

# ANNUAL REPORT 2019

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**Mr. Somsak Amornrattanachaiikul**

## Message from the CEO

During the last year, Thailand's and the world's economic turmoil, severe trade sanctions of US and countermeasures of other countries, other external pressures including political uncertainty, pushed every business in a very challenge environment. For ASIAN, 2019 was a year in which the company changed a lot. Even though ASIAN's business was not hit by trade sanctions directly, the strong baht and volatility of exchange rate put a significant pressure on ASIAN's business. ASIAN must be competitive in a global market while cost of production and especially raw materials are increasing. Raw material supply, especially shrimp and squid, were still low as catch level in squid low and shrimp farm results remained flat.

The main improvement in the passed challenging year is the Monchou product launch, a premium cat and dog food under ASIAN's own brand, in Thailand and China. Monchou is the product I am so proud of. For many years, ASIAN produced for well-known international brands, being a part of their success. Now, ASIAN used our experience and expertise to create a premium pet food under the brand Monchou, which pet lovers like me will be able to trust under its slogan "Serve the best for your pets". Moreover, ASIAN plans to launch another competitive brand in the course of 2020 and will start dry feed production in our own factory in Phetchaburi, Thailand, after the China dry feed production already was put in place.

The second improvement in the last year is to commit to and make our first moves in an important strategy shift for our Frozen business. ASIAN realise that Thailand loses its competitiveness in commodity frozen shrimp products. We must compete in the market using quality, modern technology, and premium product development. As a result, ASIAN decided to stop produce and export commodity shrimp product in our Samutsakorn factory. Moreover, we reduced workers, invested in automatic machines to replace them, renovate our R&D room and equipment, and focused on expanding the frozen ready to cook market. Even though we could not achieve our target in the past year, it had been satisfying in terms of setting up a good infrastructure and our readiness to grow and seek for new opportunities in this market.

In 2019, ASIAN reported 133 million baht net profit, decreased compare to the year before and our sales decreased more than 15%. However, I believe that ASIAN is stronger, and ready to handle the more volatile situation that we may see in the future. ASIAN's strategy is suitable to the trend and direction of world economic and markets. ASIAN has a very strong balance sheet as its interest-bearing debt decreased tremendously as a result from high operating cashflow and lower net working capital. ASIAN has better risk management, handles its exchange rate and liquidity risk systematically under a clear top management policy. Moreover, in February 2020, TRIS Rating Co., Ltd. maintained ASIAN's credit rating at investment grade BBB-.

For 2020, ASIAN will push more on efficiency improvement in all of its production lines, invest in automation to reduce labor cost and focus product research and development in every business according to its "Closer to consumer and Efficiency" strategy. ASIAN also will focus more on its "CHEERS!" strategy as we aim to grow our business along with social and environment. The important projects in the course of 2020 consist of the project of carbon footprint calculating and plan to reduce carbon emission and a solar rooftop pilot project at Asian Alliance International Co., Ltd.

With dedicated work of all ASIAN management team and staff, including me, I am ensure that ASIAN will grow steady with good performance and then returns appropriately to its stakeholders.

A special thanks is in place to our customers, employees, suppliers and other stakeholders that have supported ASIAN to gracefully get through 2019 with appropriate preparation to steadily move toward 2020 and beyond. All ASIAN staff and I wish you all stay healthy and happy!



(Mr. Somsak Amornrattanachakul)

Chief Executive Officer



**ASIAN**



## Key Financial Data

### Consolidated Financial Statements

#### Statement of Comprehensive Income (million baht)

	2019	2018	2017
Revenues from Sales and Services	8,194	9,649	9,740
Gross Profit (Loss)	653	1,007	1,020
Profit (Loss) before taxes	138	358	371
Profit (Loss) for the year	133	362	418

#### Statement of Financial Position (million baht)

	2019	2018	2017
Total Assets	5,823	6,539	6,811
Total Liabilities	3,012	3,774	4,272
Total Shareholders' Equity	2,811	2,765	2,539
Share Capital (issued and paid up)	543	543	543

### Key Financial Ratios

	2019	2018	2017
Current Ratios	1.7	1.6	1.4
Debt to Equity Ratio	1.1	1.4	1.7
Net Debt to Equity Ratio	0.8	1.0	1.4
Gross profit margin (%)	8.0	10.4	10.5
Net profit margin (%)	1.6	3.8	4.3

### Performance per share (baht per share)

	2019	2018	2017
Earning (loss) per share	0.24	0.67	0.77
Book value per share	5.18	5.09	4.68



## Policy and Business Overview

### Vision, Mission, Objectives and Goals, and Business Strategy

#### Vision

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

#### Mission

- To deliver good and returns to stakeholders and maintain a good relationship with business partners for mutual sustainable growth.
- To be an organization that is good to society and environment, and has a healthy, happy workforce.
- To produce foods at the international standards and at competitive prices.
- To innovate products in order to satisfy customer demand and manufacturing processes in order to maximize work efficiency.
- To improve skills and knowledge of work forces and foster positive attitude to the organization.
- To provide sufficiently modern information technology for communication and management.
- To operate business in compliance with applicable laws, good labor standards, and anti-corruption practices.
- To adopt clear corporate social responsibility and environment sustainability policies.

#### Objectives and Goals

Asian Sea Corporation Public Company Limited (Asian) and its subsidiaries aim to be food manufacturers who are trusted by their consumers. Asian focuses on quality, food safety, and responsibility. Asian commit to operate responsively to society and environment. Moreover, Asian focuses on sustainable growth using its experience, expertise, and excellence, which are recognized internationally. Asian develop its policies to improve its human resources as well as its production processes using technology efficiently and using natural resources worthfully. Asian's business goals and objectives, including its sustainability goals, are as follows

- **Business Goals**

**Pet Food Business** Asian will continuously develop pet food products under its own brands, both wet pet food and dry pet food, to sell and distribute both domestically and internationally, in order to make Thai pet food brand known and recognized worldwide for its quality and value. In addition, as an OEM, 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 covering both wet and dry pet food.

**Tuna Business** To be trusted by our partners to produce canned and pouch tuna products as well as to develop and produce ready-to-eat products using wide range of raw materials in variety packaging which appropriate customers and market's desires.

**Aquaculture Feed Business** To be one of the top Thai manufacturer and distributor of aquaculture feed business whose products are suitable for different types of aquatic animals. With for health and water quality analysis, in order to support our customers to improve their farm performance and reduce volatility. Recently, Asian expanded the business to produce shrimp larvae in order to expand its shrimp farmer customer base.

Moreover, as Asian is able to produce non-IUU fishmeal using tuna by-products from its affiliated companies, Asian can produce shrimp feed using those non-IUU fishmeal and is able to develop its own cluster that is free of forced labor, illegal fishing, unreported fisheries and uncontrolled fisheries throughout the supply chain in the shrimp industry.

**Frozen Food Business** To be a manufacturer and exporter of frozen food products that have been recognized for quality, safety and the use of quality raw materials in both commodities and ready to cook products. To be the market leader for sillago fish and frozen squid and has a brand that is well-known and trusted among the customers who are entrepreneurs (Business to Business Brand).

- **Sustainability Goals**

To grow a sustainable business by conducting business under good corporate governance, responsible for all groups of stakeholders, focusing on business growth together with human development, continuously improve the efficiency of resources used, protecting the environment and contributing to society through CSR after-process activities and creation of shared values between business, society, and the environment through CSR/CSV in-process activities. The projects, such as volunteers participating in the reforestation project, arrange for blood donation, providing space for the disabled to sell

We  
Are  
The  
Right  
Choice



products in the workplace, donating products to the shelters taking care of stray dogs, garbage collection on the beaches area, etc., have been developed aiming that Asian's staff would realize these concepts in their everyday life. All Asian's canteens are foam-free and plastic-scroll-free. In addition, Asian's 2020 uniform has been made from recycled plastic bottles and Asian Alliance International Co., Ltd., one of Asian's subsidiaries, will kick-off its solar rooftops project, which will be pilot project for Asian's clean energy sources goal in the future.

### **Business Strategy**

Asian's business strategy has been developed under the concept of "Closer to Consumers and Efficiency" in order to achieve its goals and ambitions both in the short and long term. It can be summarized as follows:

1. Expand the core business along the supply chain, which is the manufacturing of pet food, canned tuna, aquaculture feed and frozen seafood, whether under its own or customer's brand, in order to move closer more to its customers. In the pet food business, Asian has developed products under its own brand, distributed and marketed in both Thailand and China. In the aquaculture feed business, the company distributes under its own brand, therefore, it aims to develop varieties of products in order to meet the needs of customers. There are sales and specialist team working together with its customers to provide information continuously, expanding the business to shrimp larvae production, and developing farming systems with farmers in order to create a network of farm clusters that are free of forced labor, illegal fishing, unreported fisheries and uncontrolled fisheries throughout the supply chain in the shrimp industry.

2. Continuously improve efficiency throughout the organization, focusing on the use of production technologies to replace labor, increase production capacity and reducing costs. Asian is also ambitious in expanding its capacity under the concept of cost-effectiveness and resource sharing to benefit the business as one organization. Asian plans to invest in automation every year to reduce labor intensive tasks in every factory. In addition, Asian improves its domestic sales structure so that one team could efficiently support the sales and distribution of products domestically for all its affiliated businesses. Moreover, Asian Board of directors approved an investment plan to produce dry pet food in its aquaculture feed factory. The project is expected to be completed in 2020. After that, Asian will be able to control the quality of all categories of its own pet food brands, including utilization of tuna and tuna by-products, including tuna fishmeal and tuna oil, as main ingredient for its pet food production.



### **CHEERS! Strategy**

To grow Asian's business sustainably and successfully according to its vision, Asian, by the Sustainability Management Committee, has identified key responsibility areas in 2019, considering all key issues both internally and externally, to drive its operation sustainably and stably under its "C-h-e-e-r-s-!" strategy.

Cheers! Strategy stand for the key strategies that all are important components for Asian's sustainable growth. In summary, Asian will operate with 6 responsibilities as follow:

**C Responsible for Consumers:** Asian must serve responsibly to its consumers providing products with quality, safety, and worthy for value in comparison with virtue, including traceability and product research and development.

**H Responsible for Human Development:** Asian developed a Human Resources Management Policy in order to elevate employee's ability academically and the working culture. Under such a policy, Asian ensures its employees that Asian's compensation and welfare should be able to compare within the same industry. Promotion and Performance evaluation systems have been clarified and communicated to employees. In addition, good and safe working environment in Asian has been implement.

**E Responsible for Efficiency:** Asian must operate responsibly using all operational resources efficiently, increase its productivity using technologies and automation to replace labor, improve energy efficiency, and reduce, reuse and recycle production waste.

**E Responsible for Environment:** Asian is aware of climate change problems, severe natural disasters that damage life, property and natural resources. Therefore, the company has determined ways to relieve the environment problems, such as using "clean energy" to reduce energy use per ton produced, reduce water consumption in its production, improve waste water treatment systems and water recycling, air pollution management, green-waste management policy in accordance with Reduce Reuse Recycle concept, including CSR after process projects.

**R Responsible for Rights of Human:** Asian has been developed its Human Right Management policy, which will treat all employees with equal respect and dignity. Asian is one of the parties that signed an MOU with Thai's government agencies committed that it will avoid illegal fishing, and purchasing, importing, exporting, transiting and distributing aquatic animals and related products obtained through illegal fishing and labor, and human trafficking. Moreover, Asian developed and actively activated its Anti-corruption Policy, including a whistle blow policy with measures to protect the complainant or the person reporting the information or giving the clue in the investigation.

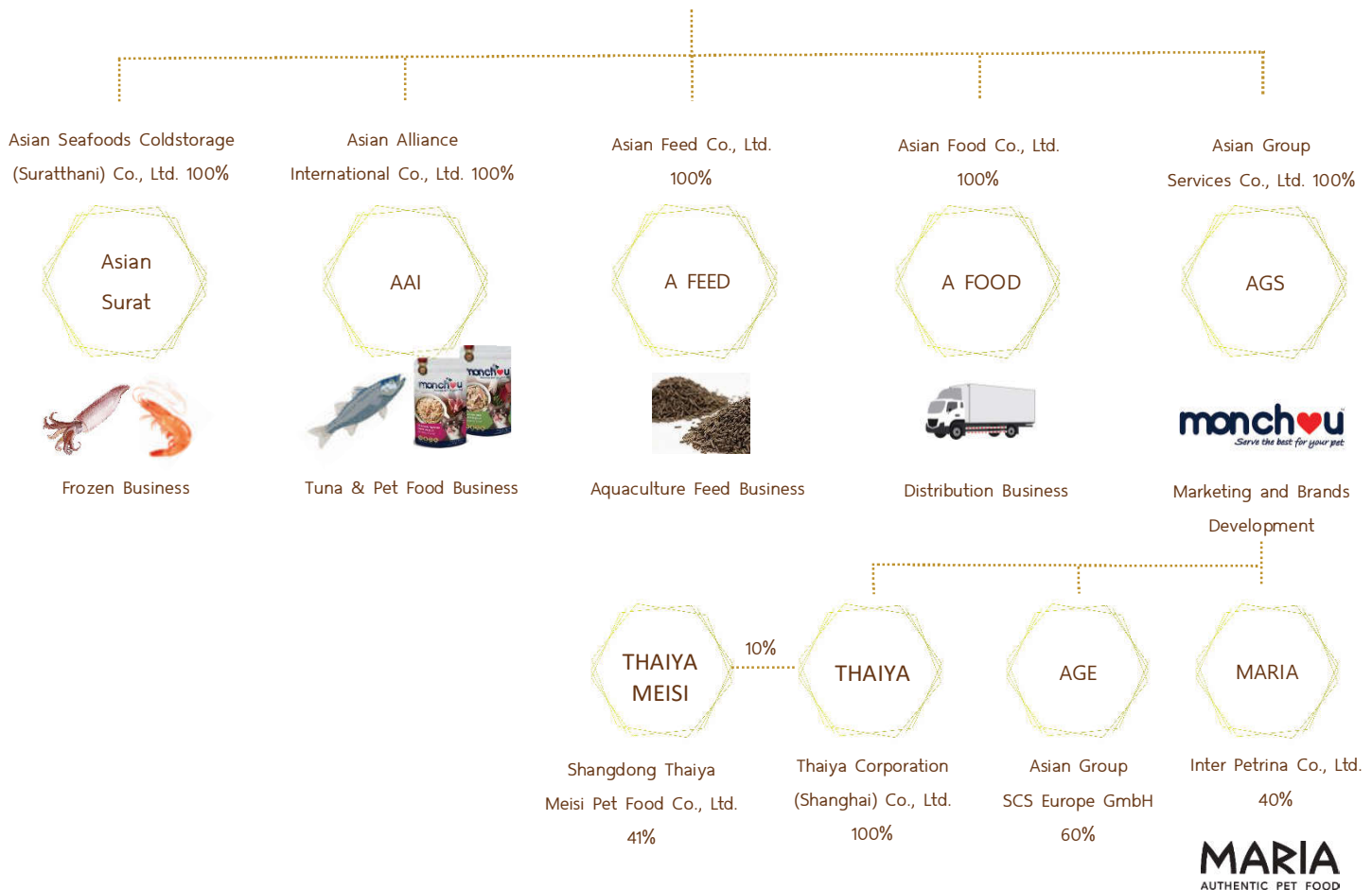
**S Responsible for Stakeholders:** Asian operates under Good Governance Policy and Code of Conduct. Business Risks have been identified, measured, and reduced or avoided systematically using a Risk Management System. A Code of Conduct has been communicated throughout the organization in order to provide such a guideline for all stakeholders. In the very next future, Asian aim to expand the scope to support its partners along with Asian Supply Chain Management in order to grow together

## Business Structure



Frozen Business & Distribution Business

Asian Seafoods Coldstorage PLC.



### Asian Sea Corporation Public Company Limited

Asian Sea Corporation Public Company Limited was established on 27 September 1982 with registered capital of 542.73 million baht. 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 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.

*\*Note: During 2019, the Company decided to fade out of commodities frozen seafood products under its strategy to focus on Value-Added products, mostly pre-fried products, and will report only valued-added capacity in 2020.*

#### **Asian Seafoods Coldstorage (Suratthani) Co. Ltd.**

Asian Seafoods Coldstorage (Suratthani) Co. Ltd. is the first subsidiary company, established on 18 August 1993, with registered capital of 100 million baht, in which the company holds 100 percent of the shares. Engages in the processed frozen aquatic animal business, with an annual production capacity of 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.

#### **Asian Alliance International Co., Ltd.**

Asian Alliance International Co., Ltd. is the second subsidiary company, established on 15 March 2005, with registered capital of 1,700 million baht, in which the company holds 100 percent of the shares. Operates a manufacturer and distributor of process tuna products and exporters of OEM human and pet food products.

The Company's capacity is 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.

#### **Asian Feed Co., Ltd.**

Asian Feed Co., Ltd. is the third subsidiary company, established on 19 August 1988, with registered capital of 800 million baht, in which the company holds 100 percent of the shares. Operates manufactures and distributes both sinking and floating aquaculture feed under its own trademarks comprising Asian Feed, Rambo, Super Hero, Hero, Victor, Allstar, Faster and "Ruay Puan". The Company has an 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 types of machinery 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 consist of two major types as follows:

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

#### **Asian Food Co., Ltd.**

Asian Food Co., Ltd. is the fourth subsidiary company, established on 12 September 2012, with registered capital of 1 million baht, in which the company holds 100 percent of the shares. Engages in procuring frozen food products from both locally and internationally to distribute in the domestic market. The Company's main customers are food business and modern trade operators.



#### **Asian Group Service Co., Ltd.**

Asian Group Service Co., Ltd. is the fifth subsidiary company, established on 11 January 2018, with registered capital of 10 million baht, in which the company holds 100 percent of the shares. 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.

#### **Thaiya Corporation (Shanghai) Co., Ltd.**

Thaiya Corporation (Shanghai) Co., Ltd. is a subsidiary of Asian Group Service Co., Ltd., established in China on 21 December 2018, with registered capital of 700,000 USD, in which Asian Group Service Co., Ltd. holds 100 percent of the shares. The Company is to sell and distribute pet food and frozen product of ASIAN group, including invest in stocks or shares of other relevant businesses in China.

#### **Asian Group SCS Europe GmbH**

Asian Group SCS Europe GmbH is the first joint venture that Asian Group Services Co., Ltd. invests with Dormeo Handels GmbH, established in Germany on 11 May 2018, with registered capital of 25,000 Euros, in which Asian Group Service Co., Ltd. holds 60 percent of the shares. To market and distribute Asian Group products, both under the customer brands and trademarks and under the company's own brands, particularly in Europe.

#### **Inter Petrina Co., Ltd.**

Inter Petrina Co., Ltd. is the Associated that Asian Group Services Co., Ltd. invests with Inter Pharma Co., Ltd., established on 15 May 2018, with registered capital of 4 million baht, in which Asian Group Service Co., Ltd. holds 40 percent of the shares. To develop, sell and distribute pet food under brand "MARIA" within CLMVT. The products produced by Asian Alliance International Co., Ltd.

#### **Shangdong Thaiya Meisi Pet Food Co., Ltd.**

Shangdong Thaiya Meisi Pet Food Co., Ltd. is the joint venture that Asian Group Services Co., Ltd. and Thaiya Corporation (Shanghai) Co., Ltd. invest with Shangdong Meisi Pet Food Co., Ltd., established in China on 19 April 2019, with registered capital of 20,000,000 RMB, in which Asian Group Service Co., Ltd. holds 41 percent and Thaiya Corporation (Shanghai) Co., Ltd. holds 10 percent of the shares. To produce OEM dry pet food products under the customer's trademark for distribution in China.

#### **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.

## Revenue by Business Segment

Business Segment	Company	ASIAN Shareholding portion %	2019		2018		2017	
			Domestic	Export	Domestic	Export	Domestic	Export
Frozen Business	ASIAN	-	148	1,394	136	1,742	101	1,941
	SURAT	100	128	1,670	183	2,006	112	2,009
Tuna Business	AAI	100	168	932	153	911	155	929
Pet Food Business	AAI	100	180	2,304	119	2,968	109	2,536
	AGS	100	12	7	-	-	-	-
Aquaculture Feed Business	AFEED	100	1,090	5	1078	20	1423	45
Distribution Business	ASIAN	-	283	-	257	-	323	-
	AFOOD	100	351	-	351	-	394	-
Deduct Elimination of inter-company transaction			(472)	(5)	-355	-	-438	-
Total Revenue			1,888	6,306	2,002	7,647	2,280	7,460

**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.  
 AGS Refer to Asian Group Service Co., Ltd.  
 AFEED Refer to Asian Feed Co., Ltd.  
 AFOOD Refer to Asian Food Co., Ltd.

## Property of Business

Property of Asian Sea Corporation PLC.

As of 31<sup>st</sup> December 2019

Type of Property		Book Value
		(Million Baht)
1	Land	840,274
2	Building and Land Development	257,373
3	Machines and Equipment	110,190
4	Furniture and Office Supplies	3,214
5	Vehicles	5,737
6	Machine under installation process	1,186
Total		1,217,974

Property of Asian and its 6 subsidiaries.

As of 31<sup>st</sup> December 2019

Type of Property		Book Value
		( Million Baht)
1	Land	1,051,108
2	Building and Land Development	676,384
3	Machines and Equipment	804,750
4	Furniture and Office Supplies	20,170
5	Vehicles	22,170
6	Machine under installation process	269,505
Total		2,844,680

## Assets as the Collateral of Loans

According to the Consolidated Financial Statement as of 31st December 2019, Asian Sea Corporation 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 Sea Corporation PLC. as the collateral to Long-term loan of 1,500 million baht from Kasikornbank Public Company Limited which was approved in 2017.
- Use the land belong to Asian Feed Co., Ltd. as the collateral to 2 term loans facilities form TMB Bank Public Company Limited. which are
  1. Long-term loans of 550 million baht which was approved in 2018
  2. Long-term loans of 300 million baht which was approved in 2019

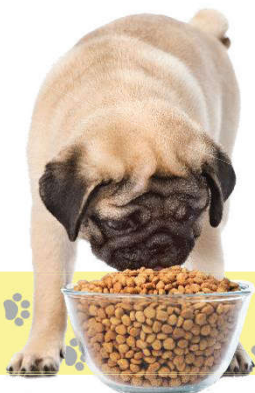
## Property Reappraisal Details

In the year 2019, the company and its subsidiaries assessed and appraised the assets during the accounting period as in the table below

Company	Existing appraised value	New appraised value
	(Million Baht)	(Million Baht)
Asian Sea Corporation PLC.	805.84	840.27
Asian Seafoods Coldstorage (Suratthani) Co.,Ltd.	73.96	70.20
Asian Feed Co.,Ltd.	92.09	140.64

**Note:** In 2019, Asian Feed Company Limited purchased additional land

## Major Events



## Major Changes and Events in 2019



In February 2019, TRIS Rating assigned the company rating on Asian Seafoods Coldstorage PLC (ASIAN) at “BBB-” with a “stable” outlook. The rating reflects improvement in its profitability and cash flow, largely from the result of a better product mix in the pet food segment. The rating also reflects the company’s market position as a medium-sized seafood processor in Thailand, proven track record of the management team, diverse product line and markets served, and the company’s expected lower financial leverage. These strengths are partially offset by the inherent volatility and intense competition in the frozen seafood industry, fluctuations in foreign exchange rates, and trade barriers from importing countries.

In the same month, Asian Group Services Co., Ltd. launch its own pet food brand “Monchou” in order to show the company capability and product quality in Petfood industry. Petfood products under brand “Monchou” is premium and human grade petfood made from 100% real meat and grain free to ensure the pets owner that their pet will be healthy, happy, yummy, and gain appropriate nutrition eating “Monchou” as its slogan, “Serve the best for your pet”. Monchou, first, launch many taste of wet pet food in can and pouch.

In August 2019, Asian Group Services Co., Ltd. and Thaiya Corporation (Shanghai) Co., Ltd., bought 51% shares of Shangdong Thaiya Meisi Petfood Co., Ltd. (Thaiya Meisi), the 20,000 tons capacity dry feed manufacturer in China. The Company, then, diversified to dry feed manufacturer. After the acquisition, the company will focus on setting up standard quality control and assurance system aim to produce dry feed product for international brand owners who want to expand their market in China. The very first target will be the current customers of wet pet food factory of the company. Thaiya Meisi will also produce “Monchou” dry feed products to sales in China as well. Moreover, Thaiya, the subsidiary in China that import and sales “Monchou” product in China, launched “Monchou” in “Pet Fair Asia”, the biggest pet food exhibition in Shanghai, introduced “Monchou” in both wet and dry categories. The key concept is all “Monchou” products have been produced under Asian’s quality control standards.



In November 2019, Asian changed its name to Asian Sea Corporation PLC. after approved in EGM No.1/2019 on October 31st, 2019. The new name will suit more with the business at the moment. In this month, “Monchou” launch its dry petfood for cat and dog and complete its on-line sales channel in Thailand.

In December 2019, 280 million baht Automatic Warehouse Project of Asian Alliance International Co., Ltd. has been completed. The company started to move the cargoes into the warehouse since January 2020. With the storage capacity of 15,000 pallets, Asian believe that the automatic warehouse will ease the bottleneck in its loading process, reduce cost, and clear up some space for its new production line in the next future.





## Market and Competition

### • Petfood Business

The global petfood market continued growing to an overall 100 billion USD market, with USA and Europe taking around half of the market. However, strongest growth rate is recorded in China, SEA and South America. With four players dominating the branded market globally and acting as consolidators, the petfood market is very dynamic and smaller and new brands are continuously growing market share and develop constantly appearing new niches.

The private label segment is high and increasing in Europe, but less developed in other markets. Particularly in China and SEA markets are developing rapidly, leaving opportunities for existing and new brands, distributors and on- and off-line retailers.



Wet petfood is with around 20% share significantly smaller than dry petfood and snacks. Within the wet petfood there is a broad range of segmentation with various definitions. Thai processors however, have a very strong global position in the seafood based, real meat category - usually defined as the super premium segment. This is due to the well-developed sterilization industry with a longtime experience in tuna, as well as good access to fishery products and relatively cheap labor. The bigger product category that is based on offal and other animal byproducts is well developed in USA and Europe with ample supply of relatively cheap raw materials.

The super premium category is outpacing the growth in the recent years. With products catering to modern trends like xxx-free products, natural ingredients and humanization, product innovation is key.

ASIAN is dedicated to super premium product development for fast growing brands. Processing knowledge, fast response and food safety are key success factors. This is also applied in ASIAN's own brand development, Monchou, which is focusing on the China and SEA markets.

### • Tuna Business

Tuna catch volumes were good in 2019 be it with the usual volatility of supplies reaching Bangkok. As inventories with processors were ample, price of tuna raw materials dipped to lows of around 1000 USD/mt during the year. This triggered good demand, particularly from middle-east markets and to a lesser extend from north America. As a result, whereas during the first half the year processed volumes slowed in Thailand, a strong rebound occurred during the latter half of the year. In the meantime, prices of raw materials have recovered in the beginning of 2020 and the outlook currently is a more stable level of around 1500 USD/mt. It is likely importers of canned products will take some time adapting to new price levels, which would slow business for processors somewhat during the beginning of 2020. An uncertain factor is impact of the corona pandemic; with canned tuna being a versatile shelf stable fish product it makes a good stocking item in uncertain times.

Another important change in the market was the tariffs imposed by USA on Chinese products, which significantly lowered the imports from China, to the benefit of other producing countries.

The tuna is a 3 x 3 industry: there are three main suppliers of raw materials, three main processing countries and three main brand owners. In the beginning of 2020 further vertical integration happened with the acquisition of a main brand by a main tuna fishery company. What this means for small and medium sized processors remains to be seen.

ASIAN retains its focus on niche markets with technically more complicated products and stays away from mainstream commodity markets.

### • Shrimp Business (Frozen Seafood and Aquaculture Feed Business)

Globally farmed shrimp output grew with 6% to 3.6 million MT in 2019. Main contributor to this growth is a booming production from Ecuador and to a lesser extend a recovery of production in China. Farmed output in Thailand was 0.3 million MT, the same level as the year before. During the first half of the year production showed a strong increase but due to disease pressure and lower prices the second half of the year was weak. For 2020 global production is expected to increase again driven by increased production in Ecuador, India and Indonesia. Thai production is expected to remain stable. During the past five years Thailand has lost share in the global shrimp commodity market and it is not expected to regain this in the foreseeable future. Suitable farm space is scarce, partly because of environmental protection measures for mangrove protection, production cost are relatively high due to labor cost and health standards. Although this improves sustainability and health aspects of the products, in practice this does not translate to higher prices in the international commodity market. Other challenges are the volatility of prices, which in longer term contracts tend to be carried by processors and farmers.



Ex farm prices were stable but relatively low. Good farmers were profitable. Demand from China proved to be increasing.

In order to maintain a position, Thai processors are either moving downstream into distribution activities in its export markets, having more focus on the domestic market or develop value added business like fried or sashimi products or snacks.

ASIAN has wound down its commodity processing business, particularly to USA, and closed one plant in 2019 while focusing on production of (pre-)fried products in a second plant.



## Shareholder Structure

### Registered Capital and Paid-up Capital

The Company's registered capital amounted to Baht 542,727,549, which was paid up in full. All of those are common shares at a par value of one Baht each.

### Shareholders

<b>Top 10 Major Shareholders (as of December 31, 2019)</b>	<b>Number of shares</b>	<b>Shareholding (% )</b>
1. Mr. Somsak Amornrattanachaikul	278,119,671	51.25
2. Mr. Somchai Amornrattanachaikul	70,515,000	12.99
3. Miss. Siripat Amornrattanachaikul	28,597,000	5.27
4. Mr. Kajornkiet Ung-Aram	12,714,400	2.34
5. Mrs. Jiranya Amornrattanachaikul	12,667,450	2.33
6. Thai NVDR Company Limited	10,893,972	2.01
7. Mr. Preecha Angkhumsup	7,050,000	1.30
8. Mr. Boonchai Pana-sakulkarn	6,400,000	1.18
9. Mr. Somkiet Limsong	4,503,700	0.83
10. Mr. Wichian Mongkolthanatrakul	2,084,000	0.38
<b>Top 10 Total</b>	<b>433,545,193</b>	<b>79.88</b>
<b>Grand Total</b>	<b>542,727,549</b>	<b>100.00</b>

#### Note:

- Amornrattanachaikul family consisting of Mr. Somsak Amornrattanachaikul, Mr. Somchai Amornrattanachaikul and Mrs. Jiranya Amornrattanachaikul hold shares in total of 361,302,121 shares, which is 66.57%
- Thai Nationality Shareholder hold shares in total of 534,674,949 shares, which is 98.52%
- Other Nationality Shareholder hold shares in total of 8,052,600 shares, which is 1.48%

### Issuance of other securities

During the year 2019, the company did not issue any other securities.

### Securities Registrar

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Tel. (02) 009-9999

### Dividend Payment Policy

Asian Sea Corporation PLC. has a dividend pay-out policy at least 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 2019, the Board resolved to propose to the annual general meeting of shareholders to consider and approve a cash dividend pay-out of 0.20 baht per share (2018: 0.25 baht per share), paid from the retain earning of the businesses that are not exempted from corporate income tax (non-BOI business). This will be a pay-out ratio of 81.80% of consolidated net profit. Considered that the company has strong balance sheet position where D/E ratio is far lower than covenant and lower net working capital used during the year, not so much expected to increase in the next future.



## Corporate Governance Policy

Asian Sea Corporation 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

### 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](mailto: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](mailto: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](mailto: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.
- 4) 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.
- 8) 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

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**

### **1. 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.

## **2. 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.

## **3. 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.
- 4) Report the performance to the Board of Directors for approval.
- 5) Perform other duties as assigned by the Board of Directors.

#### **Authorities of Credit Committee**

- 1) Consider, determine, and announce policies and procedures to access to new customers who are customers of the group.
- 2) Consider and determine policies of credit line and control credit ceiling.
- 3) Consider revising the rules and procedures for resolving the problem of overdue debt and establishing guidelines for debt tracking in order to receive repayment.
- 4) Consider the appointment, change of directors and/or any person to perform their duties.

#### **Appointment of Credit Committee**

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



#### **4. 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.
- 4) Report the performance to the Board of Directors for approval.
- 5) Perform other duties as assigned by the Board of Directors.

##### **Authorities of Risk Management Committee**

- 1) Consider and approve policies, announcements, regulations, or orders and specify relevant plans.
- 2) Consider screening risks, risk factors, measures, indicators and responsible persons.
- 3) Review the risk management framework.
- 4) Consider the appointment, change of directors and/or any person to perform their duties.

##### **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.

#### **5. ASIAN Sustainability Management Committee**

##### **Duties and Responsibilities of ASIAN Sustainability Management Committee**

- 1) Giving opinions, suggestions and approving the ASIAN Sustainability Management Action Plan means Asian Sea Public Company Limited and its subsidiaries.
- 2) Support and provide advice and recommendations in various matters to ensure the implementation of the ASIAN Sustainability Management Committee by the established guidelines and directions.
- 3) Monitor and expedite the management of sustainability to meet the goals, objectives, and plans with efficiency.
- 4) Conducting audits to measure success levels, and continually revising and improving.
- 5) Report the performance to the Board of Directors for approval.
- 6) Perform other duties as assigned by the Board of Directors.

##### **Authorities of ASIAN Sustainability Management Committee**

- 1) Consider and approve policies, announcements, regulations, or orders.
- 2) Consider and approve objectives and goals.
- 3) Consider the assignment according to the policy.
- 4) Follow up the operation plan and control.
- 5) Consider the appointment, change of directors and/or any person to perform their duties.

##### **Appointment of ASIAN Sustainability Management Committee**

ASIAN Sustainability Management Committee consists of Directors and high-ranking Executives whose roles are related to routine management 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.

## 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 2019, shareholders exercised rights defined in the Company's corporate governance policy. The Company holds the Annual General Meeting of Shareholders (AGM) and Extraordinary General Meeting of Shareholders (EGM) 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) Before the 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 2019, held on April 24th, 2019, disseminated through the company's website on March 26th, 2019 and copies were sent on April 5th, 2019.
  - The EGM 2019, held on October 31st, 2019, disseminated through the company's website on September 30th, 2019 and copies were sent on October 17th, 2019.
- 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 Sinthorn Tower
  - Third 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 and EGM 2019, 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 of AGM 2019 were informed through the SET's information disclosure system on April 24<sup>th</sup>, 2019 and resolution and vote count results in each agenda of EGM 2019 were informed through the SET's information disclosure system on October 31<sup>st</sup>, 2019
- 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.

### 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.asiansea.co.th](http://www.asiansea.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. 5370 or via e-mail address [Asian-Secretary@asiansea.co.th](mailto:Asian-Secretary@asiansea.co.th). The investors' relations department could be reached via the Company's website.

During 2019, 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
06/03/2562 (Q4/61)	22/02/2562 (Q4/61)
28/05/2562 (Q1/62)	16/06/2562 (Q1/62)
09/09/2562 (Q2/62)	09/09/2562 (Q2/62)
04/12/2562 (Q3/62)	04/12/2562 (Q3/62)

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

In 2019, Directors' and Managements' have any changes in relation to shares transaction as following;

Name	Number of Shares	Shareholding	Number of Shares	Shareholding	Change
	as of Dec 31 <sup>st</sup> , 2019	portion (%)	as of Dec 31 <sup>st</sup> , 2018	portion (%)	Increase (Decrease) in 2019
1. Mr. Somsak Amornrattanachaiikul	278,119,671	51.25	276,443,471	50.94	1,676,200
1. Mr. Somchai Amornrattanachaiikul	70,515,000	12.99	70,515,000	12.99	-
3. Mr. Suriya Prasatbuntitya	-	-	-	-	-
4. Mr. Aekarat Punnasung	-	-	-	-	-
5. Mrs. Suree Jansawat	120,150	0.02	120,150	0.02	-
6. Mr. Wallop Lomlim	-	-	-	-	-
7. Mr. Hendrikus (Rik) Van Westendorp	1,050,000	0.19	1,050,000	0.19	-
8. Mrs. Sunanta Tiasuwan	-	-	-	-	-
9. Mrs. Yaowanee Kruo-ngarjnuakool	-	-	-	-	-
10. Mr. Somboon Phaobanchong	-	-	-	-	-
11 Mr. Vichai Assarasakorn	-	-	-	-	-
	<b>349,804,821</b>	<b>64.45</b>	<b>348,128,621</b>	<b>64.14</b>	

## 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 2019, the Company's Board of Directors had 11 members, 7 of whom were executive directors and 4 were non-executive directors.

Even though non-executive directors accounted for only 4 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.

Name	Board of Directors	Audit Committee	Executive Committee	Risk Management Committee	Credit Committee	Sustainability Management Committee
	No. of Meeting : 5	No. of Meeting : 4	No. of Meeting : 11	No. of Meeting : 6	No. of Meeting : 9	No. of Meeting : 3
1. Mr. Somsak Amornrattanachaiikul	4/5	-	11/11	-	-	-
2. Mr. Somchai Amornrattanachaiikul	3/5	-	10/11	-	-	-
3. Mr. Suriya Prasatbuntitya	5/5	-	10/11	6/6	8/9	3/3
4. Mr. Aekarat Punnasung	5/5	-	11/11	-	8/9	3/3
5. Mrs. Suree Jansawat	5/5	-	11/11	-	9/9	3/3
6. Mr. Wallop Lomlim	5/5	-	11/11	-	8/9	3/3
7. Mr. Hendrikus (Rik) Van Westendorp <sup>(1)</sup>	1/5	-	10/11	4/6	6/9	-
8. Mrs. Sunanta Tiasuwan	4/5	3/4	-	-	-	-
9. Mrs. Yaowanee Kruo-ngarjnukool	5/5	4/4	-	-	-	-
10. Mr. Somboon Phaobanchong	5/5	4/4	-	3/6	-	-
11 Mr. Vichai Assarasakorn <sup>(1)</sup>	1/5	1/4	-	-	-	-

Note: <sup>(1)</sup> Mr. Hendrikus (Rik) Van Westendorp and Mr. Vichai Assarasakorn are appointed as the Company's directors. in the Extraordinary General Meeting of Shareholders No. 1/2019 on October 31, 2019

- 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 2019 can be shown as shown in the table.

No.	Director / Committee	Average score	Percentage
1	CEO	3.87	96.76
2	CFO	3.39	84.72
3	Board of Director	3.68	92.05
4	Audit Committee	3.87	96.67
5	Executive Committee	3.69	92.17
6	Risk Management Committee	3.40	85.00
7	Credit Committee	3.67	91.67
8	Sustainability Management Committee	3.67	91.67

- 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 2019, there were 2 new directors which are Mr. Hendrikus (Rik) Van Westendorp and Mr. Vichai Assarasakorn and orientation on 4<sup>th</sup> November 2019.

- **Directors' Development**

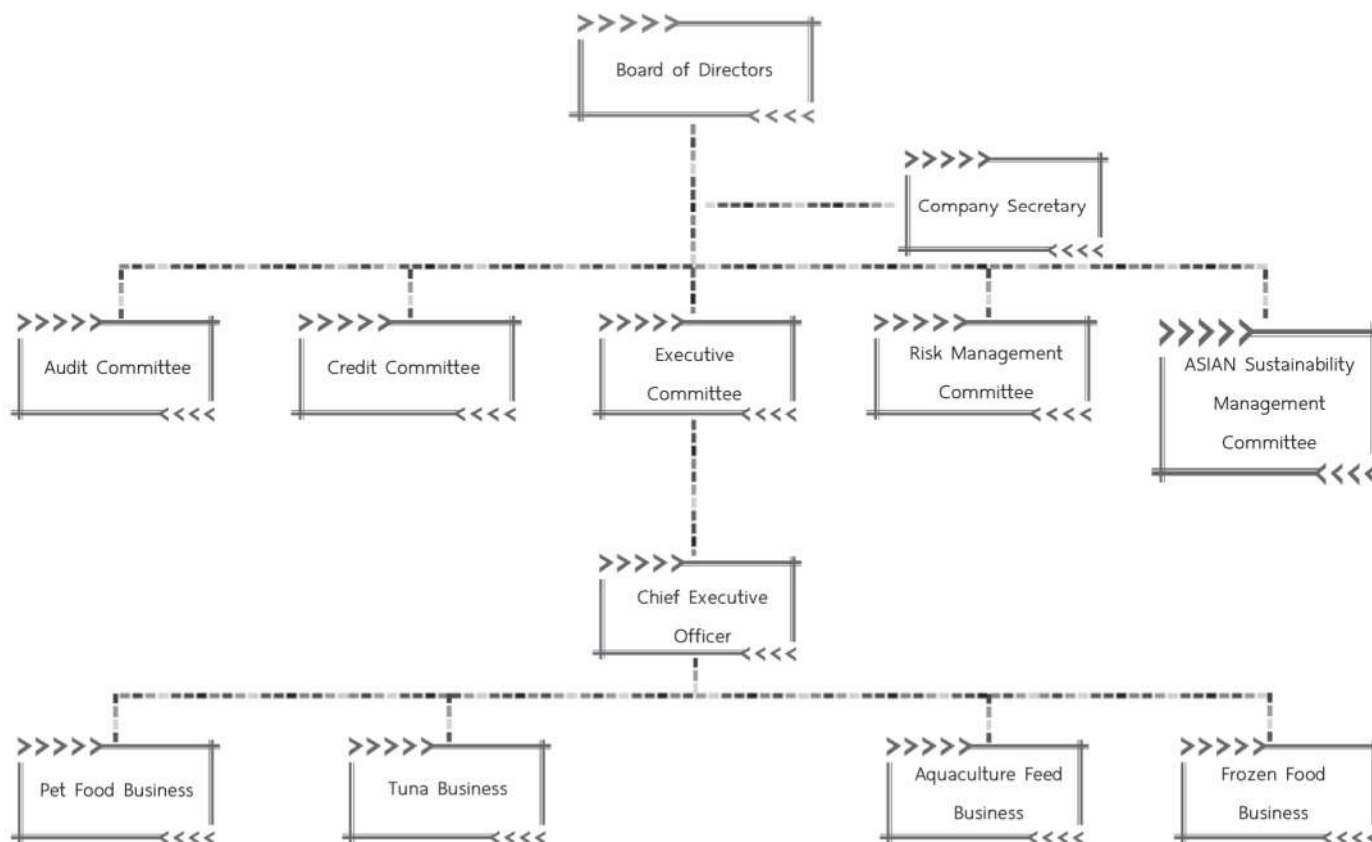
Course/ Seminar The Company value regular participation in development training relevant to the director's performance. In 2019, there were directors attending the training/seminar as follows.

No.	Name	Course/ Seminar
1	Mr. Suriya Prasatbuntitya	Seminar on "Navigating Through The Digital Disruption - Thailand", Marsh Internal training "Asian Seafoods (Ex-com Development)" Seminar on "Risk Management and Internal Audit", Thai Listed Companies Association (TLCA) Seminar on "Six pack day(Demo day) under the project "SET Social Impact Gym 2019", The Stock Exchange of Thailand (SET) Seminar on "Reshaping Business in Response to the Sustainable Trend", The Stock Exchange of Thailand (SET) IT Governance & Cyber Resilience Program (ITG 10/2019), Thai Institute of Directors (IOD)
2	Mr. Aekarat Punnasung	Internal training "Asian Seafoods (Ex-com Development)"
3	Mrs. Suree Jansawat	Internal training "Asian Seafoods (Ex-com Development)"
4	Mr. Wallop Lomlim	Internal training "Asian Seafoods (Ex-com Development)" Internal training "Aqua Feed Nutrition"

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

## Management Structure and Directors

The Board of Directors and the management perform in the best interests of ASIAN and its shareholders under a clear, balanced, and accountable management structure. The Board monitors and ensures that the management implements its policies, plans and strategies, and that there is clear distinction of roles and responsibilities between the Board and the management



**Board of Directors** There were 11 directors (As of 31 December 2019) as follows:

Name	Position	Appointment Date
1. Mr. Somsak Amornrattanachaikul	Chairman of the board	27 September 1993
2. Mr. Somchai Amornrattanachaikul	Director	27 September 1993
3. Mr. Suriya Prasatbuntitya	Director	11 May 2016
4. Mr. Hendrikus (Rik) Van Westendorp	Director	31 October 2019
5. Mr. Aekarat Punnasung	Director	7 January 2008
6. Mrs. Suree Jansawat	Director	16 November 2009
7. Mr. Wallop Lomlim	Director	25 April 2018
8. Mrs. Sunanta Tiasuwan	Independent Director	27 March 2012
9. Mrs. Yaowanee Kruo-ongarjnukool	Independent Director	15 May 2008
10. Mr. Somboon Phaobanchong	Independent Director	25 October 2012
11. Mr. Vichai Assarasakorn	Independent Director	31 October 2019

### Policy on the Board of Director's Diversity

The Company recognizes the importance of requirements regarding the composition of the Board of Directors (Board Diversity). In determining the Board diversity, the Company is confident that the requirements on the Board Diversity are important factors that help create balance in terms of ideas, quality of work as well as the Board's efficiency in making decision, which is beneficial to the Company's business.



**Board Skills Matrix**

Name / Specific Skills	Engineering	Marketing Strategy and Competitiveness	Accounting, Finance and Banking	Trade economics	Tuna Business	Food and Agricultural Commodity Business	Laws Relating to Business	Risk Management	Good Corporate Governance	Human Rights
1. Mr. Somsak Amornrattanachai		✓			✓	✓			✓	✓
2. Mr. Somchai Amornrattanachai	✓	✓			✓	✓				
3. Mr. Suriya Prasatbuntitya				✓			✓	✓	✓	✓
4. Mr. Aekarat Punnasung		✓		✓	✓	✓	✓			✓
5. Mrs. Suree Jansawat						✓	✓	✓	✓	✓
6. Mr. Wallop Lomlim		✓				✓			✓	✓
7. Mr. Hendrikus (Rik) Van Westendorp	✓	✓	✓			✓	✓	✓		
8. Mrs. Sunanta Tiasuwan			✓				✓		✓	✓
9. Mrs. Yaowanee Kruo-ongarjnuakool			✓					✓	✓	
10. Mr. Somboon Phaobanchong		✓				✓		✓	✓	
11. Mr. Vichai Assarasakorn		✓	✓						✓	

**Sub-Committee**

1. **Audit Committee** There were 4 directors (As of 31 December 2019) as follows:

NAME	POSITION
1. MRS. SUNANTA TIASUWAN	Chairman of Audit Committee
2. MRS. YAOWANEE KRUE-ONGARJNUKOL	Audit Committee
3. MR. SOMBOON PHAOBANCHONG	Audit Committee
4. MR. VICHAI ASSARASAKORN	Audit Committee

2. **Executive Committee** There were 10 directors (As of 31 December 2019) as follows:

NAME	POSITION
1. MR. SOMSAK AMORNATTANACHAIKUL	Chairman of Executive Committee
2. MR. SOMCHAI AMORNATTANACHAIKUL	Executive Committee
3. MR. SURIYA PRASATBUNTITYA	Executive Committee
4. MR. HENDRIKUS (RIK) VAN WESTENDORP	Executive Committee
5. MR. SOMCHAI KUVUITSUWAN	Executive Committee
6. MR. PANOP SVETARUNDA	Executive Committee
7. MR. AEKARAT PUNNASUNG	Executive Committee
8. MRS. SUREE JANSAWAT	Executive Committee
9. MR. WALLOP LOMLIM	Executive Committee
10. MR. NATTHARATH PUANGSUDA	Executive Committee

3. **Credit Committee** There were 6 directors (As of 31 December 2019) as follows:

NAME	POSITION
1. MR. SURIYA PRASATBUNTITYA	Chairman of Credit Committee
2. MR. HENDRIKUS (RIK) VAN WESTENDORP	Vice Chairman of Credit Committee
3. MR. NATTHARATH PUANGSUDA	Credit Committee
4. MR. AEKARAT PUNNASUNG	Credit Committee
5. MRS. SUREE JANSAWAT	Credit Committee
6. MR. WALLOP LOMLIM	Credit Committee

4. **Risk Management Committee** There were 12 directors (As of 31 December 2019) as follows:

NAME	POSITION
1. MR. SURIYA PRASATBUNTITYA	Chairman of Risk Management Committee
2. MR. SOMCHAI KUVUITSUWAN	Vice Chairman of Risk Management Committee
3. MR. PANOP SVETARUNDA	Risk Management Committee
4. MR. SOMBOON PHAOBANCHONG	Risk Management Committee
5. MR. SOMSAK STHIDTHUMRONG	Risk Management Committee
6. MISS. SIRIRAT WONGMATHAWEE	Risk Management Committee
7. MR. BUNDIT PICHETPONGSA	Risk Management Committee
8. MR. BOONSONG SORASITH	Risk Management Committee
9. MR. JIRACHAN KAMPIRANON	Risk Management Committee
10. MR. NATTHARATH PUANGSUDA	Risk Management Committee
11. MISS. VARANRATCH ASSANUPONG	Risk Management Committee
12. MR. PALLOP CHEWPRADITKUN	Risk Management Committee

5. **ASIAN Sustainability Management Committee** There were 9 directors (As of 31 December 2019) as follows:

NAME	POSITION
1. MR. SURIYA PRASATBUNTITYA	Chairman of ASIAN Sustainability Management Committee
2. MR. AEKARAT PUNNASUNG	Vice Chairman of ASIAN Sustainability Management Committee
3. MRS. SUREE JANSAWAT	ASIAN Sustainability Management Committee
4. MR. WALLOP LOMLIM	ASIAN Sustainability Management Committee
5. MR. JIRACHAN KAMPIRANON	ASIAN Sustainability Management Committee
6. MR. NATTHARATH PUANGSUDA	ASIAN Sustainability Management Committee
7. MISS. VARANRATCH ASSANUPONG	ASIAN Sustainability Management Committee
8. MR. KITTI TREEPRAPAPORN	ASIAN Sustainability Management Committee
9. MISS. WUITRA THIANGTHAM	ASIAN Sustainability Management Committee

#### Company Secretary

**Name:** Mr. Nattharath Puangsuda

**Position:** Company Secretary

**Date of Appointment:** 6 August 2019

**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.

**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)

**Training**

- 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

**Percentage 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.

**Subsidiaries Directors**

Director and Committee of 5 subsidiaries

Director Name	Subsidiary				
	SURAT	AAI	SURAT	FOOD	SURAT
1. Mr. Somsak Amornrattanachai	X	X	X	X	X
2. Mr. Somchai Amornrattanachai	/	/	/	/, //	/
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 2019**

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.

Name	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. Hendrikus (Rik) Van Westendorp (Director)	-	-	-
5. Mr. Aekarat Punnasung (Director)	-	-	-
6. Mrs. Suree Jansawat (Director)	-	-	-
7. Mr. Wallop Lomlim (Director)	-	-	-
8. Mrs. Sunanta Tiasuwan (Chairman of Audit Committee /Independent Director)	90,000	-	125,000
9. Mrs. Yaowanee Kruo-ongarjnukool (Audit Committee /Independent Director)	105,000	-	90,000
10. Mr. Somboon Phaobanchong (Audit Committee /Independent Director/Risk Management Committee)	105,000	20,000	90,000
11. Mr. Vichai Assarasakom (Audit Committee /Independent Director)	30,000	-	30,000



## Mr. Somsak Amornrattanachaikul

Chairman of the Board of Director / Chief Executive Officer  
of Asian Sea Corporation PLC. and its subsidiaries

**Age (Year):** 60 years old

**Education:**

- BA Political Science Ramkhamhaeng University

**Training:**

- Role of Chairman Program class 9/2003, Thai Institute of Directors (IOD)

**Shareholding (%):** 51.25 %

**Family Relationship among Executives:** Somchai Amornrattanachaikul's brother

**Working Experience:**

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

## Mr. Somchai Amornrattanachaikul

Director / Senior Managing Director of Asian Sea Corporation PLC. and its subsidiaries

**Age (Year):** 65 years old

**Education:**

- Junior High School, Wat Mahathat School

**Training:**

- None

**Shareholding (%):** 12.99 %

**Family Relationship among Executives:** Somsak Amornrattanachaikul's brother

**Working Experience:**

- 1992 – Present:  
Director / Senior Managing Director, Asian Sea Corporation PLC.  
and its subsidiaries.





**Mr. Suriya Prasatbuntitya** (Age: 65 years old)

Director / Executive Committee / Chairman of Credit Committee / Chairman of the Risk Management Committee / Chairman of ASIAN Sustainability Management Committee / Senior Vice President, Asian Sea Corporation PLC.

**Education:**

- Master of Development Administration in Public Administration, National Institute of Development Administration
- Bachelor of Political Science Chulalongkorn University

**Training:**

- Risk Management and Internal Audit Program, Thai Listed Companies Association (TLCA)
- IT Governance & Cyber Resilience, Thai Institute of Directors (IOD)
- Risk Management Program for Corporate Leaders class 14/2018, 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)

**Shareholder (%)**: None

**Working Experience:**

- Present:  
Director / Executive Committee / Chairman of Credit Committee / Chairman of the Risk Management Committee / Chairman of ASIAN Sustainability Management Committee / Senior Vice President, Asian Sea Corporation PLC.
- 2012 – 2015: The governor of Chiang Mai, The governor of Tak
- 2007 – 2012: Deputy Governor of, Samut Sakhon and Pathum Thani Province
- 2004 – 2007:  
Director of the Bureau in the Department of Disaster Prevention and Mitigation



**Mr. Hendrikus (Rik) Van Westendorp**  
(Age : 55 years old)

Director / Executive Committee / Credit Committee / Executive Vice President / Chief Financial Officer, Asian Sea Corporation 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 (%)**: 0.19%

**Working Experience:**

- Present:  
Director / Executive Committee / Credit Committee / Executive Vice President / Chief Financial Officer, Asian Sea Corporation 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



**Mrs. Suree Jansawat** (Age: 57 years old)

Director / Executive Committee / Credit Committee / ASIAN Sustainability Management Committee, Asian Sea Corporation PLC. / Managing Director, Asian Seafoods Coldstorage (Suratthani) Co., Ltd.

**Education:**

- Bachelor of Business Administration, Ratchapat Suratthani University.

**Training:**

- Ex-com Development Program, Pencil Sharpener Co.,Ltd.
- Chula Mini MBA @ Chachoengsao class 2, Chulalongkorn University
- Director Certificate Program class DCP 144/2011, Thai Institute of Directors (IOD)

**Shareholder (%)**: 0.02%

**Working Experience:**

- Present:  
Director / Executive Committee / Credit Committee / ASIAN Sustainability Management Committee, Asian Sea Corporation PLC.
- 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 – 2011:  
Assistant Managing Director (Purchasing RM-General), Asian Seafoods Coldstorage (Suratthani) Co., Ltd.





**Mr. Aekarat Punnasung** (Age: 49 years old)

Director / Executive Committee / Credit Committee / ASIAN Sustainability Management Committee, Asian Sea Corporation PLC. / Managing Director, Asian Alliance International Co., Ltd.

**Education:**

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

**Training:**

- Ex-com Development Program, Pencil Sharpener Co.,Ltd.
- Director Certification Program class DCP 150/2011, Thai Institute of Directors (IOD)

**Shareholder (%):** None

**Working Experience:**

- Present:  
Director / Executive Committee / Credit Committee / ASIAN Sustainability Management Committee, Asian Sea Corporation 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.
- 2004 - 2011:  
Assistant Managing Director, Asian Seafoods Coldstorage (Suratthani) Co., Ltd.



**Mr. Wallop Lomlim** (Age: 53 years old)

Director / Executive Committee / Credit Committee / ASIAN Sustainability Management Committee, Asian Sea Corporation PLC./ Managing Director, Asian Feed Co., Ltd.

**Education:**

- Bachelor of Science Agro-Industry, Prince Songkhla University

**Training:**

- Ex-com Development Program, Pencil Sharpener Co.,Ltd.
- Chula Mini MBA @ Chachoengsao class 2, Chulalongkorn University

**Shareholding (%):** None

**Working Experience:**

- Present:  
Director / Executive Committee / Credit Committee / ASIAN Sustainability Management Committee, Asian Sea Corporation PLC./ 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 (Suratthani) Co., Ltd.
- 1996 - 1999:  
Factory Manager, Sea Royal Seafood Co., Ltd.
- 1988 - 1995:  
Factory Manager, Suratthani Marine Products Co., Ltd.



**Mrs. Sunanta Tiasuwan** (Age: 69 years old)

Independent Director / Chairman of the Audit Committee, Asian Sea Corporation 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:**

- Present:  
Independent Director / Chairman of the Audit Committee, Asian Sea Corporation 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, Samutprakarn 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 Sea Corporation 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 Sea Corporation PLC.
- Director, Thai Eak Farm Co., Ltd.
- Director, Yuen Yong Layer Farm Co., Ltd.



**Mrs. Yaowanee Kruo-ngarjnuakool** (Age: 67 years old)

Independent Director / Audit Committee, Asian Sea Corporation 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:**

- Present:  
Independent Director / Audit Committee, Asian Sea Corporation PLC.
- 2006 – 2007:  
Manager Accounting and Tax Planning, The Siam Cement PLC.
- 2003 – 2005:  
Senior Auditor, The Siam Cement PLC



**Mr. Vichai Assarasakorn** (Age: 59 years old)

Independent Director / Audit Committee, Asian Sea Corporation PLC.

**Education:**

- Waverley College, Sydney, Australia
- Bachelor of Engineering in Electrical Engineering, The University of New South Wales, Australia

**Training:**

- Director Certificate Program 2015, Thai Institute of Directors (IOD)

**Shareholding (%):** None

**Working Experience:**

- Present  
Independent Director / Audit Committee, Asian Sea Corporation PLC.
- 2014  
Director, The Thai Chamber of Commerce and Board of Trade of Thailand.
- 2013  
Operational Committee of Water Management and Hydrology Board Member of Joint Standing Committee on Commerce, Industrial and Banking Chamber of Commerce and Board of Trade of Thailand
- 2011  
Qualified and Honorary representative from Private Sector, Committee on Prices of Goods and Services
- 2009 Chairman of Thai Gem and Jewelry Traders Association



**Mr. Panop Svetarunda (Age: 56 years old)**

Executive Committee / Risk Management Committee / Finance Director, Asian Sea Corporation PLC.

**Education:**

- Sasin Graduate School of Business, Bangkok, MBA, Finance Major.
- Drake University, Iowa, USA BA, Finance Major

**Training:** None

**Shareholder (%):** None

**Working Experience:**

- Present  
Executive Committee / Risk Management Committee / Finance Director, Asian Sea Corporation PLC.
- 2555 – 2558:  
Head of Treasury Group, Executive Vice President & Director, Krung Thai Bank PCL
- 2553 – 2558:  
Board of Directors Trinity Wattana PLC, Security Brokerage Company
- 2554 – 2555:  
Treasurer, Senior Vice President & Manager, Krung Thai Bank PCL., Head Office
- 2551 – 2554:  
Treasurer, First Vice President & Manager, Krung Thai Bank PCL., Head Office
- 2550 – 2551:  
Head of Treasury Sales, First Vice President, Krung Thai Bank PCL., Head Office
- 2541 – 2549:  
FX Marketing Group, Head & Vice President, BNP Paribas, Bangkok Branch
- 2538 – 2541:  
Senior Corporate Advisor, Assistant Vice President, Bank of America, Bangkok Branch



**Mr. Somchai Kuvijitsuan (Age: 68 years old)**

Executive Committee / Risk Management Committee / Legal Counsel, Asian Sea Corporation 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) class 76, 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 Sea Corporation 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



**Ms. Sirirat Wongmathawee (Age: 49 years old)**

Risk Management Committee, Asian Sea Corporation 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:**

- Ex-com Development Program, Pencil Sharpener Co.,Ltd.

**Shareholder (%):** None

**Working Experience:**

- Present:  
Risk Management Committee, Asian Sea Corporation PLC. / 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 Sea Corporation PLC.

**Education:**

- Master of Business Administration Assumption University

**Training:**

- Ex-com Development Program, Pencil Sharpener Co.,Ltd.
- 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 Sea Corporation PLC.
- 2007 – 2016: Director, Asian Seafoods Coldstorage PLC.
- 1998 – 2011: Assistant Managing Director (Factory), Asian Seafoods Coldstorage PLC



**Mr. Bundit Pichetpongsa** (Age: 42 years old)

Risk Management Committee, Asian Sea Corporation 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:**

- Ex-com Development Program, Pencil Sharpener Co.,Ltd.
- 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 Sea Corporation PLC. / 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: 44 years old)

Risk Management Committee / ASIAN Sustainability Management Committee / Finance and Investor Relation Manager, Asian Sea Corporation 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:**

- Ex-com Development Program, Pencil Sharpener Co.,Ltd.
- 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 / ASIAN Sustainability Management Committee / Finance and Investor Relation Manager, Asian Sea Corporation PLC. / Assistant Managing Director, Asian Alliance International Co., Ltd.
- 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 Kampranon** (Age: 48 years old)

Risk Management Committee / ASIAN  
Sustainability Management Committee, Asian Sea  
Corporation 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:**

- Ex-com Development Program, Pencil Sharpener Co.,Ltd.
- 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  
Sustainability Management Committee, Asian  
Sea Corporation 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: 47 years old)

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



**Mr. Boonsong Sorasith** (Age: 54 years old)

Risk Management Committee, Asian Sea  
Corporation 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 Sea  
Corporation PLC. / Factory Manager, Asian  
Feed Co., Ltd.
- 2004 - 2012
- Production Manager, Thai Union Feedmill  
Co., Ltd.
- 1993 - 2003  
Deputy Factory Manager, Aphithun Seafood  
Products Company Limited
- 1988 - 1993  
Production Supervisor, Bangkok Food  
Products Co., Ltd.





**Ms. Wijitra Thiangtham (Age: 43 years old)**

ASIAN Sustainability Management Committee, Asian Sea Corporation PLC. / Human Resources and Administration Manager, Asian Alliance International Co., Ltd.

**Education:**

- Bachelor of General Management Nakhon Pathom Rajabhat University

**Training:**

- GMP/HACCP
- BRC
- ISO 9001:2008
- Internal Auditor, TLS 8001-2010
- GLP
- Labor Law and Personnel Management
- Safety Management

**Shareholder (%):** None

**Working Experience:**

- Present  
ASIAN Sustainability Management Committee, Asian Sea Corporation PLC. / Human Resources and Administration Manager, Asian Alliance International Co., Ltd.
- 2014 – 2018  
Personnel Manager, Nanyang Garment Company Limited
- 2006 – 2013  
Head of Human Resources Department, THEPMANEE Cold Storage (Mahachai) Co., Ltd
- 2005 – 2006  
Head of Human Resources Department, FIRST RUBBER Co., Ltd.



**Mr. Kittitree Treeprapaporn (Age: 46 years old)**

ASIAN Sustainability Management Committee / Engineering Manager / Safety Officer in Professional Level, Asian Sea Corporation PLC.

**Education:**

- Bachelor of Industrial Technology Management Program Faculty of Engineering and Industrial Technology Bansomdejchaopraya Rajabhat University

**Training:**

- Course "Academic Potential Development", Class 1 (Fire), Labor Safety Division
- Course "Establishing an environmental management system for industrial plants and increasing the production potential of the factory, Department of Industrial Works.
- Pre CSR-DIW 2016", Ministry of Industry
- "Sustainable Social Training", ISET (Thailand) Limited

**Shareholder (%):** None

**Working Experience:**

- Present  
ASIAN Sustainability Management Committee / Engineering Manager / Safety Officer in Professional Level, Asian Sea Corporation PLC.
- 1999  
Safety Officer in Professional Level



**Mr. Nattharath Puangsuda (Age: 51 years old)**

Executive Committee / Credit Committee / Risk Management Committee / ASIAN Sustainability Management Committee / Company Secretary, Asian Sea Corporation PLC. / Assistant Managing Director, Asian Feed Co., Ltd.

**Education:**

- Bachelor of Laws, Ramkhamhaeng University

**Training:**

- Ex-com Development Program, Pencil Sharpener Co., Ltd.

**Shareholder (%):** None

**Working Experience:**

- Present:  
Executive Committee / Credit Committee / Risk Management Committee / ASIAN Sustainability Management Committee / Company Secretary, Asian Sea Corporation PLC. / Assistant Managing Director, Asian Feed Co., Ltd.
- 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.

## Report of the Audit Committee

To the Shareholders

The Audit Committee of Asian Sea Corporation Public Company Limited consists of 4 independent directors whose qualifications meet the Stock Exchange of Thailand's requirements. Current members of the Audit Committee and details of the meetings attended are as follows

Name	Position	Attendance
Mrs. Sunanta Tiasuwan	Chairman of Audit Committee	5/5
Mrs. Yaowanee Kruo-ngarjnuakool	Audit Committee	5/5
Mr. Somboon Phaobanchong	Audit Committee	5/5
Mr. Vichai Assarasakorn*	Audit Committee	1/1

*\*Appointed as an independent director and audit committee at EGM 1/2562 on 31 October 2019*

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

In 2019, the Audit Committee performed its duties as briefly described below:

1. Reviewed the 2019 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 2019 on the basis of the prior year's performance, qualifications, skills, knowledge, proficiency and professional experience, and nominated EY Office Limited as the Company's auditors of 2019. The Audit Committee also approved remuneration of auditors for 2019.

5. Reviewed the company and subsidiaries' compliance with all announced accounting standards, legal provisions, SET's requirements, and applicable laws in a thorough, accurate fashion under corporate governance principles.

6. Follow up on the operations of the company management in announcing their intention to join the Collective Action Coalition Against Corruption Project to comply with the requirements and recommendations of the Thai Institute of Directors Association (IOD). From the review, it was found that the company has established policies to be in line with the project and support the employees in the organization to acknowledge and understand good practices and to comply with the principles of corporate governance in accordance with the guidelines of the Stock Exchange of Thailand and the Thai Institute of Directors Association (IOD).

7. Reviewed the adequacy of the company's risk management processes and proceeded with audit under the existing risks which Mr. Somboon Phaobanchong, representing the audit committee, as the risk management committee to develop the company's risk management to cover more concentrated.

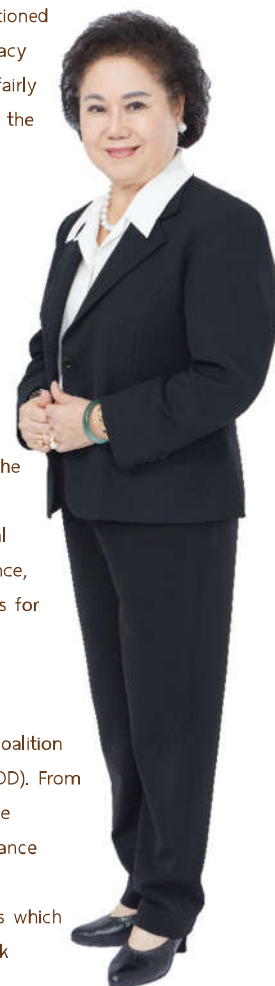
8. Advocated international-standard quality for internal auditor development.

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 Audit Committee



## Report of the Risk Management Committee

Risk Management is more and more interesting nowadays as each organization has been impact from not only issues in its own industry or environment but also from issues that have been in global wide focus. Risk assessment which covered as much as aspects as it could, with appropriated action plan developed and implemented, will impact business performance and sustainability significantly.

Risk Management Committee of Asian Sea Corporation 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 2019, the Risk Management Committee held 6 meetings which Risk Management Committee members attended the meeting to constitute a quorum every time.

In 2019, the Risk Management Committee performed its duties as briefly described below:

1. Evaluate Corporate Risks and consider and approve relevant parties to perform action plans to reduce risks.
2. Review the risk management practices of the Company's subsidiaries, including followed up, assessed, and feed backed on the risks action plans 2019 of the Company's subsidiaries to ensure that plans have been implemented as proposed.
3. Quarterly reported the performance of the Risk Management Committee to the Board of Directors in the meeting.
4. Considered and improved Risk Management Policy, particularly in Risk assessment Calendar, which will apply for Risk Management in 2020 and so on, including approved that the current risk measurement are still efficient and up to date.

The Risk Management Committee performed its duties in 2019 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.



((Mr. Suriya Prasatbuntitya)  
Chairman of the Risk Management Committee



# Report from ASIAN Sustainability Management Committee

In 2019, Asian Sea Corporation PLC., with the effort of its Management team to elevate sustainability function, set up Sustainability Committee of Asian Sea. The Committee has been assigned to create a framework to facilitate business sustainability that encompass economic, social, and environmental dimensions across all levels of the corporate structure. The Committee also has to identify more sustainability key issues than Asian Sea’s publish issues considering both internal and external factors, global sustainability trends and direction, stakeholders’ needs and expectations.

Asian Sea highly values corporate sustainability management. Its Sustainability Committee, then, consist of top management of each business segments and specialists in some key areas that relevant to sustainability issues, such as Human resources, Engineers, Environment controls, etc. The committee worked under their best effort so that they could identify sustainability key issues of Asian Sea and launch C-H-E-E-R-S-I strategy. The idea is Asian Sea will sustain if they operate with responsibility for 6 areas as follow:

- C Responsible for Consumers
- H Responsible for Human Development
- E Responsible for Efficiency In using resources
- E Responsible for Environment
- R Responsible for Rights of Human
- S Responsible for Stakeholders

As the above intentions, the Committee defined key policies, including action plans, in both improving currents policies and setting framework for new sustainability issues. The next steps, the Committee will study and identify its SDGs goals, develop its supply chain management framework, including integrate its sustainability management with its risk management. In 2020, the Committee pushed 2 of the Company’s subsidiaries, Asian Alliance International Co., Ltd. and Asian Feed Co., Ltd., to join the Carbon Footprint Supporting for Industry Project (9<sup>th</sup> phase). The Committee expects that both subsidiaries will be able to register and report their carbon footprint and be able to extend these to the remaining business with in 2022.

Moreover, the Committee launch the policy “foam and plastic scroll free zone” in all Asian canteen and distribute Asian Sea’s uniform made from plastic recycles. The committee Asian Sea staff realize how they are important to corporate and environment sustainability, which is global crisis at the moment. The Committee also make a push to approve the company at Asian Alliance International Co., Ltd. and this will start in 2020.

The Sustainability Committee operate at their full potential during the course of 2019, with their Asian Sea Sustainability since then so that Asian Sea will be able to accomplish its goals and business and sustainability, as its vision and mission.

  
(Mr. Suriya Prasatbuntitya)  
Chair of Sustainability Committee



## *Report of Credit Committee*

Aquaculture Feed Business is one of the important businesses of the Asian Sea Corporation Public Company Limited. Most of the customers are farmers or middlemen who are distributors of aquatic food for farmers. In this business group are farmers, aquaculture farmers or middlemen who are distributors of aquatic food for farmers. Since the crisis of sudden death in shrimp in 2012, most of the aquaculture farmers suffered from financial problems causing the Company to be affected. There are outstanding debt and need to set aside a lot of bad debt provision. Moreover, the shrimp farming industry has an increased risk, resulting in the Company being at increased risk of overdue or bad debts as well. The Credit Committee is an important mechanism that the company has established since 2015. The Committee focused on setting up credit policy and credit scoring measurements, 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 issue of the overdue debt. In Overall, the Committee operated well during the past few years, as overdue debts issues are improved continuously

In 2019, the Credit Committee held 9 meetings which Credit Committee members attended the meeting and constituted its quorum every time. The Credit Committee performed its duties as briefly described below

1. Follow up and review the operations of the Legal Department to be in accordance with the system by following up on the overdue debt in written if that debt is overdue more than 90 days for the good sake of litigation process.
2. Follow up the overdue debtor with an outstanding debt of more than 1 million baht in all cases. Request that the management report on the situation of the farming of the debtor and jointly assess the potential of the debtor in order to determine the guidelines for the debtors on a case by case.
3. Approve the extension of repayment for 7 customers with a total value of 19,523,618.98 million baht.
4. Follow up on cases of outstanding debt in court proceedings. Set guidelines for the Legal Department in the negotiation, mediation or enforcement process for the best interest of the Company.
5. Reviewed the adequacy of the processes on Credit line determination, Credit scoring, and Overdue collection.
6. Approve new practices for setting up a doubtful debt allowance to comply with the new Accounting standards that will enforce in 2020., as approved by the company's auditor, beginning with the company's financial statements since 2019.
7. Report the performance of the Board to the Board of Directors every quarter.

From the committee's dedicated operations since 2015, the company's debt has improved, although in the year 2019, the company has changed the policy for setting up a doubtful debt allowance to comply with the new Accounting standards. The company does not set up any additional doubtful debt allowance and received an additional payment of 2,169,400 million baht in 2019 as well.



(Mr. Suriya Prasatbuntitya)

Chairman of Credit Committee



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

## Risk Management

Asian Sea Corporation Public Company Limited 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 by having the Risk Management Committee, which be appointed by the Board of Directors, comprises of top management of each business and external experts who are responsible for corporate risks, 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 to present and report to the Board of Directors. In risks management, each department will point out its risk factors and create plan to manage that factors. The 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. If there is a significant impact on the organization's overall picture or in many businesses, the Risk Management Committee will consider elevating it to a corporate risk factor and specify measures or guidelines for preventing or controlling or mitigating such risks, as well as corporate risks assessed and analyzed by the Risk Management Committee.

In 2019, the Risk Management Committee has implemented the objectives by considering both internal and external factors that affect the business operations in order to analyze and assess the level of impact in order to identify the risks that cover Strategic Risks, Operation Risks, Financial Risks and Compliance Risks. The risk factors and significant risk mitigation measures are as follows:

### **Risk of labor shortages, violations of labor laws and labor shortages with specialized expertise.**

- Consequences

Uncertainty in revenue to the inability to operate at full capacity or to a lack of production continuity. The efficiency and quality of work have decreased, including being prosecuted, violated by law and damage the image of the organization's reputation.

- Risk mitigation measures.

1. Require manpower planning throughout the organization, with clear recruitment and hiring regulations
2. There is an internal department to monitor changes in laws and regulations at all times to ensure that the company complies with labor laws as well as regulations of both government and customers strictly.
3. Issue and implement human resource management policies, provide stability in employment with compensation and benefits comparable to the same business. There is a clear, fair evaluation system and communication for employees to understand thoroughly.
4. Provide training both inside and outside the organization to increase the capability of the employees to have specialized knowledge, progress in career paths, including creating a good working atmosphere and environment with the highest safety for life.
5. Provide investments in machinery or technology to increase efficiency and replace human labor every year. The management is responsible for proposing projects for approval to the Board of Directors or the Executive Committee for budgets along with making the company's annual budget plan.

### **Risk of raw material shortage and price fluctuation**

- Consequences

Uncertainty in revenue and profitability of the business due to there is no raw material or high-priced raw materials

- Risk mitigation measures.

1. Identify raw materials that are important and at risk of shortage or fluctuating raw materials classified by business group and specify a variety of channels for procurement of raw materials in accordance with the characteristics of those raw materials.
2. Provide personnel to be stationed in various sources of raw materials in the country in order to closely procure and follow news about market conditions of various raw materials for analysis together with executives with experience and expertise in business operations which will be able to make predictions and decisions instantly when events change.
3. Provide the reserve policy for each type of raw material by limiting the amount of raw material purchase to be in accordance with the purchase order, except for the raw material which has a high risk of shortage which requires reserve to a certain extent.
4. There is a system for managing, storing and controlling the level of raw material inventory efficiently.
5. Developing new products in Value-Added Products to reduce the proportion of raw material costs in the products as well as develop products that use more variety of raw materials.

### **Risk of exchange rate fluctuation**

- Consequences

Uncertainty in revenue and profitability of the business due to the Group has revenues in foreign currencies. (Mostly in US dollars, there is a small of Yen and Australian Dollars)

- Risk mitigation measures

1. There is a centralized exchange rate risk management by specialized experts from the center which will regularly monitor both internal and external data for presentation at all times. Proceed according to policies approved by the Executive Committee.
2. There is importing raw materials from abroad and using short-term credit facilities in the US credit limit, therefore, the revenue in the same currency can be used to pay for the raw materials and debt.
3. Provide a forward foreign exchange contract for existing orders and will deliver in the future, reduce the period of receiving advance orders to reduce risk.
4. The Executive Committee regularly reviews the policy on foreign currency forward contracts in meetings at all times in order to adjust to suit the situation.

Risk  
Management



### **Risk of changing interest rates and liquidity of the business**

- Consequences

The ability to find working capital and financial costs.

- Risk mitigation measures

1. Provide strategy 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.
2. Set up its internal target to improve its balance sheet ratios to maintain its capability to expand the business in the future by requiring to maintain the financial ratios that the company agreed to the covenant with financial institutions to be better than specified in the agreement.
3. Create various financing channels by having good relationships with financial institutions in order to have short and long-term loans, as well as a credit line for business operations that are sufficient and received. BBB- or higher credit rating.
4. Receiving the approval from the shareholders' meeting to raise funds by issuing and offering debentures, with outstanding balances at any time not exceeding 2,000 million baht.
5. Receiving the approval from the Board of Directors to be able to raise funds by issuing and offering short-term debt of bill of exchange (B/E) with an outstanding balance at any time not less than 500 million baht.

### **Risk of corruption from procurement, sales and contact with government agencies.**

- Consequences

The image, reputation, and confidence of society and community towards the business operations of the organization.

- Risk mitigation measures

1. Provide transparent and concise purchasing procurement regulations. Provide regularly inspected by the Internal Audit Office, including the quality assessment of the seller in every 6 months.
2. The purchase order must be paid through the company's financial accounting department only and have evidence of payment every time. Purchasing staff and financial staff must not have kinship relations, such as a family member, sibling or husband, wife, etc.
3. Provide sales procedures that specify approval levels and provide regular audits by the Internal Audit Office.
4. Provide and announce the conflict of interest policy by allowing the Human Resources Department to inspect the current or new supplier relationship with the company's employees. If the relationship is found, the business will be discontinued or if it is necessary to continue, it will be the approval authority of the managing director or the risk management committee in case of the managing director is involved.
5. Provide and announce anti-corruption policy in writing as a clear guideline for business operation and development to sustainable organizations.
6. Specify work processes that must involve external agencies or government organizations that the company is involved in, such as importing and exporting. Set procedures for employees and communicate to relevant staff for acknowledgment and comply strictly.

### **Risk of bad debts**

- Consequences

Uncertainty about profit margins and confidence of business stakeholders.

- Risk mitigation measures

1. Assign the credit committees to be responsible for determining credit policies and determining guidelines for evaluating the customer's financial status (credit scoring) to be concrete and reliable. Propose to have the authority to approve the credit line according to the hierarchy of management, as well as to set guidelines for tracking and resolving the problem of overdue debt.
2. Provide an agency that is responsible for debt collection systematically as well as inspecting sales departments on a regular basis.
3. Enforcing legal measures to resolve a high amount of overdue debt by asking the Legal Department to take action.
4. Set a policy for setting up an allowance for doubtful accounts in accordance with accounting standards by reflecting the most realistic financial results.

For the risk assessment in 2020, the Risk Management Committee has identified additional risks to be in line with the business sustainability strategy, such as risk of raw material and supply chain management, risk of conducting business activities that impact the environment, risks of climate change, risk of not being able to respond and be aware of the changing needs of the market. and risk of outdated technology which will make a plan to manage this newly identified risk and continue with the plan.

# Risk Management

## ASIAN's Sustainability Report

ASIAN highly focus corporate sustainability management that includes economic, social, and environmental aspects across all levels of the corporate structure. The company has taken into consideration both internal and external factors, global sustainability trends and direction, including stakeholders' expectations to determine our goals, strategies, and action plans response to various sustainability issues via Sustainability Committee. In 2019, ASIAN determined Cheers! Strategy, which create a framework to facilitate business sustainability under 6 responsibilities and set aside plans in 2020 as follows:

		Policies/Procedures/Framework	2020 plans		
			Review/ improve	Develop	Set targets
C	Responsible for Consumers	<ul style="list-style-type: none"> <li>• Certified international standards for quality assurance and controls systems</li> <li>• Provide products traceability.</li> <li>• Highly focus on Research and Development</li> <li>• Whistle blow policy and Protection procedures for Whistle blowers</li> </ul>	X X  X	  X	  X
H	Responsible for Human Development	<ul style="list-style-type: none"> <li>• Human Resources Management Policy</li> <li>• Training System</li> <li>• Clear and Transparent Performance Evaluation System</li> <li>• Safety Workplace Policy</li> </ul>	X X X X		
E	Responsible for Using Resources Efficiently	<ul style="list-style-type: none"> <li>• Improve production efficiency using Automatic machine to replace labors</li> <li>• Reduce energy consumption per toned production</li> <li>• Water saving policy (Water used per toned production)</li> <li>• Reduce production waste and reprocess</li> </ul>	   X		X X X X
E	Responsible for Environment	<ul style="list-style-type: none"> <li>• Reducing greenhouse gas emission policy</li> <li>• Policy to invest in clean energy for production process</li> <li>• Non-toxic (can be dispose normally) and recyclable packaging policy</li> <li>• Waste Water Management policy</li> <li>• Waste Management policy under reduce, reuse and recycle implementation</li> <li>• Hazardous waste management policy</li> <li>• Air quality released policy</li> <li>• Others CSR after process</li> </ul>	   X X X X X	X X    X	X X X X X X X
R	Responsible for Human Rights	<ul style="list-style-type: none"> <li>• Human Right Policy</li> <li>• Human Resources Management Policy</li> <li>• Intellectual Property Management Policy</li> <li>• Policy to avoiding illegal fishing, and purchasing, importing, exporting, transiting and distributing aquatic animals and related products obtained through illegal fishing and labor, and human trafficking</li> <li>• Anti-corruption Policy</li> <li>• Whistle blow policy and Protection procedures for Whistle blowers</li> </ul>	X X X X  X X		    X
S	Responsible for Stakeholders	<ul style="list-style-type: none"> <li>• Good Corporate Governance Policy</li> <li>• Risk Management Policy</li> <li>• Anti-corruption Policy</li> <li>• Intellectual Property Management Policy</li> <li>• Supply Chain Management</li> </ul>	X X X X	   X	  X X

- **Pet Food Business** ASIAN focus our research and development in this area since our sales in this business grew rapidly in 2015 using “Co-developer” strategy. ASIAN serve as a “co-developer” who understand customers and provide ideas for new products in variety of packaging. ASIAN invested in research and development in formulas, packaging innovation, and also production technology. ASIAN aims to grow together with its customers. Moreover, in the course 2019, ASIAN, with its experiences and expertise, develop and launch pet food product under its own brand, “Monchou”, to compete in premium market segment in Thailand and China. More brands are in the line to launch in 2020 for more competitive market. Dry feed product and production had also been developed using experience and expertise of our partners and our ambition to control all range of product quality under our own brand. ASIAN expected that it could start dry feed production in Thailand within the course of 2020.
- **Tuna Business** As a tuna canned factory, ASIAN improve its processes to be more flexible in order to be able to support niche markets, using variety of raw material, then, produce ready-to-eat product as customer needs.
- **Aquaculture Feed Business** Research and development in this business has been develop significantly in 2019. ASIAN decided to work with international aquaculture nutritionist. This improved ASIAN's product quality while improve our staff nutrition knowledge. The course also trains our staff to be able to develop product formulas of our own. Many formulas launched with good feedback, result in customer trust gain. In the next future, ASIAN plans to develop functional feed and work with our partner who is professional farmer, to develop more standard farm and system to test new formula together.
- **Frozen Seafood Business** In the past, ASIAN's research and development in this area was quite limited as most of frozen seafood products are commodities products. But our strategy since 2018 year-end to stop exporting our frozen seafood product to US and expand our value-added products using our experience in ready-to-cook market. ASIAN has some success ready-to-cook products such as breaded shrimp, coconut breaded shrimp, pre-fried squid, etc. ASIAN plan to develop more product for our customers to create new opportunity in the very next future.

#### Responsible for Human Resources Development

ASIAN 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, under ASIAN's human development policy to create good and great employers. ASIAN's core value also introduce, to help employees to realize which value should be focus and develop. Performance Management Systems has been used to transparency evaluate employees. Compensation and benefit has been set and analyze to make sure that it was in line with the industry with good working environment and maximum life safety.

Core value

A	Ambition
S	Skills
I	Integrity
A	Adaptable
N	New Ideas

#### ASIAN and its subsidiaries' Manpower

Manpower of the company and its subsidiaries as of December 31<sup>st</sup>, 2019 are as follows:

(Unit: Man)

Company	Monthly Employee		Daily Employee		Total	
	2019	2018	2019	2018	2019	2018
Asian Sea Corporation Public Company Limited	270	394	864	1,298	1,134	1,692
Asian Seafoods Coldstorage (Surathani) Co., Ltd.	227	238	854	1,045	1,081	1,283
Asian Alliance International Co., Ltd.	490	482	2,424	2,700	2,914	3,182
Asian Feed Co., Ltd.	200	185	36	32	236	217
Asian Group Services Co., Ltd.	11	4	0	0	11	4
Thaiya Corporation (Shanghai) Co., Ltd.	10	0	10	0	20	0
<b>Total</b>	<b>1,208</b>	<b>1,303</b>	<b>4,188</b>	<b>5,075</b>	<b>5,396</b>	<b>6,378</b>

Salary and Wages paid

(Unit: Million Baht)

Company	Monthly Employee		Daily Employee		Total	
	2019	2018	2019	2561	2019	2018
Asian Sea Corporation Public Company Limited	96.65	107.89	127.89	160.26	224.54	268.15
Asian Seafoods Coldstorage (Surathani) Co., Ltd.	51.96	51.97	105.91	122.85	157.88	174.82
Asian Alliance International Co., Ltd.	139.15	135.57	344.38	390.62	483.53	526.19
Asian Feed Co., Ltd.	53.84	47.75	4.06	3.07	57.90	50.82
Asian Group Services Co., Ltd.	7.62	3.11	0.00	0.00	7.62	3.11
Thaiya Corporation (Shanghai) Co., Ltd.	3.71	0.00	1.18	0.00	4.89	0.00
<b>Total</b>	<b>352.93</b>	<b>346.29</b>	<b>583.43</b>	<b>676.80</b>	<b>936.36</b>	<b>1,023.09</b>



- **Progress of Training Plan for the year 2019**

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

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

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 Employee	<u>Course</u>	515	100%	-	-	-	-	-
		Orientation							
		- Organization, Nature of business, Code of Conduct, Whistle blowing							
		- Rules and regulations of the company such as Working hour and date, holiday, compensations, etc.							
		- Safety at work							
		- Organization, Nature of business, Code of Conduct, Whistle blowing							
2	All Employees (by level)			81.65%	182.86%	109	35	89	64
	Operational	Course approved for 2019	4,104						
	Supervisor	Course approved for 2019	560						
	Manager	Course approved for 2019	350						

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.

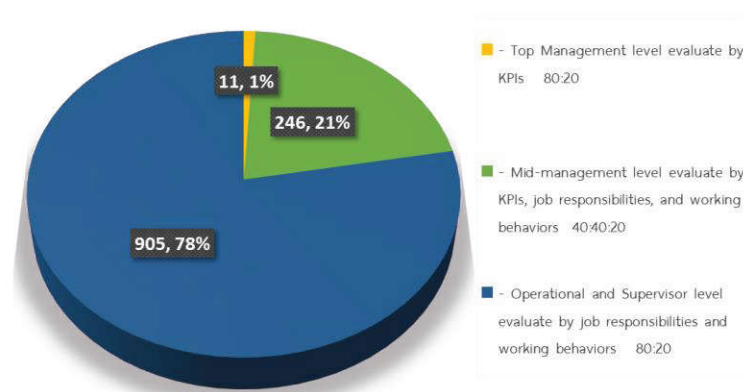
- **Performance Evaluation Systems**

The Company and its subsidiaries apply 3 systems for its employees classified by level of management in each organization as follow:

1. Operational and Supervisor level evaluate by job responsibilities and working behaviors
2. Mid-management level evaluate by KPIs, job responsibilities, and working behaviors.
3. Top Management level evaluate by KPIs

The result of evaluation will be used in promotion and salary increased consideration, including bonus paid if any.

**Performance Evaluation Systems**



- **Injury Rate**

The company always focus on safety in workplaces and implement procedure and regulation for workers, including regulations for workers under limited conditions, risky environment, such as procedure of working on the confined space, procedure of working with toxic chemical, or procedure of working with machines. The company also provide needed information to the worker via training by skills supervisors. In the case that injury occur, the company will collect all fact and investigate root causes, then, develop protective measurement.

#### Injury rate in 2019

Level of Severity	2019 5,548 Employees		2018 5,958 Employees		2017 6,041 Employees	
	Times	%	Times	%	Times	%
Serious Injury	19	0.34	26	0.44	31	0.51
Lost Time Injury	16	0.29	28	0.47	19	0.31
Minor injury	43	0.78	45	0.76	73	1.21

Serious Injury means the employee have to stop working for more than 3 days or disability or death, including more than 100,000 baht assets damage or operation on hold from that accidents or cases.

Lost Time Injury means the employee have to stop working not more than 3 days, the assets could repair and bring back to use in quite a short period of time or the damage was limited (damage cost value around 5,000-100,000 baht)

Minor injury means the accident cause just small injury that may need treatment but does not have to stop working or no damages to assets or production line (value not more than 5,000 baht)

#### **Responsible for Efficiency in using Resources**

ASIAN expanded its business on the concept of efficiency used of resources, expand on to the business that link together so that it could get maximize benefit out of that.

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.

In 2020, ASIAN will focus on increased its competitive advantage via production efficiency using automatic machine to replace labors and analyze production waste in order to targets how to reduce or reprocess those. Moreover, ASIAN production consumes a lot of energy and water while Thailand, and also the world, impact from water and energy crisis more and more. Therefore, the company will focus on study water and energy used in its production and determine its target for water and energy consumption per toned production.

#### **Responsible for Environment**

Recognizing the changes in our climate and its devastating impacts on property and lives, ASIAN, by Sustainability Committee, has determine that responsible for environment is one key issue for business sustainability. The committee also evaluate the activities which may impact environment and develop policy to manage and control those activities appropriately. Those policies include

#### **Waste Management**

ASIAN always manage waste, including toxic waste, well and ensure that waste management compliance with relevant law and regulations always. The waste management policy has been develop using reduce, reuse, and recycle criteria. All waste from factories and offices has been sorted before disposed, some could reprocess or reuse, some could be recycled. In 2020, the company will collect waste weight according separately and determine targets and goals to reduce waste disposed. Moreover, the company now launched and implement free foam and plastic scroll zone in all the company canteen as the company's fist policy to reduce waste that impact environment. This also bring the issues to our employees' interest and to realize how important they are to safe our environment.

#### **Waste Water Treatment**

As ASIAN production consumed quite a lot of water, the waste water from operation was quite high. All wastewater is treated to meet the Department of Industrial Work's 2017 using biological treatment processes to remove dissolved organic matter prior to discharge. ASIAN has implemented a BOD Online where data on our wastewater quality can be accessed by the Department of Industrial Works and surrounding communities in real-time and the system were continuously monitored by our staff.

Moreover, the company plans to measure volume of disposed water, analyze, and develop plan and target to reduce disposed volume. We will work more from our system in our Phetchaburi factory which we manage the waste water using 100% recycle in to the production line.



### **Air Pollution**

ASIAN highly values the air quality released to the atmosphere because it can impact health of employees and contractors in the refinery area. Also, the surrounding communities and environment of the refinery can be affected. ASIAN never receive complaint on air emission. However, as the air pollution is more and more important, then, the company just determine the issues. The company could emit pollutions from 2 operating activities, energy use and transportation activities, both operate by the company and by its sub-contractors. In 2020 the company will launch the policy to monitor and control air emission from both activities, including develop procedure to monitor all production activities to ensure that there are no activity related to air pollution.

Moreover, ASIAN, by its sustainability committee, push to work more on

- Carbon footprint project. Asian Alliance International Co., Ltd. and Asian Feed Co., Ltd. had join the government project that support factory to calculate its carbon emission and plan to expand into all subsidiaries within 2022. Target will be determined to reduce carbon emission as well.
- Make a push on clean energy project. In 2020, solar rooftop project will be implemented in Asian Alliance International Co., Ltd. as a pilot project.
- Consider and review Packaging policy to use non-toxic and recycle material. The company will review possibility of using and updating this policy in every organization.

### **Responsible for Human Rights**

ASIAN always respects Human rights. The fishery industry in Thailand has been suffer from Illegal, Unreported and Unregulated-IUU fishing and Human trafficking for quite a period of time, which impact business both directly and indirectly. Then, the company made many move towards those such as launch its statement on sustainability and Labors Condition implementation, reviewed our human rights protection policy, and signed the MOU to fight against illegal fishing activities and deny procuring, importing, exporting, transiting and distributing aquatic animals and products obtained from illegal fishing.

In 2020, the company plan to study and develop the business responsiveness to human right using UN Global Compact MOU to show the company responsible and ensure that the company operate under respect to human rights. The guidelines will be developed for directors, management, and employees.

### **Anti-Corruption**

ASIAN continually combat with corruption since 2016, even it could not achieve the certificate from CAC (Thailand's Private Sector Collective Action Coalition Against Corruption). The company showed it determined as the Board of Director target strongly to be certified within 2020.

Since the company launch its Anti-corruption policy in 2016, the company communicate those to every employee. The anti-corruption policy also introduce to the new employees in the orientation. Risk Management Committee also determined that Anti-corruption is one key corporate risk which need to be evaluate, monitor, and take action to reduce risk every year. In 2020, the committee will review the policy again, including monitor compliance of the employee in every company to ensure that the policy was implement.

*Note: Anti-corruption Policy could be read from our website.*

### **Whistle blowing policy**

ASIAN provides 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 under Whistle Blowing Policy. The measurement of protecting the whistle blower also included.

*Note: Whistle Blowing Policy could be read from our website.*

### **Channels for reports and complaint receipts**

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

## Responsible for Stakeholders

Asian determined its stakeholders into 9 groups, which are shareholders, customers, partners or suppliers, creditors, employees, competitors, society, and government organization or other independent agencies. The guideline of treat to all stakeholders has been state in the company's good governance policy and the company's Code of conduct. Intellectual property policy, anti-corruption policy, and risk management also relevant to the guideline as well. In 2020, the company plans to review all of those policies, including review stakeholders' expectation and needs to set up plans and action to response to those expectations. Supply chain development will be one of the important issues in the year as well. The focus will be on improving our partners, analyze risk relevant to partners, how are they important to us, and how to grow together sustainably. Supplier code of conduct must be developed under good governance, environmental and society. The target is to be able to develop the appropriate measurement to implement if significant risk partners were founded in the supply chain.

## 2019 CSR Project

- Uniforms from recycled plastic project.

In 2019, the company created a new employee uniform made from Polyethylene Terephthalate, which we call PET bottles, by changing 12 plastic bottles into a new shirt using recycled yarn from Indorama Ventures. Public Company Limited, a company that has been recycling plastic bottles since 2014 and has been creating polo shirts and T-shirts from recycled plastic bottles continuously, besides Style and quality are good for the minds of executives and employees, but also creating sustainability and good for nature, which is a response to the global conservation trend.





- Garbage collection project.

Asian Sea Corporation PLC. has organized activities "Garbage collection for restoration of natural resources in mangrove forest" at Mangrove Forest Resources Research and Technology Transfer Center 2, Bang Ya Phraek Subdistrict, Mueang District, Samut Sakhon Province on Saturday 1 June 2019.



- Reforestation project

Asian Seafoods Coldstorage (Surat Thani) Co., Ltd. has organized activities "Planting tree" on Father's Day, 5 December 2019.



- Reforestation project

Asian Alliance International Co., Ltd. has organized activities "Planting mangrove forest" at Moo 8, Banbor, Muang, Samut Sakhon, 18 December 2019.



- Blood donation project

Asian Alliance International Co., Ltd. has organized activities "Blood donation" with the Red Cross and Samut Sakhon Hospital.





- San Fan Pan Nam Jai Project

Asian Feed Co., Ltd. has organized the San Fan Pan Nam Jai Project at Nam Nao District, Phetchabun Province on 4 - 6 December 2019, in which 88 employees participated in this activity.



- To assist the disabled project

Asian Alliance International Co., Ltd. has established a project to help the disabled According to the regulations of the National Committee for the Promotion and Development of the Quality of Life of the Disabled, totaling 29 stores for 1 year.



- Animal feed donation project for stray animals.

- Asian Alliance International Co., Ltd. donate animal feed to stray animals at Ban Boonthiva (Ban Phaen) / Khun Ton, Dynamic Group Co., Ltd., twice a month (starting from June - June 2019)

- Asian Group Service Co., Ltd. donated animal feed to stray animals as follows

16 March 2019 at Four-legged house for a stray dog (Ban Pa Ju)

19 June 2019 at the Handicapped Animal Welfare Foundation (In the patronage of Luang Ta Maha Bua Yannasampanno)

16 September 2019 at Mae Pim, Four-legged cat and dog house, Wat Ma Phao Tia.

13 December 2019 at the project to help the underprivileged animals





## 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
<b>Asian Seafoods Coldstorage (Suratthani) Co., Ltd.</b>	Frozen Food Processor	The company's subsidiary.
<b>Asian Alliance International Co., Ltd.</b>	Tuna Frozen and Canning Processor and by-product such as Canned Pet Food and Fishmeal.	The company's subsidiary.
<b>Asian Feed Co., Ltd.</b>	Aquaculture Feed Processor Chemical.	The company's subsidiary.
<b>Asian Seafoods Coldstorage (Sriracha) Co., Ltd.</b>	Frozen fish and processing frozen fish.	Asian Feed Co., Ltd.'s subsidiary. (Registration of cessation completed since May 30 <sup>th</sup> , 2014. The subsidiary is pending liquidation process.)
<b>Asian Food Co., Ltd.</b>	Frozen Food for Domestic Distribute.	The company's subsidiary.
<b>Asian Group Service Co., Ltd.</b>	Operates the business of providing management and marketing services to affiliated companies.	The company's subsidiary.
<b>Thaiya Corporation (Shanghai) Co., Ltd</b>	Market, sale and distribute pet food and frozen product of ASIAN group, including invest to expand the business in China.	Asian Group Service Co., Ltd.'s subsidiary.
<b>Inter Petrina Co., Ltd.</b>	Sale, and distribute pet food products under the Company's brand (MARIA)	Joint venture that holds 40% shares by Asian Group Service Co., Ltd.
<b>Asian Group SCS Europe GmbH</b>	Market, sale, and distribute pet food and frozen products of ASIAN group.	Joint venture that holds 60% shares by Asian Group Service Co., Ltd.
<b>Shangdong Thaiya Meisi Pet Food Co., Ltd.</b>	OEM of dry pet food in China.	Joint venture that holds 41% shares by Asian Group Service Co., Ltd. and 10% shares by Thaiya Corporation (Shanghai) 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	3.85 – 4.15 % 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	3.71 – 4.34 % per annum
Other expense	Cost plus margin and mutually agreed price

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

#### Revenues from its subsidiaries

	Separate Financial Statements	
	2019	2018
	baht	baht
Sales	4,849,526.30	12,163,332.88
Cold storage service income	74,172,609.90	66,467,863.37
Rental income	19,200,000.00	19,200,000.00
Management fee income	63,130,000.80	54,780,000.00
Interest income	10,690,883.68	19,094,886.36
Other income	8,512,739.30	8,081,458.31
	<b>123,738,759.26</b>	<b>179,787,540.92</b>

#### Expenses to its subsidiaries

	Separate Financial Statement	
	2019	2018
	baht	baht
Purchased of raw materials	166,827,435.33	159,415,176.55
Interest expense	13,880,367.41	5,517,360.40
Other expenses	4,213,127.95	6,857,451.14
	<b>184,920,930.69</b>	<b>171,789,988.09</b>

#### Related parties' receivables

	Separate Financial Statement	
	2019	2018
	baht	baht
Trade receivable	8,168,626.83	6,508,601.28
Accrued interest receivable	1,071,260.51	1,149,811.86
Others receivable	14,873,204.23	12,270,473.98
	<b>24,113,092.23</b>	<b>19,928,887.12</b>

#### Loan to related parties

	Separate Financial Statement	
	2019	2018
	baht	baht
Short-term loan	322,079,053.79	356,357,026.96
<u>deduct</u> Allowance for doubtful debts	(41,836,226.35)	(41,836,226.35)
	<b>280,242,827.44</b>	<b>314,520,800.61</b>

Short-term loan to its subsidiaries matures at call with no collateral. Interest rate were 3.85% to 4.15% (3.98% to 4.20% in 2018).

**Related parties' payables**

	Separate Financial Statement	
	2019	2018
	baht	baht
Trade payables	6,052,843.70	2,195,876.42
Accrued interest expenses	1,400,702.24	977,286.02
Other payables	263,688.35	1,917,733.28
	<b>7,717,234.29</b>	<b>5,090,895.72</b>

**Loan from Subsidiaries**

	Separate Financial Statement	
	2019	2018
	baht	baht
Short-term loan	<b>458,237,327.51</b>	<b>270,881,560.53</b>

Short-term loan from its subsidiaries was mature at call with no collateral. Interest rate were 3.71% to 4.30% (3.97% to 4.10% in 2018)

## *Other Important Information*

### Asian Sea Corporation Public Company Limited

Head Office : 55/2 Moo 2 Rama 2 Road, Bangkrajao, Muang, Samutsakhon 74000

Tel : (034) 822204-7, (034) 822700-6 Fax : (034) 822407, (034) 822698-9, (034) 822706

Office : 742 Soi Kluaynamthai, Ardnarong Road, Khlong Toei, Khlong Toei, Bangkok 10110

Tel : (02) 249-7113, (02) 249-5255, (02) 249-9324 Fax : (02) 249-5256, (02) 249-3605, (02) 249-3675

### Asian Seafoods Coldstorage (Suratthani) Co. Ltd.

Address : 57 Moo 4 Tha Sathon, Phun Phin, Surat Thani, 84130

Tel : (077) 276-888 Fax : (077) 276-811, (077) 276-822, (077) 276833

### Asian Alliance International Co., Ltd.

Address : 8/8 Moo 3 Rama 2 Road, Banbor, Muang, Samutsakhon 74000

Tel : (034) 845566-8, (034) 845575-91 Fax : (034) 845547, (034) 845593

### Asian Feed Co., Ltd.

Address : 293 Moo 3 Petchkasem Road km. 180-181, Thayang, Muang, Phetchaburi 76130

Tel : (032) 437922-5 Fax : (032) 437134

### Asian Food Co., Ltd.

Address : 742 Soi Kluaynamthai, Ardnarong Road, Khlong Toei, Khlong Toei, Bangkok 10110

Tel : (02) 249-7113, (02) 249-5255 Fax : (02) 249-5256, (02) 249-3605

### Asian Group Service Co., Ltd.

Address : 3388/22 Rama 4 Road, Khlong Ton, Khlong Toei, Bangkok 10110

Tel : (02) 117-9328 Fax : (02) 117-9329

### Thaiya Corporation (Shanghai) Co., Ltd.

Address: Yingke Zhi Gu tower 12 (1st floor), 67 Dongpu Road, Tianhe District, Guangzhou City, Guangdong Province

### Asian Group SCS Europe GmbH

Address : Toebele 1, 73098 Rechberghausen, Germany

### Inter Petrina Co., Ltd.

Address : 140/9 ITF Tower, 9 Floor, Silom Road, Suriyawong, Bangrak, Bangkok

### Shangdong Thaiya Meisi Pet Food Co., Ltd.

Address : No. 19, Xing'an Road, Economic Development Zone, Shounguang City, Weifang City, Shangdong Province.

# Auditing Report

## 1.Auditor

Asian Sea Corporation 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 2019

Audit fee	,The Company	Subsidiaries
Audit fee for quarterly and year ended statement	1,950,000 Baht	3,200,000 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.

## Management Discussion and Analysis

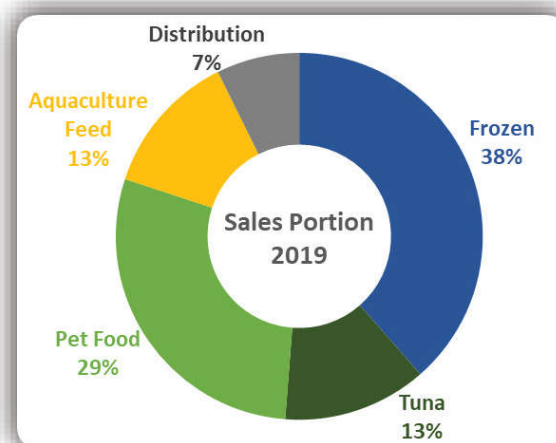
Unit ('000)	2017	2018	2019	% change
<b>Sales and Services Revenues</b>	9,740,171	9,649,482	8,194,029	-15.1%
<b>Gross Profit</b>	1,019,660	1,007,290	652,253	-35.2%
<b>Gross Profit Margin</b>	10.5%	10.4%	8.0%	-23.7%
<b>Net Profit (Loss)</b>	418,022	362,235	132,697	-63.4%
<b>Basic earning per share</b>	0.77	0.67	0.24	-63.4%

### Operating Result

#### Sales and Services Revenues

Sales By Business Segment				
	2018	2019	%Growth	3Q 2019
<b>Volume (Mt)</b>	89,932	88,086	-2%	67,181
Frozen business	14,134	12,261	-13%	10,039
Tuna Business	7,442	9,277	25%	5,586
Pet Food & Fishmeal Business	22,608	22,314	-1%	17,981
Aquaculture Feed Business	38,489	38,652	0%	28,601
Distribution business	7,260	5,582	-23%	4,974
<b>Revenues (Millions Baht)</b>	10,004	8,668	-13%	7,309
Frozen business	4,148	3,340	-19%	2,925
Tuna Business	1,023	1,100	8%	754
Pet Food & Fishmeal Business	3,128	2,499	-20%	2,432
Aquaculture Feed Business	1,097	1,095	0%	805
Distribution business	608	635	4%	393

*\*Sales value and volumes per business including inter-company sales*



Revenues for the full year were 8,194 million baht, a y.o.y. decrease of 15%. With overall production volume the same as last year at 88k mt, this was mainly due to lower prices and lower USD exchange rate. Sales and business development by segment in 2019 are as follow:

#### Petfood Business

Pet food and fishmeal volume in 2019 was almost the same as last year at 22,314 mt, a 1% decrease. Around the end of Q1 till Q3, the demand from the biggest customer in US has slow down due to their strategic change. Their demand recovered again in late Q4 as well as a new major account bringing in volumes. So that the volume in Q4 increased around 12% compare to the year before.

Sales revenues were down around 20% for the full year, half of which is attributable to changes in the product mix, and half to a lower USD as prices adjustment in the segment take quite some time. However, in Q4 prices were adjusted for many accounts, reflecting the low USD rate. Margins are expected to be up to standard in the course of Q1 2020.

The 280 million bahts Automatic Warehouse project, with the capacity of 15,000 pellets, had been complete in December 2019. This will allow termination of rented storage and smoothen the shipping operations as well as increased the opportunity to invest more in new production line for wet petfood segment.

In the course of 2019 significant progress was made with the development of the Monchou pet food brand. A product line-up was completed and both off-line and on-line distribution systems were established, in Thailand and in China. On-line distribution is expected to be the channel that could generate rapid sales growth in 2020 as well as the launch of new competitive brand.

The company diversified into OEM dry pet food manufacturer in China. The 51% acquisition of Shandong Thaiya Meisi Petfood Co., Ltd. was completed in August 2019, and currently Asian's quality systems are being implemented. This is expected to be completed in Q2 next year, upon which the factory is ready to produce for international brands in China, as well as our own Monchou brand.

#### Frozen Business

For 2019, volumes were down 13% to 12,261 mt because of the strategy to stop export commodity shrimp to US and lower volume in Sillago sales to Japan. These two categories are not competitive due to higher production cost in Thailand than in other countries. The strategy to expand customer base in pre-fried product or value-added product does not work well due to less competitive impact by very strong baht. Squid volume was quite stable compare to the year before. Even Asian have quite a strong brand, the growth was limited due to decrease in squid supply. Sales revenues for the full year were 3,340 million baht, a decrease of 19% y.o.y., as a result of lower volumes and lower prices for shrimp.

Along 2019, efficiency and cost reduction are the main focus. Inventories has been significantly decreased to avoid risk from price volatility and cold storage expenses. Production line had been improved. Labors were reduced and replaced by automatic machines.

#### Tuna Business

The canned tuna volume for the full year increased around 25%. This was a result of good demand from our existing customers. Asian Sea has built up an attractive base of niche customers that require more complex specifications, result in satisfy gross profit, and which is



steadily growing. Sales revenues increased 8% y.o.y. due to strong baht and lower average tuna prices compare to the year before. In the course of Q4, tuna prices sank to historic low levels of around 900 USD/mt. Supply of raw materials was good throughout the year.

#### Aquaculture Feed Business

Our Aqua feed business was largely flat in 2019. After a strong first half, shrimp feed volumes dropped in the second half, as a result of lower farming activity. In fish, a strong increase in sea bass feed was recorded, off-set by lower volumes for tilapia and catfish.

During 2019, Asian Sea had made quite a progress on many of its strategies aimed to increase market shares in aquaculture industry. Asian worked hard with the international nutritionist focus on improving feed

quality and prices. Hatching of shrimp larvae to produce larvae with an excellent and stable quality, as this is considered a bottle neck in the industry. Having completed several cycles with good feedback from customers, the hatchery is now being scaled up with the objective to produce a half billion larvae in 2020. It is expected this will enhance our feed business as it allows us to further work on quality programs throughout the chain.

The other important strategy is to tighten its credit policy together with using court process to manage overdues issues. This has been implemented since 2018 aimed to improve debts quality and reduce allowance for doubtful debts of the company. In 2019, the allowance for doubtful debt was not increased even though the new TFRS standard has implement.

#### **Expenses and Profits**

Gross profit for the year was at 652 million baht, 35% decrease y.o.y. Gross profit margin was 8.0%, compared to 9.4% last year (adjusted for TFRS15 changes) due to lower margin in shrimp frozen products and weaken US dollars.

Other income was mainly related to refunded duties and FX gains was the result of hedge contracts. Non-recurring income was related to reversal of allowance for bad debtors.

EBIT for the year amounted to 241 million baht, around half compared to last year. This was a result of the lower gross profit, partly off-set by lower SG&A and better FX hedge results. Financial cost decreased significantly due to lower working capital (lower inventory) result in lower interest bearing debt. Net profit for year was 133 million baht (362 million baht last year).

#### **Financial Position**

##### **Assets**

The company and its subsidiaries have total assets of 5,822 million baht, decreased from 6,542 million baht around 11% mainly from lower inventory and receivables. The capital expenditures in 2019 amounted to 298 million baht, mostly due to Automatic Warehouse project of Asian Alliance International Co., Ltd. and investment in JV in both CN and Europe. Depreciation amounted to 207 million baht (198 million baht in 2018).

##### **Sources of fund**

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

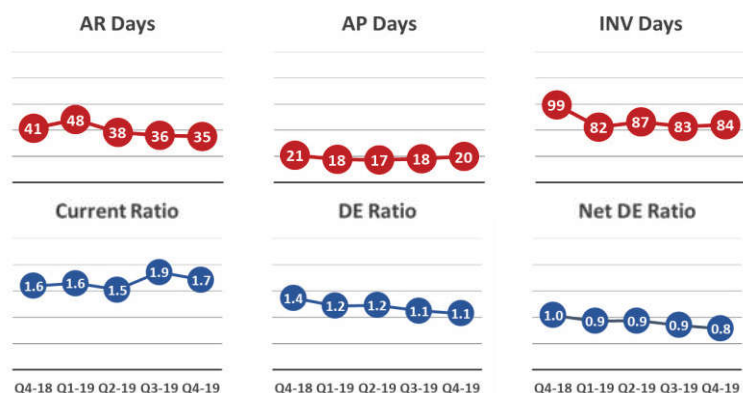
- Shareholders' Equity: The company's equity was 2,811 million baht, not very much increased from at 2,765 last year.
- Current Liabilities: Total current liabilities were 1,590 million baht, decreased around 700 million baht compare to 2018. Net working capital at the end of the year decreased 824 million baht to 2,081 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 2019 are as follow:

Type of facilities (million baht)	Total Facilities	Outstanding Balance	Available
Short-term	3,003.0	333.4	2,669.6
B/E	500.0	-	500.0

- Long term debts & debentures: In 2019, the Company's long-term credit and debentures were as follows:

Type of Loans (million baht)	Total Facilities (million baht)	Approval Dates	Outstanding	Type of Loans (million baht)
Long Term Loan	1,500.0	July 2017	880.0	340.0
Long Term Loan	550.0	June 2018	432.1	78.6
Long Term Loan	300.0	September 2019	275.0	100.0
Long Term Loan	300.0	September 2019	275.0	100.0

*Note: As of 31<sup>st</sup> December, 2019, 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*



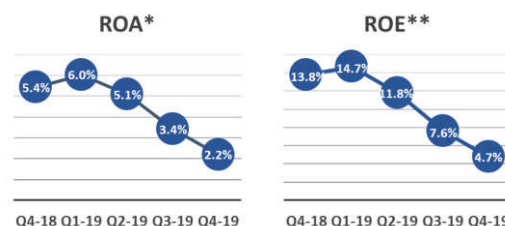
## Liquidity

AR days of the company is better compare to last year. AP days is at the same rate while inventory days is decreased significantly to 84 days (LY: 99 days) again as frozen inventory volume decreased

The Current Ratio is 1.7. The Debt to Equity ratio decreased from 1.4 a year before to 1.1 as per 31<sup>st</sup> December 2019. Under the terms of long-term loan agreements, the D/E ratio must be below 2.0 since year-end of 2017 till the maturity date. Net Debt to Equity ratio was 0.8 at year end.

## Assets Management Efficiency

Asset Management efficiency is lower compared to the year before as Return on assets is 2.2% at year end 2019 compare to 5.4% last year. Return on Equity is at 4.7%, which was decreased as the profit decreased and the equity increased. Book value per share increased to 5.18 baht per share comparing to 5.09 baht per share last year from the operating profit this year (calculated at 542.73 million shares which are the number of shares at 31<sup>st</sup> December 2019).



\*ROA= last 4 quarter net profit/Average total Asset of that 4 quarters

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

## Other Important Obligations or 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 2019, the Company managed to maintain D/E and current ratio as required and its debt service coverage ratio also surpassed 1.2 times.

### Dividend Payout

In 2019, 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 2019 to the shareholders of the company at the rate of 0.20 baht per share, paid from the retain earning of businesses that are not exempted from corporate income tax (Non-BOI), all of which is approximately 81.8% of the net profit from the consolidated operating results of the company and subsidiaries. The Board of Directors considered that the company had quite high cashflow from operation in the past 2 years, balance sheet continuously improved. The company, then, has enough potential to support the investment plan during the year 2020-2022 as well as to support changes in economic conditions both domestically and internationally.

### Significant non-recurring transactions

- The company could reversed back around 10 million baht allowance for doubtful debt as the AR management in aquaculture business was improved.
- The company lay-off part of labors in Frozen business and booked more employee benefit obligations as the regulation changed. The total impact to the performance was around 21 millions baht.

## Independent Auditor's Report

To the Shareholders of Asian Sea Corporation Public Company Limited and its subsidiaries (Formerly known as "Asian Seafoods Coldstorage Public Company Limited")

### Opinion

I have audited the accompanying consolidated financial statements of Asian Sea Corporation Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of 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 Sea Corporation 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 Sea Corporation Public Company Limited and its subsidiaries and of Asian Sea Corporation Public Company Limited as at 31 December 2019, 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 77% 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 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 2019, the Group had an outstanding balance of trade receivables over 12 months, amounting to Baht 222.6 million, while allowance for doubtful debts of Baht 197.0 million, representing 20% 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: 25 February 2020

Asian Sea Corporation Public Company Limited and its subsidiaries

(Formerly known as “Asian Seafoods Coldstorage Public Company Limited”)

Statement of financial position

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	102,876,298	96,774,777	6,849,656	26,288,062
Trade and other receivables	8	822,865,806	1,125,283,504	166,314,540	234,975,632
Short-term loans to subsidiaries	6	-	-	280,242,827	314,520,801
Inventories	9	1,738,255,956	2,354,445,120	251,586,226	613,154,087
Other current assets		54,355,378	71,323,791	9,740,071	13,707,008
<b>Total current assets</b>		<b>2,718,353,438</b>	<b>3,647,827,192</b>	<b>714,733,320</b>	<b>1,202,645,590</b>
<b>Non-current assets</b>					
Restricted bank deposits	10	18,524,722	-	-	-
Investments in subsidiaries	11	-	-	2,474,993,000	2,474,993,000
Investments in joint ventures	12	43,623,682	-	-	-
Investment in associate	13	-	-	-	-
Long-term loans to joint ventures	6	7,408,789	107,528	-	-
Long-term loans to associate	6	568,736	1,562,361	-	-
Investment properties	14	47,813,857	40,301,375	-	-
Property, plant and equipment	15	2,844,680,224	2,689,102,631	1,217,973,980	1,217,218,619
Intangible assets	16	40,711,864	40,323,424	35,335,420	38,467,939
Deferred tax assets	25	76,675,073	100,056,867	-	-
Other non-current assets		23,852,907	22,466,424	18,853,754	18,042,104
<b>Total non-current assets</b>		<b>3,103,859,854</b>	<b>2,893,920,610</b>	<b>3,747,156,154</b>	<b>3,748,721,662</b>
<b>Total assets</b>		<b>5,822,213,292</b>	<b>6,541,747,802</b>	<b>4,461,889,474</b>	<b>4,951,367,252</b>

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



Asian Sea Corporation Public Company Limited and its subsidiaries

(Formerly known as “Asian Seafoods Coldstorage Public Company Limited”)

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	17	333,436,094	1,060,960,693	12,048,235	219,275,666
Short-term loans from subsidiaries	6	-	-	458,237,327	270,881,561
Trade and other payables	18	610,208,117	697,277,077	92,550,530	158,545,318
Current portion of long-term loans	19	618,270,324	487,807,113	518,571,428	487,807,113
Current portion of finance lease liabilities	20	579,921	872,553	228,957	536,127
Income tax payable		421,652	-	-	-
Other current liabilities		26,865,734	44,232,097	3,549,100	14,340,432
Total current liabilities		1,589,781,842	2,291,149,533	1,085,185,577	1,151,386,217
Non-current liabilities					
Long-term loans	19	1,243,186,257	1,312,142,858	1,068,571,430	1,312,142,858
Finance lease liabilities	20	396,590	976,511	-	228,957
Provision for long-term employee benefits	21	66,509,177	54,230,997	30,543,531	28,459,811
Deferred tax liabilities	25	111,149,374	117,184,027	87,529,735	81,545,161
Other non-current liabilities		916,821	914,251	909,112	906,540
Total non-current liabilities		1,422,158,219	1,485,448,644	1,187,553,808	1,423,283,327
Total liabilities		3,011,940,061	3,776,598,177	2,272,739,385	2,574,669,544

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

Asian Sea Corporation Public Company Limited and its subsidiaries

(Formerly known as “Asian Seafoods Coldstorage Public Company Limited”)

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Shareholders' equity					
Share capital					
Registered					
542,727,549 ordinary shares of Baht 1 each		542,727,549	542,727,549	542,727,549	542,727,549
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	22	54,000,000	54,000,000	54,000,000	54,000,000
Unappropriated		1,197,072,875	1,203,404,013	632,864,163	847,957,026
Other components of shareholders' equity		463,658,813	412,204,069	406,744,383	379,199,139
Total shareholders' equity		2,810,273,231	2,765,149,625	2,189,150,089	2,376,697,708
Total liabilities and shareholders' equity		5,822,213,292	6,541,747,802	4,461,889,474	4,951,367,252

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

Directors

Asian Sea Corporation Public Company Limited and its subsidiaries

(Formerly known as "Asian Seafoods Coldstorage Public Company Limited")

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Sales	26	8,180,004,026	9,635,184,895	1,736,636,330	2,135,016,886
Cold storage service income	26	14,025,334	14,297,231	88,197,944	80,765,094
Reversal of allowance for impairment of investments in subsidiaries		-	-	-	39,993,000
Other income		136,792,058	148,810,963	127,473,865	131,924,117
Total revenues		8,330,821,418	9,798,293,089	1,952,308,139	2,387,699,097
Expenses					
Cost of sales and services		7,541,776,209	8,642,191,940	1,762,277,223	2,056,791,998
Selling and distribution expenses		236,482,905	293,583,090	42,650,292	103,041,954
Administrative expenses		303,589,308	366,036,159	140,071,462	139,938,278
Total expenses		8,081,848,422	9,301,811,189	1,944,998,977	2,299,772,230
Profit before share of loss from investments in joint ventures and associate, finance cost and tax income (Income tax expenses)					
		248,972,996	496,481,900	7,309,162	87,926,867
Share of loss from investments in joint ventures	12	(5,308,530)	(6,500,535)	-	-
Share of loss from investment in associate	13	(2,593,625)	-	-	-
Profit before finance cost and tax income (Income tax expenses)					
		241,070,841	489,981,365	7,309,162	87,926,867
Finance cost		(103,216,537)	(132,329,473)	(86,547,906)	(97,621,333)
Profit (loss) before tax income (Income tax expenses)					
		137,854,304	357,651,892	(79,238,744)	(9,694,466)
Tax income (income tax expenses)	25	(5,157,352)	4,582,664	636,628	(9,311,304)
Profit (loss) for the year					
		132,696,952	362,234,556	(78,602,116)	(19,005,770)

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

Asian Sea Corporation Public Company Limited and its subsidiaries

(Formerly known as "Asian Seafoods Coldstorage Public Company Limited")

Statement of comprehensive income (continued)

For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Exchange differences on translation of					
financial statements in foreign currency		(2,765,547)	-	-	-
Other comprehensive income to be reclassified		(2,765,547)	-	-	-
<i>to profit or loss in subsequent periods</i>					
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Surplus on revaluation of land - net of income tax		54,220,291	-	27,545,244	-
Actuarial loss - net of income tax	21	(3,597,778)	-	(1,060,435)	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		50,622,513	-	26,484,809	-
<b>Other comprehensive income for the year</b>		<b>47,856,966</b>	<b>-</b>	<b>26,484,809</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>180,553,918</b>	<b>362,234,556</b>	<b>(52,117,307)</b>	<b>(19,005,770)</b>
<b>Earnings per share</b>					
27					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		0.24	0.67	(0.14)	(0.04)
(Unit: Share)					
Weighted average number of ordinary shares		542,727,549	542,727,549	542,727,549	542,727,549

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

Asian Sea Corporation Public Company Limited and its subsidiaries  
(Formerly known as "Asian Seafoods Coldstorage Public Company Limited")

Statement of changes in shareholders' equity

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements									
	Other components of equity									
	Other comprehensive income									
	Retained earnings		Exchange differences		Total other components of shareholders' equity		Surplus on revaluation of land		Total	
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated	on translation of financial statements in foreign currency					
<b>Balance as at 1 January 2018</b>	542,727,549	552,813,994	54,000,000	976,844,819	-	412,204,069	412,204,069	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)	
<b>Balance as at 31 December 2018</b>	542,727,549	552,813,994	54,000,000	1,203,404,013	-	412,204,069	412,204,069	412,204,069	2,765,149,625	
<b>Balance as at 1 January 2019</b>	542,727,549	552,813,994	54,000,000	1,203,404,013	-	412,204,069	412,204,069	412,204,069	2,765,149,625	
Profit for the year	-	-	-	132,696,952	-	-	-	-	132,696,952	
Other comprehensive income for the year	-	-	-	(3,597,778)	(2,765,547)	54,220,291	54,220,291	54,220,291	47,856,966	
Total comprehensive income for the year	-	-	-	129,099,174	(2,765,547)	54,220,291	54,220,291	54,220,291	180,553,918	
Dividend paid (Note 30)	-	-	-	(135,430,312)	-	-	-	-	(135,430,312)	
<b>Balance As at 31 December 2019</b>	542,727,549	552,813,994	54,000,000	1,197,072,875	(2,765,547)	466,424,360	466,424,360	463,658,813	2,810,273,231	
									-	
									-	

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

**Asian Sea Corporation Public Company Limited and its subsidiaries**  
**(Formerly known as “Asian Seafoods Coldstorage Public Company Limited”)**  
**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2019**

(Unit: Baht)

	Separate financial statements						
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity		Total
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Surplus on revaluation of land	
<b>Balance as at 1 January 2018</b>	542,727,549	552,813,994	54,000,000	1,002,638,158	379,199,139	2,531,378,840	
Loss 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)	
<b>Balance as at 31 December 2018</b>	542,727,549	552,813,994	54,000,000	847,957,026	379,199,139	2,376,697,708	
<b>Balance as at 1 January 2019</b>	542,727,549	552,813,994	54,000,000	847,957,026	379,199,139	2,376,697,708	
Loss for the year	-	-	-	(78,602,116)	-	(78,602,116)	
Other comprehensive income for the year	-	-	-	(1,060,435)	27,545,244	26,484,809	
Total comprehensive income for the year	-	-	-	(79,662,551)	27,545,244	(52,117,307)	
Dividend paid (Note 30)	-	-	-	(135,430,312)	-	(135,430,312)	
<b>Balance As at 31 December 2019</b>	542,727,549	552,813,994	54,000,000	632,864,163	406,744,383	2,189,150,089	

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



(Formerly known as "Asian Seafoods Coldstorage Public Company Limited")

## Cash flow statement

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	137,854,304	357,651,892	(79,238,744)	(9,694,466)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	207,462,429	198,164,795	49,415,508	49,745,264
Allowance for doubtful debts (reversal)	(10,216,995)	3,307,285	(1,048,894)	(688,726)
Write-off of bad debts	-	183,596	-	-
Reversal of reduction of cost of inventories to net realisable value	(22,352,401)	(27,165,884)	(4,580,328)	(11,217,728)
Loss on impairment of land and buildings	1,083,408	-	-	-
Write-off of withholding income tax	536,601	55,103	-	55,103
Reversal of allowance for impairment of investments in subsidiaries	-	-	-	(39,993,000)
(Gain) loss on sales/write-off of equipment	(1,747,312)	10,833,680	(613,641)	8,715,478
Long-term employee benefit expenses	20,895,980	6,968,294	10,139,815	3,084,543
Unrealised loss (gain) on exchange rate	2,005,220	1,113,421	31,208	(613,412)
(Gain) loss on forward exchange contracts	(416,646)	582,007	(289,010)	541,375
Share of loss from investments in joint ventures	5,308,530	6,500,535	-	-
Share of loss from investment in associate	2,593,625	-	-	-
Interest income	(5,224,741)	(1,858,799)	(10,937,509)	(19,442,426)
Interest expense	103,216,537	132,329,473	86,547,906	97,621,333
Profit from operating activities before changes in operating assets and liabilities	440,998,539	688,665,398	49,426,311	78,113,338
Operating assets (increase) decrease				
Trade and other receivables	306,357,948	54,523,698	69,722,536	(37,584,867)
Inventories	638,541,565	354,867,195	366,148,189	(16,626,868)
Other current assets	16,968,413	(34,954,888)	3,966,937	(1,439,861)
Other non-current assets	(828,493)	(1,532,082)	65,600	(1,028,670)
Operating liabilities increase (decrease)				
Trade and other payables	(154,343,788)	92,474,993	(62,917,044)	53,677,212
Other current liabilities	(17,366,363)	256,638	(10,791,332)	7,590,065
Cash paid for long-term employee benefits	(13,115,022)	(6,319,622)	(9,381,639)	(4,910,954)
Other non-current liabilities	(15,750)	(1,130,555)	(15,748)	(1,130,556)
Cash flows from operating activities	1,217,197,049	1,146,850,775	406,223,810	76,658,839
Cash paid for interest	(105,363,139)	(134,867,415)	(87,111,070)	(98,278,240)
Cash paid for income tax	(6,045,552)	(8,449,294)	(5,784,025)	(5,723,511)
Cash received from withholding income tax	4,906,774	9,702,629	4,906,774	9,702,629
<b>Net cash flows from (used in) operating activities</b>	<b>1,110,695,132</b>	<b>1,013,236,695</b>	<b>318,235,489</b>	<b>(17,640,283)</b>

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

(Formerly known as "Asian Seafoods Coldstorage Public Company Limited")

## Cash flow statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposits	(18,524,722)	-	-	-
Cash payments for acquisitions of equipment	(231,705,715)	(233,535,500)	(22,464,397)	(26,068,432)
Cash payments for acquisitions of computer software and trademark	(3,969,141)	(1,641,841)	(113,953)	(200,912)
Proceeds from sales of equipment	10,655,067	340,699	8,957,161	240,587
Decrease in short-term loans to subsidiaries	-	-	34,277,974	215,842,973
Cash paid for investment in subsidiary	-	-	-	(10,000,000)
Cash paid for investments in joint ventures	(44,487,200)	(2,171,500)	-	-
Increase in long-term loans to joint ventures	(11,988,170)	(6,278,800)	-	-
Increase in long-term loan to associate	(1,600,000)	-	-	-
Interest received	2,086,401	1,771,937	11,016,060	20,192,569
<b>Net cash flows from (used in) investing activities</b>	<b>(299,533,480)</b>	<b>(241,515,005)</b>	<b>31,672,845</b>	<b>200,006,785</b>
<b>Cash flows from financing activities</b>				
(Decrease) increase in bank overdrafts and short-term loans from banks	(727,006,409)	(217,752,370)	(207,182,959)	71,794,940
Increase in short-term loans from subsidiaries	-	-	187,355,766	258,081,561
Cash received from long-term loans	600,000,000	550,000,000	300,000,000	550,000,000
Repayment of long-term loans	(538,561,428)	(559,285,714)	(513,571,428)	(559,285,714)
Repayment of long-term debentures	-	(350,000,000)	-	(350,000,000)
Decrease in finance lease liabilities	(872,553)	(878,944)	(536,127)	(541,493)
Dividend paid	(135,411,992)	(135,670,200)	(135,411,992)	(135,670,200)
<b>Net cash flows used in financing activities</b>	<b>(801,852,382)</b>	<b>(713,587,228)</b>	<b>(369,346,740)</b>	<b>(165,620,906)</b>
<b>Decrease in exchange differences on translation of financial statements in foreign currency</b>	<b>(3,207,749)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,101,521</b>	<b>58,134,462</b>	<b>(19,438,406)</b>	<b>16,745,596</b>
Cash and cash equivalents at beginning of year	96,774,777	38,640,315	26,288,062	9,542,466
<b>Cash and cash equivalents at end of year</b>	<b>102,876,298</b>	<b>96,774,777</b>	<b>6,849,656</b>	<b>26,288,062</b>
	-	-	-	-

## Supplemental cash flows information

## Non-cash transactions

Increase (decrease) in other payables for acquisitions of equipment	69,969,405	1,107,009	(1,628,035)	780,679
Decrease in other payables for acquisitions of computer software	-	(424,992)	-	-
Acquisitions of equipment under finance lease liabilities	-	538,318	-	-
Increase in dividend payable	18,320	5,162	18,320	5,162
Surplus on revaluation of land	67,775,363	-	34,431,556	-
Investment properties received from proceeds on sales of goods	7,512,482	-	-	-
Actuarial loss	(4,497,222)	-	(1,325,544)	-

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

**Asian Sea Corporation Public Company Limited and its subsidiaries**  
**(Formerly known as “Asian Seafoods Coldstorage Public Company Limited”)**

**Notes to consolidated financial statements**

**For the year ended 31 December 2019**

**1. General information**

Asian Sea Corporation 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 Samutsakorn, Samutsakorn. There are 8 branches located in Bangkok, Samutsakorn, and Songkhla. The Company registered with the Ministry of Commerce for the change of its name to “Asian Sea Corporation Public Company Limited” on 11 November 2019.

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

#### TFRS 15 Revenue from Contracts with Customers

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

##### Accounting Standards

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue

##### Accounting Standard Interpretation

TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
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##### Financial Reporting Standard Interpretations

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 TFRS 15 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 Group adopted this standard using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated. The Group elects to apply the practical expedient by not restate completed contracts as at 1 January 2019 for which the entity has transferred all of the goods or services identified in accordance with the previous accounting policy.

The amounts of adjustments and classifications affecting the statements of financial position as at 31 December 2019 and the statements of comprehensive income for the year ended 31 December 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Previous accounting policy	Increase	TFRS 15
<b>Statement of financial position</b>			
<b>Assets</b>			
Other current assets	51,536	2,819	54,355
<b>Liabilities</b>			
Other current liabilities	24,047	2,819	26,866
<b>Shareholders' equity</b>			
Retained earnings	1,251,073	-	1,251,073

Consolidated financial statements			
For the year ended 31 December 2019			
	Previous accounting policy	Increase (decrease)	IFRS 15
<b>Statement of comprehensive income</b>			
<b>Profit or loss</b>			
Sales	8,180,350	(346)	8,180,004
Cold storage service income	14,025	-	14,025
Other income	136,792	-	136,792
Cost of sales and services	(7,471,952)	(69,824)	(7,541,776)
Selling and distribution expenses	(306,653)	70,170	(236,483)
Administrative expenses	(303,589)	-	(303,589)
Share of loss from investments in joint ventures	(5,309)	-	(5,309)
Share of loss from investment in associate	(2,593)	-	(2,593)
Finance cost	(103,217)	-	(103,217)
Income tax expenses	(5,157)	-	(5,157)
<b>Profit for the year</b>	<b>132,697</b>	<b>-</b>	<b>132,697</b>
<b>Earnings per share (Baht)</b>			
Basic earnings per share	0.24	-	0.24

(Unit: Thousand Baht)

Separate financial statements			
	Previous accounting policy	Increase	IFRS 15
<b>Statement of financial position</b>			
<b>Assets</b>			
Other current assets	8,761	979	9,740
<b>Liabilities</b>			
Other current liabilities	2,570	979	3,549
<b>Shareholders' equity</b>			
Retained earnings	686,864	-	686,864

(Unit: Thousand Baht)

Separate financial statements			
For the year ended 31 December 2019			
	Previous accounting policy	Increase (decrease)	IFRS 15
<b>Statement of comprehensive income</b>			
<b>Profit or loss</b>			
Sales	1,736,314	322	1,736,636
Cold storage service income	88,198	-	88,198
Other income	127,474	-	127,474
Cost of sales and services	(1,723,102)	(39,175)	(1,762,277)
Selling and distribution expenses	(81,503)	38,853	(42,650)
Administrative expenses	(140,072)	-	(140,072)
Finance cost	(86,548)	-	(86,548)
Tax income	637	-	637
<b>Loss for the year</b>	<b>(78,602)</b>	<b>-</b>	<b>(78,602)</b>
<b>Loss per share (Baht)</b>			
Basic loss per share	(0.14)	-	(0.14)

The nature of these adjustments and classifications are described below.

- Transportation service revenue - The Group has determined that transportation service revenue 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 of goods.

- Related cost - The Group has determined that transportation service expense should be recognised as cost on a systematic basis which is consistent with the pattern of revenue recognition. Previously, transportation service expense was recognised as selling and distribution expenses in full upon the condition of services.

#### **b) Financial reporting standards that will be effective for fiscal years beginning on or after 1 January 2020**

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

##### **Financial reporting standards related to financial instruments**

The set of TFRSs related to financial instruments 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

##### **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 expects the adoption of these accounting standards to result in the following adjustments.

- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

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

##### **TFRS 16 Leases**

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

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

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 30 million (the Company only: approximately Baht 13 million) and the Group's liabilities by approximately Baht 30 million (the Company only: approximately Baht 13 million).

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### ***Sales of goods and rendering of transportation services***

##### ***Sales of goods***

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

##### ***Rendering of transportation services***

Upon the condition of sales which included transportation services, revenue arrangements with multiple deliverables are allocated between the element in proportion to the delivered products and the obligations to be performed in providing transportation services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract. Transportation service revenue is recognised as revenue over the periods.



The obligation to transfer services to a customer for which the Group has received consideration or an amount of consideration due from the customer is presented under the caption of “Other current liabilities” in the statement of financial position, which are recognised as revenue over the period of transportation services.

#### ***Cold storage service income and other service income***

Cold storage service income and other service income is recognised on an accrual basis over the service period and the rates agreed by counterparties.

#### ***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 Group 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 and work in process 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.

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 and associate are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

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

### **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	2 - 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 accumulated 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.

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

	<u>Useful lives</u>
Trademark	10 years
Computer software	10 - 15 years

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

#### 4.11 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 defined benefit plans are recognised immediately in other comprehensive income.

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

#### **4.14 Provisions**

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

#### **4.15 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

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

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

#### **4.16 Derivatives**

##### **Forward exchange contracts**

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

##### **Interest rate swap contracts**

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

#### **4.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that is appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows.

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

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

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

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

## 5. Significant accounting judgements and estimates

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

### **Revenue from contracts with customers**

#### ***Identification of performance obligations***

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

#### ***Determination of timing of revenue recognition***

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances.

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation.

### **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 15 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.

	Consolidated financial statements		Separate financial statements		(Unit: Thousand Baht)
	2019	2018	2019	2018	Pricing policy
<b>Transactions with subsidiaries</b>					
(eliminated from the consolidated financial statements)					
Sales	-	-	4,850	12,163	Cost plus margin
Cold storage service income	-	-	74,173	66,468	Contract price
Rental income	-	-	19,200	19,200	Contract price
Management fee income	-	-	63,130	54,780	Mutually agreed price
Interest income	-	-	10,691	19,095	3.85% - 4.15% per annum (2018: 3.98% - 4.20% per annum)
Other income	-	-	8,513	8,081	Cost plus margin and mutually agreed price
Purchases of raw materials	-	-	166,827	159,415	Cost plus margin
Interest expense	-	-	13,880	5,517	3.71% - 4.34% per annum (2018: 3.97% - 4.10% per annum)
Other expenses	-	-	4,213	6,857	Cost plus margin and mutually agreed price
<b>Transactions with joint ventures</b>					
Sales	-	3,825	-	-	Cost plus margin
Interest income	383	87	-	-	4.00% - 5.00% per annum (2018: 4.00% per annum)
Other income	-	63	-	-	Mutually agreed price
Other expenses	365	308	-	-	Mutually agreed price
<b>Transactions with associate</b>					
Sales	15,212	-	-	-	Cost plus margin
Interest income	87	-	-	-	4.00% per annum
Other income	617	-	-	-	Mutually agreed price
Other expenses	236	-	-	-	Mutually agreed price

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related parties are as follows.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Trade receivables - related parties (Note 8)</b>				
Subsidiaries	-	-	8,169	6,509
Joint ventures	-	48	-	-
Associate	3,762	-	-	-
Total	3,762	48	8,169	6,509
<b>Other receivables - related parties (Note 8)</b>				
Subsidiaries	-	-	15,944	13,420
Joint ventures	439	80	-	-
Associate	94	7	-	-
Total	533	87	15,944	13,420
<b>Trade payables - related parties (Note 18)</b>				
Subsidiaries	-	-	6,053	2,196
Total	-	-	6,053	2,196
<b>Other payables - related parties (Note 18)</b>				
Subsidiaries	-	-	1,665	2,895
Total	-	-	1,665	2,895

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

Short-term loans to and short-term loans from subsidiaries are due at call and unsecured. During the current year, movements in the short-term loans to and short-term loans from subsidiaries accounts are as follows.

(Unit: Thousand Baht)

Short-term loans to	Interest rate (percent per annum)	Separate financial statements			
		Balance as at 31 December 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2019
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	4.04 - 4.15	235,327	569,863	(805,190)	-
Asian Feed Co., Ltd.	3.85 - 4.15	108,000	194,580	(197,780)	104,800
Asian Food Co., Ltd.	3.85 - 3.92	-	115,007	(56,695)	58,312
Asian Group Services Co., Ltd.	3.85 - 4.15	13,030	152,114	(6,177)	158,967
Total		356,357	1,031,564	(1,065,842)	322,079
Less: Allowance for doubtful debts		(41,836)	-	-	(41,836)
Total short-term loans to - net		314,521	1,031,564	(1,065,842)	280,243

(Unit: Thousand Baht)

Short-term loans from	Interest rate (percent per annum)	Separate financial statements			
		Balance as at 31 December 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2019
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	3.79 - 3.92	-	465,133	(383,896)	81,237
Asian Alliance International Co., Ltd.	3.71 - 4.34	227,000	969,360	(819,360)	377,000
Asian Food Co., Ltd.	4.17 - 4.30	43,882	215,357	(259,239)	-
Total short-term loans from		270,882	1,649,850	(1,462,495)	458,237

### Long-term loans to joint ventures

In May 2018, Asian Group Services Co., Ltd. entered into a joint venture agreement with another company to establish Asian Group SCS Europe GmbH (the joint venture). The joint venture agreement indicated that Asian Group Services Co., Ltd. and the other company have provided loans of Euro 240,000 and Euro 160,000, respectively, to Asian Group SCS Europe GmbH. Asian Group SCS Europe GmbH is entitled to request approval of additional loans. The principal and interest are to be repaid when the joint venture has sufficient income to repay the loan, which carries interest at a rate of 4% per annum and is not secured.

As at 31 December 2019, Asian Group Services Co., Ltd. has a loan of Euro 250,000 (2018: Euro 120,000) to the joint venture (Asian Group SCS Europe GmbH) and classified this as long-term loan to joint venture, in accordance with the terms and conditions of principal repayment in the agreement.

In August 2019, Thaiya Corporation (Shanghai) Co., Ltd. (Subsidiary of Asian Group Services Co., Ltd.) and another company entered into a joint venture agreement to establish Shangdong Thaiya Meisi Pet Foods Co., Ltd. (the joint venture) and a long-term loan agreement granting a loan of RMB 5 million to Shangdong Thaiya Meisi Pet Foods Co., Ltd. The loan principal is to be repaid within 3 years after the loan is received. Thaiya Corporation (Shanghai) Co., Ltd. and the other company are to provide loans of RMB 2.55 million and RMB 2.45 million, respectively, to Shangdong Thaiya Meisi Pet Foods Co., Ltd. This loan is unsecured and carries interest at a rate of 5% per annum. The interest is to be paid in half-year installments.

As at 31 December 2019, Thaiya Corporation (Shanghai) Co., Ltd. has granted a long-term loan of RMB 1.71 million (2018: None) to the joint venture (Shandong Thaiya Meisi Pet Foods Co., Ltd.).

During the current year, movements in the long-term loans to joint ventures account are as follows.

(Unit: Thousand Baht)

Long-term loans to	Consolidated financial statements					
	Balance as at 31 December 2018	Increase during the year	Unrealised loss on exchange rate	Recognised share of loss	Recognised share of translation of financial statements in foreign currency	Balance as at 31 December 2019
Asian Group SCS Europe GmbH	108	4,603	(684)	(4,669)	666	24
Shandong Thaiya Meisi Pet Foods Co., Ltd.	-	7,385	-	-	-	7,385
Total	108	11,988	(684)	(4,669)	666	7,409



#### Long-term loans to associate

In May 2018, Asian Group Services Co., Ltd. entered into a joint venture agreement with another company to establish Inter Petrina Co., Ltd. (an associate). The joint venture agreement indicated that Asian Group Services Co., Ltd. and the other company have provided loans of Baht 1.6 million and Baht 2.4 million, respectively to Inter Petrina Co., Ltd. Inter Petrina Co., Ltd. is entitled to request approval of additional loans. The principal is to be repaid when the associate's operating results are good enough, as approved by meetings of both shareholders. The loan is not secured and carries interest at a rate of 4% per annum, interest is to be paid in specified installments as prescribed in the agreement.

As at 31 December 2019, Asian Group Services Co., Ltd. has granted a loan of Baht 3.2 million (2018: Baht 1.6 million) to the associate (Inter Petrina Co., Ltd.) and classified this as long-term loan to associate, in accordance with the terms and conditions of principal repayment in the agreement.

During the current year, movements in the long-term loans to associate account are as follows.

(Unit: Thousand Baht)

Long-term loans to	Consolidated financial statements			
	Balance as at 31 December 2018	Increase during the year	Recognised share of loss	Balance as at 31 December 2019
Inter Petrina Co., Ltd.	1,562	1,600	(2,593)	569
Total	1,562	1,600	(2,593)	569

#### **Directors and management's benefits**

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	13,874	14,622	5,782	9,114
Post-employment benefits	2,624	591	1,407	347
Total	16,498	15,213	7,189	9,461

#### **Guarantees obligations with related parties**

The Company has guaranteed bank credit facilities of the subsidiaries as described in Notes 17 and 31.4 c) to the financial statements without charging guarantee fee.

The Company's bank overdraft and short-term bank loan facilities are guaranteed by Asian Seafoods Coldstorage (Suratthani) Co., Ltd. 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. and secured by the mortgage of the land and the buildings of Asian Feed Co., Ltd. without charging guarantee fee.

## **7. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	685	605	42	28
Bank deposits	102,191	96,170	6,808	26,260
Total	102,876	96,775	6,850	26,288

As at 31 December 2019, bank deposits in savings accounts carried interests between 0.13% and 0.63% per annum (2018: 0.13% and 0.75% per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Trade receivables - related parties (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	-	48	7,087	6,433
Past due up to 3 months	3,762	-	1,082	76
Total trade receivables - related parties	3,762	48	8,169	6,509
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	506,783	662,407	111,780	197,171
Past due				
Up to 3 months	225,100	372,827	28,364	14,533
3 - 6 months	8,458	22,454	6	300
6 - 12 months	21,324	32,617	-	2
Over 12 months	222,638	208,246	5,849	6,898
Total	984,303	1,298,551	145,999	218,904
Less: Allowance for doubtful debts	(197,041)	(208,246)	(5,849)	(6,898)
Total trade receivables - unrelated parties, net	787,262	1,090,305	140,150	212,006
Total trade receivables - net	791,024	1,090,353	148,319	218,515
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	-	-	14,873	12,270
Other receivables - unrelated parties	80,232	83,196	1,664	2,942
Forward contract receivables	1,503	1,086	388	99
Interest receivable from related parties (Note 6)	533	87	1,071	1,150
Total	82,268	84,369	17,996	16,461
Less: Allowance for doubtful debts	(50,426)	(49,438)	-	-
Total other receivables - net	31,842	34,931	17,996	16,461
Total trade and other receivables - net	822,866	1,125,284	166,315	234,976

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	850,659	1,432,035	(57,913)	(80,284)	792,746	1,351,751
Work in process	52,268	94,562	-	-	52,268	94,562
Raw materials	586,506	514,536	(19)	-	586,487	514,536
Packing materials	176,005	208,888	-	-	176,005	208,888
Spare parts and factory supplies	35,393	32,305	-	-	35,393	32,305
Goods in transit	95,357	152,403	-	-	95,357	152,403
Total	1,796,188	2,434,729	(57,932)	(80,284)	1,738,256	2,354,445

(Unit: Thousand Baht)

	Separate financial statements					
	Reduce cost to net realisable					
	Cost		value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	150,649	419,231	(9,514)	(14,113)	141,135	405,118
Work in process	39,247	78,834	-	-	39,247	78,834
Raw materials	46,502	97,975	(19)	-	46,483	97,975
Packing materials	14,737	16,822	-	-	14,737	16,822
Spare parts and factory supplies	571	587	-	-	571	587
Goods in transit	9,413	13,818	-	-	9,413	13,818
Total	261,119	627,267	(9,533)	(14,113)	251,586	613,154

During the year 2019, the Group reduced cost of inventories by Baht 1 million (2018: Baht 31 million) (Separate financial statements: None), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 23 million (2018: Baht 58 million) (Separate financial statements: Baht 5 million, 2018: Baht 11 million), and reduced the amount of inventories recognised as expenses during the year.

#### 10. Restricted bank deposits

These represent savings deposits of a subsidiary pledged with the bank to secure credit facilities.

#### 11. Investments in subsidiaries

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

Company	Paid-up capital		Shareholding percentage		Cost	
	2019	2018	2019	2018	2019	2018
			(%)	(%)		
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	10,000	100	100	10,000	10,000
Total					2,585,993	2,585,993
Less: Allowance for impairment loss					(111,000)	(111,000)
Investments in subsidiaries - net					2,474,993	2,474,993

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. 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.

In May 2019, Thaiya Corporation (Shanghai) Co., Ltd. increased its registered capital from USD 0.7 million to USD 3.0 million in order to support the investment in a company in China. As at 31 December 2019, Asian Group Services Co., Ltd. paid USD 2.35 million for the shares.

The subsidiaries did not pay any dividend in the years 2019 and 2018.

#### 12. Investments in joint ventures

##### 12.1 Details of investments in joint ventures

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

Joint venture	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2019	2018	2019	2018	2019	2018
			(%)	(%)				
Asian Group SCS Europe GmbH	Marketing and distribution of the Group's products outside Thailand	Germany	60	60	572	572	-	-
Shandong Thaiya Meisi Pet Foods Co., Ltd.	Producing pet food pellets in China	China	51	-	44,487	-	43,624	-
Total					45,059	572	43,624	-

In May 2018, Asian Group Services Co., Ltd. invested in shares of Asian Group SCS Europe GmbH of Euro 15,000. This investment represents 60% of the registered capital of such company.

In July 2019, Thaiya Corporation (Shanghai) Co., Ltd. (Subsidiary of Asian Group Services Co., Ltd. invested in shares of Shandong Thaiya Meisi Pet foods Co., Ltd. amounting to RMB 2.0 million, representing 10% of the registered capital of such company.

On 6 August 2019, the Board of Directors' meeting of the Company passed a resolution approving Asian Group Services Co., Ltd.'s additional investment of RMB 8.2 million in Shandong Thaiya Meisi Pet Foods Co., Ltd, representing 41% of the registered capital of that company. As a result, the Group holds 51% of the registered capital of Shandong Thaiya Meisi Pet Foods Co., Ltd. On 20 August 2019, Asian Group Services Co., Ltd. paid for these shares.

#### 12.2 Share of comprehensive income and dividend received

During the years ended 31 December 2019 and 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 during the years		Share of other comprehensive income from investments in joint ventures during the years	
	2019	2018	2019	2018
Inter Petrina Co., Ltd.	-	(1,638)	-	-
Asian Group SCS Europe GmbH	(4,669)	(4,863)	666	-
Shandong Thaiya Meisi Pet Foods Co., Ltd.	(640)	-	(223)	-
Total	(5,309)	(6,501)	443	-

In May 2018, Asian Group Services Co., Ltd. invested Baht 1.6 million in shares of Inter Petrina Co., Ltd., representing 40% of the registered capital of that company. In November 2018, Asian Group Services Co., Ltd. and another jointly controlled company revised the terms of the joint venture agreement and, as a result, the Group reclassified the investment in this joint venture as investment in an associate (as mentioned in Note 13 to the financial statements).

The Group recognised share of loss from investment in a joint venture until the value of the investment approached zero. Subsequent losses of Baht 4.0 million incurred by the joint venture have been recognised as deductions from the balance of long-term loan receivable since the Group has obligations, whether legal or constructive, to make any payments on behalf of the joint venture (as mentioned in Note 6 to the financial statements).

The joint ventures did not pay any dividend in the years 2019 and 2018.

#### 12.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)

	Inter Petrina Co., Ltd.		Asian Group SCS Europe GmbH		Shandong Thaiya Meisi Pet Foods Co., Ltd.	
	2019	2018	2019	2018	2019	2018
Cash and cash equivalents	-	3	1	1	2	-
Trade and other receivables	-	1	-	-	1	-
Inventories	-	-	-	-	6	-

	Inter Petrina Co., Ltd.		Asian Group SCS Europe GmbH		Shandong Thaiya Meisi Pet Foods Co., Ltd.	
	2019	2018	2019	2018	2019	2018
Other current assets	-	1	-	-	1	-
Property, plant and equipment	-	-	-	-	54	-
Other non-current assets	-	-	-	-	1	-
<b>Total assets</b>	-	5	1	1	65	-
Trade and other payables	-	1	1	1	3	-
Other current liabilities	-	-	-	-	1	-
Long-term loans	-	4	14	7	12	-
<b>Total liabilities</b>	-	5	15	8	16	-
<b>Net assets (liabilities)</b>	-	-	(14)	(7)	49	-
Shareholding percentage (%)	-	40	60	60	51	-
<b>Net assets (liabilities) in proportion of shareholding percentage</b>	-	-	(8)	(4)	25	-
Elimination entries	-	-	-	-	-	-
<b>Carrying amounts of joint ventures based on equity method (liabilities)</b>	-	-	(8)	(4)	25	-

Summarised information about comprehensive income

	Inter Petrina Co., Ltd.		Asian Group SCS Europe GmbH		Shandong Thaiya Meisi Pet Foods Co., Ltd.	
	2019	2018	2019	2018	2019	2018
Revenue	-	5	1	1	31	-
Cost of sales	-	(4)	(1)	-	(29)	-
Selling and distribution expenses	-	(4)	-	(2)	(1)	-
Administrative expenses	-	(1)	(7)	(7)	(2)	-
<b>Loss</b>	-	(4)	(7)	(8)	(1)	-
Shareholding percentage (%)	-	40	60	60	51	-
<b>Profit or loss in proportion of shareholding percentage</b>	-	(2)	(4)	(5)	(1)	-
Elimination entries	-	-	-	-	-	-
<b>Share of loss from investments in joint ventures</b>	-	(2)	(4)	(5)	(1)	-

The share of loss from investments in joint ventures for the year ended 31 December 2019 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.

### 13. Investment in associate

#### 13.1 Details of investment in associate

(Unit: Thousand Baht)								
Associate	Nature of business	Country of incorporation	Consolidated financial statements					
			Carrying amounts based					
			Shareholding percentage		Cost		on equity method	
			2019	2018	2019	2018	2019	2018
			(%)	(%)				
Inter Petrina Co., Ltd.	Distribution of pet foods	Thailand	40	40	1,600	1,600	-	-
<b>Total</b>					<b>1,600</b>	<b>1,600</b>	<b>-</b>	<b>-</b>

## 13.2 Share of profit or loss and dividend received

During the years ended 31 December 2019 and 2018, the Group recognised its share of loss from investment in associate in the consolidated financial statements as follows.

(Unit: Thousand Baht)		
Associate	Consolidated financial statements	
	Share of loss from investment in associate during the years	
	2019	2018
Inter Petrina Co., Ltd.	(2,593)	-
<b>Total</b>	<b>(2,593)</b>	<b>-</b>

The Group recognised share of loss from investment in an associate until the value of the investment approached zero. Subsequent loss of Baht 2.6 million incurred by the associate has been recognised by deducting from the balances of long-term loan receivables since the Group has obligations, whether legal or constructive, to make any payments on behalf of the associate (as mentioned in Note 6 to the financial statements). The associate did not pay any dividend in the years 2019 and 2018.

## 13.3 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)		
	Inter Petrina Co., Ltd.	
	2019	2018
Cash and cash equivalents	1	-
Trade and other receivables	2	-
Inventories	4	-
Equipment	1	-
<b>Total assets</b>	<b>8</b>	<b>-</b>
Trade and other payables	7	-
Long-term loans	8	-
<b>Total liabilities</b>	<b>15</b>	<b>-</b>
<b>Net liabilities</b>	<b>(7)</b>	<b>-</b>
Shareholding percentage (%)	40	-
<b>Net liabilities in proportion of shareholding percentage</b>	<b>(3)</b>	<b>-</b>
Elimination entries	-	-
<b>Carrying amounts of associate based on equity method (liabilities)</b>	<b>(3)</b>	<b>-</b>

Summarised information about comprehensive income

(Unit: Million Baht)		
	Inter Petrina Co., Ltd.	
	2019	2018
Revenue	15	-
Cost of sales	(12)	-
Selling and distribution expenses	(8)	-
Administrative expenses	(1)	-
<b>Loss</b>	<b>(6)</b>	<b>-</b>
Shareholding percentage (%)	40	-
<b>Profit or loss in proportion of shareholding percentage</b>	<b>(2)</b>	<b>-</b>
Elimination entries	-	-
<b>Share of loss from investment in associate</b>	<b>(2)</b>	<b>-</b>

The share of loss from investment in associate for the year ended 31 December 2019 has been accounted for based on the financial information prepared by the management of that company, which has not been audited by its auditor. However, the Group's management believes that there would be no material discrepancies if those financial information had been audited by the associate's auditor.

## 14. Investment properties

Investment properties comprise of land that the Group seized from its debtors as debt repayment. Currently, they have been held for an undetermined future use. The fair values of the investment properties as at 31 December 2019 amounted to Baht 92.7 million (2018: Baht 68.6 million), which had been determined based on valuation performed by an accredited independent valuer using the market approach.

## 15. Property, plant and equipment

(Unit: Thousand Baht)

## Consolidated financial statements

	Revaluation	Cost basis						Total
	basis							
	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	
<b>Cost / Revalued amount</b>								
1 January 2018	984,133	102,151	1,614,243	2,176,014	117,037	143,843	53,258	5,190,679
Additions	-	10,420	21,148	125,684	6,812	937	70,179	235,180
Disposals/write-off	-	(1,765)	(37,131)	(136,685)	(15,154)	-	-	(190,735)
Transfer in (out)	-	541	15,179	28,634	826	-	(45,180)	-
31 December 2018	984,133	111,347	1,613,439	2,193,647	109,521	144,780	78,257	5,235,124
Additions	-	3,488	14,118	62,877	5,610	1,751	213,831	301,675
Revaluations	67,775	-	-	-	-	-	-	67,775
Disposals/write-off	-	(214)	(588)	(38,276)	(6,071)	(11,273)	-	(56,422)
Transfer in (out)	-	7,677	3,740	10,996	170	-	(22,583)	-
31 December 2019	1,051,908	122,298	1,630,709	2,229,244	109,230	135,258	269,505	5,548,152
<b>Accumulated depreciation</b>								
1 January 2018	-	(62,306)	(900,294)	(1,356,037)	(94,582)	(117,900)	-	(2,531,119)
Depreciation for the year	-	(5,879)	(64,042)	(113,877)	(7,486)	(3,180)	-	(194,464)
Depreciation on disposals/write-off	-	1,686	28,227	134,558	15,091	-	-	179,562
31 December 2018	-	(66,499)	(936,109)	(1,335,356)	(86,977)	(121,080)	-	(2,546,021)
Depreciation for the year	-	(7,577)	(66,553)	(119,401)	(7,464)	(2,887)	-	(203,882)
Depreciation on disposals/write-off	-	67	332	30,262	5,974	10,879	-	47,514
31 December 2019	-	(74,009)	(1,002,330)	(1,424,495)	(88,467)	(113,088)	-	(2,702,389)
<b>Allowance for impairment loss</b>								
31 December 2018	-	-	-	-	-	-	-	-
Increase during the year	(800)	-	(283)	-	-	-	-	(1,083)
31 December 2019	(800)	-	(283)	-	-	-	-	(1,083)
<b>Net book value</b>								
31 December 2018	984,133	44,848	677,330	858,291	22,544	23,700	78,257	2,689,103
31 December 2019	1,051,108	48,289	628,096	804,749	20,763	22,170	269,505	2,844,680
<b>Depreciation for the years</b>								
2018 (Baht 185 million included in manufacturing cost, and the balance in selling and administrative expenses)								194,464
2019 (Baht 194 million included in manufacturing cost, and the balance in selling and administrative expenses)								203,882



	Separate financial statements							
	Revaluation	Cost basis						
	basis						Assets under installation and construction	
	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	n	Total
Cost / Revalued amount								
1 January 2018	805,842	44,516	728,487	576,471	33,303	47,918	1,152	2,237,689
Additions	-	2,900	1,697	16,860	2,084	-	3,308	26,849
Disposals/write-off	-	(1,613)	(37,131)	(43,266)	(4,813)	-	-	(86,823)
Transfer in (out)	-	-	-	301	201	-	(502)	-
31 December 2018	805,842	45,803	693,053	550,366	30,775	47,918	3,958	2,177,715
Additions	-	-	5,192	15,024	617	3	-	20,836
Revaluations	34,432	-	-	-	-	-	-	34,432
Disposals/write-off	-	(214)	(58)	(32,670)	(4,151)	(5,433)	-	(42,526)
Transfer in (out)	-	-	-	2,772	-	-	(2,772)	-
31 December 2019	840,274	45,589	698,187	535,492	27,241	42,488	1,186	2,190,457
Accumulated depreciation								
1 January 2018	-	(33,206)	(431,122)	(458,531)	(29,848)	(39,337)	-	(992,044)
Depreciation for the year	-	(1,155)	(25,329)	(16,858)	(1,618)	(1,359)	-	(46,319)
Depreciation on disposals/write-off	-	1,613	28,227	43,217	4,810	-	-	77,867
31 December 2018	-	(32,748)	(428,224)	(432,172)	(26,656)	(40,696)	-	(960,496)
Depreciation for the year	-	(1,365)	(24,191)	(17,869)	(1,453)	(1,291)	-	(46,169)
Depreciation on disposals/write-off	-	67	58	24,739	4,082	5,236	-	34,182
31 December 2019	-	(34,046)	(452,357)	(425,302)	(24,027)	(36,751)	-	(972,483)
Net book value								
31 December 2018	805,842	13,055	264,829	118,194	4,119	7,222	3,958	1,217,219
31 December 2019	840,274	11,543	245,830	110,190	3,214	5,737	1,186	1,217,974
Depreciation for the years								
2018 (Baht 42 million included in manufacturing cost, and the balance in selling and administrative expenses)								46,319
2019 (Baht 41 million included in manufacturing cost, and the balance in selling and administrative expenses)								46,169

The Group arranged for an independent professional valuer to appraise the value of land in 2019 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)	300 - 30,500	3,900 - 30,500	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 2019 and 2018 would have been as follows.

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Land	431,512	432,312	331,844	331,844

As at 31 December 2019, the Group has vehicles under finance lease agreements with net book value of Baht 2 million (2018: Baht 3 million) and Separate financial statements: Baht 1 million (2018: Baht 2 million).

As at 31 December 2019, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 974 million (2018: Baht 940 million) and Separate financial statements: Baht 426 million (2018: Baht 427 million).

As at 31 December 2019, the Group has pledged its land and buildings with net book value of Baht 806 million (2018: Baht 745 million) as collateral to secure credit facilities received from banks as described in Note 19 to the financial statements and Separate financial statements: the Company's land with net book value of Baht 507 million (2018: Baht 471 million).

#### 16. Intangible assets

	Consolidated financial statements				(Unit: Thousand Baht)	
					Separate financial statements	
	Trademark	Computer software	Computer software under installation	Total	Computer software	Total
<b>Cost</b>						
1 January 2018	-	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
Additions	1,140	384	2,445	3,969	114	114
Disposal/amortisation	-	(294)	-	(294)	(294)	(294)
Transfer in (out)	-	253	(253)	-	-	-
31 December 2019	1,140	51,834	3,208	56,182	49,121	49,121
<b>Accumulated amortisation</b>						
1 January 2018	-	(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)
Amortisation for the year	(57)	(3,523)	-	(3,580)	(3,247)	(3,247)
Disposal/amortisation	-	294	-	294	294	294
31 December 2019	(57)	(15,413)	-	(15,470)	(13,786)	(13,786)
<b>Net book value</b>						
31 December 2018	-	39,307	1,016	40,323	38,468	38,468
31 December 2019	1,083	36,421	3,208	40,712	35,335	35,335

#### 17. Bank overdrafts and short-term loans from banks

	Interest rate		Consolidated		(Unit: Thousand Baht)	
	(percent per annum)		financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
Bank overdrafts	MRR + 3.25, MOR	MRR + 3.25, MOR	289	846	130	846
Promissory notes	3.25 - 3.85	3.00 - 4.15	192,364	547,141	-	150,000
Trust receipt	3.35 - 4.30	3.85 - 5.28	140,783	512,974	11,918	68,430
Total			333,436	1,060,961	12,048	219,276

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

The subsidiaries' bank overdraft and short-term loan facilities are guaranteed by the Company as described in Note 31.4 c) to the financial statements.

18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade payables - related parties (Note 6)	-	-	6,053	2,196
Trade payables - unrelated parties	406,934	495,822	43,311	84,111
Other payables - related parties (Note 6)	-	-	264	1,918
Other payables - unrelated parties	130,265	75,138	15,216	21,523
Interest payable to related parties (Note 6)	-	-	1,401	977
Accrued expenses	73,009	126,317	26,306	47,820
Total	610,208	697,277	92,551	158,545

19. Long-term loans

				(Unit: Thousand Baht)			
			Consolidated		Separate		
			financial statements		financial statements		
Loan	Interest rate (percent per annum)	Repayment schedule of principal and interest	2019	2018	2019	2018	
1	THBFIX 3M +2.50	Quarterly repayment as from July 2014 until January 2019	-	70,000	-	70,000	
2	THBFIX 6M +1.90	Quarterly repayment as from February 2018 until May 2022	880,000	1,220,000	880,000	1,220,000	
3	2.94	Quarterly repayment as from September 2018 until June 2025	432,143	510,714	432,143	510,714	
4	2.57	Quarterly repayment as from December 2019 until September 2022	275,000	-	275,000	-	
5	THBFIX 3M +2.00	Monthly repayment as from October 2019 until September 2022	275,010	-	-	-	
Total			1,862,153	1,800,714	1,587,143	1,800,714	
Less: Deferred financial fee			(697)	(764)	-	(764)	
Less: Portion due within one year			(618,270)	(487,807)	(518,571)	(487,807)	
Portion due more than one year			1,243,186	1,312,143	1,068,572	1,312,143	

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.

The Company swapped interest rate of loan No.3 to floating rate of THBFIX 6M plus 2.95% per annum. The loan is secured by the mortgage of the land and the buildings of Asian Feed Co., Ltd.

In September 2019, the Company entered into loan agreement No.4 with the same bank as for loan No.3, for a facility of Baht 300 million for use in its operations. Principal and interest are to be paid in quarterly installments from December 2019 to September 2022 and the loan carries interest at a rate of 2.57% per annum. However, the Company swapped the loan interest rate for a floating rate of THBFIX 6M plus 1.88% per annum. The loan is secured by the mortgage of the land and the buildings of Asian Feed Co., Ltd.

In September 2019, Asian Alliance International Co., Ltd. entered into loan agreement No.5 with a bank, granting a Baht 300 million facility for use in its operations. Principal and interest are to be paid in monthly installments from October 2019 to September 2022 and the loan carries interest at a rate of THBFIX 3M plus 2.00% per annum. The loan is secured by guarantees provided by Asian Seafoods Coldstorage (Suratthani) Co., Ltd. and Asian Feed Co., Ltd., the pledge of bank deposits stipulated in the loan agreement, and the transfer of the rights to receive payment from a list of authorised customers to a debt service account set aside for repayment of this loan.

Movement of the long-term loan account during the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	1,800,714	1,800,714
Add: Additional borrowings	600,000	300,000
Less: Repayment	(538,561)	(513,571)
Deferred financial fee	(697)	-
Balance as at 31 December 2019	1,861,456	1,587,143

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

## 20. Finance lease liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Finance lease liabilities	1,015	1,949	232	791
Less: Deferred interest expense	(38)	(100)	(3)	(26)
Total	977	1,849	229	765
Less: Portion due within one year	(580)	(872)	(229)	(536)
Portion due more than one year	397	977	-	229

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 2019					
	Consolidated financial statements			Separate financial statements		
	Less than 1			Less than		
	year	1 - 5 years	Total	1 year	1 - 5 years	Total
Future minimum lease payments	608	407	1,015	232	-	232
Deferred interest expense	(28)	(10)	(38)	(3)	-	(3)
Present value of future minimum lease payments	580	397	977	229	-	229

	(Unit: Thousand Baht)					
	As at 31 December 2018					
	Consolidated financial statements			Separate financial statements		
	Less than 1			Less than		
	year	1 - 5 years	Total	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

## 21. 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	
	2019	2018	2019	2018
<b>Provision for long-term employee benefits at beginning of year</b>	54,231	53,582	28,460	30,286
Included in profit or loss:				
Current service cost	6,107	5,496	1,760	2,265
Interest cost	1,612	1,473	812	820
Past service costs	13,177	-	7,568	-
Included in other comprehensive income:				
Actuarial loss (gain)				
Demographic assumptions changes	(1,814)	-	(1,157)	-
Financial assumptions changes	7,792	-	3,206	-
Experience adjustments	(1,481)	-	(723)	-
Benefits paid during the year	(13,115)	(6,320)	(9,382)	(4,911)
<b>Provision for long-term employee benefits at end of year</b>	<b>66,509</b>	<b>54,231</b>	<b>30,544</b>	<b>28,460</b>

On 5 April 2019, The Labour Protection Act (No.7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of 20 years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 13 million (The Company only: Baht 8 million). As a result, the Group reflected the effect of the change by recognising past service costs as expenses in the comprehensive income statement of the year 2019.

As at 31 December 2019, the Group expects to pay Baht 9 million of long-term employee benefits during the next year (2018: Baht 4 million) and Separate financial statements: Baht 6 million (2018: Baht 3.6 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefits is 13 years (2018: 11 years) and Separate financial statements: 13 years (2018: 11 years).

Significant actuarial assumptions are summarised below.

	(Unit: percent per annum)	
	Consolidated/Separate financial statements	
	2019	2018
Discount rate	1.19 - 2.50	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 2019 and 2018 are summarised below.

	(Unit: Thousand Baht)			
	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(6,079)	7,098	(2,340)	2,691
Salary increase rate	7,580	(6,605)	2,930	(2,595)
Employee turnover rate	(7,684)	9,809	(2,855)	3,555

(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

## 22. Statutory reserve

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

## 23. Surplus on revaluation of land

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Balance - beginning of year	515,255	515,255	473,999	473,999
Revaluation	75,177	-	34,432	-
Devaluation	(7,402)	-	-	-
Balance - end of year	583,030	515,255	508,431	473,999
Balance - end of year - net of income tax	466,424	412,204	406,744	379,199

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

## 24. Expenses by nature

Significant expenses classified by nature are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Salaries, wages and other employee benefits	1,057,717	1,143,836	259,888	303,808
Depreciation	203,882	194,464	46,169	46,319
Amortisation	3,580	3,701	3,247	3,426
Transport expenses	191,882	228,324	48,615	55,763
Raw materials and consumables used	5,324,434	6,875,744	919,385	1,503,264
Changes in inventories of finished goods and work in process	(623,670)	(219,513)	(308,169)	(214)

## 25. Income tax

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Current income tax charge	466	3	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	4,691	(4,586)	(637)	9,311
<b>Income tax expenses (tax income) reported in profit or loss</b>	<b>5,157</b>	<b>(4,583)</b>	<b>(637)</b>	<b>9,311</b>



The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax relating to				
Surplus on revaluation of land	13,555	-	6,886	-
Actuarial loss	(899)	-	(265)	-
Total	12,656	-	6,621	-

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit (loss) before tax	137,854	357,652	(79,239)	(9,694)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by				
income tax rate	27,571	71,530	(15,848)	(1,939)
Share of loss from investments in joint ventures and associate	1,580	1,300	-	-
Effects of eliminated entries	547	5	-	-
Deferred tax assets relating to:				
Temporary differences	153	(6,501)	-	1,405
Tax losses	7,412	(15,877)	16,636	14,388
Effects of:				
Promotional privileges	(35,806)	(50,039)	(5,205)	(3,876)
Revenue subject to tax	2,679	606	2,162	606
Exempted revenues and non-deductible expenses	1,351	(5,246)	1,686	(1,200)
Additional expense deductions allowed	(330)	(361)	(68)	(73)
Total	(32,106)	(55,040)	(1,425)	(4,543)
Income tax expenses (tax income) reported in profit or loss	5,157	(4,583)	(637)	9,311

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Deferred tax assets</b>				
Allowance for doubtful debts	46,257	47,833	-	-
Provision for diminution in value of inventories	7,987	10,712	-	-
Allowance for impairment loss on investments in subsidiaries	-	-	22,200	22,200
Allowance for impairment loss on asset	217	-	-	-

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits	13,244	10,846	6,109	5,692
Unused tax losses	68,961	68,988	-	-
Total	136,666	138,379	28,309	27,892
<b>Deferred tax liabilities</b>				
Surplus on revaluation of land	(123,919)	(110,364)	(101,686)	(94,800)
Depreciation	(47,221)	(45,142)	(14,153)	(14,637)
Total	(171,140)	(155,506)	(115,839)	(109,437)
Net	(34,474)	(17,127)	(87,530)	(81,545)

As at 31 December 2019, the Group has deductible temporary differences and unused tax losses amounting to Baht 382 million (2018: Baht 544 million) and Separate financial statements: Baht 318 million (2018: Baht 243 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 2019, the unused tax losses of the Group amounting to Baht 356 million (2018: Baht 505 million) and Separate financial statements: Baht 303 million (2018: Baht 222 million) will gradually expire in 2024.

## 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. Period of corporate income tax exemption	-	-	Granted	Granted
2. Exemption from corporate income tax for a period of 8 years, commencing from the date the promoted operations commenced generating revenues. Period of corporate income tax exemption	-	-	15 Sep 2011 - 14 Sep 2019	4 Jan 2011 - 3 Jan 2019
3. Utilisation of net loss incurred during the exemption period as a deduction from net profit incurred subsequent to such period for another 5 years.	Granted	Granted	-	-
4. Exemption from income tax on dividend that is distributed from the promoted operations.	13 Jul 2012 - 12 Jul 2020	14 Jan 2013 - 13 Jan 2021	-	-
5. Additional 25% deduction for the cost of installation or construction of facilities.	Granted	Granted	Granted	Granted
6. Exemption from import duty on machinery as approved by the Board of Investment.	Granted	Granted	Granted	Granted
7. Exemption from import duty on imported essential raw materials used in manufacturing for export sales for a period of 1 year commencing from the first importation date.	-	-	Granted	-
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 2019 and 2018, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Sales and services						
Domestic sales and services	95,413	608,847	1,793,053	1,395,466	1,888,466	2,004,313
Export sales	2,287,345	3,493,981	4,018,218	4,151,188	6,305,563	7,645,169
Total	2,382,758	4,102,828	5,811,271	5,546,654	8,194,029	9,649,482

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Sales and services						
Domestic sales and services	42,603	52,476	388,367	421,282	430,970	473,758
Export sales	-	-	1,393,864	1,742,024	1,393,864	1,742,024
Total	42,603	52,476	1,782,231	2,163,306	1,824,834	2,215,782

## 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.

## 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 form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and 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.

Geographic information.

Revenues from external customers are based on locations of customers as follows.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Revenues from external customers		
Thailand	1,888,466	2,004,313
United States of America	2,543,006	3,442,673
Japan	836,966	1,016,276
Italy	804,403	808,439
United Kingdom	677,863	704,527
Others	1,443,325	1,670,038
Total	8,194,029	9,649,482

In the year 2019, the Group had a major customer with revenue of more than 10% of its revenues amounting to Baht 1,029 million, arising from feedstuff segment (2018: a major customer amounting to Baht 1,562 million).

The following tables present revenues, profit (loss) and total assets information regarding the Group's operating segments for the years ended 31 December 2019 and 2018.

(Unit: Million Baht)

	Frozen and canned food products						Eliminations						Consolidated	
	Feedstuff			Other business			Total							
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenues</b>														
External customers	4,649	5,464	3,531	4,171	14	14	8,194	9,649	-	-	8,194	9,649		
Inter-segment	340	275	64	13	74	67	478	355	(478)	(355)	-	-		
<b>Total revenues</b>	4,989	5,739	3,595	4,184	88	81	8,672	10,004	(478)	(355)	8,194	9,649		
<b>Segment profit (loss)</b>	217	463	481	591	(46)	(47)	652	1,008	-	-	652	1,008		
Other income											137	149		
Selling and distribution expenses														
Administrative expenses											(236)	(294)		
Share of loss from investments in joint ventures											(304)	(366)		
Share of loss from investment in associate											(5)	(7)		
Finance cost											(3)	-		
Tax income (income tax expenses)											(103)	(132)		
<b>Profit for the year</b>											(5)	4		
											133	362		

(Unit: Million Baht)

	Frozen and canned food products						Eliminations						Consolidated	
	Feedstuff			Other business			Total							
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Total assets</b>	6,884	7,141	1,544	1,810	726	741	9,154	9,692	(3,332)	(3,150)	5,822	6,542		

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Timing of revenue recognition</b>				
Revenue recognised at a point in time	8,110,180	9,635,185	1,697,461	2,135,017
Revenue recognised over time	83,849	14,297	127,373	80,765
Total revenue from contracts with customers	8,194,029	9,649,482	1,824,834	2,215,782

## 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, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to Baht 3.9 million (2018: Baht 3.8 million) were recognised as expenses and Separate financial statements: Baht 0.9 million (2018: Baht 1.3 million).

## 30. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividends per share (Baht)
Final dividends for 2018	Annual General Meeting of the shareholders on 25 April 2018	135,675	0.25
Final dividends for 2019	Annual General Meeting of the shareholders on 24 April 2019	135,430	0.25

## 31. Commitments and contingent liabilities

### 31.1 Capital commitment

As at 31 December 2019, the Group had outstanding capital commitment of Baht 49.4 million (2018: Baht 218.5 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 2019 and 2018, the Group has future minimum payments required under these agreements as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payable:				
In up to 1 year	19.0	17.2	7.4	1.8
In over 1 and up to 5 years	15.2	10.0	6.7	0.1

### 31.3 Investment commitment

As at 31 December 2019, Asian Group Services Co., Ltd. has outstanding commitment of USD 0.65 million (2018: USD 0.60 million) in respect of uncalled portion of investment in Thaiya Corporation (Shanghai) Co., Ltd.

### 31.4 Guarantees

- As at 31 December 2019, there were outstanding bank guarantees of Baht 38.0 million and USD 0.2 million (2018: Baht 42.0 million and USD 0.4 million) and Separate financial statements: Baht 24.0 million and USD 0.2 million (2018: Baht 25.1 million and USD 0.4 million) issued by banks on behalf of the Group to guarantee electricity use and letter of credit facilities.
- As at 31 December 2019 and 2018, the Company had pledged cheques amounting to Baht 20 million to guarantee its purchase of raw materials.
- As at 31 December 2019, the Company had provided guarantees to secure the subsidiaries' credit facilities obtained from banks amounting to Baht 1,260 million (2018: Baht 875 million).

### 32. Fair value hierarchy

As at 31 December 2019 and 2018, 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	
	2019	2018	2019	2018
<b>Assets measured at fair value</b>				
Forward contract receivables	1,503	1,086	388	99
Land	1,051,108	984,133	840,274	805,842
<b>Assets and liabilities for which fair value are disclosed</b>				
Investment properties	92,650	68,629	-	-
Long-term loans	1,860,770	1,800,679	1,585,911	1,800,679

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, short-term and long-term loan receivables, short-term and long-term loan payables 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, loan receivables and other receivables. 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, loan receivables and other receivables as stated in the statement of financial position.

##### *Interest rate risk*

The Group's exposure to interest rate risk relates primarily to its deposits at banks, short-term and long-term loan receivables, bank overdrafts and short-term loans from banks, long-term loans 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 2019 and 2018, 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 2019					
	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	102,191	685	102,876	0.13 - 0.63
Trade and other receivables	-	-	-	822,866	822,866	-
Restricted bank deposits	-	18,525	-	-	18,525	3.15 - 3.40
Long-term loans to joint ventures	-	7,409	-	-	7,409	4.00 - 5.00
Long-term loans to associate	-	569	-	-	569	4.00
	-	26,503	102,191	823,551	952,245	
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans from banks	333,147	-	289	-	333,436	Note 17
Trade and other payables	-	-	-	610,208	610,208	-
Long-term loans	340,000	540,000	981,456	-	1,861,456	Note 19
Finance lease liabilities	580	397	-	-	977	0.35 - 0.43
	673,727	540,397	981,745	610,208	2,806,077	



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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				
<b>Financial assets</b>						
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	
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans from banks	1,060,115	-	846	-	1,060,961	Note 17
Trade and other payables	-	-	-	697,277	697,277	-
Long-term loans	409,236	880,000	510,714	-	1,799,950	Note 19
Finance lease liabilities	872	977	-	-	1,849	0.35 - 0.43
	1,470,223	880,977	511,560	697,277	3,560,037	

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2019

	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	6,808	42	6,850	0.13 - 0.63
Trade and other receivables	-	-	-	166,315	166,315	-
Short-term loans to subsidiaries	280,243	-	-	-	280,243	3.87
	280,243	-	6,808	166,357	453,408	
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans from banks	11,918	-	130	-	12,048	Note 17
Short-term loans from subsidiaries	458,237	-	-	-	458,237	3.71 - 3.85
Trade and other payables	-	-	-	92,551	92,551	-
Long-term loans	340,000	540,000	707,143	-	1,587,143	Note 19
Finance lease liabilities	229	-	-	-	229	0.36 - 0.43
	810,384	540,000	707,273	92,551	2,150,208	

	Separate financial statements					
	As at 31 December 2018					
	Fixed interest rate					
	Within 1 year	1-5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
<b>Financial assets</b>						
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	
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans from banks	218,430	-	846	-	219,276	Note 17
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	Note 19
Finance lease liabilities	536	229	-	-	765	0.36 - 0.43
	899,084	880,229	511,560	158,545	2,449,418	

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

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2019	2018	2019	2018	2019	2018
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	16,341	23,074	8,165	19,147	30.15	32.45
Japanese yen	10,388	20,802	26,302	775	0.28	0.29
Euro	260	120	-	-	33.38	36.76
Australian dollar	60	-	-	-	20.68	-
Pound	251	-	-	-	39.09	-
New Zealand dollar	-	-	66	-	20.52	-

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2019	2018	2019	2018	2019	2018
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	2,183	4,083	866	1,458	30.15	32.45
Japanese yen	-	11,567	22,709	-	0.28	0.29

As at 31 December 2019 and 2018, forward exchange contracts outstanding, which will mature in one year, are summarised below.

As at 31 December 2019				
Foreign currency	Consolidated financial statements		Separate financial statements	
	Contractual Amount	Contractual exchange	Contractual Amount	Contractual exchange
		rate		rate
	(Thousand)	(Baht per 1 foreign currency unit)	(Thousand)	(Baht per 1 foreign currency unit)
<u>Sold amount</u>				
US dollar	23,317	30.05 - 30.25	3,030	30.10 - 30.21
Japanese yen	13,206	0.28	-	-
Australian dollar	62	20.79	-	-

As at 31 December 2018				
Foreign currency	Consolidated financial statements		Separate financial statements	
	Contractual Amount	Contractual exchange	Contractual Amount	Contractual exchange
		rate		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

### 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 2019, the Group's debt-to-equity ratio was 1.1:1 (2018: 1.4:1) and the Company's was 1.0:1 (2018: 1.1:1).

### 35. Events after the reporting period

- On 30 January 2020, the 2020 Extraordinary General Meeting No.1 of the shareholders of Asian Group Services Co., Ltd. passed a resolution approving the change of its name from "Asian Group Services Co.,Ltd." to "Asian Pets Care Corporation Company Limited" and the amendment of the company's seal, memorandum of association and other documents according to the change of its name. The subsidiary registered the changing name with the Ministry of Commerce on 3 February 2020.
- On 25 February 2020, the meeting of the Company's Board of Directors passed a resolution to pay a dividend of Baht 0.20 per share, or a total of Baht 108 million, to the shareholders in respect of its 2019 Non-BOI 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 25 February 2020.



“We Are The Right Choice”



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