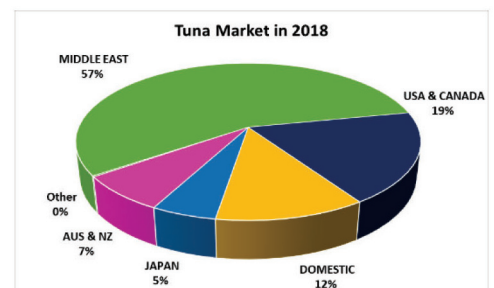
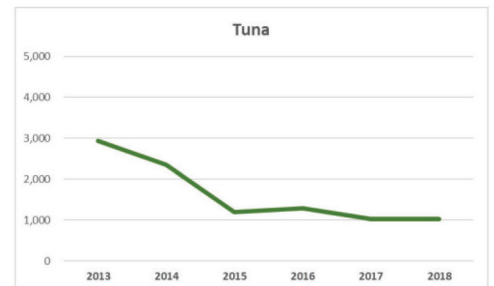
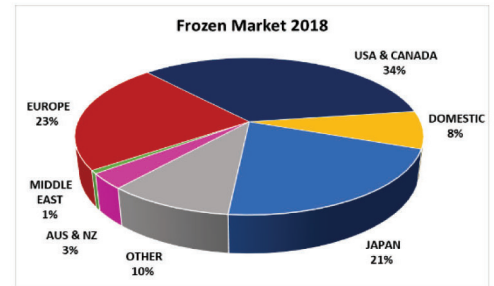
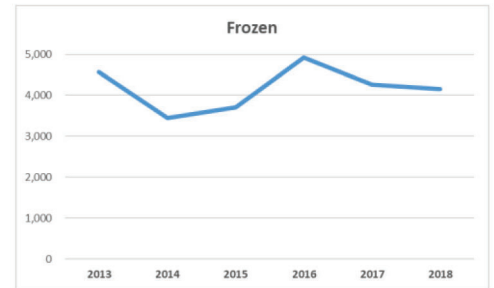
Tuna canning takes place in the same factory as where pet food is produced. Therefore, ASIAN is able to be selective with order intake. When production volumes are low, labor is shifted to pet food production. Also, long or short raw material positions are avoided. With the highly fluctuating tuna prices it has become increasingly difficult to predict pricing. This has proven to be a good strategy and in 2018 the Tuna business contributed well to overall profitability.

Main market is the Middle East, where we have developed a good distribution network. To Australia ready-to-eat meals are shipped. This is an expanding market and for 2019 a roll out to other markets is targeted.

Aquaculture Feed

Our Feed sales revenues were down 28% to 1.1 billion baht, as a result of lower volumes. All sales is domestic and therefore greatly depending on the volume of farmed shrimp and fish in Thailand. Shrimp production was down to less than 300.000 mt and this was the result of low ex-farm shrimp prices which reduced the appetite of farmers to seed new crop. Also, shrimp farming still carries a high biological risk. Overall, farming cost are relatively high compared to other countries like India and Ecuador and those have grown

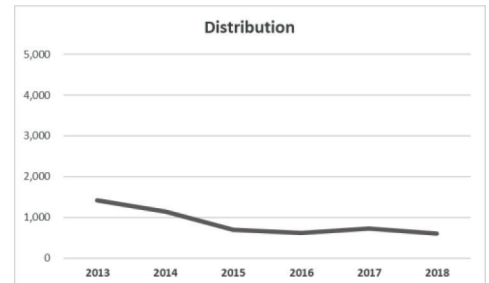
to significant exporters to traditionally Thai markets. The Thai feed market turned into a highly competitive market last year and we lost the market share that was gained in 2017. Many competitors increased the inclusion of fish meal in their formulas. Fish meal is an excellent ingredient, but not the most sustainable. Therefore, ASIAN started to modernize its formulas under the guidance of a newly established nutritionist panel. New formulas have been tested early 2019 and on the basis of the good results it is expected that market share can be regained in the course of 2019.



Next to good feed and farming systems, shrimp fry, called post-larvae or PL, are key to a successful harvest. Good PL supply is a bottleneck in Thailand, partly due to limited variety of genetics and partly due to poor hatchery discipline. ASIAN has done tests with PL production in the second half of 2018 and with excellent results and feedback from farmers. It is targeted to further develop this activity and scale it up. This is expected to enhance the feed sales.

Distribution

The frozen seafood distribution sales revenues decreased 9% to 0.6 billion baht. Main species traded were Dori, Shrimp and Squid products to the domestic modern trade. Profitability was stable.



Nature of Business & Products by Company

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 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

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 processed frozen squid, frozen fried breaded squid.
4. Frozen seabass products which are processed frozen seabass and frozen breaded seabass.

Other Important Information

Type of Business:	Frozen Food Processor for Export and Cold Storage	Tel. (02) 249-7113, (02) 249-5255, (02) 249-9324
Established Date:	27 th September 1982	Fax. (02) 249-5256, (02) 249-3605,
Issued and paid up Capital:	542.73 Million Baht (par value of 1 Baht per share)	(02) 249-3675
Company Registration:	0107536001061 (Old No. PLC. 180)	Factory 55/2 Moo 2 Rama II Rd, and Head Office: Bangkrajao District, Muang Samutsakorn 74000
Website:	http://www.asianseafoods.co.th	
Sales office and Cold Storage:	742 Soi Kluanamthai Ardnarong Rd. Klongtoey District, Klongtoey Bangkok 10110	Tel. (034) 822-204-7, (034) 822-700-6 Fax. (034) 822-407, (034) 822-698-9, (034) 822-706

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. frozen cooked shrimp and Sushi shrimp.
3. Ready-to-cook seafood mixed products.
4. Shishamo Product.

Other Important Information

Type of Business:	Frozen Food Processor for Export.	Fax. (034) 822-407, (034) 822-698-9, (034) 822-706
Established Date:	18 th August 1993	
Registered Capital:	100 Million Baht (par value of 10 baht per share)	Factory: 57 Moo 4 Tarsatorn District, Punpin Suratthani Province 84130
Share Holding:	100% owned by Asian Seafoods Coldstorage PLC	
Head Office:	55/2 Moo 2 Rama II Rd., Bangkrajao District, Muang, Samutsakorn 74000	Tel. (077) 276-888 Fax. (077) 276-811, (077) 276-822, (077) 276-833
	Tel. (034) 822-204-7, (034) 822-700-6	

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 32,000 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 3 major types

1. Canned and pouch tuna products.
2. Wet pet food in can, pouch and plastic cup.
3. 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.	Tel. (034) 822204-7, (034) 822700-6 Fax. (034) 822407, (034) 822698-9, (034) 822706
Established Date:	15 th March 2005	Factory: 8/8 Moo 3 Rama II Rd., Bang Bor District
Registered Capital:	1,700 Million Baht (par value of 10 baht per share)	MuangSamutsakorn Province 74000
Share Holding:	100% owned by Asian Seafoods Coldstorage PLC	Tel. (034) 845566-8, (034) 845575-91
Head Office:	55/2 Moo 2 Rama II Rd., Bangkrajao District, Muang,Samutsakorn 74000	Fax. (034) 845547, (034) 845593

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 Feed, Rambo, Super Hero, Hero, Victor, Allstar, Faster and "RuayPuan". 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.	(034) 822706
Established Date:	19 th August 1988	Fax. (034) 822407, (034) 822698-9,
Registered Capital:	800 Million Baht (par value of 100 baht per share)	Factory: 239 Moo 3 Phetkasem 180-181 Rd.
Share Holding:	100% owned by Asian Seafoods Coldstorage PLC	Thayang District,Thayang,Phetchaburi 76130
Head Office:	55/2 Moo 2 Rama II Rd., Bangkrajao District, Muang,Samutsakorn 74000	Tel. (032) 437922-4 Fax.(032) 437134-5
	Tel. (034) 822204-7, (034) 822700-6	

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.	Fax. (034) 822407, (034) 822698-9
Established Date:	12 th September 2012	Factory: 742 SoiKluanamthaiArdnarong Rd.
Registered Capital:	1 Million Baht (par value of 10 baht per share)	Klongtoey District, Klongtoey Bangkok 10110
Share Holding:	100% owned by Asian Seafoods Coldstorage PLC	Tel. (02) 249-7113, (02) 249-5255,
Head Office:	55/2 Moo 2 Rama II Rd., Bangkrajao District, Muang,Samutsakorn 74000	(02) 249-9324
	Tel. (034) 822204-7, (034) 822700-6	Fax. (02) 249-5256, (02) 249-3605, (02) 249-3675

Fifth Subsidiary

Asian Group Service Co., Ltd.

Asian Group Service Co., Ltd. operates the business of providing management and marketing services to affiliated companies. With the development and sale of intellectual property of the company, including the brand, trademark, copyright, patents, know-how in food, animal feed, pet food, farms and related businesses as well as investments in stocks or funding to the other company that produce, marketing and distribute, or develop food, animal feed, pet food, or farm, both domestic and international.

Other Important Information

Type of Business:	Develop and distribute products under the brand. Marketing, including developing and sellingintellectual property and invest for business expansion of the group.
Established Date:	11 th January 2018
Registered Capital:	10 Million Baht (par value of 100 baht per share)
Share Holding:	100% owned by Asian Seafoods Coldstorage PLC.
Office:	3388/22 Pharam 4 Rd., Klongton, Klongtoey, Bangkok 10110 Tel. (02) 117-9328 Fax. (02) 117-9329

Sixth Subsidiary

Thaiya Corporation (Shanghai) Co., Ltd.

Thaiya Corporation (Shanghai) Co., Ltd. is the subsidiary of Asian Group Services Co., Ltd. which established in China. The Company is to sale and distribute pet food and frozen product of ASIAN group, including invest in stocks or shares of other relevant business in China.

Other Important Information

Type of Business:	Market, sale, and distribute pet food and frozen products of ASIAN group, including invest to expand the business in China	Office: Yingke Zhi Gu tower 12 (1stfloor), 67 Dongpu Road, Tianhe District, Guangzhou City, Guangdong Province
Established Date:	21 st December 2018	
Registered Capital:	100,000 USD	
Share Holding:	100% owned by Asian Group Services Co., Ltd.	

First Joint Venture

Asian Group SCS Europe GmbH

Asian Group SCS Europe GmbH is the joint venture that Asian Group Services., Co., Ltd. invest with DormeoHandels GmbH to market and distribute Asian Group products, both under the customer brands and trademarks and under the company own brands, particularly in Europe.

Other Important Information

Type of Business:	Market, sale, and distribute pet food and frozen products of ASIAN group	Share Holding:	60% owned by Asian Group Services Co., Ltd
Established Date:	11 th May 2018	Office:	Toebele 1, 73098 Rechberghausen, Germany
Registered Capital:	25,000 Euro		

Second Joint Venture

Inter Petrina Co., Ltd.

Inter Petrina Co., Ltd. is the joint venture that Asian Group Services Co., Ltd. invest with Inter Pharma Co., Ltd. to develop, sale and distribute pet food under brand "MARIA" within CLMVT. The products produce by Asian Alliance International Co., Ltd.

Other Important Information

Type of Business:	Sale, and distribute pet food products under the Company's brand	Share Holding:	40% owned by Asian Group Services Co., Ltd.
Established Date:	15 th May 2018	Office:	140/9 9 th Floor, ITF Tower, Silom Rd.
Registered Capital:	4,000,000 baht		SuriyawongBangrak, Bangkok

Investment policy in subsidiaries

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.

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 of Issue	Date of Expiry
Asian Seafoods Coldstorage PLC.	Cold Storage or Cold Storage and Refrigerated Transport Business	1982(3)/2554	February 2011	June 2020
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	Manufacture of food or food preservation or food ingredient, using modern technologies	2938(5)/2555	November 2012	January 2021
Asian Feed Co., Ltd.	Manufacture of feed or feed ingredient	1658(2)/2554	December 2010	January 2019
Asian Alliance International Co., Ltd.	Manufacture of Pet Food or Pet Food ingredient	1920(2)/2554	May 2011	September 2019
Asian Alliance International Co., Ltd.	Manufacture of canned Sardine product using modern technologies	2669(2)/2555	September 2012	October 2020

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 2018

Type of Property	Book Value (Million baht)
1. Land	805.84
2. Building and Land Development	277.89
3. Machines and Equipment	
Machines and Equipment	118.19
Furniture and Office Supplies	4.12
Vehicles	7.22
Work under Construction and Machine under installation process	<u>3.96</u>
Total	<u>1,217.22</u>

Property of Asian and its 5 subsidiaries.

As of 31st December 2018

Type of Property	Book Value (Million baht)
1. Land	984.13
2. Building and Land Development	722.18
3. Machines and Equipment	
Machines and Equipment	858.29
Furniture and Office Supplies	22.54
Vehicles	23.70
Work under Construction and Machine under installation process	<u>78.26</u>
Total	<u>2,689.10</u>

Assets as the Collateral of Loans

According to the Consolidated Financial Statement as of December 31st, 2018, Asian Seafoods Coldstorage PLC. uses its and its subsidiaries property as the collateral as follow:

- Use the 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
- Use the property and plant belong to Asian Feed Co., Ltd. as the collateral to term loan of 550 million baht which was approved in 2018 from TMB Bank Public Company Limited.

Property Reappraisal Details

In the fiscal year 2018, the company and its subsidiaries have not appraised or re-value their assets.

Company Shares and Capital

As of December 31st, 2018, the company has registered shares capital of 542,727,549 baht and paid in full. All of those are common stocks at par value of 1 baht per share.

Major Shareholders

The top 15 largest shareholders as of December 31st, 2018 were as below:

Name of Shareholder	No. of share as of Dec 31 st 2018	Shareholding portion (%)	No. of share as of Dec 31 st 2017	Shareholding portion (%)	Change (Increase / Decrease)
1.Mr.Somsak Amornrattanachaikul	276,443,471	50.94	272,784,471	50.26	3,659,000
2.Mr.Somchai Amornrattanachaikul	70,515,000	12.99	71,415,000	13.16	-900,000
3. Miss. Siripat Amornrattanachaikul	28,597,000	5.27	28,767,000	5.30	-170,000
4. Thai NVDR Company Limited	19,416,272	3.58	26,708,339	4.92	-7,292,067
5. Mrs. Jiranya Amornrattanachaikul	12,667,450	2.33	13,114,250	2.42	-446,800
6. Mr. Kajornkiet Ung-Aram	12,449,700	2.29	1,413,200	0.26	11,036,500
7. Mr. Preecha Angkhumsup	7,900,000	1.45	7,300,000	1.35	600,000
8. Mr. Boonchai Pana-sakulkarn	6,965,500	1.28	3,000,000	0.55	3,965,500
9. Mr. Somkiet Limsong	4,746,600	0.88	4,956,600	0.91	-210,000
10. Ms. Patcharee Boonmanon	2,100,000	0.39	-	-	2,100,000
11. Mr. Siraprasert Jeerapornprapa	2,000,300	0.37	-	-	2,000,300
12. Mr. Ekapol Sittikommethakul	1,744,500	0.32	4,088,200	0.75	-2,343,700
13. EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	1,643,100	0.30	-	-	1,643,100
14. Mrs. Watchanee Singwangcha	1,500,000	0.27	-	-	1,500,000
15. Miss. Pinsinee Siripanupongsa	1,450,000	0.27	-	-	1,450,000
16. Other shareholders	92,588,656	17.06	109,180,489	20.12	-16,591,833
	542,727,549	100	542,727,549	100	

Notes:

- Amornrattanachaikul family consisting of Mr. Somsak Amornrattanachaikul, Mr. Somchai Amornrattanachaikul and Mrs. Jiranya Amornrattanachaikul hold shares in total of 359,625,921 shares, which is 66.26%
- Thai Nationality Shareholder hold shares in total of 538,630,849 shares, which is 99.25 %
- Other Nationality Shareholder hold shares in total of 4,096,700 shares, which is 0.75 %

Others Stock Issued within a Year

During the year 2018, the company did not issue any other securities.

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

Coporate Governance



The Board of Directors and Managements



Mr. Somsak Amornrattanachaikul

Chairman of the Board of Director/Chief Executive Officer
Of Asian Seafoods Coldstorage PLC. and its subsidiaries.

Age (Year): 60 years old

Education:

- BA Political Science Ramkhamhaeng University

Training:

- Role of Chairman Program class9/2003, Thai Institute of Directors (IOD)

Shareholding (%): 50.94 %

Family Relationship among Executives: Somchai Amornrattanachaikul's brother

Working Experience:

- 1999 – Present: Chairman of the Board of Director / Chief Executive Officer, Asian Seafoods Coldstorage PLC. and subsidiaries.

Mr. Somchai Amornrattanachaikul

Director/ Senior Managing Director / Credit Committee
of Asian Seafoods Coldstorage PLC and its subsidiaries



Age (Year): 65 years old

Education:

- Junior High School, Wat Mahatat School

Training:

- None

Shareholding (%): 12.99 %

Family Relationship among Executives: Somsak Amornrattanachaikul's brother

Working Experience:

1992 – Present: Director / Senior Managing Director, Asian Seafoods Coldstorage PLC.
and its subsidiaries.



Mr. Suriya Prasatbuntitya (Age: 65 years old)

Director / Executive Committee / Chairman of Credit Committee / Chairman of the Risk Management Committee / Senior Vice President, Asian Seafoods Coldstorage PLC.

Education:

- Master of Development Administration in Public Administration, National Institute of Development Administration

Training:

- Risk Management Program for Corporate Leaders class14/2018, Thai Institute of Directors (IOD)
- Social Enterprise, The Stock Exchange of Thailand (SET)
- Director Certification Program class DCP 250/2017, Thai Institute of Directors (IOD)
- Risk Management and Internal Control Program, Thai Listed Companies Association (TLCA)
- Corporate Government Executives CGE 8/2560, Thai Institute of Directors (IOD)
- Inside Management Techniques, The Securities and Exchange Commission (SEC)

Shareholder (%): None

Working Experience:

- Present: Director / Executive Committee / Chairman of the Credit and Debt Accreditation Committee / Chairman of the Risk Management Committee / Senior Vice President, Asian Seafoods Coldstorage PLC.
- 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, SamutSakorn 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



Mr. Wallop Lomlimp (Age: 53 years old)

Director / Executive Committee / Credit Committee / Managing Director, Asian Seafoods Coldstorage PLC. / Managing Director, Asian Feed Co., Ltd.

Education:

- Bachelor of Science Agro-Industry, Prince Songkla University

Training:

- Chula Mini MBA @ Chachoengsao class 2, Chulalongkorn University

Shareholding (%): None

Working Experience:

- Present: Director / Executive Committee / Credit and Debt Accreditation Committee / Managing Director, Asian Seafoods Coldstorage PLC. / Managing Director, Asian Feed Co., Ltd.
- 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, Suratthani Marine Products Co., Ltd.

Mrs. Suree Jansawat (Age: 57 years old)

Director / Executive Committee / Credit Committee, Asian Seafoods Coldstorage PLC. /
Managing Director, Asian Seafoods Coldstroage (Suratthani) Co., Ltd.



Education:

- Bachelor of Business Administration, RatchapatSuratthaniNiversity

Training:

- Chula Mini MBA @ Chachoengsao class 2, Chulalongkorn University
- Director Certificate Program classDCP 144/2011, Thai Institute of Directors (IOD)

Shareholder (%): 0.02%

Working Experience:

- Present: Director / Executive Committee / Credit and Debt Accreditation Committee, Asian Seafoods Coldstorage PLC. / Managing Director, Asian Seafoods Coldstroage (Suratthani) Co., Ltd.
- 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.

Mr. Aekarat Pannasung (Age: 49 years old)

Director / Executive Committee / Credit Committee, Asian Seafoods Coldstorage PLC /
Managing Director, Asian Alliance International Co., Ltd.



Education:

- Master of Science in International Marketing, University of Newcastle, England

Training:

- Director Certification Program class DCP 150/2011, Thai Institute of Directors (IOD)

Shareholder (%): None

Working Experience:

- Present: Director / Executive Committee / Credit and Debt Accreditation Committee, Asian Seafoods Coldstorage PLC. / Managing Director, Asian Alliance International Co., Ltd.
- 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.



Mrs. Sunanta Tiasuwan (Age: 68 years old)

Independent Director/ Chairman of the Audit Committee, Asian Seafood Coldstorage PLC.

Education:

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

Training:

- Director Certification Program 22/2002, Thai Institute of Directors (IOD)
- Capital Market Academy Class 11/2010-2011

Shareholding (%): None

Working Experience:

- 2012 – Present: Independent Director / Chairman of the Audit Committee, Asian Seafood Coldstorage PLC.
- 2007 – Present: Audit Committee, Eastern Star Real Estate PLC.
- 2004 – Present: Director, Bridge View Co., Ltd.
- 1998 – Present: Director, Pranda Jewelry PLC.
- 1994 – Present: Associate Judge, Juvenile Court, Samutprakan Province
- 1993 – Present: Director, Prima Gold International Co., Ltd.
- 1990 – Present: Chairperson Director, Forward Freeland Co., Ltd.



Mr. Somboon Phaobanchong (Age: 63 years old)

Independent Director/ Audit Committee / Risk Management Committee, Asian Seafood Coldstorage PLC.

Education:

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

Training: None

Shareholding (%): None

Working Experience:

- Present: Independent Director / Audit Committee / Risk Management Committee, Asian Seafood Coldstorage PLC.
Director, Thai Eak Farm Co., Ltd. / Director, Yuen Yong Layer Farm Co., Ltd.



Mrs. Yaowanee Kruo-ongarjnukool (Age: 66 years old)

Independent Director/ Audit Committee, Asian Seafood Coldstorage PLC.

Education:

- Master of Accountancy Branch Banking and Finance, Chulalongkorn University
- Bachelor of Accountancy Branch Banking and Finance, Chulalongkorn University

Training:

- Director Certification Program class DCP 150/2011, Thai Institute of Directors (IOD)

Shareholding (%): None

Working Experience:

- 2008 – Present: Independent Director / 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.

Mr. Hendrikus (Rik) Van Westendorp (Age: 54 years old)

Executive Committee / Credit Committee / Risk Management Committee /
Executive Vice President / Chief Financial Officer, Asian Seafood Coldstorage PLC.



Education:

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

Training : None

Shareholder (%) : 0.29%

Working Experience:

- 2015 – present: Executive Committee / Credit Committee / Risk Management Committee / Executive Vice President / Chief Financial Officer, Asian Seafood Coldstorage PLC.
- 2011 – 2015: Chief Financial Officer, Nutreco Asia
- 2009 – 2011: Managing Director Skretting Asia, Shanghai, China (Nutreco)
- 2005 – 2009: Managing Director Skretting Japan, Fukuoka, (Nutreco)
- 2002 – 2005: Projects Director Europe Marine Harvest Europe, Amersfoort, Netherlands (Nutreco)
- 2000 – 2001: Post – Merger Integration Manager Marine Harvest Europe, Bergen, Norway (Nutreco)
- 1997 – 2000: Group Financial/M&A Manager Nutreco Holding, Boxmeer, Netherlands (Nutreco)
- 1995 – 1997: Sr. Investment Manager, National Investment Bank, The Hague, Netherlands
- 1987 – 1995: Investment Manager, Gilde Investment Fund BV, Utrecht, The Netherlands

Mr. Panop Svetarunda (Age: 56 years old)

Executive Committee / Risk Management Committee / Finance Director, Asian Seafoods Coldstorage PLC.



Education:

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

Training: None

Shareholder (%): None

Working Experience:

- 2017 – Present: Executive Committee / Risk Management Committee / Finance 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



Mr. Somchai Kuvijitsuwan (Age: 68years old)

Executive Committee / Risk Management Committee/ Legal Counsel, Asian Seafood Coldstorage PLC.

Education:

- Bachelor of Laws, Ramkhamhaeng University
- Barrister-at-Law, Institute of Legal Education of Thai Bar Association
- Master of Public Administration Degree, National Institute of Development Administration

Training:

- Senior Executives Course in Energy Science (TEA 2), Thailand Energy Academy
- Training for the Role of the Chairman Program (RCP), Thai Institute of Directors
- Training for the Role of the Nomination and Governance Committee, Thai Institute of Directors
- High Caliber Executives Course (CMA 9), Capital Market Academy
- Director Certification Program (DCP) class76, Thai Institute of Directors
- The Program of Provincial Chief Public Prosecutor, Office of The Attorney General

Shareholding (%): None

Working Experience:

- Present: Executive Committee / Risk Management Committee / Legal Counsel, Asian Seafood Coldstorage PLC.
- 2013 - 2015: Director General, Department of Economic Crime Litigation.
- 2011 - 2013: Director General, Department of Public Prosecutor Commission.
- 2008 – 2011: Director General, Office of Appellate Litigation Region 9 / Director General, Department of Policy, Strategy and Budget Planning
- 2005 – 2008: Deputy Director General, Department of Intellectual Property and International Trade Litigation / Deputy Director General, Department of Southern Bangkok Civil litigation / Deputy Director General, Department of the State Attorney Commission
- 1995 – 2004: Senior Expert Public Prosecutor, Department of Civil Litigation, Department of the State Attorney Commission, Department of Narcotics Litigation



Mr. Daniel Fong Pin Jan (Age: 45years old)

Executive Committee / Merger and Acquisition Director, Asian Seafood Coldstorage PLC.

Education:

- Bachelor of Accountancy at Nanyang Technological University (2nd Upper Division)

Training:

- Chartered Accountant, Singapore.

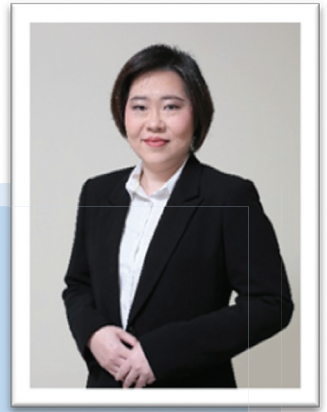
Shareholder (%): None

Working Experience:

- Present: Executive Committee / Merges and Acquisition Director, Asian Seafood Coldstorage PLC.
- 2017 - Present: independent Director, Dapai International Holdings Co., Ltd.
- Apr 2016 - Feb 2017: NED, Dapai International Holdings Co., Ltd.
- 2009 - Present: Director, True Corporate Advisors Pte, Ltd.
- May 2015 - May 2016: Executive Director, Nico Steel Holdings Limited.
- Jan 2014 - Apr 2016: Director, The Art Fellas Pte, Ltd.
- Jun 2010 - Apr 2012: CFO and Executive Director, Daqing Dairy Limited.
- Apr 2010 - Apr 2012: NED, Sino Construction Limited.
- Jul 2009 - Apr 2010: CFO, Sino Construction Limited.
- Oct 2007 - Sep 2008: CFO, Chiarus International Co., Ltd.
- Jul 1998 - Sep 2007: Senior Manager, IPO Team, Ernst & Young

Ms. Sirirat Wongmathawee (Age: 49 years old)

Risk Management Committee, Asian Seafoods Coldstorage / PLC. /
Assistant Managing Director, Asian Seafoods Coldstorage (Suratthani) Co., Ltd.



Education:

- Master of Business Administration, Assumption University
- Bachelor of Art, Journalism and Mass Communication, Thammasat University

Training: None

Shareholder (%): None

Working Experience:

- Present: Risk Management Committee, Asian Seafoods Coldstorage PLC. /
Assistant Managing Director, Asian Seafoods Coldstorage (Suratthani) Co., Ltd.
- 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.

Mr. Somsak Sthidthumrong (Age: 53 years old)

Risk Management Committee / Assistant Managing Director, Asian Seafood Coldstorage PLC.



Education:

- Master of Business Administration Assumption University

Training:

- Director Certification Program class DCP 144/2011, Thai Institute of Directors (IOD)

Shareholding (%): 0.02%

Working Experience:

- Present: Risk Management Committee / Assistant Managing Director, Asian Seafood Coldstorage PLC.
- 2012 – Present: Assistant Managing Director, Asian Seafood Coldstorage PLC.
- 2008 – 2009: Director, Asian Seafoods Coldstorage PLC.
- 2007 – Present: Director, Asian Seafoods Coldstorage PLC.
- 2004 – 2011: Assistant Managing Director, Asian Seafoods Coldstorage (Suratthani) Co., Ltd.
- 1998 – 2011: Assistant Managing Director (Factory), Asian Seafoods Coldstorage PLC.



Mr. Bundit Pichetpongsa (Age: 42 years old)

Risk Management Committee, Asian Seafood Coldstorage PLC./
Assistant Managing Director, Asian Alliance International Co., Ltd.

Education:

- Master of Business Administration, University of South Australia
- Bachelor of Food Science and Technology, Thammasat University

Training:

- How to Develop Risk Management Plan (HRP) class HRP 19/2018, Thai Institute of Directors (IOD)

Shareholding (%): None

Working Experience:

- Present: Risk Management Committee, Asian Seafood Coldstorage PLC. / Assistant Managing Director, Asian Alliance International Co., Ltd
- 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.



Ms. Varanratch Assanupong (Age: 43 years old)

Risk Management Committee / Finance and Investor Relation Manager, Asian Seafoods Coldstorage PLC./
Assistant Managing Director, Asian Alliance International Co., Ltd.

Education:

- Master of Business Administration (Finance), New York Institute of Technology (NYIT), USA
- Bachelor of Business and Administration (Finance) with Second Class Honor, Kasetsart University

Training:

- How to Develop Risk Management Plan (HRP) class HRP 19/2018, Thai Institute of Directors (IOD)
- Business Strategy for IR, The Stock Exchange of Thailand (SET)

- IR Professional Development Program, Thai Listed Companies Association (TLCA)
- Business Funding through Financial Instruments in Capital Market, The Stock Exchange of Thailand (SET)
- The role of the company secretary, The Stock Exchange of Thailand (SET)

Shareholder (%): None

Working Experience:

- Present: Risk Management Committee / Finance and Investor Relation Manager, Asian Seafoods Coldstorage PLC. / Assistant Managing Director, Asian Alliance International Co., Ltd.
- 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)
- 2011 – 2013: Financial Analyst, Honda Phraram 3. Co., Ltd.

Mr. Jirachan Kampiranon (Age: 47 years old)

Risk Management Committee, Asian Seafoods Coldstorage PLC./
Business Development Director, Asian Group Service Co., Ltd.



Education:

- Master of Commerce, Major: Operations Management, University of Wollongong Australia
- Bachelor of Communication Arts, Major: Advertising Siam, University

Training:

- Oct 2002 Products Training Program at German
- May 2004 The Better of Selling & Negotiation Skills
- Oct 2004 Products Training at PING USA Factory
- Nov 2004 The Power of change

Shareholder (%): None

Working Experience:

- Present: Risk Management Committee, Asian Seafoods Coldstorage PLC./ Business Development Director, Asian Group Service Co., Ltd.
- Oct 2016 - Mar 2018: Sales Director – ASEAN, Namchow (Thailand) Ltd.
- Jan 2016 - Sep. 2016: Head of Export Sales, Scotch Industrial (Thailand) Co., Ltd.
- Jan 2002 - 2005: Senior Group Product Manager, Armin Systems Ltd. (The Minor Group)

Mr. Pallop Chewpraditkun (Age: 46 years old)

Risk Management Committee, Asian Seafoods Coldstorage PLC. /
Information Technology Manager, Asian Alliance International Co., Ltd.



Education:

- Master of Business Administration, Southeast Asia University

Training: None Shareholder (%): None

Working Experience:

- Present: Risk Management Committee, Asian Seafoods Coldstorage PLC. / Information Technology Manager, Asian Alliance International Co., Ltd.
- 2014-2017: Namheng Concrete (1992) Company
- 2011-2013: EMC (Public) Company
- 2010-2011: Pompiyachan Transport Company

Mr. Boonsong Sorasith (Age: 54 years old)

Risk Management Committee, Asian Seafoods Coldstorage PLC. / Factory Manager, Asian Feed Co., Ltd.



Education:

- Bachelor of Science Industrial Technology (Ind. Electricity Technology), Phranakhon Rajabhat University

Training:

- Safety Officer at Management Level

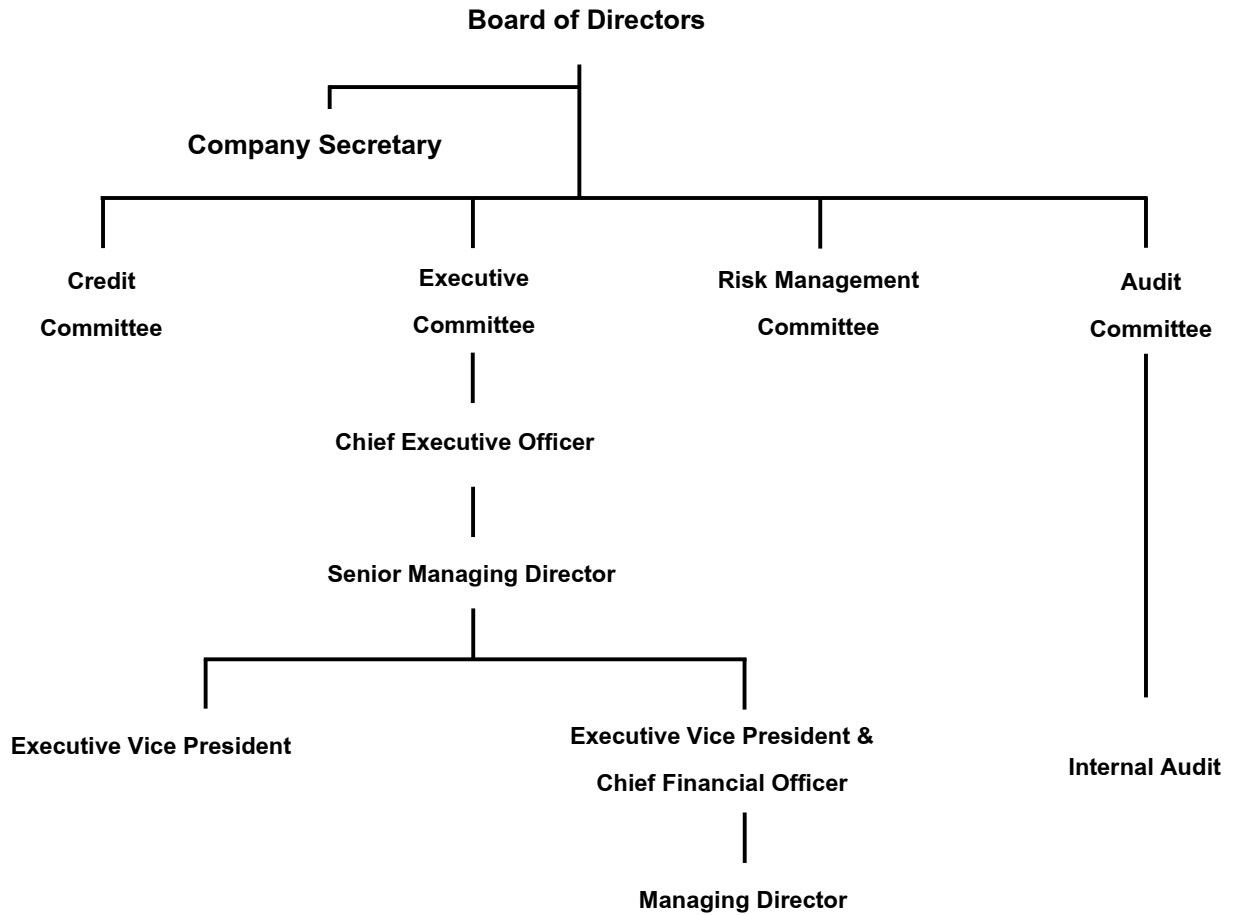
Shareholder (%): None

Working Experience:

- Present: Risk Management Committee, Asian Seafoods Coldstorage PLC. / Factory Manager, Asian Feed Co., Ltd.
- Factory Manager, Asian Feed Co., Ltd.
- Production Manager, Thai Union Feedmill Co., Ltd.
- Production Supervisor, Bangkok Food Products Co., Ltd.

Management

The Company's Organization Chart as of 31st December 2018



Board of Directors

As of December 31st, 2018, the Board of Directors consisted of 9 members as follows:

- | | |
|------------------------------------|-----------------------|
| 1. Mr. Somsak Amornrattanachaikul | Chairman of the board |
| 2. Mr. Somchai Amornrattanachaikul | Director |
| 3. Mr. Suriya Prasatbuntitya | Director |
| 4. Mr. Aekarat Punnasung | Director |
| 5. Mr. Wallop Lomlimp | Director |
| 6. Mrs. Suree Jansawat | Director |
| 7. Mrs. Sunanta Tiasuwan | Independent Director |
| 8. Mrs. Yaowanee Kruo-ongarjnukool | Independent Director |
| 9. Mr. Somboon Phaobanchong | Independent Director |

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

- 1) 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.
- 2) Consider and approve borrowing, lending, seeking credit facilities from financial institutions or becoming guarantor for amount exceed 300 million baht per contract.
- 3) Consider and approve investment transactions worth more than 15 million baht under normal course of business with aims at expanding business and improving business operations.
- 4) 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 Directors

- 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.

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.

Audit Committee

As of December 31st, 2018, Audit Committee consisted of 3 members as follows:

- | | | |
|----|---------------------------------|-----------------------------|
| 1. | Mrs. Sunanta Tiasuwan | Chairman of Audit Committee |
| 2. | Mrs. Yaowanee Kruo-ongarjnukool | Audit Committee |
| 3. | Mr. Somboon Phaobanchong | 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 Audit Committee

- 1) Select and nominate independent persons as external auditors and make recommendations on their dismissal, fees, and hold a meeting with them in the absence of the management 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.

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

As of December 31st, 2018, Executive Committee consisted of 10 members as follows:

- | | |
|---------------------------------------|---------------------------------|
| 1. Mr. Somsak Amornrattanachaikul | Chairman of Executive Committee |
| 2. Mr. Somchai Amornrattanachaikul | Executive Committee |
| 3. Mr. Suriya Prasatbuntitya | Executive Committee |
| 4. Mr. Hendrikus (Rik) Van Westendorp | Executive Committee |
| 5. Mr. Aekarat Punnasung | Executive Committee |
| 6. Mrs. Suree Jansawat | Executive Committee |
| 7. Mr. Wallop Lomlimp | Executive Committee |
| 8. Mr. Daniel Fong Pin Jan | Executive Committee |
| 9. Mr. Panop Svetarunda | Executive Committee |
| 10. Mr. Somchai Kuvijitsuwan | Executive Committee |

Duties and Responsibilities 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 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 investment transactions worth lower than 15 million baht under normal course of business with aims at expanding business and improving business operations.
- 5) 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

As of December 31st, 2018, Credit Committee consisted of 6 members as follows:

- | | |
|---------------------------------------|------------------------------|
| 1. Mr. Suriya Prasatbuntitya | Chairman of Credit Committee |
| 2. Mr. Somchai Amornrattanachaikul | Credit Committee |
| 3. Mr. Hendrikus (Rik) Van Westendorp | Credit Committee |
| 4. Mr. Aekarat Punnasung | Credit Committee |
| 5. Mrs. Suree Jansawat | Credit Committee |
| 6. Mr. Wallop Lomlimp | Credit Committee |

Duties and Responsibilities 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.
- 3) Consider debt reduction to resolve the overdue debt problem in the amount not exceeding 1,000,000 baht.

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

As of December 31st, 2018, Risk Management Committee consisted of 12 members as follows:

- | | |
|---------------------------------------|---------------------------------------|
| 1. Mr. Suriya Prasatbuntitya | Chairman of Risk Management Committee |
| 2. Mr. Hendrikus (Rik) Van Westendorp | Risk Management Committee |
| 3. Mr. Somboon Phaobanchong | Risk Management Committee |
| 4. Mr. Somchai Kuvijitsuan | Risk Management Committee |
| 5. Mr. Panop Svetarunda | Risk Management Committee |
| 6. Mr. Jirachan Kampiranon | Risk Management Committee |
| 7. Mr. Bundit Pichetpongsa | Risk Management Committee |
| 8. Miss. Sirirat Wongmathawee | Risk Management Committee |
| 9. Mr. Somsak Sthidthumrong | Risk Management Committee |
| 10. Miss. Varanratch Assanupong | Risk Management Committee |
| 11. Mr. Boonsong Sorasith | Risk Management Committee |
| 12. Mr. Pallop Chewpraditkun | Risk Management Committee |

Duties and Responsibilities 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

Company Secretary Information

Name: Mr. Chitsanucha Puangsuda

Position: Company Secretary

Date of Appointment: 1st 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.

Duties and Responsibilities of Company 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.

Subsidiaries Directors

Director and Committee of 5 subsidiaries

Director Name	Subsidiary				
	SURAT	AAI	FEED	FOOD	AGS
1. Mr. Somsak Amornrattanachaikul	X	X	X	X	X
2. Mr. Somchai Amornrattanachaikul	/	/	/	/, //	/
3. Mrs. Suree Jansawat	//	-	-	-	-
4. Mr. Wallop Lomlimp	-	-	//	-	-
5. Mr. Aekarat Punnasung	-	//	-	-	-
6. Mr. Hendrikus (Rik) Van Westendorp	-	-	-	-	//

Note:

X =Authorized Chairman
 / =Authorized Director
 // =Managing Director
 SURAT =Asian Seafoods Coldstorage (Suratthani) Co., Ltd.
 AAI= Asian Alliance International Co., Ltd.
 FEED= Asian Feed Co., Ltd.
 FOOD= Asian Food Co., Ltd.
 AGS=Asian Group Service Co., Ltd

Board Remuneration Policy and Remuneration of 2018

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 2018

Director	Directors' Meeting Allowance (Baht)	Risk Committees' Meeting Allowance (Baht)	Audit Committees' Meeting Allowance (Baht)
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 Jansawat (Director)	-	-	-
6.Mr. Wallop Lomlimp (Director)	-	-	-
7.Mrs. Sunanta Tiasuwan (Chairman of Audit Committee /Independent Director)	75,000	-	125,000
8.Mrs. Yaowanee Kruo-ongarjnukool (Audit Committee /Independent Director)	75,000	-	75,000
9.Mr. Somboon Phaobanchong (Audit Committee /Independent Director/ Risk Management Committee)	75,000	40,000	75,000

Chief of Internal Auditor and Chief of Internal Control

Chief of Internal Auditor: Miss Phastrawan Prichapanuwat
Ages: 35 Years
Position: Internal audit department manager
Date Appointed: May 8, 2017

Educations

- Bachelor's degree, Major in Accounting-Auditing (Rathchamangala University of technology Krungthep)
- Master's 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

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.

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	
	2560	2561	2560	2561	2560	2561
Asian Seafoods Coldstorage PLC.	289	394	1,351	1,298	1,640	1,692
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	243	238	1,233	1,045	1,476	1,283
Asian Alliance International Co., Ltd.	464	482	2,780	2,700	3,244	3,182
Asian Feed Co., Ltd.	180	185	30	32	210	217
Asian Group Service Co., Ltd.	-	4	-	-	-	4
Total	1,176	1,303	5,394	5,075	6,570	6,378

Salary and Wages paid

(Unit: Million baht)

Company	Monthly Employee		Daily Employee		Total	
	2560	2561	2560	2561	2560	2561
Asian Seafoods Coldstorage PLC.	101.05	107.89	151.25	160.26	252.30	268.15
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	49.98	51.97	131.16	122.85	181.14	174.82
Asian Alliance International Co., Ltd.	118.75	135.57	374.43	390.62	493.18	526.19
Asian Feed Co., Ltd.	40.59	47.75	3.28	3.07	43.87	50.82
Asian Group Service Co., Ltd.	-	3.11	-	-	-	3.11
Total	310.37	346.30	660.12	676.80	970.49	1,023.10

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 criterion 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 employee's 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 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.
- Board of Directors must have a variety of professional skills, specialized expertise and there is no sex restriction.

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 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. 8/2553 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.
- 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

- 1) 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.
- 2) Consider and approve borrowing, lending, seeking credit facilities from financial institutions or becoming guarantor for amount exceed 300 million baht per contract.
- 3) Consider and approve investment transactions worth more than 15 million baht under normal course of business with aims at expanding business and improving business operations.
- 4) 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.

Sub-Committees

Audit Committee

- **Duties and Responsibilities 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 Audit Committee**
 - 1) Select and nominate independent persons as external auditors and make recommendations on their dismissal, fees, and hold a meeting with them in the absence of the management 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. Not exceeding 4 persons.
- **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 and Responsibilities 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 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 investment transactions worth lower than 15 million baht under normal course of business with aims at expanding business and improving business operations.
- 5) 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 and Responsibilities 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.
- 3) Consider debt reduction to resolve the overdue debt problem in the amount not exceeding 1,000,000 baht.

- **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 and Responsibilities 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 Company 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. 2 5 51, 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 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.

Code of Conduct

Asian Seafoods Coldstorage Public Company Limited believes that the 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 follows

● 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 a 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 the 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 a 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 the employee leaves a job, but it is exceptionally permitted when the information disclosure is abiding 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 for other rights and honor.
12. Not acquiring, divesting, transferring and receiving transfer of the Company’s securities by taking advantage of insider information which is 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 an important factor that must be taken into account.
4. Seeking knowledge and experience to upgrade as a 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 the 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 the 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 the employee leaves a job, but it is exceptionally permitted when the information disclosure is abiding 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 a conflict of interests with the Company or failure to perform duties with fairness or getting involved in concealing any illegal actions.
14. Not making a 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 the 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 the importance of all groups of stakeholders to the 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 the 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 a 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 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 it fails to abide by contracts and agreements, to jointly seek solutions and protect damages.
2. Keeping a long relationship with trade partners and building co-operation in aspects of economy, society, and environment.
3. Overseeing transparency in the procurement system for goods and services by treating every trade partner equally and fairly in compliance with the Company's regulations.
4. In the 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 partner.
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 offers, 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 the 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 an 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 the 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 the 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 the 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 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 the Public Sector

1. Coordinating with the 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 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 the public regardless they are policy assigned by the 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 forces with independent and other social organizations.

Corporate Governance Best Practice Report

The Company has formulated a 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 the following.

1. 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 2018, 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 2018, held on April 25th, 2018, disseminated through the company’s website on March 21st, 2018 and copies were sent on April 10th, 2018.

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 location: at the SET’s building
- Second location: at a parking lot in front of Central Plaza Rama 2

3. The 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 the vote count, shareholders’ representatives were invited to be witnesses in the vote count process on a voluntary basis and vote results in each agenda were clearly disclosed.

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

6. In AGM 2018, Directors and management attended a quorum meeting and 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 25th, 2018.

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.

2. 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. Shareholders also remain their right to propose the meeting agenda or the person to be elect as the company's director, or even propose questions for the meeting in advance.

For the AGM of 2018, the company invite shareholders to propose such the above issues via SET information disclosure system and the company website on 14th December 2017.

3. 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 a 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.

4. 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 the 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 an online system of the SET to investors. Investors also can contact the Company at the Company's secretary department at telephone number (034) 845575 ext. 5356 or via e-mail address Asian-Secretary@asianseafoods.co.th. The investors' relations department could be reached via the Company's website.

During 2018, the company also arranged Analyst Meeting Activities and joined Opportunity Day event of the SET every quarterly performance report. The Schedule of those event shown in the table.

Opportunity Day	Analyst Meeting
26/02/2560 (Q4/60)	02/03/2560 (Q4/60)
23/05/2561 (Q1/61)	23/05/2561 (Q1/61)
08/08/2561 (Q2/61)	09/08/2561 (Q2/61)
11/12/2561 (Q3/61)	16/11/2561 (Q3/61)

● **Directors' and Managements' Changes in the number of shares**

In 2018, Directors' and Managements' have any changes in relation to shares transaction as following;

Name of Shareholder	No. of share as of Dec 31 st 2018	Shareholding portion (%)	No. of share as of Dec 31 st 2017	Shareholding portion (%)	Change Increase / (Decrease)
1. Mr. Somsak Amornrattanachaikul	276,443,471	50.94	272,784,471	50.26	3,659,000
2. Mr. Somchai Amornrattanachaikul	70,515,000	12.99	71,415,000	13.16	-900,000
3. Mr. Suriya Prasatbuntitya	-	-	-	-	-
4. Mr. Aekarat Punnasung	-	-	-	-	-
5. Mr. Wallop Lomlomp	-	-	-	-	-
6. Mrs. Suree Jansawat	120,150	0.02	120,150	0.02	-
7. Mrs. Sunanta Tiasuwan	-	-	-	-	-
8. Mrs. Yaowanee Kruo-ongarjnukool	-	-	-	-	-
9. Mr. Somboon Paobanjong	-	-	-	-	-
10. Mr. Hendrikus (Rik) Van Westendorp	1,550,000	0.29	1,050,000	0.19	500,000
11. Mr. Somchai Kuvijitsuan	-	-	-	-	-
12. Mr. Daniel Fong Pin Jan	-	-	-	-	-
13. Mr. Panop Svetarunda	-	-	-	-	-
14. Ms. Sirirat Wongmathawee	-	-	-	-	-
	348,628,621	64.24	345,369,621	63.64	

5. 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 a 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 the Board of Directors as stipulated in the Company's regulations and elected by the AGM.

In 2018, the Company's Board of Directors had 9 members, 6 of whom were executive directors and 3 were non-executive directors.

Even though non-executive directors accounted for only 3 persons, 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.

● **Meetings of the Board and Sub-Committees**

The Company determines meeting schedules for the Board of Directors and other subcommittees in advance annually. Meetings of the Board of Directors and the Audit Committee must be held at least once per 3 months. Special meetings may be convened as deemed necessary. The Company Secretary will send the meeting invitation letter, agenda with complete details and sufficient for the decision of the directors to the directors at least 7 days in advance prior to the meeting date, so the directors have enough time to study before the meeting.

At every board meeting in order to comply with good corporate governance policy Directors that are relevant or having interest in each agenda will leave the meeting room or abstain from voting on that agenda. The Chairman of the Board of Directors will allow each director to propose opinions independently and to clarify questions in all issues before voting and in voting, there must be at least two-thirds of all directors. The minutes of the meeting on this matter must be clearly recorded, as well as recommendations and observations of the directors, to be certified at the next Board meeting. The certified minutes will be systematically filed for easy reference as a confidential document.

Meeting Attendance of the Board and Sub-committees in 2018

Name	BOD Number of meetings this year: 4	Audit Committee Number of meetings this year: 4	Executive Committee Number of meetings this year: 18	Risk Management Committee Number of meetings this year: 10	Credit Committee Number of meetings this year: 6
1. Mr. Somsak Amornrattanachaikul	4/4	-	18/18	-	-
2. Mr. Somchai Amornrattanachaikul	4/4	-	18/18	-	-
3. Mr. Suriya Prasatbuntitya	4/4	-	18/18	10/10	6/6
4. Mr. Aekarat Punnasung	4/4	-	18/18	-	6/6
5. Mr. Wallop Lomlimp ⁽¹⁾	3/4	-	18/18	-	6/6
6. Mrs. Suree Jansawat	4/4	-	18/18	-	6/6
7. Mrs. Sunanta Tiasuwan	4/4	4/4	-	-	-
8. Mrs. Yaowanee Kruo-ngarjnukool	4/4	4/4	-	-	-
9. Mr. Somboon Paobanjong	4/4	4/4	-	10/10	-

Note: ⁽¹⁾The Board appointed Mr. Wallop Lomlimp as a director in replacement of Mr. Somsak Stithumrong, who retired by rotation and did not want to return to the position. Effective from 21 February 2018 onwards.

● Self-Evaluation of Directors and Committee

Criteria The Company address self-evaluation of each director 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 director, 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, Sub-committee, Chief Executive Officer and Chief Financial Officer. The results of the evaluation for the year 2018 can be shown as shown in the table.

No.	Directors / Committee	Avg. Score %	Lowest Score	Highest Score
1	CEO	96%	-	-
2	CFO	85%	-	-
3	Board of Directors	82%	-	-
4	Executive Committee	81%	-	-
5	Audit Committee	95%	39	44
6	Risk Management Committee	85%	26	43
7	Credit Committee	84%	30	43

● Succession Plan

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

● Orientation of new directors

The Company is aware of the importance of the performances of new directors, an orientation program has been organized to introduce the overview of the company and its subsidiaries In order to understand business relationships and shareholding structures. In addition, it provides important and necessary information for the directors' duties, such as management structure, company regulations, company objectives, corporate governance policy, business ethics, related laws, performance and development of the company, etc., including meeting with Chairman of the Board, Board of Directors and the sub-committee of the company as well.

In 2018, there was 1 new director which is Mr. Wallop Lomlimpand orientation on 22nd February 2018.

● Directors' Development

Course/ Seminar The Company value regular participation in development training relevant to the director's performance. In 2018, there were directors attending the training/seminar as follows.

Name	Course/ Seminar
Mr. Suriya Prasatbuntitya	<ul style="list-style-type: none"> • Seminar on "Developing organizations to be sustainable and support rapid changes in technology", Thai Listed Companies Association (TLCA) • Social Enterprise", The Stock Exchange of Thailand (SET) • Seminar on "Syber Security", Thai Institute of Directors (IOD) • Risk Management Program for Corporate Leaders class 14/2018, Thai Institute of Directors (IOD) • Interesting Issues of Accounting for Top Management, Internal Training Program
Mr. Wallop Lomlimp	<ul style="list-style-type: none"> • Chula Mini MBA @ Chachoengsao class 2, Chulalongkorn University • Interesting Issues of Accounting for Top Management, Internal Training Program
Mrs. Suree Jansawat	<ul style="list-style-type: none"> • Chula Mini MBA @ Chachoengsao class 2, Chulalongkorn University • Interesting Issues of Accounting for Top Management, Internal Training Program

Report of legal dispute of the Company and its subsidiaries ::: NONE

Internal control

The Company realizes the importance of good internal control, so it emphasizes on appropriately sufficient and efficient internal control in consistent with risk management that 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 measurable 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.

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 oversight 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 Management

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 risk 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. The company requires executives and employees in various departments to take care of the risks by having a role and participation in developing the risk management of the company and understanding the responsibilities related to risk management.
2. Arrange to have an effective risk management process in every step of the operation in accordance with the principles of good corporate governance and the integration of risk management with management of information technology for management good to help reduce the chance of impact from risks, reduce uncertainty in overall performance and increase success opportunities.
3. Implement and support risk management to be successful throughout the organization by using limited resources efficiently in identifying, evaluating and managing risks appropriately.
4. Promote and encourage risk management to be a corporate culture by allowing everyone to realize the importance of risk management.

Duty and Responsibility

1. Internal audit Department under Asian Seafoods Coldstorage PLC is responsible for follow this regulation as a follower of the results.
2. Risk management committee under Asian Seafoods Coldstorage PLC is responsible for cooperation with Internal Audit Department in preparing the venue for the meeting, prepare documents and information for the Internal Audit Department in order to ensure the smooth and effective follow-up and coordinating with the working group of each company to collect risk management information from the working group of each company
3. Working group of each company responsible for complying with this regulation as the risk management organizer. Specifies risk control measures, take control, editing operations as the Risk Management Committee and Internal Audit Department requesting.

4. Director or Managing Director of each company responsible for considering the annual plan, acknowledgment of the operation report to supervise agencies that are supported and coordinated in order to achieve corrective action to achieve the objectives.
5. Chairman of the Risk Management Committee responsible for approving the appointment the working group of each company which has been set up to be responsible for managing risk management of each company.

Objectives of Risk Management Plan

1. In order for the company to have an integrated risk management system that is linked to the objectives and goals of the organization at all levels.
2. In order to know the significant risk factors that affect the achievement of the objectives or the success of the operation and add value to the business.
3. In order to have a plan to manage risks or cope with future risks.
4. In order to reduce the chance and impact from the risks that will cause the operating results to not meet the company's objectives.
5. In order to link and integrate risk with information technology management for good management by linking to follow up to ensure that the operation is in line with the objectives and goals of the company.
6. In order to be aware of risk management as a corporate culture that has always been attentive instead of discrimination from time to time.

Implementation Procedure

1. Appoint Risk Management Committee to study risk factors for the company in overview and set up committee's objectives as well as the separation of responsibilities.
2. Provide training and work shop activities for employees to understanding searching for risks and risk factors that cause risks in the working area.
3. Risk Analysis
 - 3.1 Opportunity analysis (Likelihood) to determine the risk which is set to 5 levels; Rare, Unlikely, Moderate, Likely and Almost Certain.
 - 3.2 Impact analysis (Consequence) that will cause risks by setting into 5 levels; low, Minor, Moderate, Major and Critical.
 - 3.3 Determination of risk assessment criteria by considering the chance of occurrence and the impact level of each factor then take the results to consider the relationship that causes the risk and the impact that the risk will occur at any level by determining 4 levels Low, Moderate, Significant and High.
4. Risk assessment is an assessment of the opportunities and consequences of the incident by specifying the risks and impacts of the risks.
5. Risk management after risk assessment bring analytical results to plan and control. There are 4 ways to respond to the risk: Accept, Pass-On, Reduce, Terminate.
6. Follow up the risk by having a committee meeting to acknowledge the progress and compliance with the risk management plan whether there are restrictions on internal control or resource constraints or other obstacles.

In 2018, Risk Management Committee has implemented the objectives with significant operations including improving risk assessment criteria to be more timely and has identified the key risks of the group of the company which must proceed as follows;

Risk Factors

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 sillago, shrimp, squid and tuna – agricultural products of which prices fluctuate in line with demand and supply in the market. Prices of these raw materials also change rapidly if there is speculation on these products. Therefore, 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 labor 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.

● **Raw material procurement guidelines**

- 1) Shrimp : The company is sourcing shrimp from shrimp farmers all over the region without a contract in advance but relies on a good relationship as the company supplies aqua-culture feed to the farmer as well as providing advice and technical assistance in farming methods. In addition, farmers are confident that the company has sufficient potential to buy if the products of the farmers are of the same quality as the company wants.
- 2) Sillago : Sillago (also known as "Sand whiting") is a sea creature that lives on the sand, along the coastline and cannot be cultured. Therefore, the amount of raw materials cannot be controlled. However, the company has been in business for a long time and also be the market leader in exporting Sillago to the Japanese market, thus, the company has advantage over the fishermen trust. In the case that the local raw material is not enough, the company can import Sillago from other sources such as Vietnam or Australia to replace it.

- 3) Squid : The company's squid products market is mostly Splendid Squid which is obtained from domestic fisheries that must be able to trace back and comply with sustainability. As the market leader in exporting squid to Italy, which the company also has the advantage over the fishermen trust.
- 4) Tuna : The company imports tuna raw materials that have been certified by DOLPHIN SAFE, DOF and DLD that enable traceability and comply with sustainability.

● Stock Management and Inventory Turnover

At present, the company has a policy to limit the purchase of raw materials in accordance with the orders that are available in order not to have too much or too less stock. The objective is to reduce the amount of raw materials inventory which will reduce the risk caused by fluctuating raw material prices. The company believe that it is an effective policy especially in tuna products. For shrimp and squid products, there are some restriction. The company cannot import shrimp or squid in case of a shortage, so a certain amount of raw materials still needed. The company has donated some resources to monitor sources of raw materials all over the country to procure and follow up information about the market conditions of various raw materials. With the experience and expertise of ASIAN Management in Frozen business, the company can predict and make right decisions immediately when situation change.

Foreign Exchange Risks

In 2018, the company's and subsidiaries' revenue contributed from exporting products accounted for 79% 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 amount 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 2018, the Company's long-term loans and debentures were as follows:

Type of Loans (million baht)	Total Facilities	Approval Dates	Outstanding as of Dec 31 st , 2018	Current Portion
Long Term Loan	850.0	July 2014	70.0	70.0
Long Term Loan	1,500.0	July 2017	1,220.0	340.0
Long Term Loan	550.0	June 2018	510.7	78.6

For the long-term Loan facilities, the company agreed to the covenant with financial institutions, requiring the company's debt to equity (D/E) ratio not to exceed 2.0 times and maintain current ratio at least 1.2 times since 2017 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 loan 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.

In 2018, the company managed to maintain the total debt to equity ratio. Liquidity ratio and debt service coverage ratio according to conditions.

In 2018, the company has no fund raised from bill of exchange (B/E) and on outstanding balance as well as not raising funds by issuing and offering long-term debentures and there is no 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. Determine and announce the use of the conflict of interest policy by assigning the Human Resources Department to inspect the relationship of the current or new supplier with the company's employees. If the connection is found, the business must be terminated or if needing to continue business, to be approved by the Managing Director or allow the Risk Management Committee to approve in the case that the Managing Director is a person who has a connection.
3. All vendor payment must be paid via Financial Department with receipt.
4. Procurement officers and Financial Officers must not have personnel relationship.
5. 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 have formulated a strategic plan to be a guideline for reducing risks as follows:

1. The Company and subsidiaries declare intention not to illegal fishing, not to buy, import, export, carry through and distribute of aquatic animals, aquatic products obtained from illegal fishing, illegal labor and human trafficking and not used in fish processing industry and sold as seafood products by operating either alone or cooperate with other parties according to the ultimate authority to maintain transparent business standards, can check in every step and for sustainable fisheries including strictly complying with laws relating to fisheries, labor and human trafficking, although in the year 2019 the EU group announced the cancellation of the yellow card for Thailand.
2. Implement the quality inspection and control system for food safety as well as various quality control systems that are international standards which has been accepted in the food industry for use in the production process to control product quality until being accepted by customers in all regions around the world.
3. Increase the proportion of products in value-added products with high profit margins and the company has the potential to compete on cost or have expertise that is superior to competitors.
4. Expand the market in order to allow the company to diversify the risk that may arise from the market in a particular country, using trade barriers or suddenly experiencing problems.

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

The Company leases the area from the Port Authority of Thailand to be a location for a frozen seafood manufacturing plant which is the Company's first factory. In November 2018, the company decided to move the production base from this factory to the factory located on the company's own area in SamutSakhon Province to reduce the risk that may arise from the company being unable to renew the lease and reduce the rental area. Still used as an office, Cold storage and used as a distribution center for domestic sales of the company and subsidiaries.

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.
Thaiya Corporation (Shanghai) Co., Ltd.	Market, sale, and distribute pet food and frozen products of ASIAN group, including invest to expand the business in China	Asian Group Service Co., Ltd.'s subsidiary.
Inter Petrina Co., Ltd.	Sale, and distribute pet food products under the Company's brand (MARIA)	Joint venture that holds 40% shares by Asian Group Service Co., Ltd.
Asian Group SCS Europe GmbH	Market, sale, and distribute pet food and frozen products of ASIAN group	Joint venture that holds 60% shares by Asian Group Service Co., Ltd.

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	3.98 – 4.20 % 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	3.97 – 4.10 % per annum
Other expense	Cost plus margin and mutually agreed price

Related Party Transactions

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	
	2018	2017
	baht	baht
Sales	12,163,332.88	41,018,835.60
Cold storage service income	66,467,863.37	92,545,640.95
Rental income	19,200,000.00	19,200,000.00
Management fee income	54,780,000.00	41,880,000.00
Interest income	19,094,886.36	21,058,604.05
Other income	8,081,458.31	6,675,177.04
	179,787,540.92	222,378,257.64

Expenses to its subsidiaries

	Separate Financial Statement	
	2018	2017
	baht	Baht
Purchased of raw materials	159,415,176.55	163,748,025.81
Interest expense	5,517,360.40	3,632,749.59
Other expenses	6,857,451.14	5,052,415.57
	171,789,988.09	172,433,190.97

Related parties' receivables

	Separate Financial Statement	
	2018	2017
	baht	Baht
Trade receivable	6,508,601.28	8,480,442.43
Accrued interest receivable	1,149,811.86	1,899,954.35
Others receivable	12,270,473.98	14,966,458.12
	19,928,887.12	25,346,854.90

Loan to related parties

	Separate Financial Statement	
	2018	2017
	baht	baht
Short-term loan	356,357,026.96	572,200,000.00
<u>deduct</u> Allowance for doubtful debts	(41,836,226.35)	(41,836,226.00)
	314,520,800.61	530,363,774.00

Short-term loan to its subsidiaries matures at call with no collateral. Interest rate were 3.98% to 4.20% (4.20% to 4.50% in 2017).

Related Party Transactions

Related parties' payables

	Separate Financial Statement	
	2018	2017
	baht	baht
Trade payables	2,195,876.42	8,823,087.00
Accrued interest expenses	977,286.02	7,292.55
Other payables	1,917,733.28	406,256.83
	5,090,895.72	9,236,636.38

Loan from Subsidiaries

	Separate Financial Statement	
	2018	2017
	baht	baht
Short-term loan	270,881,560.53	12,800,000.00

Short-term loan from its subsidiaries was mature at call with no collateral. Interest rate were 3.97% to 4.10% (4.06% to 4.35% in 2017)

Asian's Sustainability

Policy in overview

To attain mission and business sustainability in accordance with our motto “We Are 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 acquire 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 2018

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.

- o 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.
- o Outsourcing training is the training aim to improve specific employee to develop work skill and specialization.

No.	Level	Target	Number of participants	Percentage (%)		Number of courses approved		Number of actual training courses	
				In-house	Outsourcing	In-house	Outsourcing	In-house	Outsourcing
1	New employees	Course Orientation - Information about the organization, nature of business, location and contact - Rules and regulations of the company - Working hours, holidays, leave days. - Welfare Safety at work	1,207	100%	-	2	-	2	-
2	All employees (classified by levels)			96.30%	80.74%	108	135	104	109
	- Operational	Approved courses 2018	4,690						
	- Supervisor	Approved courses 2018	623						
	- Manager	Approved courses 2018	316						

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 labor, 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 this 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 guideline 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 setting 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 Coldstorage 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, Bangkachao, Muang, Samutsakorn74000
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, Bangkachao, Muang, Samutsakorn74000
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, Bangkachao, Muang, Samutsakorn74000
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, Bangkachao, Muang, Samutsakorn74000

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) All channels that receive tips or complaint will inform to Corporate Legal Department to open the case and gather information within 24 hours.

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).

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

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

- 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.
- 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) 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.

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.

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.

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.

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

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.

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) 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.

Financial Performance



Auditing Report

1. Auditor

Asian Seafoods Coldstorage PLC. and its 5 subsidiaries

Ms. Sumalee Reewarabundit
Certified Public Accountant (Thailand) No. 3970
of EY Office Limited

2. Auditor Report for the past 3 years

The auditor of the company for the past 3 years has audited and expressed an unqualified opinion to the consolidated and company financial statements of the company. The consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows present fairly, in all material respects, in accordance with Thai Financial Reporting Standards.

3. Auditor's fee of 2018

Audit fee	The Company	Subsidiaries
Audit fee for quarterly and year ended statement	1,830,000 Baht	2,890,000 Baht
Other Services	The Company	Subsidiaries
BOI Certificate Review(per certificate)	80,000 Baht	80,000 Baht

4. Important Accounting Policies

See also at the notes to consolidated and company financial statements in this report.

5. The Company Performance

The financial performance of the Company, consolidated and separated financial statement, were presented in the Auditor's Report section in this report.

Revenue by Business Segment

Business Segment	Company	ASIAN Shareholding portion %	2018		2017		2016	
			Domestic	Export	Domestic	Export	Domestic	Export
Frozen Business	ASIAN	-	136	1,742	101	1,941	233	2,018
	SURAT	100	183	2,006	112	2,009	118	2,447
Tuna Business	AAI	100	153	911	155	929	350	912
Pet Food Business	AAI	100	119	2,968	109	2,536	136	1,511
Aquaculture Feed Business	AFEED	100	1,077	20	1,423	45	1,189	21
Distribution Business	ASIAN	-	257		323	-	250	-
	AFOOD	100	351		394	-	361	-
Others	ASIAN	-	81		100	-	106	-
Deduct Elimination of inter-company transaction			(355)		(438)		(447)	-
Total Revenue			2,002	7,647	2,280	7,460	2,296	6,909

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

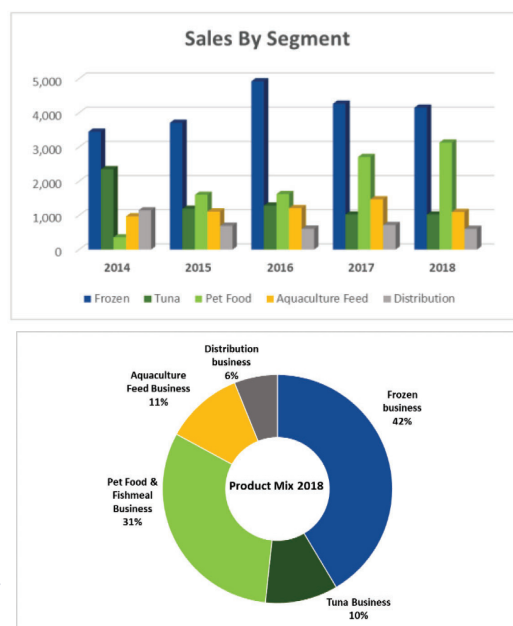
Operating Result

The company operate its business in 5 business segments, which are Frozen business, Tuna business, Pet Food business, Aquaculture Feed business, and Distribution business. Sales revenues for the full year were 9,649 million baht, a decrease of 0.9%. This was mainly a result of a weaker USD (-3.8%) and lower aqua feed and distribution sales, partly off-set with higher sales in pet food. The average exchange rate with the USD decreased 4.8% y.o.y. and around 80% of sales revenues are directly or indirectly denominated in USD.

Frozen Business

Sales of frozen business for the full year, volumes were up 7% and sales revenues 3% down y.o.y. to 4,067 million baht, as a result of lower market prices of shrimp raw material and baht strengthen over USD pressure sales prices even volume was improved, particularly in Q3 which is the high season of the business. Squid sales also picked up a bit compared to the previous year, while Sillago was quite stable both volume and baht.

Gross profit of shrimp product was in line with last year, but with higher portion of value-added products. Profitability of squid was improved compare to the year before as market price remain stable after Thai squid develop into a high quality niche market. Squid raw material price was lower in average. Sillago margins were satisfactory and stable.



Throughout the year, the company focus on efficiency improvement and cost saving in its Frozen Business. Several important moves had been taken. First, overall frozen business units were optimizing coldstorage capacity together for cost saving in total. Then, the company terminated the production of sillago in the Klong Toei plant and moved to the SamutSakhon plant. Overall staff number was reduced. In sales function, Frozen sales has been re-organized in order to achieve better efficiency. Moreover, an initial production of Asian Seabass fillets, or barramundi, was done, together with development of frozen product for domestic market which were expected to launch in 2019. The company believed those will result in lower cost and better profitability.

Tuna Business

Canned Tuna volumes decreased 12% compared to the previous year with sales revenues slightly lower to 1,064 million baht (2017:1084 million baht). No long or short position in tuna inventories are maintained and order intake is selective. Profitability of human tuna improved compared to the year before.

Petfood Business

Petfood and fishmeal volume was up 9% due to higher pet food sales, partly off-set with lower fishmeal sales. Sales revenues were up 17% y.o.y. to 3,087 million baht. After several extensions, capacity is sufficient for the next 6 months and depending on developments a next increase may be required in Q3 2019.

In 2018, the company decided to invest in the construction of a 15,000 pellets fully automated warehouse which is expected to be operational by the end of 2019. Capex will be 280 million baht. This will allow termination of rented storage and smoothen the shipping operations.

Aquaculture Feed Business

For the full year volumes and sales were down 27% and 25% respectively. Volumes were down in both shrimp and fish, partly due to termination of government incentives to catfish farmers. The low shrimp volume also affected the aqua feed market in Thailand. Overall lower shrimp feed volume intensified competition and with farm profits under pressure credit risk remained high.

Throughout the course of 2018, the company remain tighten its credit policy for better quality of customers portfolio and reduce its allowance for doubtful debts. In December, a nutritionist panel was established with the objective to continuously improve performance and costing of the feeds. It is expected this will improve margins throughout the course of 2019.

Distribution Business

Distribution revenue is around 608 million baht, 15% decrease compare to the year before. Q4 is the best quarter which sales and margin were satisfied.

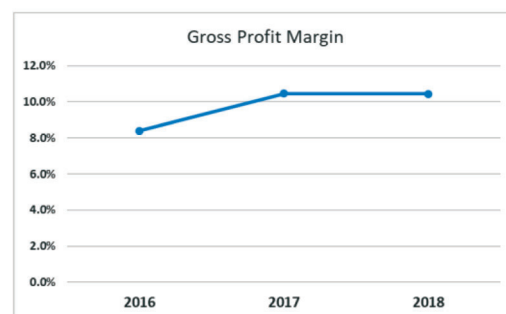
As the company strategy is to increase portion of value-added products in every business segment, the gross profit was at 10.3% in 2018, remain in line with last year and target even weaken USD pressure the profitability so much in the first and the last quarter of the year.

Net profit for 2018 is around 362 million baht compared to 418 million baht in 2017. EBIT from operations decreased 8.3% to 490 million baht, mainly due to a slow first quarter, when in addition a significant decline of the USD during the quarter impacted margins.

Non-recurring expenses were down to 15 million baht, partly as a result of the sale of a portfolio bad debtors which was recorded as non-recurring income.

EBIT for the year was 3.5% lower y.o.y. to 490 million baht. And finance cost were down to 132 million baht due to lower average debt outstanding.

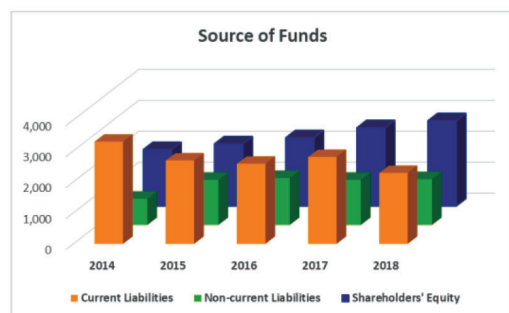
Tax credits were 5 million baht, lower than last year when revaluation of deferred tax assets included a credit of 47 million baht.



Financial Position

Assets

The company and its subsidiaries have total assets of 6,542 million baht, decreased 269 million baht from last year mainly from lower inventory. The capital expenditures in 2018 amounted to 242 million baht (2017: 194 million baht) and were, apart from replacement capex, mainly for expansion of pet food production capacity, initial cash-out for the automatic warehouse project and investment in joint ventures. Depreciation amounted to 198 million baht.



Source of Fund

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

- Shareholders' Equity: The company's equity was 2,765 million baht, 227 million baht increased from last year as retain earning increased.
- Current Liabilities: Total current liabilities were 2,291 million baht, decrease 518 million baht compare to 2017. Net working capital at the end of the year decreased 390 million baht to 2,905 million baht as inventory of shrimp and squid was decreased significantly. Short term facilities the

company and its subsidiaries have by the end of December 2018 are as follow:

Type of facilities(million baht)	Total Facilities	Outstanding Balance	Available
Short-term	2,473.0	1,061.0	1,412.0
B/E	500.0	-	500.0

- Long term debts & debentures: In 2018, the Company's long-term credit and debentures were as follows:

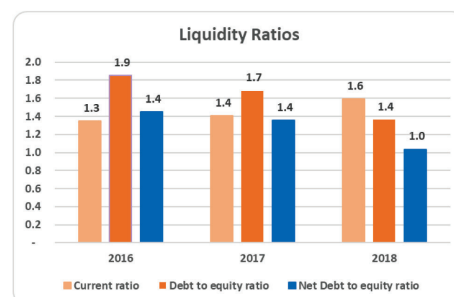
Type of Loans(million baht)	Total Facilities (million baht)	Approval Dates	Outstanding as of Dec 31 st , 2018 (million baht)	Current Portion (million baht)
Long Term Loan	850.0	July 2014	70.0	70.0
Long Term Loan	1,500.0	July 2017	1,220.0	340.0
Long Term Loan	550.0	June 2018	510.7	78.6

As of 31st December, 2018, the company has no outstanding bonds or debentures even the shareholders already approved that the Management can commit in the bonds not exceed of 2,000 million baht.

Liquidity

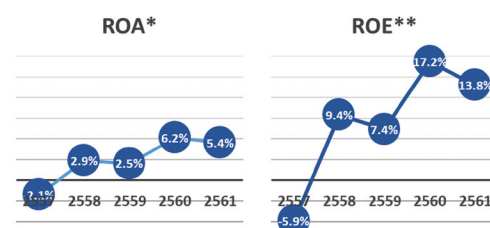
The Current Ratio is 1.6. The Debt to Equity ratio decreased from 1.7 a year before to 1.4 as per 31st December 2018. Under the terms of long-term loan agreements, the D/E ratio must be below 2.0 at year-end 2017 till the maturity date. Net Debt to Equity ratio was 1.0 at year end.

AR days of the company is at the same rate compare to last year. AP days improved a bit while inventory days is below 100 days again as frozen inventory volume decreased.



Asset Management Efficiency

Asset Management efficiency is slightly lower compared to the year before as Return on assets is 5.4% compare to 6.2% last year. Return on Equity is at 13.8%, which is satisfied. Book value per share increased to 5.09 baht per share comparing to 4.68 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 2018).



* 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 2.0 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.

In 2018, the Company managed to maintain D/E and current ratio as required. The Company's debt service coverage ratio also surpassed 1.2 times.

Dividend Payout

In 2018, the Board of Directors resolved to propose to the Annual General Meeting of Shareholders to consider and approve the dividend payment for the operating results of the year 2018 to the shareholders of the company at the rate of 0.25 baht per share, paid from the profits of businesses that are not exempted from corporate income tax (Non-BOI), all of which is approximately 37.46% of the net profit from the consolidated operating results of the company and subsidiaries because it considers that the company needs to maintain liquidity to have sufficient potential to support the investment plan during the year 2019-2021 as well as to support changes in economic conditions both domestically and internationally.

Significant non-recurring transactions

- 27 million baht of allowance for doubtful debt was booked over the year from Aquaculture feed business. In the mean time, sale of a portfolio bad debtors was recorded at around 30million baht.
- The termination of sillago production line and move of those to SamutSakorn cost around 13 MB from expenses and machine write-off.
- In tuna and petfood business, obsolete packing were booked at around 20 million baht.

Audit Report and Consolidated Financial Statements



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 2018, 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 2018, and 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 79% of total revenues and there is a variety of conditions in these sales and delivery. As a result, the Group has to consider the conditions in each case of sales and delivery 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 2018, the Group had an outstanding balance of trade receivables over 12 months, amounting to Baht 208.2 million, while allowance for doubtful debts of Baht 208.2 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 accounts receivable.
- Reviewing accounts receivable 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 comprises 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: 20 February 2019

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	7	96,774,777	38,640,315	26,288,062	9,542,466
Trade and other receivables	8	1,125,283,504	1,190,889,506	234,975,632	198,718,110
Short-term loans to subsidiaries	6	-	-	314,520,801	530,363,774
Inventories	9	2,354,445,120	2,682,146,431	613,154,087	585,309,491
Other current assets		71,323,791	36,368,903	13,707,008	12,267,147
Total current assets		3,647,827,192	3,948,045,155	1,202,645,590	1,336,200,988
Non-current assets					
Investments in subsidiaries	10	-	-	2,474,993,000	2,425,000,000
Investments in joint ventures	11	-	-	-	-
Long-term loans to joint ventures	6	1,669,889	-	-	-
Investment properties	12	40,301,375	40,301,375	-	-
Property, plant and equipment	13	2,689,102,631	2,659,560,137	1,217,218,619	1,245,644,592
Intangible assets	14	40,323,424	42,807,417	38,467,939	41,693,272
Deferred tax assets	25	100,056,867	95,112,543	-	-
Other non-current assets		22,466,424	24,856,809	18,042,104	21,047,655
Total non-current assets		2,893,920,610	2,862,638,281	3,748,721,662	3,733,385,519
Total assets		6,541,747,802	6,810,683,436	4,951,367,252	5,069,586,507

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 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	15	1,060,960,693	1,284,125,366	219,275,666	148,296,631
Short-term loans from subsidiaries	6	-	-	270,881,561	12,800,000
Trade and other payables	16	697,277,077	608,935,867	158,545,318	106,693,820
Current portion of long-term loans	17	487,807,113	518,725,000	487,807,113	518,725,000
Current portion of long-term debentures	18	-	349,847,574	-	349,847,574
Current portion of finance lease liabilities	19	872,553	758,083	536,127	541,493
Income tax payable		-	2,610,482	-	-
Other current liabilities		44,232,097	43,975,459	14,340,432	6,750,367
Total current liabilities		2,291,149,533	2,808,977,831	1,151,386,217	1,143,654,885
Non-current liabilities					
Long-term loans	17	1,312,142,858	1,289,235,685	1,312,142,858	1,289,235,685
Finance lease liabilities	19	976,511	1,431,607	228,957	765,084
Deferred tax liabilities	25	117,184,027	116,825,913	81,545,161	72,233,857
Provision for long-term employee benefits	20	54,230,997	53,582,325	28,459,811	30,286,222
Other non-current liabilities		914,251	2,039,644	906,540	2,031,934
Total non-current liabilities		1,485,448,644	1,463,115,174	1,423,283,327	1,394,552,782
Total liabilities		3,776,598,177	4,272,093,005	2,574,669,544	2,538,207,667

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 2018

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Shareholders' equity					
Share capital	21				
Registered					
542,727,549 ordinary shares of Baht 1 each					
(2017: 542,730,702 ordinary					
shares of Baht 1 each)		542,727,549	542,730,702	542,727,549	542,730,702
Issued and paid-up					
542,727,549 ordinary shares of Baht 1 each		542,727,549	542,727,549	542,727,549	542,727,549
Premium on ordinary shares		552,813,994	552,813,994	552,813,994	552,813,994
Retained earnings					
Appropriated - statutory reserve	23	54,000,000	54,000,000	54,000,000	54,000,000
Unappropriated		1,203,404,013	976,844,819	847,957,026	1,002,638,158
Other components of shareholders' equity	22	412,204,069	412,204,069	379,199,139	379,199,139
Total shareholders' equity		2,765,149,625	2,538,590,431	2,376,697,708	2,531,378,840
Total liabilities and shareholders' equity		6,541,747,802	6,810,683,436	4,951,367,252	5,069,586,507

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 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Profit or loss:					
Revenues					
Sales	26	9,635,184,895	9,732,835,474	2,135,016,886	2,365,184,046
Cold storage service income	26	14,297,231	7,335,971	80,765,094	99,881,612
Reversal of allowance for impairment of investments in subsidiaries	10	-	-	39,993,000	150,000,000
Other income		148,810,963	147,853,362	131,924,117	122,244,655
Total revenues		9,798,293,089	9,888,024,807	2,387,699,097	2,737,310,313
Expenses					
Cost of sales and services		8,642,191,940	8,720,511,392	2,056,791,998	2,210,428,795
Selling and distribution expenses		293,583,090	313,356,573	103,041,954	105,480,227
Administrative expenses		366,036,159	346,300,064	139,938,278	145,741,581
Total expenses		9,301,811,189	9,380,168,029	2,299,772,230	2,461,650,603
Profit before share of loss from investments in joint ventures, finance cost and tax income		496,481,900	507,856,778	87,926,867	275,659,710
Share of loss from investments in joint ventures	11	(6,500,535)	-	-	-
Profit before finance cost and tax income (income tax expenses)		489,981,365	507,856,778	87,926,867	275,659,710
Finance cost		(132,329,473)	(137,262,040)	(97,621,333)	(97,866,574)
Profit (loss) before tax income (income tax expenses)		357,651,892	370,594,738	(9,694,466)	177,793,136
Tax income (income tax expenses)	25	4,582,664	47,427,740	(9,311,304)	(30,706,464)
Profit (loss) for the year		362,234,556	418,022,478	(19,005,770)	147,086,672
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial loss	20	-	(818,625)	-	(432,446)
Less: Income tax effect	25	-	163,725	-	86,489
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income tax		-	(654,900)	-	(345,957)
Other comprehensive income for the year		-	(654,900)	-	(345,957)
Total comprehensive income for the year		362,234,556	417,367,578	(19,005,770)	146,740,715
Earnings per share	27				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		0.67	0.77	-0.04	0.27
Weighted average number of ordinary shares		542,727,549	542,727,549	542,727,549	542,727,549

(Unit: Share)

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 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) before tax	357,651,892	370,594,738	(9,694,466)	177,793,136
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	198,164,795	189,335,793	49,745,264	55,202,373
Allowance for doubtful debts (reversal)	3,307,285	9,770,722	(688,726)	(857,337)
Write-off of bad debts	183,596	-	-	-
(Reversal) reduction of cost of inventories to net realisable value	(27,165,884)	(10,520,460)	(11,217,728)	5,318,121
Write-off withholding income tax	55,103	-	55,103	-
Reversal of allowance for impairment of investments in subsidiaries	-	-	(39,993,000)	(150,000,000)
Loss on sales/write-off of equipment	10,833,680	22,769,431	8,715,478	3,392,280
Long-term employee benefit expenses	6,968,294	6,193,140	3,084,543	2,808,941
Unrealised loss (gain) on exchange rate	1,113,421	(8,782,746)	(613,412)	(1,838,373)
Loss on forward exchange contracts	582,007	2,813,560	541,375	1,622,512
Share of loss from investments in joint ventures	6,500,535	-	-	-
Interest income	(1,858,799)	(2,843,682)	(19,442,426)	(21,326,051)
Interest expense	132,329,473	137,262,040	97,621,333	97,866,574
Profit from operating activities before changes in operating assets and liabilities	688,665,398	716,592,536	78,113,338	169,982,176
operating assets (increase) decrease				
Trade and other receivables	54,523,698	(11,355,396)	(37,584,867)	(2,130,909)
Inventories	354,867,195	(474,047,570)	(16,626,868)	53,993,895
Other current assets	(34,954,888)	(2,486,073)	(1,439,861)	(1,259,760)
Other non-current assets	(1,532,082)	(1,599,005)	(1,028,670)	(49,310)
Operating liabilities increase (decrease)				
Trade and other payables	92,474,993	(70,041,810)	53,677,212	(20,048,036)
Cash paid for litigation cost	-	(28,802,000)	-	-
Other current liabilities	256,638	5,526,154	7,590,065	1,247,851
Cash paid for long-term employee benefits	(6,319,622)	(762,600)	(4,910,954)	(465,000)
Other non-current liabilities	(1,130,555)	27,926	(1,130,556)	27,926
Cash flows from operating activities	1,146,850,775	133,052,162	76,658,839	201,298,833
Cash paid for interest	(134,867,415)	(134,749,486)	(98,278,240)	(95,921,676)
Cash paid for income tax	(8,449,294)	(6,008,955)	(5,723,511)	(5,701,218)
Cash received from withholding income tax	9,702,629	973,220	9,702,629	973,220
Net cash flows from (used in) operating activities	1,013,236,695	(6,733,059)	(17,640,283)	100,649,159

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 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Cash payments for acquisitions of equipment	(233,535,500)	(196,083,876)	(26,068,432)	(15,840,212)
Cash payments for acquisitions of computer software	(1,641,841)	(4,275,000)	(200,912)	(4,275,000)
Proceeds from sales of equipment	340,699	3,953,531	240,587	1,505,411
Decrease in short-term loans to subsidiaries	-	-	215,842,973	82,500,000
Cash paid for investment in subsidiary	-	-	(10,000,000)	-
Cash paid for investments in joint ventures	(2,171,500)	-	-	-
Increase in long-term loans to joint ventures	(6,278,800)	-	-	-
Interest received	1,771,937	2,843,682	20,192,569	21,535,271
Net cash flows from (used in) investing activities	(241,515,005)	(193,561,663)	200,006,785	85,425,470
Cash flows from financing activities				
Increase (decrease) in bank overdrafts				
and short-term loans from banks	(217,752,370)	(91,413,130)	71,794,940	(446,044,073)
Increase (decrease) in short-term loans from subsidiaries	-	-	258,081,561	(3,200,000)
Net cash received from long-term loans	550,000,000	1,500,000,000	550,000,000	1,500,000,000
Repayment of long-term loans	(559,285,714)	(950,000,000)	(559,285,714)	(950,000,000)
Repayment of long-term debentures	(350,000,000)	(187,500,000)	(350,000,000)	(187,500,000)
Decrease in finance lease liabilities	(878,944)	(2,415,427)	(541,493)	(1,862,363)
Dividend paid	(135,670,200)	(96,246,137)	(135,670,200)	(96,246,137)
Net cash flows from (used in) financing activities	(713,587,228)	172,425,306	(165,620,906)	(184,852,573)
Net increase (decrease) in cash and cash equivalents	58,134,462	(27,869,416)	16,745,596	1,222,056
Cash and cash equivalents at beginning of year	38,640,315	66,509,731	9,542,466	8,320,410
Cash and cash equivalents at end of year	96,774,777	38,640,315	26,288,062	9,542,466
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Increase (decrease) in other payables for acquisitions				
of equipment	1,107,009	(139,827)	780,679	(3,367,701)
Decrease in other payables for acquisitions				
of computer software	(424,992)	(3,850,008)	-	(4,275,000)
Acquisitions of equipment under finance lease liabilities	538,318	918,318	-	-
Increase in dividend payable	5,162	-	5,162	-

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 2018

	Consolidated financial statements					(Unit: Baht)
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	
			Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of land	
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 21)	180,907,081	-	-	-	-	180,907,081
Dividend paid (Note 30)	-	-	-	(277,153,218)	-	(277,153,218)
Transferred unappropriated retained earnings to statutory reserve (Note 23)	-	-	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
Balance as at 1 January 2018	542,727,549	552,813,994	54,000,000	976,844,819	412,204,069	2,538,590,431
Profit for the year	-	-	-	362,234,556	-	362,234,556
Total comprehensive income for the year	-	-	-	362,234,556	-	362,234,556
Dividend paid (Note 30)	-	-	-	(135,675,362)	-	(135,675,362)
Balance As at 31 December 2018	542,727,549	552,813,994	54,000,000	1,203,404,013	412,204,069	2,765,149,625
						-

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

Statement of financial position

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2018

	Separate financial statements					(Unit: Baht)
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
Total						
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 21)	180,907,081	-	-	-	-	180,907,081
Dividend paid (Note 30)	-	-	-	(277,153,218)	-	(277,153,218)
Transferred unappropriated retained earnings to statutory reserve (Note 23)	-	-	13,000,000	(13,000,000)	-	-
Balance as at 31 December 2017	542,727,549	552,813,994	54,000,000	1,002,638,158	379,199,139	2,531,378,840
Balance as at 1 January 2018	542,727,549	552,813,994	54,000,000	1,002,638,158	379,199,139	2,531,378,840
Profit for the year	-	-	-	(19,005,770)	-	(19,005,770)
Total comprehensive income for the year	-	-	-	(19,005,770)	-	(19,005,770)
Dividend paid (Note 30)	-	-	-	(135,675,362)	-	(135,675,362)
Balance As at 31 December 2018	542,727,549	552,813,994	54,000,000	847,957,026	379,199,139	2,376,697,708
						-
						-

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 2018

1. General information

Asian Seafoods Coldstorage Public Company Limited (“the Company”) is a public 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, Samudhsakorn, and Songkhla.

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	
			2018	2017
			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
Asian Group Services Co., Ltd.	Marketing and management activities, Including investing in other business	Thailand	100	100
<u>Subsidiary held by Asian Feed Co., Ltd.</u>				
Asian Seafoods Coldstorage (Sriracha) Co., Ltd.	Currently non-active	Thailand	100	100
<u>Subsidiary held by Asian Group Services Co., Ltd.</u>				
Thaiya Corporation (Shanghai) Co., Ltd.	Marketing service and distribution of animal feeds and frozen seafoods	China	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) The assets and liabilities in the financial statements of overseas subsidiary are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

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 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 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 for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

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

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

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

The management of the Group expects the adoption of this accounting standard to result in the transportation revenue which should be recognised as revenue over the periods in which the service will be provided. Previously, revenue was recognised in full upon the condition of sales.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of 5 accounting standards and interpretations, as follows.

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial reporting standard interpretations:

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

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

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

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.

Export incentive

Export incentives, which are received in the form of tax coupons, are recognised as income when the Company exports the goods.

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

- a) Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries presented in the separate financial statements, are stated at cost less allowance for impairment loss (if any).

The weighted average method is used for computation of the cost of investment.

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 and 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	3 - 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.

Level1	Use of quoted market prices in an observable active market for such assets or liabilities
Level2	Use of other observable inputs for such assets or liabilities, whether directly or indirectly
Level3	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 and 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 13 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.

6. Related party transactions

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and these related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	2018	2017	2018	2017	Pricing policy
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Sales	-	-	12,163	41,019	Cost plus margin
Cold storage service income	-	-	66,468	92,546	Contract price
Rental income	-	-	19,200	19,200	Contract price
Management fee income	-	-	54,780	41,880	Mutually agreed price
Interest income	-	-	19,095	21,059	3.98% - 4.20% per annum (2017: 4.20% - 4.50% per annum)
Other income	-	-	8,081	6,675	Cost plus margin and mutually agreed price
Purchases of raw materials	-	-	159,415	163,748	Cost plus margin
Interest expense	-	-	5,517	3,633	3.97% - 4.10% per annum (2017: 4.06% - 4.35% per annum)
Other expenses	-	-	6,857	5,052	Cost plus margin and mutually agreed price
Transactions with joint ventures					
Sales	3,825	-	-	-	Cost plus margin
Interest income	87	-	-	-	4% per annum
Other income	63	-	-	-	Mutually agreed price
Other expenses	308	-	-	-	Mutually agreed price

As at 31 December 2018 and 2017, the balances of the accounts between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables - related parties (Note 8)				
Subsidiaries	-	-	6,509	8,480
Joint ventures	48	-	-	-
Total	48	-	6,509	8,480
Other receivables - related parties (Note 8)				
Subsidiaries	-	-	13,420	16,866
Joint ventures	87	-	-	-
Total	87	-	13,420	16,866

(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements
	2018	2017	2018 2017
Trade payables - related parties (Note 16)			
Subsidiaries	-	-	2,196 8,823
Total	-	-	2,196 8,823
Other payables - related parties (Note 16)			
Subsidiaries	-	-	2,895 413
Total	-	-	2,895 413

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

As at 31 December 2018 and 2017, 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)						
	Interest rate (percent per annum)	Principal repayment schedule	Separate financial statements			
			Balance as at 31 December 2017	Increase during the year	Decrease during the year	Balance as at 31 December 2018
Short-term loans to						
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	3.98 - 4.20	At call	371,000	506,785	(642,458)	235,327
Asian Alliance International Co., Ltd.	4.06 - 4.20	At call	102,500	385,500	(488,000)	-
Asian Feed Co., Ltd.	3.98 - 4.20	At call	98,700	245,100	(235,800)	108,000
Asian Food Co., Ltd.	3.98 - 4.00	At call	-	18,884	(18,884)	-
Asian Group Services Co., Ltd.	3.98 - 4.12	At call	-	13,716	(686)	13,030
Total			572,200	1,169,985	(1,385,828)	356,357
Less: Allowance for doubtful debts			(41,836)	-	-	(41,836)
Total short-term loans to - net			530,364	1,169,985	(1,385,828)	314,521

(Unit: Thousand Baht)						
	Interest rate (percent per annum)	Principal repayment schedule	Separate financial statements			
			Balance as at 31 December 2017	Increase during the year	Decrease during the year	Balance as at 31 December 2018
Short-term loans from						
Asian Alliance International Co., Ltd.	3.97 - 4.07	At call	-	980,100	(753,100)	227,000
Asian Food Co., Ltd.	3.97 - 4.10	At call	12,800	210,402	(179,320)	43,882
Total short-term loans from			12,800	1,190,502	(932,420)	270,882

Long-term loans to joint ventures

As at 31 December 2018 and 2017, a subsidiary (Asian Group Services Co., Ltd.) has granted long-term loans to 2 joint ventures. During the year, movements in the long-term loans to joint ventures account are as follows.

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Principal repayment schedule	Consolidated financial statements				Balance as at 31 December 2018
			Balance as at 31 December 2017	Increase during the year	Unrealise loss on exchange rate	Recognised share of loss (Note 11)	
Long-term loans to							
Inter Petrina Co., Ltd.	4.00	At call	-	1,600	-	(38)	1,562
Asian Group SCS Europe GmbH	4.00	At call	-	4,679	(280)	(4,291)	108
Total long-term loans to			-	6,279	(280)	(4,329)	1,670

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	14,622	20,516	9,114	11,406
Post-employment benefits	591	717	347	378
Total	15,213	21,233	9,461	11,784

Guarantees obligations with related parties

The Company has guaranteed bank credit facilities of the subsidiaries as described in Notes 17 and 31.3 c) to the financial statements without charging guarantee fee.

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

The Company's long-term loan facilities are secured by the mortgage of the buildings of Asian Alliance International Co., Ltd. (Subsidiary) and secured by the mortgage of the land and the buildings of Asian Feed Co., Ltd. (Subsidiary) without charging guarantee fee.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	605	763	28	97
Bank deposits	96,170	37,877	26,260	9,445
Total	96,775	38,640	26,288	9,542

As at 31 December 2018, bank deposits in savings accounts carried interests between 0.13% and 0.75% per annum (2017: 0.13% and 1.10% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Trade receivables - related parties (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	48	-	6,433	8,478
Past due up to 3 months	-	-	76	2
Total trade receivables - related parties	48	-	6,509	8,480
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	662,407	341,384	197,171	110,776
Past due				
Up to 3 months	372,827	702,642	14,533	43,784
3 - 6 months	22,454	33,119	300	13,157
6 - 12 months	32,617	24,358	2	677
Over 12 months	208,246	212,722	6,898	7,654
Total	1,298,551	1,314,225	218,904	176,048
Less: Allowance for doubtful debts	(208,246)	(212,722)	(6,898)	(7,654)
Total trade receivables - unrelated parties, net	1,090,305	1,101,503	212,006	168,394
Total trade receivables - net	1,090,353	1,101,503	218,515	176,874
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	-	-	12,270	14,966
Other receivables - unrelated parties	83,196	137,358	2,942	4,337
Forward contract receivables	1,086	1,668	99	641
Interest receivable from related parties (Note 6)	87	-	1,150	1,900
Total	84,369	139,026	16,461	21,844
Less: Allowance for doubtful debts	(49,438)	(49,639)	-	-
Total other receivables - net	34,931	89,387	16,461	21,844
Total trade and other receivables - net	1,125,284	1,190,890	234,976	198,718

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	1,432,035	1,688,437	(80,284)	(107,450)	1,351,751	1,580,987
Work in process	94,562	57,673	-	-	94,562	57,673
Raw materials	514,536	728,856	-	-	514,536	728,856
Packing materials	208,888	214,380	-	-	208,888	214,380
Spare parts and factory supplies	32,305	25,001	-	-	32,305	25,001
Goods in transit	152,403	75,249	-	-	152,403	75,249
Total	2,434,729	2,789,596	(80,284)	(107,450)	2,354,445	2,682,146

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	419,231	453,323	(14,113)	(25,331)	405,118	427,992
Work in process	78,834	44,528	-	-	78,834	44,528
Raw materials	97,975	90,790	-	-	97,975	90,790
Packing materials	16,822	15,344	-	-	16,822	15,344
Spare parts and factory supplies	587	-	-	-	587	-
Goods in transit	13,818	6,655	-	-	13,818	6,655
Total	627,267	610,640	(14,113)	(25,331)	613,154	585,309

During the year 2018, the Group reduced cost of inventories by Baht 31 million (2017: Baht 24 million) (Separate financial statements: None, 2017: Baht 5 million), to reflect the net realisable value. This was included in cost of sales and expenses. In addition, the Group reversed the write-down of cost of inventories by Baht 58 million (2017: Baht 35 million) (Separate financial statements: Baht 11 million, 2017: None), 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.

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost	
	2018	2017	2018	2017	2018	2017
			(%)	(%)		
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
Asian Group Services Co., Ltd.	10,000	-	100	-	10,000	-
Total					2,585,993	2,575,993
Less: Allowance for impairment loss					(111,000)	(150,993)
Investments in subsidiaries - net					2,474,993	2,425,000

In January 2018, the Company invested in 99,997 ordinary shares of Asian Group Services Co., Ltd. at par value of Baht 100 per share, for a total of Baht 10 million. This investment represents 100% of the registered capital of such company. This company is principally engaged in marketing and management activities, including investing in other business.

In December 2018, Asian Group Services Co., Ltd. invested in shares of Thaiya Corporation (Shanghai) Co., Ltd. which has a registered share capital of USD 0.7 million. This investment represents 100% of the registered capital of such company. Asian Group Services Co., Ltd. has already paid for the shares with a cash payment of USD 0.1 million in this investment. This company is principally engaged in marketing service and distribution of animal feeds and frozen seafoods.

The subsidiaries did not pay any dividend in the years 2018 and 2017.

11. Investments in joint ventures

11.1 Details of investments in joint ventures

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

(Unit: Thousand Baht)

Joint venture	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2018	2017	2018	2017	2018	2017
			(%)	(%)				
Inter Petrina Co., Ltd.	Distribution of pet foods	Thailand	40	-	1,600	-	-	-
Asian Group SCS Europe GmbH	Marketing and distribution of the Group's products outside Thailand	Germany	60	-	572	-	-	-
Total					2,172	-	-	-

During the year 2018, Asian Group Services Co., Ltd. (the Company's subsidiary) invested in joint ventures as details below.

- Ordinary shares of Inter Petrina Co., Ltd. of Baht 1.6 million (16,000 ordinary shares of Baht 100 each). This investment represents 40% of the registered capital of such company.
- Ordinary shares of Asian Group SCS Europe GmbH of EUR 15,000 (15,000 ordinary shares of EUR 1 each), or equivalents to approximately Baht 0.6 million. This investment represents 60% of the registered capital of such company.

11.2 Share of comprehensive income and dividend received

During the year 2018, the Group recognised its share of comprehensive income from investments in joint ventures in the consolidated financial statements as follows.

(Unit: Thousand Baht)

Joint ventures	Consolidated financial statements
	Share of loss from investments in joint ventures
Inter Petrina Co., Ltd.	(1,638)
Asian Group SCS Europe GmbH	(4,863)
Total	(6,501)

The Group recognised share of loss from investments in 2 joint ventures until the value of the investments approached zero. Subsequent loss of Baht 4.3 million incurred by the joint ventures has been recognised by deducting from the balance of long-term loan receivables since the Group has obligations, whether legal or constructive, to make any payments on behalf of the joint ventures(as mentioned in Note 6 to financial statements).

During the year 2018, there were no share of comprehensive income from investments in joint ventures and the joint ventures did not pay dividend.

11.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)

	Inter Petrina Co., Ltd.		Asian Group SCS Europe GmbH	
	2018	2017	2018	2017
Cash and cash equivalents	3	-	1	-
Trade and other receivables	1	-	-	-
Other current assets	1	-	-	-
Total assets	5	-	1	-
Trade and other payables	1	-	1	-
Long-term loans	4	-	7	-
Total liabilities	5	-	8	-
Net assets	-	-	(7)	-
Shareholding percentage (%)	40	-	60	-
Net assets in proportion of shareholding percentage	-	-	(4)	-
Elimination entries	-	-	-	-
Carrying amounts of joint ventures based on equity method (liabilities)	-	-	(4)	-

Summarised information about comprehensive income

(Unit: Million Baht)

	Inter Petrina Co., Ltd.		Asian Group SCS Europe GmbH	
	2018	2017	2018	2017
Revenue	5	-	1	-
Cost of sales	(4)	-	-	-
Selling expenses	(4)	-	(2)	-
Administrative expenses	(1)	-	(7)	-
Loss	(4)	-	(8)	-
Shareholding percentage (%)	40	-	60	-
Profit or loss in proportion of shareholding percentage	(2)	-	(5)	-
Elimination entries	-	-	-	-
Share of loss from investments in joint ventures	(2)	-	(5)	-

The share of loss from investments in joint ventures for the year ended 31 December 2018 has been accounted for based on the financial information prepared by the management of those companies, which has not been audited by their auditors. However, the Group's management believes that there would be no material discrepancies if those financial information had been audited by the joint ventures' auditors.

12. Investment properties

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 2018 and 2017 amounted to Baht 68.6 million, which had been determined based on valuation performed by an accredited independent valuer using the market approach.

(Unit: Thousand Baht)

Consolidated financial statements

Depreciation for the years

2018 (Baht 185 million included in manufacturing cost, and the balance in selling and administrative expenses)	194,464
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(Unit: Thousand Baht)

Separate financial statements

[illegible]

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 2018 and 2017 would have been as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Land	432,312	432,312	331,844	331,844

As at 31 December 2018, the Group has vehicles under finance lease agreements with net book value of Baht 3 million (2017: Baht 3 million) and Separate financial statements: Baht 2 million (2017: Baht 2 million).

As at 31 December 2018, 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 940 million (2017: Baht 996 million) and Separate financial statements: Baht 427 million (2017: Baht 444 million).

As at 31 December 2018, the Group has pledged its property and plant with net book value of Baht 745 million (2017: Baht 619 million) as collateral against credit facilities received from banks as described in Note 17 to the financial statements and Separate financial statements: the Company's land with net book value of Baht 471 million (2017: Baht 471 million).

14. 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 2017	50,865	-	50,865	49,100	-	49,100
Additions	425	-	425	-	-	-
31 December 2017	51,290	-	51,290	49,100	-	49,100
Additions	201	1,016	1,217	201	-	201
31 December 2018	51,491	1,016	52,507	49,301	-	49,301
Accumulated amortisation						
1 January 2017	(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)
Amortisation for the year	(3,701)	-	(3,701)	(3,426)	-	(3,426)
31 December 2018	(12,184)	-	(12,184)	(10,833)	-	(10,833)
Net book value						
31 December 2017	42,807	-	42,807	41,693	-	41,693
31 December 2018	39,307	1,016	40,323	38,468	-	38,468

15. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
Bank overdrafts	MRR + 3.25, MOR	MRR + 3.25, MOR	846	7,207	846	3,259
Promissory notes	3.00 - 4.15	3.90 - 4.17	547,141	398,674	150,000	-
Trust receipt	3.85 - 5.28	3.10 - 4.50	512,974	746,444	68,430	95,038
Packing credits	-	2.95 - 3.75	-	131,800	-	50,000
Total			1,060,961	1,284,125	219,276	148,297

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 31.3 c) to the financial statements.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables - related parties (Note 6)	-	-	2,196	8,823
Trade payables - unrelated parties	495,822	408,499	84,111	38,575
Other payables - related parties (Note 6)	-	-	1,918	406
Other payables - unrelated parties	75,138	79,677	21,523	18,782
Interest payable to related parties (Note 6)	-	-	977	7
Accrued expenses	126,317	120,760	47,820	40,101
Total	697,277	608,936	158,545	106,694

17. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule of principal and interest	Consolidated/Separate financial statements	
			2018	2017
1	THBFIX 3M +2.50	Quarterly repayment as from July 2014 until January 2019	70,000	310,000
2	THBFIX 6M +1.90	Quarterly repayment as from February 2018 until May 2022	1,220,000	1,500,000
3	THBFIX 6M +2.95	Quarterly repayment as from September 2018 until June 2025	510,714	-
Total			1,800,714	1,810,000
Less: Deferred financial fee			(764)	(2,039)
Less: Portion due within one year			(487,807)	(518,725)
Portion due more than one year			1,312,143	1,289,236

The Company swapped interest of loan No. 1 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).

The Company swapped interest of loan No.2 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).

Loan No.3 is secured by the mortgage of the land and the buildings of Asian Feed 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.

18. Long-term debentures

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

The long-term debentures were unsecured and unsubordinated.

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

19. Finance lease liabilities

				(Unit: Thousand Baht)	
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Finance lease liabilities		1,950	2,339	791	1,379
Less: Deferred interest expense		(101)	(149)	(26)	(73)
Total		1,849	2,190	765	1,306
Less: Portion due within one year		(872)	(758)	(536)	(541)
Portion due more than one year		977	1,432	229	765

The Group has entered into the finance lease agreements with leasing companies for rental of 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 2018					
	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	934	1,015	1,949	559	232	791
Deferred interest expense	(62)	(38)	(100)	(23)	(3)	(26)
Present value of future minimum lease payments	872	977	1,849	536	229	765

(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

20. 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	
	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year	53,582	47,333	30,286	27,510
Included in profit or loss:				
Current service cost	5,496	4,874	2,265	2,057
Interest cost	1,473	1,319	820	752
Included in other comprehensive income:				
Actuarial loss	-	819	-	432
Benefits paid during the year	(6,320)	(763)	(4,911)	(465)
Provision for long-term employee benefits at end of year	54,231	53,582	28,460	30,286

As at 31 December 2018, the Group expects to pay Baht 4 million of long-term employee benefits during the next year (2017: Baht 1.7 million) and Separate financial statements: Baht 3.6 million (2017: Baht 0.8 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefits is 11 years (2017: 11 years) and Separate financial statements: 11 years (2017: 11 years).

Significant actuarial assumptions are summarised below.

(Unit: percent per annum)

	Consolidated / Separate financial statements	
	2018	2017
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 obligations as at 31 December 2018 and 2017 are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(4,301)	4,941	(2,062)	2,337
Salary increase rate	5,989	(5,267)	2,914	(2,597)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Employee turnover rate	(5,445)	6,829	(2,533)	3,090

(Unit: Thousand Baht)

	As at 31 December 2017			
	Consolidated financial statements		Separate 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

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Group has additional liabilities for long-term employee benefits of Baht 13.6 million (The Company only: Baht 8.3 million). The Group will reflect the effect of the change by recognising past service costs as expenses in the profit or loss of the period in which the law is effective.

21. Share capital

On 25 April 2018, the meeting of the 2018 Annual General Meeting of the Company's shareholders 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 Company registered the resulting change in its registered capital with the Ministry of Commerce on 16 May 2018.

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 30 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.

22. Surplus on revaluation of land

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance - beginning/end of year	412,204	412,204	379,199	379,199

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

23. 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.

24. Expenses by nature

Significant expenses classified by nature are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Salaries, wages and other employee benefits	1,143,836	1,094,348	303,808	285,836
Depreciation	194,464	185,610	46,319	51,736
Amortisation	3,701	3,726	3,426	3,467
Transport expenses	228,324	237,924	55,763	56,398
Raw materials and consumables used	6,875,744	6,756,944	1,503,264	1,596,161
Changes in inventories of finished goods and work in process	(219,513)	365,897	(214)	3,478

25. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax:				
Current income tax charge	3	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	(4,586)	(53,426)	9,311	27,596
Income tax expenses (tax income) reported in the statement of comprehensive income	(4,583)	(47,428)	9,311	30,706

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax on				
Actuarial loss	-	(164)	-	(86)
	-	(164)	-	(86)

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit (loss) before tax	357,652	370,595	(9,694)	177,793
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by				
income tax rate	71,530	74,119	(1,939)	35,559
Adjustment in respect of income tax of previous ye	-	3,281	-	3,110
Effects of eliminated entries	1,305	176	-	-
Deferred tax assets from temporary differences	(6,501)	17,281	1,405	-
Deferred tax assets from tax losses	(15,908)	(90,285)	14,388	(2,037)
Effects of:				
Promotional privileges	(50,039)	(55,100)	(3,876)	(7,249)
Revenue subject to tax	606	-	606	-
Exempted revenues and non-deductible expenses	(5,215)	3,566	(1,200)	1,505
Additional expense deductions allowed	(361)	(466)	(73)	(182)
Total	(55,009)	(52,000)	(4,543)	(5,926)
Income tax expenses (tax income) reported in the of comprehensive income	(4,583)	(47,428)	9,311	30,706

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

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets				
Allowance for doubtful debts	47,833	50,800	-	1,526
Provision for diminution in value of inventories	10,712	-	-	-
Allowance for impairment loss on investments in subsidiaries	-	-	22,200	30,199
Provision for long-term employee benefits	10,846	10,716	5,692	6,057
Unused tax losses	68,988	70,434	-	-
Total	138,379	131,950	27,892	37,782

(Unit: Thousand Baht)

Statements of financial position

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax liabilities				
Surplus on revaluation of land	(110,364)	(110,364)	(94,800)	(94,800)
Depreciation	(45,142)	(43,299)	(14,637)	(15,216)
Total	(155,506)	(153,663)	(109,437)	(110,016)
Net	(17,127)	(21,713)	(81,545)	(72,234)

As at 31 December 2018, the Group has deductible temporary differences and unused tax losses amounting to Baht 540 million (2017: Baht 693 million) and Separate financial statements: Baht 242 million (2017: Baht 155 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 the temporary differences and unused tax losses.

As at 31 December 2018, the unused tax losses of the Group amounting to Baht 505 million (2017: Baht 693 million) and Separate financial statements: Baht 222 million (2017: Baht 155 million) will gradually expire in 2026.

26. Promotional privileges

	Asian Seafoods Coldstorage Plc.	Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	Asian Alliance International Co., Ltd.	Asian Feed Co., Ltd.
Certificate No.	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.	-	-	Granted	Granted
Period of corporate income tax exemption	-	-	15 Sep 2011 14 Sep 2019	4 Jan 2011 3 Jan 2019
2. Exemption from corporate income tax for a period of 8 years, commencing from the date the promoted operations commenced generating revenues.	Granted	Granted	-	-
Period of corporate income tax exemption	13 Jul 2012 12 Jul 2020	14 Jan 2013 13 Jan 2021	-	-
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	Granted	Granted
4. Exemption from income tax on dividend that is distributed from the promoted operations.	Granted	Granted	Granted	Granted

	Asian Seafoods Coldstorage Plc.	Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	AsianAlliance International Co., Ltd.	Asian Feed Co., Ltd.
Certificate No.	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
5. Additional 25% deduction for the cost of installation or construction of facilities.	-	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	-
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 2018 and 2017, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements						
	Promoted operations		Non-promoted operations		Total	
	2018	2017	2018	2017	2018	2017
Sales and services						
Domestic sales and services	608,847	692,025	1,395,466	1,588,465	2,004,313	2,280,490
Export sales	3,493,981	4,108,970	4,151,188	3,350,711	7,645,169	7,459,681
Total	4,102,828	4,800,995	5,546,654	4,939,176	9,649,482	9,740,171
Separate financial statements						
	Promoted operations		Non-promoted operations		Total	
	2018	2017	2018	2017	2018	2017
Sales and services						
Domestic sales and services	52,476	67,217	421,282	456,652	473,758	523,869
Export sales	-	-	1,742,024	1,941,197	1,742,024	1,941,197
Total	52,476	67,217	2,163,306	2,397,849	2,215,782	2,465,066

27. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares used to calculate earnings per share for the year ended 31 December 2017 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.

28. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and has 3 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 year 2018, the Group had a major customer with revenue of more than 10% of its revenues amounting to Baht 1,562 million, arising from feedstuff segment (2017: the Group had no major customer with revenue of 10% or more of its revenues).

The following tables present revenues, profit (loss) and total assets information regarding the Group's operating segments for the years ended 31 December 2018 and 2017.

(Unit: Million Baht)

[illegible]

(Unit: Million Baht)

	Frozen and canned		Feedstuff		Other business		Total		Eliminations		Consolidated	
	food products											
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Share of loss from investments in joint ventures											(7)	-
Finance cost											(132)	(137)
Tax income											4	47
Profit for the year											362	418

(Unit: Million Baht)

	Frozen and canned		Feedstuff		Other business		Total		Eliminations		Consolidated	
	food products											
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total assets	7,141	7,284	1,810	1,843	741	746	9,692	9,873	(3,150)	(3,062)	6,542	6,811

29. 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 MFC Asset Management Public Company Limited (2017: TISCO Asset Management Co., Ltd.), will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to Baht 3.8 million (2017: Baht 3.1 million) were recognised as expenses and Separate financial statements: Baht 1.3 million (2017: Baht 1.3 million).

30. 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 20,261,946.20.

On 25 April 2018, the 2018 Annual General Meeting of the Company's shareholders passed a resolution approving a dividend payment of Baht 0.25 per share from the 2017 Non-BOI operating profit, or a total of Baht 135.68 million.

31. Commitments and contingent liabilities

31.1 Capital commitment

As at 31 December 2018, the Group had outstanding capital commitment of Baht 218.5 million (2017: Baht 2.2 million) in respect of building and warehouse construction and acquisition of machinery and equipment.

31.2 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 5 years.

As at 31 December 2018 and 2017, the Group has future minimum payments required under these agreements as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Payable:				
In up to 1 year	17.2	11.5	1.8	1.8
In over 1 and up to 5 years	10.0	4.0	0.1	0.3

31.3 Commitments

As at 31 December 2018, Asian Group Services Co., Ltd. (the Company's subsidiary) has outstanding commitment of USD 0.6 million in respect of uncalled portion of investment in Thaiya Corporation (Shanghai) Co., Ltd..

31.4 Guarantees

a) As at 31 December 2018, there were outstanding bank guarantees of Baht 42.0 million and USD 0.4 million (2017: Baht 42.0 million and USD 1.2 million) and Separate financial statements: Baht 25.1 million and USD 0.4 million (2017: Baht 25.6 million and USD 1 million) issued by banks on behalf of the Group to guarantee electricity use and letter of credit facilities.

b) As at 31 December 2018 and 2017, the Company had pledged cheques amounting to Baht 20 million to guarantee its purchase of raw materials.

c) As at 31 December 2018, the Company had provided guarantees to secure the subsidiaries' credit facilities obtained from banks amounting to Baht 875 million (2017: Baht 767 million).

32. Fair value hierarchy

As at 31 December 2018 and 2017, 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 financial statements		Separate financial statements	
	2018	2017	2018	2017
Assets measured at fair value				
Forward contract receivables	1,086	1,668	99	641
Land	984,133	984,133	805,842	805,842
Assets and liabilities for which fair value are disclosed				
Investment properties	68,629	68,629	-	-
Long-term loans	1,800,679	1,809,083	1,800,679	1,809,083
Long-term debentures	-	349,845	-	349,845

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

33. Financial instruments

33.1 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 receivable 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 receivable 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, loan receivable, bank overdrafts and short-term loans, 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 2018 and 2017, 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 2018						
	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	-	-	96,170	605	96,775	0.13 - 0.75
Trade and other receivables	-	-	-	1,125,284	1,125,284	-
Long-term loans to joint ventures	-	1,670	-	-	1,670	4.00
	-	1,670	96,170	1,125,889	1,223,729	
Financial liabilities						
Bank overdrafts and short-term loans from banks	1,060,115	-	846	-	1,060,961	3.00 - 10.37
Trade and other payables	-	-	-	697,277	697,277	-
Long-term loans	409,236	880,000	510,714	-	1,799,950	3.95 - 4.70
Finance lease liabilities	872	977	-	-	1,849	0.35 - 0.43
	1,440,223	880,977	511,560	697,277	3,560,037	

(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)

Separate financial statements

As at 31 December 2018

	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	-	-	26,260	28	26,288	0.13 - 0.75
Trade and other receivables	-	-	-	234,976	234,976	-
Short-term loans to subsidiaries	314,521	-	-	-	314,521	3.98
	314,521	-	26,260	235,004	575,785	
Financial liabilities						
Bank overdrafts and short-term loans from banks	218,430	-	846	-	219,276	3.00 - 10.37
Short-term loans from subsidiaries	270,882	-	-	-	270,882	4.01
Trade and other payables	-	-	-	158,545	158,545	-
Long-term loans	409,236	880,000	510,714	-	1,799,950	3.95 - 4.70
Finance lease liabilities	536	229	-	-	765	0.36 - 0.43
	899,084	880,229	511,560	158,545	2,449,418	

(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	

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 2018 and 2017, 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	
	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	23,074	21,527	19,147	23,935	32.45	32.68
Japanese yen	20,802	32,651	775	41,731	0.29	0.29
Euro	120	-	-	155	36.76	39.39

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	4,083	1,885	1,458	3,081	32.45	32.68
Japanese yen	11,567	11,402	-	30,660	0.29	0.29

As at 31 December 2018 and 2017, forward exchange contracts outstanding, which will mature in one year, are summarised below.

As at 31 December 2018				
Foreign currency	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	7,291	32.44 - 32.84	654	32.44 - 32.54
Japanese yen	53,109	0.29	16,408	0.29
As at 31 December 2017				
Foreign currency	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

33.2 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 values are not expected to be materially different from the amounts presented in the statement of financial position.

34. 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 2018, the Group's debt-to-equity ratio was 1.4:1 (2017: 1.7:1) and the Company's was 1.1:1 (2017: 1.0:1).

35. Events after the reporting period

On 20 February 2019, the meeting of the Company's Board of Directors passed a resolution 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 2018 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.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2019.

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