

Asian Sea Corporation
Public Company Limited

ANNUAL REPORT 2020

Contents



	Page
1. Message from the Chairman	2
2. Key Financial Data	5
3. Policy and Business Overview	
3.1 Vision, Mission, Core Value, Goals and Strategies	6
3.2 Business structure	8
3.3 Milestone Development and Transition	12
3.4 Market and Competition	15
4. Shareholder Structure	16
5. Management Structure	
5.1 Management Structure and Directors	17
5.2 Board of Director and Executive Management	22
5.3 Report of the Audit Committee	28
5.4 Report of the Risk Management Committee	29
5.5 Report of the ASIAN Sustainability Management Committee	30
5.6 Report of the Nomination and Remuneration Committee	31
5.8 Report of the Credit Committee	32
6. Internal control	33
7. Related Party Transactions	34
8. ASIAN's Sustainability Report	
8.1 ASIAN's Responses to the SDGs	37
8.2 Key Sustainability Issues.	38
8.3 Asian's Responsible for Consumers	40
8.4 Asian's Responsible for Human Resources Development	42
8.5 Asian's Responsible for Efficiency in using Resources	45
8.6 Asian's Responsible for Environment	46
8.7 Asian's Responsible for Human Rights	48
8.8 Asian's Responsible for Stakeholders	50
8.9 Compliance with the Law and Good Governance	52
8.10 Corporate Governance Best Practice Report	59
8.11 Risk factors and risk management strategies	63
8.12 Corporate Social Responsibility Activities	65
8.13 MD&A	66
9. Declaration of the Directors' Responsibility for the Financial Statements	77
10. Financial Status and Operational Results	
10.1 Auditing Report	78
10.2 Statement of financial position	81
10.3 Notes to consolidated financial statements	91

Message from the Chairman

Dear shareholders and stakeholders,

Last year, the world was devastated by the catastrophe of the Covid-19 pandemic, and the impacts were wide-ranging throughout 2020. It was the cause of economic hardship, whether for tourism, exports or restaurants, and some industrial sectors had to completely stop production, and particularly in China, the beginning of the pandemic. The rapid spread of infection made many countries issue strict measures to restrain the outbreak. Countries and cities were “lock down” for the safety of their people. The coronavirus pandemic also forced people around the world to adopt the New Normal in every aspect of lifestyles, business, public health, or education in order to protect oneself from infection. Those changes went alongside a revival of business potential and an adjustment of concepts, visions, and management philosophies. Working, for instance, became a new format called “Work from Home”, while education became “Online Learning”. Even shopping activities increased rapidly via online channel. Consumer goods were developed more in ready-to-eat and ready-to-cook product. Restaurants adapted by increasing sales through delivery services. Moreover, the growth of exports and tourism seem to be under pressure of continuous strengthening of the baht currency since the end of last year.

The sectors of seafood processing, pet food and aquaculture feed have also been affected rapidly by “New normal”, both positively and negatively. The demand for ready-to-cook and ready-to-eat products, particularly in the US market, increased swiftly. People have also been spending more time with their pets, likewise, generating increased demand for pet food. On the other hand, “dining out” was significantly reduced, whether in hotels, restaurants, or parties. Demand for frozen commodities was thus reduced. This also impacted aquaculture productivity for both shrimp and fish.

During the Covid-19 pandemic, the utmost priority of the Asian Sea operation was given to the health and safety of employees, suppliers, consumers, and surrounding communities. A special team was established to manage the Covid-19 situation, which was tasked with monitoring the situation and stipulating essential measures, and also following up the enforcement of measures, such as measures to limit employee travel, cleaning and disinfection measures, social distancing measures, screening measures and self-isolation measures. There were also measures on communicating information thoroughly to employees. The company is confident that these measures were adequate to ensure employees and third parties required to enter the company’s premises in the course of their duties, as well as the company’s suppliers, that the company’s premises were safe during the Covid-19 pandemic. On top of this, for the Covid-19 outbreak in Samut Sakhon, the location of two of the company’s sites, since the middle of December, the group increased its screening measures by testing people’s sense of smell before allowing them into the premises, while getting part of the workforce to work from home to reduce the number of employees in the office.

With these stringent measures, all of the company’s sites were able to conduct normal operations. There were also quarantine measures in the case that employees of the group did not pass the daily screening or were in a risk group. If any employee was found to be infected with Covid-19, the company would take care of that employee strictly according to every protocol stipulated by the government.

“Building strength in every group of businesses”

In overview, the Group’s operating results last year were a result of development to increase long-term competitiveness, and business opportunities from the efforts, initiative and cooperation of the company’s directors, management, and every employee in adapting to increase competitive strengths. The deployment of technology was able to assist in efficient cost management and building sustainable profit growth. Last year, the company was able to make the highest profits since it was founded. Results in the various business groups were as follows:

1. Pet food business: The global pet food market has grown continuously for 5 years. In 2020, Thailand’s export volumes of pet food grew by 8%, with a trend for further growth, while the Group’s petfood volumes grew by 48%. This came from growth of the company’s key customers in USA, Europe, and Japan, while the company also gained orders from the new customers. Production capacity for product packaged in pouches, for which the company added extra capacity in the third quarter, was fully maxed out, and the company is urgently expanding capacity further in 2021, for both product packaged in pouches and plastic cups, to cope with the company’s customers’ further growth.

“

Build up strength
in every business
and increasing growth
potential
to deliver sustainable returns
for shareholders.

”



Mr. Somsak Amornrattanachaikul

2. Frozen business: Last year, sales volumes of frozen commodities decreased by 29%, a reduction coming from the policy to end sales of shrimp commodities, of which the company has ended sales since 2019. This was combined with reduced sales of squid and sillago products from the impact of Covid-19. Meanwhile, sales volumes of the Value-Added Product continued to grow in line with the growth of this market segment. Despite shrimp farm production last year being reduced, and not very large domestic squid catches, as market demand was rather low, this meant that raw material prices were not very high, and total profit margins in the frozen business were greatly improved from higher portion of the Value Added Product as well as improved profit margins on squid products.
3. Tuna business: In 2020, raw material prices adjusted upward continually, around 15% compare to the previous year. Sales volumes were slightly reduced from last year, despite overall demand remaining strong. However, labour limitations due to the Covid-19 pandemic made the company focus on using its manufacturing resources to produce pet food as a priority and maintain a policy of choosing to accept orders for tuna with satisfactory profit margins, which were mainly consistent with the need to use the raw materials of pet foods.
4. Aquaculture feed business: Sales volumes of aquaculture feed grew by about 24% from market share increase in shrimp feed, despite a reduction in the domestic production of vannamei shrimp. Profit margin are quite satisfied considering that the cost of raw material increased in the second half of the year. Meanwhile, fish feed volumes were similar to the previous year, although volumes of feed for sea bass were significantly reduced, reducing the profit margin in the fish feed segment.

“Adding potential for growth”

Throughout the last year, that company has been focused on developing its capabilities for sustainable growth. The company’s strategies for sustainability give priority to increasing competitive potential, improving production processes, and working procedures throughout the company, and emphasizing investment in automation to make the production process more efficient, and reduce its reliance on human labor. There has been development of personnel, and building of financial strength, for the company to securely deal with economic volatility, technological changes, and new challenges. Finally, on behalf of the company’s Board of Directors, management, and every employee, I’d like to thank our stakeholders in every part for their consistent support, trust, and confidence. The company would like to promise that it will continue to operate its business to create security sustainably.

(Mr. Somsak Amornrattanachaikul)
Chief Executive Officer



Key Financial Data

Consolidated Financial Statements

Statement of Comprehensive Income (million baht)

	2020	2019	2018
Revenues from Sales and Services	8,645	8,194	9,649
Gross Profit	1,393	653	1,007
Profit before taxes	852	138	358
Profit for the year	818	133	362

Statement of Financial Position (million baht)

	2020	2019	2018
Total Assets	6,232	5,823	6,539
Total Liabilities	2,734	3,012	3,774
Total Shareholders' Equity	3,498	2,811	2,765
Share Capital (issued and paid up)	543	543	543

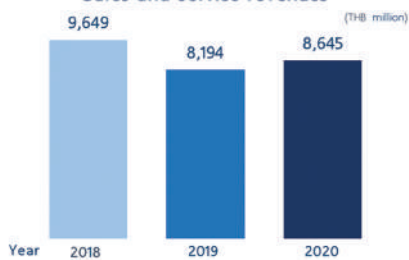
Key Financial Ratios

	2020	2019	2018
Current Ratios	1.65	1.71	1.59
Debt to Equity Ratio	0.78	1.07	1.36
Net Debt to Equity Ratio	0.47	0.74	1.00
Gross profit margin (%)	16.11	7.96	10.44
Net profit margin (%)	9.46	1.62	3.75

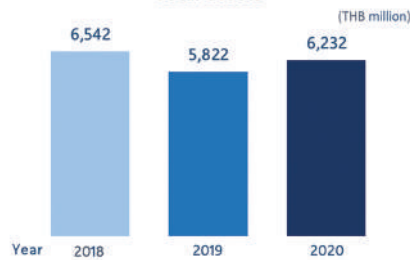
Performance per share (baht per share)

	2020	2019	2018
Earning per share	1.51	0.24	0.67
Book value per share	6.45	5.18	5.09

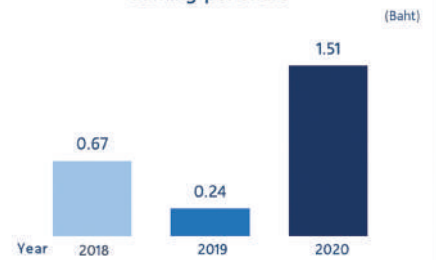
Sales and service revenues



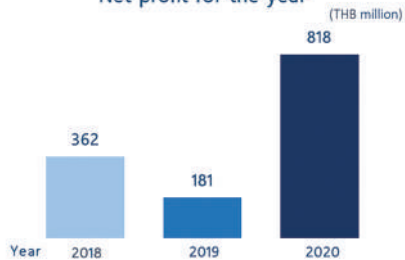
Total assets



Earning per share



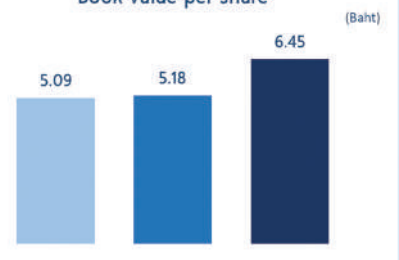
Net profit for the year



Debt to equity ratio



Book value per share



We Are The Right Choice

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 corporate social responsibility and environment sustainability policies.

Core value

A	Ambition
S	Skills
I	Integrity
A	Adaptable
N	New Ideas

Objectives and Goals

Asian Sea Corporation Public Company Limited and its subsidiaries (Asian) are food manufacturers who are trusted by their consumers in quality, food safety, and responsibility to society and environment. Moreover, Asian focuses on using technology efficiently and using natural resources worthfully. Asian also develop its policies to improve its human resources, build up loyalty, including increase Asian's potential to secure good return sustainably. Asian develop its strategies in order to achieve its goals which are as follows

Goals by Business

Pet Food Business: to be wet and dry pet food manufacturers which invest continuously for sustainable growth and better competitive advantage. Asian focus on being "co-developer" who understand customer's desire and could maximize customer satisfaction using innovation via variety of new products. 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.

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 focusing on quality and competitive advantage to ensure satisfied profit.

Aquaculture Feed Business: To be manufacturer and distributor who can service its customer on health and water quality analysis, in order to support its customers to improve their farm performance. Asian expanded the business to produce shrimp larvae to expand its shrimp farmer customer base steadily. 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 the use of quality raw materials in both premium 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).

Business Strategy

Asian keep on developing under the concept of “Closer to Consumers and Efficiency” to achieve its goals and ambitions to be world leader of food manufacturer and sustainability, which can be summarized as follows:

1. Business Expansion Strategy

Expand the core business horizontally and vertically along the supply chain for the company sustainable growth and profitability, in order to move closer more to its customers. As the OEM manufacturers, Asian aim to grow in every business, especially in pet food and value-added frozen product. In term of vertically expansion, Asian has developed pet food products under its own brand, distributed and marketed in both Thailand and China and expanding the aquaculture business to shrimp larvae production to support shrimp feed market to grow steadily.

2. Operation Efficiency Improvement Strategy

Efficiency improvement in operation management has been focus throughout the organization, every business was involved, including raw material sourcing, production line management, stock planning and storage, internal operation, and management information system. Human development was another area that has been focus to ensure the business growth, the main focus are on recruitment, fine compensation and benefit, clear and fair evaluation process to motivate its human resources.

• C H E E R S ! Strategy

To grow Asian’s business sustainably and successfully according to its vision, Asian has developed its “CHEERS!” strategy to drive its operation sustainably and stably. 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.

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.

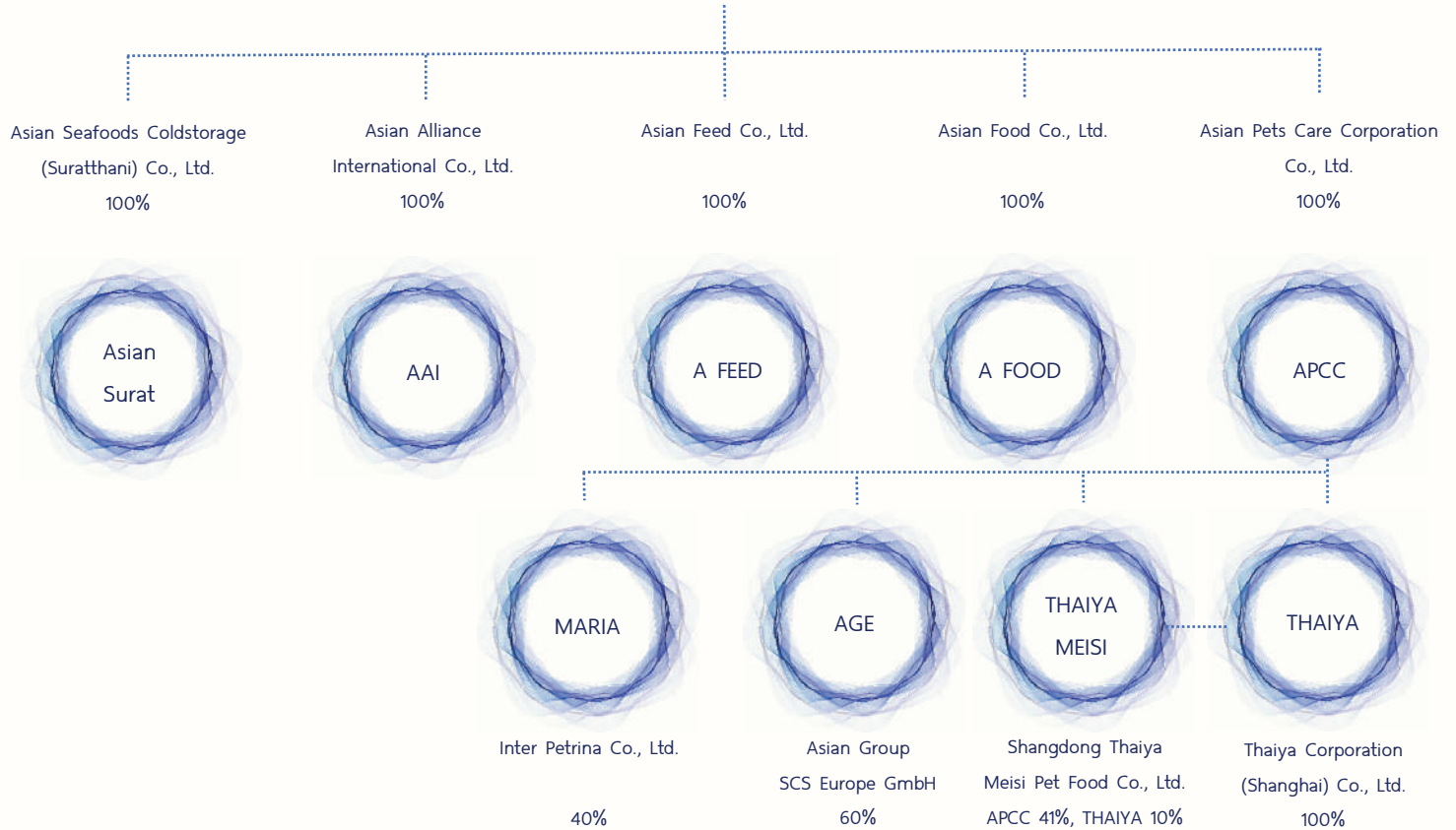
S Responsible for Stakeholders: Asian operates under Good Governance Policy and Code of Conduct. Business Risks have been identified, measured, and reduced or avoided systematically using a Risk Management System. A Code of Conduct has been communicated throughout the organization to provide such a guideline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

Business Structure





Asian Sea Corporation PLC.



Asian Sea Corporation Public Company Limited

Asian Sea Corporation Public Company Limited was established on 27 September 1982. Its current registered capital is 542.73 million baht. Engages in distribution and exports of processed frozen seafood under its own brands and OEM brand. The Company now has production capacity of around 7,800 tons of finished products per year. The Company's main products can be divided into the following two major categories

1. Frozen Sillago fish products comprise Sillago butterfly fillet and breaded Sillago fish fillet.
2. Frozen ready-to-cook seafood product such as frozen breaded shrimp and frozen fried breaded shrimp.

Other Important Information

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

Tel : (034) 822700-4 Fax : (034) 822699

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

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 7,800 tons of finished products per year. It distributes and exports products under both its own brands and OEM brands.

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

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

Other Important Information

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.

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 41,000 tons of finished products.
- Fishmeal products with an annual production capacity of 6,000 tons.

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

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

Other Important Information

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

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

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, Champ 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, fresh water shrimp and sinking pellet for fish feed.
2. Floating feed products are feeds for sea bass fish, Nile tilapia, snake-head fish, catfish, frog, and crab.

Other Important Information

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

Tel : (032) 437922 Fax : (032) 437135

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.

Other Important Information

Address : 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

Asian Pets Care Corporation Co., Ltd.

Asian Pets Care Corporation Co., Ltd. is the fifth subsidiary company, established on 11 January 2018, with registered capital of 200 million baht, in which the company holds 100 percent of the shares. Operates the developing, marketing and distributing pet product under its own brand under the strategies of various companies in foreign markets.

Other Important Information

Address : 3388/9 Rama 4 Road, Khlong Ton, Khlong Toei, Bangkok 10110

Tel : (02) 367-5021-2 Fax : (02) 117-9329

Thaiya Corporation (Shanghai) Co., Ltd.

Thaiya Corporation (Shanghai) Co., Ltd. is a subsidiary of Asian Pets Care Corporation Co., Ltd., established in China on 21 December 2018, with registered capital of 700,000 USD, in which Asian Pets Care Corporation Co., Ltd. holds 100 percent of the shares. The Company is to operate a pet food distribution business under the brand of Asian Pets Care Corporation Co., Ltd. including the frozen seafood product of ASIAN group as well as to invest in shares of other relevant businesses in China.

Other Important Information

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

Asian Group SCS Europe GmbH

Asian Group SCS Europe GmbH is the first joint venture that Asian Pets Care Corporation Co., Ltd. invests with Dormeo Handels GmbH, established in Germany on 11 May 2018, with registered capital of 25,000 Euros, in which Asian Pets Care Corporation Co., Ltd. holds 60 percent of the shares. To distribute Asian Group products. The company is to expand the market abroad especially in Europe.

Other Important Information

Address : Toebele 1, 73098 Rechberghausen, Germany.

Inter Petrina Co., Ltd.

Inter Petrina Co., Ltd. is the Associated that Asian Pets Care Corporation Co., Ltd. invests with Inter Pharma Co., Ltd., established on 15 May 2018, with registered capital of 4 million baht, in which Asian Pets Care Corporation 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.

Other Important Information

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

Shangdong Thaiya Meisi Pet Food Co., Ltd.

Shangdong Thaiya Meisi Pet Food Co., Ltd. is the joint venture in China 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 Thaiya Corporation (Shanghai) Co., Ltd. holds 10 percent and Asian Pets Care Corporation Co., Ltd. holds 41 percent of the shares. To produce OEM dry pet food products under the customer's trademark for distribution in China.

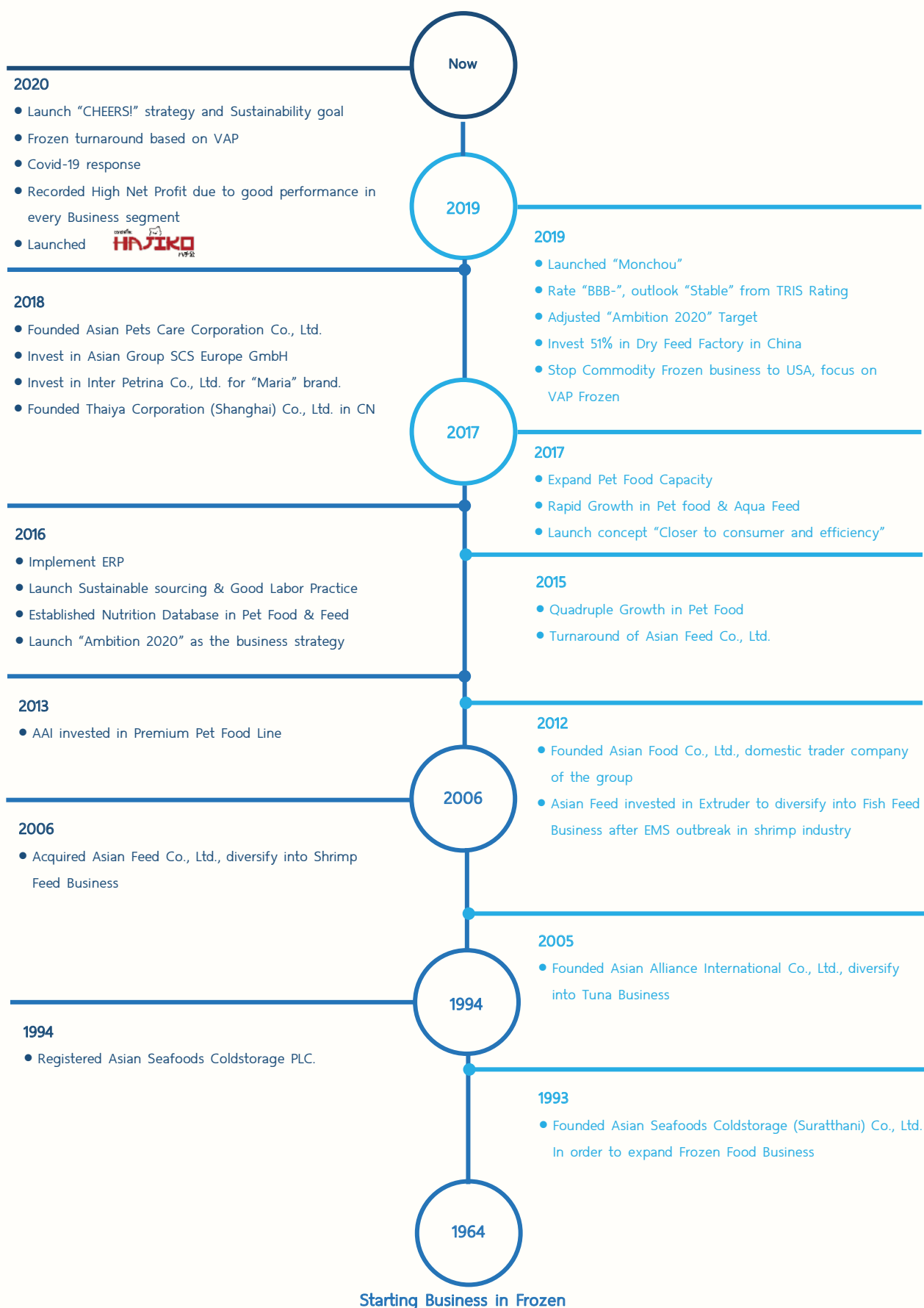
Other Important Information

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

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.

Major Events



Major changes and Event in 2020

- Development of the implementation of the sustainability strategy.

In 2020, Asian Group launched the sustainability strategy under the concept of “Sustainability through Responsibility” and has created a project to communicate this strategy to Asian employees of all levels including setting the Sustainable Development Goals (SDGs) of Asian Group as well as initiate important new projects under C-H-E-E-R-S! which are Succession Plan, Renewable Energy Project (Solar Roof-top), Greenhouse Gas Emission Reduction Plan, Stimulate employees’ consciousness on waste separation and follow up on routine operations that are critical to organization sustainability, including food quality and safety standards control, research and product development, personnel management and human rights, risk management, efficiency improvements across the organization, as well as anti-corruption, as reported in the Sustainability Report.



- Business Development

Pet Food Business: Sales revenues increased 38% compare to last year. New capacity in plastic cup, which were invest since the end of 2019, and in pouch, which were invest in Q3 2020, were running in full as pet food current customers grow their volume significantly as Covid-19 pandemic. People in many countries were force to stay more at home, thus, pet per household and spending per pets were increased. New customers also contribute on this rapid growth as our own joint venture in Europe work well in term of cooperate with our European customers, both current and new customers, even travel across the country has been limited due to Covid-19 outbreak.

the new economy pet food brand were launched in September



Frozen Business: Frozen business turnaround as frozen value-added products (ready to cook products) sales grew rapidly as “New Normal” driven from Covid-19 pandemic force people to cook themselves at home. Ready-to-cook frozen product, then, became popular as it easy to cook and have long shelflive.

Awards

- In 2020, Asian Sea Corporation Public Company Limited get Best Investor Relations Awards in SET Awards 2020 among listed companies with registered capital less than 3,000 million baht. On Tuesday December 15, 2020, Asian has received the trophy at the Stock Exchange of Thailand building, Ratchadaphisek Road.



Revenue by Business Segment

(Unit : Million Baht)

Business Segment	Company	ASIAN Shareholding portion %	2020		2019		2018	
			Domestic	Export	Domestic	Export	Domestic	Export
Frozen Business	ASIAN	-	343	1,258	431	1,394	393	1,742
	SURAT	100	77	1,256	128	1,670	183	2,006
	AFOOD	100	179	-	351	-	351	-
Tuna Business	AAI	100	121	970	168	932	153	911
Pet Food Business	AAI	100	228	3,170	180	2,304	119	2,968
	APCC	100	13	-	12	-	-	-
	THAIYA*	100	-	17	-	7	-	-
Aquaculture Feed Business	AFEED	100	1,378	1	1,090	5	1078	20
Deduct Elimination of inter-company transaction			(358)	(7)	(472)	(5)	(355)	-
Total Revenue			1,981	6,665	1,888	6,307	1,922	7,647

Note:

ASIAN Refer to Asian Sea Corporation PLC.

SURAT Refer to Asian Seafoods Coldstorage (Suratthani) Co., Ltd.

AAI Refer to Asian Alliance International Co., Ltd.

APCC Refer to Asian Pets Care Corporation Co., Ltd.

AFEED Refer to Asian Feed Co., Ltd.

AFOOD Refer to Asian Food Co., Ltd.

ThaiyaRefer toThaiya Corporation (Shanghai) Co., Ltd.

* Held by Asian Pets Care Corporation Co., Ltd.

Property of Business

Property of Asian Sea Corporation PLC.

As of 31st December 2020

Type of Property		Book Value
		(Million Baht)
1	Land	840
2	Building and Land Development	236
3	Machines and Equipment	116
4	Furniture and Office Supplies	7
5	Vehicles	5
6	Machine under installation process	3
Total		1,207

Property of Asian and its subsidiaries.

As of 31st December 2020

Type of Property		Book Value
		(Million Baht)
1	Land	1,051
2	Building and Land Development	726
3	Machines and Equipment	920
4	Furniture and Office Supplies	25
5	Vehicles	20
6	Machine under installation process	37
Total		2,779

Assets as the Collateral of Loans

According to the Consolidated Financial Statement as of 31st December 2020, 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 2 term loans facilities form Kasikornbank Public Company Limited. which are
 1. Long-term loans of 1,500 million baht which was approved in 2017
 2. Long-term loans of 500 million baht which was approved in 2020
- 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
 3. Long-term loans of 550 million baht which was approved in 2018
 4. Long-term loans of 300 million baht which was approved in 2019

Property Reappraisal Details

In the fiscal year 2020, the company and its subsidiaries have not appraised or re-value their assets.

2020 was a year of severe economic and market change, all a result of the Covid-19 pandemic. Direct changes with a large impact occurred in tourism, travel services, restaurants, and entertainment venues, when it was found that they were risky for widespread infection. Many countries issued and enforced measures to limit travel, particularly international travel, while there were lockdown measures in risky places, including service outlets, department stores, restaurants, and entertainment venues. People in many countries were asked to reduce any travel from their accommodation. These measures also had indirect effects, causing rapid changes in consumer behavior, particularly increasing in using online products, and home delivery services.

In the pet food business, the Covid-19 pandemic grew demand for the industry's products more than previously. It was found that people staying at home more caused an increase in the population of pets per household, as well as the average spending per pet. Wet pet food product segment tended to grow more in markets where pet owners had concerns for their pets' health and had good knowledge of pet nutrition, particularly in US, European and Japanese markets. The trend of environmental conservation also determined the direction of product development. For instance, products packaged in pouches or plastic cups were popular among the group stressing waste reduction, while products in plastic cups or in cans were favored by the group preferring recycling. Thai manufacturers of wet pet food products retained a competitive advantage in the industry from their large production base for tuna informed by expertise and long experience, coupled with raw materials having high quality and safety standards.

Products from the tuna and ready-to-eat businesses matched consumer needs during the Covid-19 pandemic, because of long storage times and convenience of use. While shortages of tuna raw material cropped up on some occasions because of labour limitations, they were not severe and did not make the price unusually volatile. Demand for raw material did not increase much, as production capacity of canned tuna in the industry was somewhat limited.

The frozen business suffered different effects. Frozen seafood processing products (frozen raw shrimp, frozen cooked shrimp, and frozen squid) were negatively affected, and rather severely. This was because market demand had greatly reduced from restaurants, hotels and catering businesses having to close or limit their sales during the lockdown. There were also concerns from consumers in some areas about Covid-19 virus residues on packaging or in the transportation system. Meanwhile, raw material prices, whether shrimp or fish, were rather low. At the same time, the frozen ready-to-cook products grew massively, especially in the retail market through modern trade channels or supermarkets. This was because they were easy to cook at home and could be stored for a long time. Manufacturers had to emphasize the development of products which could be conveniently cooked in the specific style of each market. For instance, in some country's consumers preferred to reheat food in a microwave. Some countries preferred to use an oven or a deep frying pot. Meanwhile, the operators of restaurant chains trended to require development of their own ready-to-cook products to reduce costs and cooking times, while also being easier to control product quality in the branch outlet.

The domestic aquaculture feed business was affected by the Covid-19 pandemic for almost the entire year. Production from prawn farms reduced by about 10% to about 270,000 tons. This was because domestic consumption was greatly reduced in the second quarter, as restaurants and hotels were closed, and catering was on hold. As a result, the price of shrimp was reduced, and farmers decided to reduce the farm volumes. Although the situation improved gradually in the second half, the new wave of infection centered at important shrimp markets in Samut Sakhon exacerbated the situation, giving the expectation that shrimp volumes in the first quarter of 2021 will be rather low. As a result, the shrimp feed market shrank for almost the entire year. Food producers focused on food with quality and low costs. There was also a request for cooperation from the government for feed producers to reduce the prices of shrimp feed to help out farmers in some periods. Fish feed was similarly affected, especially the sea bass group

Shareholder Structure

Registered Capital and Paid-up Capital

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

Shareholders

Top 10 Major Shareholders (as of December 31, 2020)	Number of shares	Shareholding (%)
1. Mr. Somsak Amornrattanachaikul	279,633,071	51.52
2. Mr. Somchai Amornrattanachaikul	60,515,000	11.15
3. Miss. Siripat Amornrattanachaikul	22,886,801	4.22
4. Thai NVDR Company Limited	18,535,122	3.42
5. Mrs. Jiranya Amornrattanachaikul	12,727,450	2.35
6. BBHISL NOMINEES LIMITED	8,862,300	1.63
7. Mr. Kajornkiet Ung-Aram	4,296,500	0.79
8. Mr. Chokchai Thammayutikan	4,189,400	0.77
9. Mr. Jirayu Udompornpruet	4,000,000	0.74
10. Mr. Wichian Mongkolthanatrakul	3,978,600	0.73
Top 10 Total	419,624,244	77.32
Grand Total	542,727,549	100.00

Note:

- Amornrattanachaikul family consisting of Mr. Somsak Amornrattanachaikul, Mr. Somchai Amornrattanachaikul and Mrs. Jiranya Amornrattanachaikul hold shares in total of 352,875,521 shares, which is 65.02%
- Thai Nationality Shareholder hold shares in total of 529,606,649 shares, which is 97.58%
- Other Nationality Shareholder hold shares in total of 13,120,900 shares, which is 2.42%

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

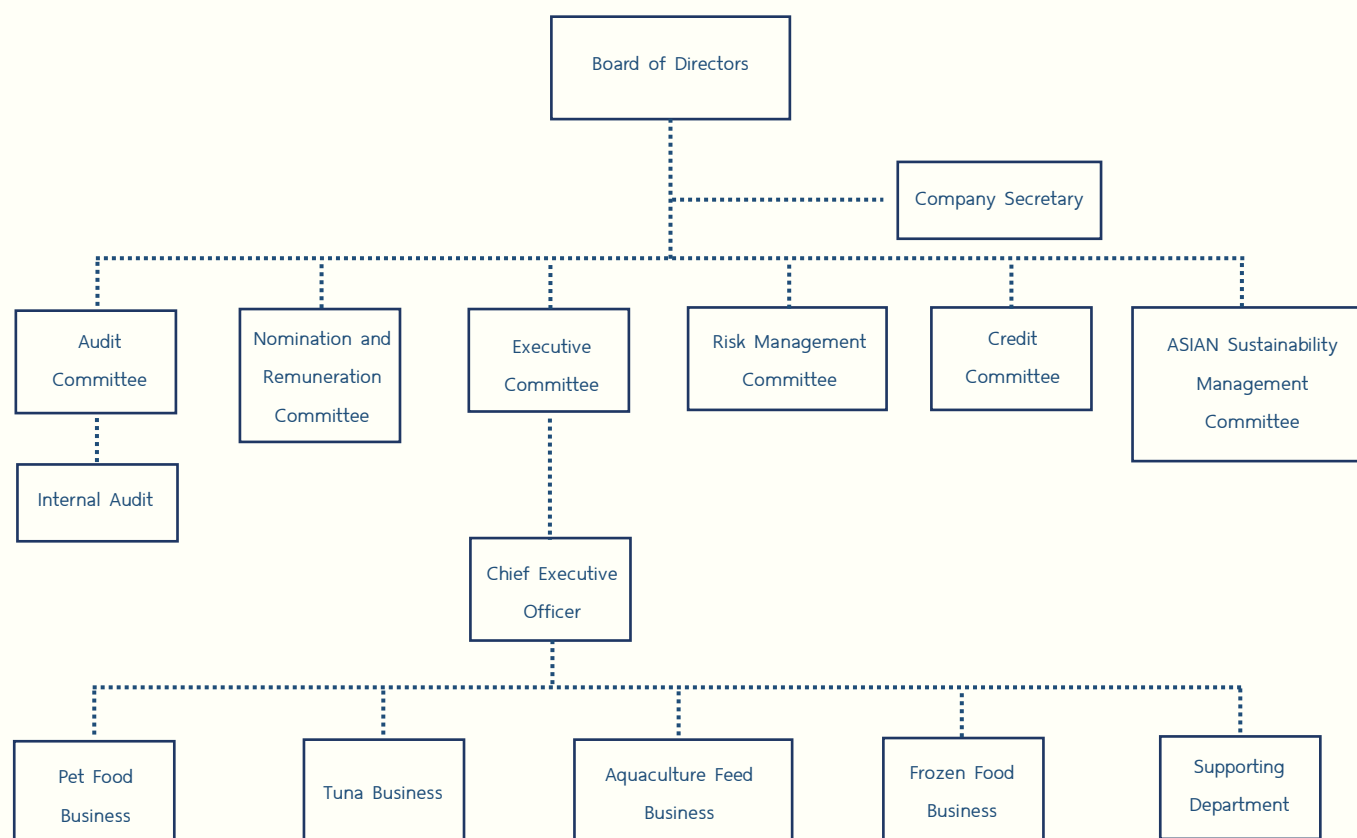
Asian Sea Corporation PLC. has a dividend pay-out policy at least 50% of net profit after tax and legal reserve. However, the Board of Director have authorized to propose such a policy each year considering its future investment plan, its financial covenants, and every other obligation to financial institutions, 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 2020 operational results, the Board of Directors resolved to propose to the 2021 Annual General Meeting of Shareholders to consider and approve to pay the dividends in stocks and cash from retained earnings at the rate of 1.05 baht per share. The dividend will pay out as stock dividend at the rate of 0.50 baht per share, at the ratio of 2 existing shares to 1 dividend share and pay out as cash dividend at the rate of 0.55 baht per share. The dividend payment in total will be 271,363,774 shares and 298,500,151.95 baht cash. If there are fractions from calculation, the company will pay by cash at 0.50 baht per share instead. All dividends will pay out from Non-BOI operation result on May 17th, 2021, if the dividend payment was approved by the 2021 Annual General Shareholder Meeting (AGM) on

April 22nd, 2021. The board of directors approved to entitle rightful shareholders who can receive the dividend on April 30th, 2021 (Record Date).

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 12 directors (As of 31 December 2020) as follows:

Name	Position	Appointment Date	Holding the Position of Director in Other Listed Company
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 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. Ms. Prapa Puranachote ⁽¹⁾	Director	23 April 2020	2
9. Mrs. Sunanta Tiasuwan ⁽²⁾	Independent Director / Chairman of Audit Committee	27 March 2012	2
10. Mrs. Yaowanee Kruo-ongarjnukool	Independent Director / Audit Committee	15 May 2008	—
11. Mr. Somboon Phaobanchong	Independent Director / Audit Committee	25 October 2012	—
12. Mr. Vichai Assarasakorn ⁽³⁾	Independent Director / Audit Committee	31 October 2019	1

Noted

⁽¹⁾ Ms. Prapa Puranachote holding the position of Director in Padaeng Industry PLC. and MFC Asset Management PCL.

⁽²⁾ Mrs. Sunanta Tiasuwan holding the position of Director in Pranda Jewelry PCL. and Eastern Star Real Estate PCL.

⁽³⁾ Mr. Vichai Assarasakorn holding the position of Director in Krungthai Bank PCL.

Proportion of Independent Directors on the Board

Board of Directors	Persons	Proportion
Executive Directors	8	66.67
Non-executive Directors	4	33.33

Length of Directors' tenure

Period of Tenure	Persons	Proportion
0 - 9 years	7	58.33
More than 9 years	5	41.67

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 Amornrattanachaikul		✓			✓	✓			✓	✓
2. Mr. Somchai Amornrattanachaikul	✓	✓			✓	✓				
3. Mr. Suriya Prasatbuntitya				✓			✓	✓	✓	✓
4. Mr. Aekarat Punnasung		✓		✓	✓	✓	✓			✓
5. Mrs. Suree Jansawat						✓	✓	✓	✓	✓
6. Mr. Wallop Lomlim		✓				✓			✓	✓
7. Mr. Hendrikus Van Westendorp	✓	✓	✓			✓	✓	✓		
8. Ms. Prapa Puranachote		✓	✓	✓		✓	✓	✓	✓	✓
9. Mrs. Sunanta Tiasuwan			✓				✓		✓	✓
10. Mrs. Yaowanee Kruo-ngarjnkool			✓					✓	✓	
11. Mr. Somboon Phaobanchong		✓				✓		✓	✓	
12. Mr. Vichai Assarasakorn		✓	✓						✓	

Sub-Committee

1. Audit Committee There were 4 directors (As of 31 December 2020) as follows:

Name	Position
1. Mrs. Sunanta Tiasuwan	Chairman of Audit Committee
2. Mrs. Yaowanee Kruo-ngarjnkool	Audit Committee
3. Mr. Somboon Phaobanchong	Audit Committee
4. Mr. Vichai Assarasakorn	Audit Committee

2. Nomination and Remuneration Committee There were 3 directors (As of 31 December 2020) as follows:

Name	Position
1. Ms. Prapa Puranachote	Chairman of Nomination and Remuneration Committee
2. Mr. Suriya Prasatbuntitya	Nomination and Remuneration Committee
3. Mr. Somboon Phaobanchong	Nomination and Remuneration Committee

3. Executive Committee There were 11 directors (As of 31 December 2020) as follows:

Name	Position
1. Mr. Somsak Amornrattanaichai	Chairman of Executive Committee
2. Mr. Somchai Amornrattanaichai	Executive Committee
3. Mr. Suriya Prasatbuntitya	Executive Committee
4. Mr. Somchai Kuvijitsuan	Executive Committee
5. Ms. Prapa Puranachote	Executive Committee
6. Mr. Hendrikus Van Westendorp	Executive Committee
7. Mr. Akamon Prasoppolsujarit	Executive Committee
8. Mr. Aekarat Punnasung	Executive Committee
9. Mrs. Suree Jansawat	Executive Committee
10. Mr. Wallop Lomlim	Executive Committee
11. Mr. Nattharath Puangsuda	Executive Committee

4. Risk Management Committee There were 10 directors (As of 31 December 2020) as follows:

Name	Position
1. Mr. Suriya Prasatbuntitya	Chairman of Risk Management Committee
2. Mr. Somchai Kuvijitsuan	Risk Management Committee
3. Mr. Akamon Prasoppolsujarit	Risk Management Committee
4. Mr. Somboon Phaobanchong	Risk Management Committee
5. Mr. Somsak Sthidthumrong	Risk Management Committee
6. Ms. Sirirat Wongmathawee	Risk Management Committee
7. Mr. Bundit Pichetpongsa	Risk Management Committee
8. Mr. Nattharath Puangsuda	Risk Management Committee
9. Ms. Varanratch Assanupong	Risk Management Committee
10. Mr. Pallop Chewpraditkun	Risk Management Committee

5. Credit Committee There were 6 directors (As of 31 December 2020) as follows:

Name	Position
1. Mr. Suriya Prasatbuntitya	Chairman of Credit Committee
2. Mr. Akamon Prasoppolsujarit	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

6. ASIAN Sustainability Management Committee There were 9 directors (As of 31 December 2020) as follows:

Name	Position
1. Mr. Suriya Prasatbuntitya	Chairman of ASIAN Sustainability Management Committee
2. Mr. Akamon Prasoppolsujarit	ASIAN Sustainability Management Committee
3. Mr. Aekarat Punnasung	ASIAN Sustainability Management Committee
4. Mrs. Suree Jansawat	ASIAN Sustainability Management Committee
5. Mr. Wallop Lomlim	ASIAN Sustainability Management Committee
6. Mr. Nattharath Puangsuda	ASIAN Sustainability Management Committee
7. Ms. Varanratch Assanupong	ASIAN Sustainability Management Committee
8. Mr. Kittitreeprapaporn	ASIAN Sustainability Management Committee
9. Ms. Wijitra Thiangtham	ASIAN Sustainability Management Committee

Company Secretary

Name: Mr. Nattharath Puangsuda
Ages 52 Years
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 Control

Name: Miss Phastrawan Prichapanuwat
Ages: 39 Years
Position: Internal audit department manager
Date of Appointment: May 8, 2017
Educations: Master's degree (MBA), Major in Accounting, (Ramkhamhaeng University)
Percentage of Shares Hold: None

Work Experience:

- 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.

Training

- Personal Data Protection (PDPA)
- Professional Forensic Accounting
- Corruption Risk & Control technical update (CRC5/2020)
- 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

Subsidiaries Directors

Director and Committee of 5 subsidiaries.

Directors Name	Subsidiaries				
	SURAT	AAI	FEED	FOOD	APCC
1. Mr. Somsak Amornrattanachaikul	X	X	X	X	X
2. Mr. Somchai Amornrattanachaikul	/	/	/	/, //	/
3. Mrs. Suree Jansawat	//	-	-	-	-
4. Mr. Wallop Lomlimp	-	-	//	-	//
5. Mr. Aekarat Punnasung	-	//	-	-	-

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.
 APCC = Asian Pets Care Corporation Co., Ltd

Board Remuneration Policy and Remuneration of 2020

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 2020, 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 25,000 baht per meeting, the members of the Audit Committee 15,000 baht per meeting, independent directors pay 15,000 baht per meeting, the members of the Risk Management Committee 5,000 baht per meeting.
- 2) Annual Bonus: to be considered and paid according to the company's performance which the Board of Directors will consider the amount to pay but could not exceed the budget that the AGM approved.

Directors' remuneration of 2020

Name	Directors' Meeting Allowance (Baht)	Audit Committees' Meeting Allowance (Baht)	Risk Committees' Meeting Allowance (Baht)	Nomination and remuneration Committees' Meeting Allowance (Baht)	AGM Meeting Allowance (Baht)
1. Mr. Somsak Amornrattanachaiikul (Chairman of the Board)	-	-	-		
2. Mr. Somchai Amornrattanachaiikul (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. Ms. Prapa Puranachote (Director)					
9. Mrs. Sunanta Tiasuwan (Chairman of Audit Committee /Independent Director)	45,000	100,000	25,000	-	40,000
10. Mrs. Yaowanee Kruo-ngarjnkool (Audit Committee /Independent Director)	60,000	60,000	15,000	-	30,000
11. Mr. Somboon Phaobanchong (Audit Committee /Independent Director/Nomination and Remuneration Committee/Risk Management Committee)	45,000	45,000	15,000	-	30,000
12. Mr. Vichai Assarasakorn (Audit Committee /Independent Director)	45,000	45,000	15,000	-	30,000

4. Top Management compensation for 2020

Management Level	Number (person)	Salary and Bonus (Unit: Baht)	
		2020	2019
Executive Vice President and up	4	25,226,155	9,797,520

The Board of Directors



Mr. Somsak Amornrattanachaikul

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



Mr. Somchai Amornrattanachaikul

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



Mr. Suriya Prasatbuntitya



Mr. Hendrikus Van Westendorp



Mr. Aekarat Punnasung



Mrs. Suree Jansawat



Mr. Wallop Lomlim



Ms. Prapa Puranachote



Mrs. Sunanta Tiasuwan



Mrs. Yaowanee Kruo-ongarjnkool



Mr. Somboon Phaobanchong



Mr. Vichai Assarasakorn

Audit Committee



Mrs. Sunanta Tiasuwan
Chairman of the Audit Committee



Mrs. Yaowanee Kruo-ongarjnukool



Mr. Somboon Phaobanchong



Mr. Vichai Assarasakorn

Nomination and Remuneration Committee



Ms. Prapa Puranachote
Chairman of Nomination and Remuneration Committee



Mr. Suriya Prasatbuntitya



Mr. Somboon Phaobanchong

Executive Committee



Mr. Somsak Amornrattanachaikul

Chief Executive Officer



Mr. Somchai Amornrattanachaikul



Mr. Suriya Prasatbuntitya



Mr. Somchai Kuvijitsuwan



Ms. Prapa Puranachote



Mr. Hendrikus Van Westendorp



Mr. Akamon Prasoppolsujarit



Mr. Aekarat Punnasung



Mrs. Suree Jansawat



Mr. Wallop Lomlim



Mr. Nattharath Puangsuda

Risk Management Committee



Mr. Suriya Prasatbuntitya

Chairman of Risk Management Committee



Mr. Somchai Kuvijitsuwan



Mr. Akamon Prasoppolsujarit



Mr. Somboon Phaobanchong



Mr. Somsak Sthidthumrong



Miss. Sirirat Wongmathawee



Mr. Bundit Pichetpongsa



Mr. Nattharath Puangsuda



Ms. Varanratch Assanupong



Mr. Pallop Chewpraditkun

Credit Committee



Mr. Suriya Prasatbuntitya

Chairman of Credit Committee



Mr. Akamon Prasoppolsujarit



Mr. Nattharath Puangsuda



Mr. Aekarat Punnasung



Mrs. Suree Jansawat



Mr. Wallop Lomlim

ASIAN Sustainability Management Committee



Mr. Suriya Prasatbuntitya

Chairman of ASIAN Sustainability Management Committee



Mr. Akamon Prasoppolsujarit



Mr. Aekarat Punnasung



Mrs. Suree Jansawat



Mr. Wallop Lomlim



Mr. Nattharath Puangsuda



Miss. Varanratch Assanupong



Mr. Kitt Treeprapaporn



Miss. Wijitra Thiangtham

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	4/4
Mrs. Yaowanee Kruo-ngarjnuakool	Audit Committee	4/4
Mr. Somboon Phaobanchong	Audit Committee	3/4
Mr. Vichai Assarasakorn	Audit Committee	3/4

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

In 2020, the Audit Committee performed its duties as briefly described below:

1. Reviewed the 2020 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 2020 based on the prior year's performance, qualifications, skills, knowledge, proficiency and professional experience, and nominated EY Office Limited as the Company's auditors of 2020. The Audit Committee also approved remuneration of auditors for 2020.
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, including internal control process. Audit aimed to train internal auditors about new standard including related laws such as the Personal Data Protection Act 2019, etc.

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

To the shareholders,

In 2020, the Risk Management Committee had 7 meeting and performed its duties as briefly described below:

1. Consider and review Corporate Risk of 2020 to ensure that Corporate Risk has been continuously evaluated, including register new risk which may impact ASIAN significantly. The committee also considered action plan needed and delegated plans to appropriate department to operate. Moreover, the committee will ensure that Corporate Risks which were registered cover all 4 aspects which are:
 - 1) Strategic Risk
 - 2) Operational Risk
 - 3) Financial Risk
 - 4) Compliance Risk
2. Consider and review Risk measurement criteria to ensure that the criteria used are still appropriate and up to date.
3. Meeting with Audit Committee to consider Audit Committee's comments in order to improve Risk management of the company to be more efficient.
4. Acknowledged Business risk evaluation and monitored business risk management to ensure that business risks have been evaluate properly. The committee also consider to upgrade business to Corporate Risk if there are any business risk evaluated at high risk level and/or is significant issues to other business. Then, manage as same as other Corporate Risk.
5. Reported the performance of the Risk Management Committee to the Board of Directors in the meeting.

From the above, the Risk Management Committee ensure that Risk management of the company has been manage continuously, effectively, and completely in accordance with good corporate governance for the benefit of the company' shareholders and stakeholders appropriately.



(Mr. Suriya Prasatbuntitya)

Chairman of Risk Management Committee

Report from ASIAN Sustainability Management Committee

To the shareholders,

In 2020, Asian Sustainability Management Committee had been worked with its full effort, with ambition of every committee who are the top management of each business, to launch C-H-E-E-R-S-I strategy aggressively and concretely. Moreover, the committee also focus on how to communicate C-H-E-E-R-S-I strategy to the employee at all level properly as well. According to the above, in 2020 the committee had 4 meeting and performed its duties as briefly described below:

1. Launched "CHEERS! Leader Contest" to bring in every employee interest on to Cheers! Strategy. 2 CHEERS! Leader will be chosen from each company, one is Thai, the other is migrant worker, to ensure that C-H-E-E-R-S-I strategy has been communicate thoroughly.
2. Launched a challenge between Human Resources Department, the department that were delegated to communicate C-H-E-E-R-S-I strategy, of each subsidiaries to develop a communication plan presented to the committee how to communicate such the strategy, using VDO presentation.
3. Identified Sustainability Development Goals (SDGs) that consistent with the corporate structure that encompass economic, social, and environmental dimensions.
4. Monitor each plan and reported to the Board of Directors quarterly. The new issues initiated this year are Solar Roof-top project at Asian Alliance International Co., Ltd., identified sources of Greenhouse gas emissions of the company and the subsidiaries, and succession plan. The committee also determined reporting pattern which will cover all aspects of the strategy to analyze and set up sustainable targets and plans later on.

The ASIAN Sustainability Management Committee operate at their full potential during the course of 2020, with their intention to facilitate Asian Sea Sustainability since then so that Asian Sea will be able to accomplish its goals and objectives, in both business and sustainability, as its vision and mission.



(Mr. Suriya Prasatbuntitya)
Chairman of Risk Management Committee

Report of the Nomination and Remuneration Committee

To the Shareholders,

In 2020, Asian Sea Corporation Public Company Limited, in the 2nd Board of Directors' meeting, appointed the Nomination and Remuneration Committee which are consisted of 3 members as follows:

- | | | |
|----------------|----------------|------------------------|
| 1. Ms. Prapa | Puranachote | Chair of the committee |
| 2. Mr. Suriya | Prasatbuntitya | the committee |
| 3. Mr. Somboon | Phaobanchong | the committee |

The Nomination and Remuneration focused on the work as the Board of the Director assigned, which the key objective is to improve human resources plan, particularly in nomination and set up top management remuneration to ensure that were in line with the others at the same size in the industry. This will secure the company against human resources shortage risk which will impact on business growth in the future.

In 2020, The Nomination and Remuneration Committee had 3 meeting and performed its duties as briefly described below:

1. Initiate succession plan. The committee identified the criteria to evaluate the positions that need successors, set up evaluation form, and identified the position need to evaluate. The committee also responsible on communication to the top management on the important of succession plan including the plan to develop successors. Then, delegated the responsible persons to evaluate the successors' need the propose to the committee.
2. Considered and proposed to the Executive Committee to improve compensation of the company and its subsidiaries, including increase benefit on employee's health insurance to in line with the current circumstances to motivate the employees.
3. Reviewed and proposed to the Board of Directors to correct the Corporate Governance Policy to be consistent with the current suggested version. The important improvement is to propose to the Board of Directors to identified that the Chair of the Board of Directors and the Chief Executive Officer must not be the same person.
4. Proposed to the Board of Directors to propose the 2021 AGM to approve the 4 re-appointment of retiring directors back to the position. The directors retired in 2021 are as follows:

1) Mr. Somsak	Amornrattanachaikul	Director
2) Mr. Somchai	Amornrattanachaikul	Director
3) Mr. Wallop	Lomlim	Director
4) Mrs. Yaowanee	Kruo-ongarjnukool	Independent Director and Audit Committee
5. Proposed to the Board of Directors to proposed to the AGM to approve the directors' remuneration for 2021, which is not exceed 2,000,000 baht. The rate is the same as last year.

The Nomination and Remuneration performed its duties independently according to good governance policy and ensure the shareholders and stakeholders that nomination and remuneration process are transparent.



(Ms. Prapa Puranachote)

Chair of the Nomination and Remuneration Committee

Report of Credit Committee

To the shareholders,

In 2020, the Credit Committee held 9 meetings which each committee attended all the meeting. The Credit Committee performed its duties as briefly described below

1. 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.
2. 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.
3. Approve the extension of repayment for 2 customers with a total value of 2,146,695.91 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. Report the performance of the Board to the Board of Directors every quarter.

From the committee's dedicated operations, the company's overdue debt has improved accordingly. Even in the course of 2020, there are higher overdue risk as both domestic customers and foreign customers were impact from Covid-19 pandemic, there are no more doubtful debt allowance were set.



(Mr. Suriya Prasatbuntitya)
Chairman of Risk Management 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.

Related Party Transactions

Definition of Related Party Transactions

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

The related company and relationship

Company Name	Type of Business	Relationship
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	Frozen Food Processor	The company's subsidiary.
Asian Alliance International Co., Ltd.	Tuna Frozen and Canning Processor and by-product such as Canned Pet Food and Fishmeal.	The company's subsidiary.
Asian Feed Co., Ltd.	Aquaculture Feed Processor Chemical.	The company's subsidiary.
Asian Seafoods Coldstorage (Sriracha) Co., Ltd.	Frozen fish and processing frozen fish.	Asian Feed Co., Ltd.'s subsidiary. (Registration of cessation completed since May 30 th , 2014. The subsidiary is pending liquidation process.)
Asian Food Co., Ltd.	Frozen Food for Domestic Distribute.	The company's subsidiary.
Asian Pets Care Corporation Co., Ltd.	Operates the business of providing management and marketing services to affiliated companies.	The company's subsidiary.
Thaiya Corporation (Shanghai) Co., Ltd	Market, sale and distribute pet food and frozen product of ASIAN group, including invest to expand the business in China.	Asian Pets Care Corporation Co., Ltd.'s subsidiary.
Inter Petrina Co., Ltd.	Sale, and distribute pet food products under the Company's brand (MARIA)	Joint venture that holds 40% shares by Asian Pets Care Corporation Co., Ltd.
Asian Group SCS Europe GmbH	Market, sale, and distribute pet food and frozen products of ASIAN group.	Joint venture that holds 60% shares by Asian Pets Care Corporation Co., Ltd.
Shangdong Thaiya Meisi Pet Food Co., Ltd.	OEM of dry pet food in China.	Joint venture that holds 41% shares by Asian Pets Care Corporation 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	3.11 – 3.75 % 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	2.57 – 3.85 % 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	
	2020 baht	2019 baht
Sales	8,132,639.79	4,849,526.30
Cold storage service income	77,735,379.12	74,172,609.90
Rental income	15,840,000.00	19,200,000.00
Management fee income	73,859,999.96	63,130,000.80
Interest income	12,584,880.61	10,690,883.68
Other income	8,620,306.17	8,512,739.30
	196,773,205.65	180,555,759.98

Expenses to its subsidiaries	Separate Financial Statements	
	2020 baht	2019 baht
Purchased of raw materials	142,009,846.31	166,827,435.33
Interest expense	23,705,829.71	13,880,367.41
Other expenses	9,485,093.54	4,213,127.95
	175,200,769.56	184,920,930.69

Related parties' receivables	Separate Financial Statements	
	2020 baht	2019 baht
Trade receivable	6,978,667.17	8,168,626.83
Accrued interest receivable	399,787.23	1,071,260.51
Others receivable	15,391,373.37	14,873,204.23
	22,769,829.77	24,113,092.23

Loan to related parties	Separate Financial Statements	
	2020 baht	2019 baht
Short-term loan	136,446,121.70	322,079,053.79
deduct Allowance for doubtful debts	—	(41,836,226.35)
	136,446,121.70	280,242,827.44

(Short-term loan to its subsidiaries matures at call with no collateral. Interest rate were 3.11% to 3.75% (3.85% to 4.15% in 2019).

Related parties' payables	Separate Financial Statements	
	2020 baht	2019 baht
Trade payables	5,186,587.00	6,052,843.70
Accrued interest expenses	2,344,927.87	1,400,702.24
Other payables	3,177,995.10	263,688.35
	10,709,509.97	7,717,234.29

Loan from Subsidiaries	Separate Financial Statements	
	2020 baht	2019 baht
Short-term loan	963,072,485.31	458,237,327.51

(Short-term loan from its subsidiaries was mature at call with no collateral. Interest rate were 2.57% to 3.85% (3.71% to 4.34% in 2019)



ASIAN's Sustainability Report



ASIAN's Responses to the SDGs

In 2020 Asian has set sustainable development goals (SDGs) into its business that encompass economic, environmental, and social dimensions by selecting 7 SDGs, focusing on the proceedings in response to those 7 goals related to its business operations and the competency of the company. It also realizes the circumstance of social problems and world's important sustainability trends and, as a result, operates the business through the CHEERS strategy, which is an organization's sustainability management strategy as follow

SDGS		Targets
	GOAL 6 Ensure availability and sustainable management of water and sanitation for all.	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
	GOAL 7 Ensure access to affordable, reliable, sustainable, and modern energy for all.	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix. 7.3 By 2030, double the global rate of improvement in energy efficiency.
	GOAL 8 Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors. 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms. 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
	GOAL 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
	GOAL 12 Ensure sustainable consumption and production patterns.	12.2 By 2030, achieve the sustainable management and efficient use of natural resources. 12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses. 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
	GOAL 14 Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.	14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation.
	GOAL 16 Promote peaceful and inclusive societies for sustainable development.	16.5 Substantially reduce corruption and bribery in all their forms. 16.6 Develop effective, accountable and transparent institutions at all levels.

Key Sustainability Issues.

Asian operates its business to ensure business sustainability, while being responsive to stakeholder and adding value to the society and the environment. We identified key sustainability issues through a materiality analysis process that considers stakeholders' needs and expectations and business considerations.

In 2020, Asian has identified the key sustainability issues by collecting information on sustainability issues both from internal factors such as key issues from business planning, business goals as well as risks that may affect the organization both in the short and long term and external factors include sustainability trends and directions in line with the Global Sustainable Development Goals (SDGs), as well as the expectations of all 9 stakeholders by bringing issues that are significant to the organization and to stakeholders in the Materiality Matrix as shown in the table below



Governance (3 Issues)	Economic (3 Issues)	Social (7 Issues)	Environmental (6 Issues)
•Compliance with Laws and Regulations.	•Good Performance and Growth.	•Product quality and safety	•Utilization of Natural Raw Materials
•Anti-Corruption.	•Supply Chain Management	•Effective Recruitment	•Energy Consumption
•Code of Conduct and Transparency.	•Efficiency using Technology & Innovation	•Good Labor Practice	•Greenhouse Gas Management
		•Occupational Safety, Health and Environment	•Water Management
		•Employee Development and Career Path	•Air Pollution Management
		•Human Right	•Waste Management
		•Community Engagement	

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.

From the above considerations, the Asian Sustainability Management Committee has set a sustainability strategy that comply with business growth, global megatrends, and expectations of all stakeholders under the CHEERS strategic framework and set the CHEERS strategy as the main sustainability strategy of Asian and its subsidiaries under the concept "Sustainability through Responsibility" and the operation with responsibility is divided into 6 areas as follows

C	H	E	E	R	S
Consumers	Human Development	Efficiency	Environment	Rights of human	Stakeholders
Responsibility for Consumers	Responsibility for Human Development	Responsibility for Efficiency	Responsibility for Environment	Responsibility for Rights of human	Responsibility for Stakeholders
• Product quality and safety. • Traceability. • Products Research and development.	• Safety in the Workplace. • Fair wages and systematic and transparent performance evaluation process. • Training and career path opportunity.	• Optimize natural sources utilization. • The use of machines to replace labors. • Continuous improvement in production process efficiency.	• Clean energy sources. • Water management. • Air pollution management. • Waste management based on 3R. • Reducing Greenhouse Gas emissions.	• Respect for Human Rights • Free of Illegal, Unreported and Unregulated-IUU fishing and Human trafficking. • Anti-corruption • Whistle-blowing Policy	• Compliance with Laws and good governance. • Risk management • Supply Chain Management • Corporate Social Responsibility Activities.

In 2020, the Asian Sustainability Management Committee organized a project to communicate the CHEERS strategy to employees, including:

1. The "CHEERS! LEADER Contest" Project aims to find 2 representatives of each company, 1 Thai and 1 migrant, to represent the campaign and encourage employees to have knowledge and understanding of the CHEERS strategy, a key strategy used for the sustainable development of the ASIAN Group.
2. "CHEERS! Communication Challenge" among Human Each company's HR department had presented their communication plan to the Sustainability Management Committee. The decision was based on the random score of the CHEERS strategy questionnaire of 60 employees of each company, both Thai and migrant workers.

Asian's Responsible for Consumers

Product quality and safety

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

In 2020, the group of companies has passed the following quality system certifications:

- Asian Sea Corporation Public Company Limited

No	Certificate	Institution	Accredited year	Expiration year
1	GMP	Department of Fisheries	2020	2021
2	HACCP	Department of Fisheries	2020	2021
3	HALAL	Office of the Central Islamic Committee of Thailand	2020	2021
4	BRC	NSF	2020	2021
5	BAP	NSF	2020	2021
6	ISO 9001 : 2015	TQCS	2019	2022
7	ISO 14001 : 2015	British Assessment Bureau	2020	2021
8	ISO 17025 : 2017	Bureau of Laboratory Quality Standards Ministry of Public Health	2019	2021
9	COVID-19 Prevention Best Practice	Ministry of Agriculture and Cooperatives	2020	2021

- Asian Seafoods Coldstorage (Suratthani) Co., Ltd.

No	Certificate	Institution	Accredited year	Expiration year
1	Food Safety Standard BRC Version 8.0	Intertek Certification Limited	2018	2021
2	Environmental Management System ISO 14001: 2015	ACS Registrars	2019	2022
3	Quality Management System ISO 9001: 2015	ACS Registrars	2019	2022
4	OHSAS 18001: 2007 Occupational Health and Safety Management System	ACS Registrars	2019	2022
5	Good Criteria and Methods in Food Production with GMP Certificate	Department of Fisheries	2020	2021
6	Hazard Analysis and Critical Control Points HACCP Certificate	Department of Fisheries	2020	2021
7	Chain of Protection MSC Chain of Custody Standard	SGS Thailand Limited	2018	2021
8	COVID-19 Prevention Best Practice	Ministry of Agriculture and Cooperatives	2020	2021

- Asian Alliance International Co., Ltd.

No	Certificate	Institution	Accredited year	Expiration year
1	BRC	BSI	2020	2021
2	HACCP	Department of Livestock	2018	2021
3	GMP	Department of Livestock	2018	2021
4	HACCP	Department of Fisheries	2020	2021
5	GMP	Department of Fisheries	2020	2021
6	Dolphin Safe	Earth Island Institute	2020	2021
7	HALAL	Office of the Central Islamic Committee of Thailand	2020	2021
8	Kosher	K Meshulash / Triangle K INC.	2020	2021
9	SEDEX	Intertek	2020	2021
10	Thai Labor Standards (TLS 8001-2010) Basic level	Department of Labor Protection and Welfare, Ministry of Labor	2019	2021

- Asian Feed Co., Ltd.

No	Certificate	Institution	Accredited year	Expiration year
1	ISO9001:2015	Bureau Veritas	2019	2022
2	Good workplace hygiene management system (GMP)	Department of Fisheries	2019	2022
3	Aquarium Best Practices (BAP)	Lloyd's Register	2019	2022
4	Safety supervision standards in all food production processes (HACCP)	Department of Fisheries	2019	2022

Traceability

In the food manufacturing process, traceability is a crucial standard besides international-equivalent quality and safety standards. Customers and consumers can be assured that Asian Sea products are subject to policies of the company and its subsidiaries. The company's production process must incorporate complete and rapid traceability of the products it is producing and selling, at every stage of the process, within the time stipulated and efficiently, whether forward traceability or backward traceability. The product can be traced back to the supplier or vendor of the raw material, packaging or other component supplied to the company. The company and its subsidiaries have fully comprehensive traceability measures which are:

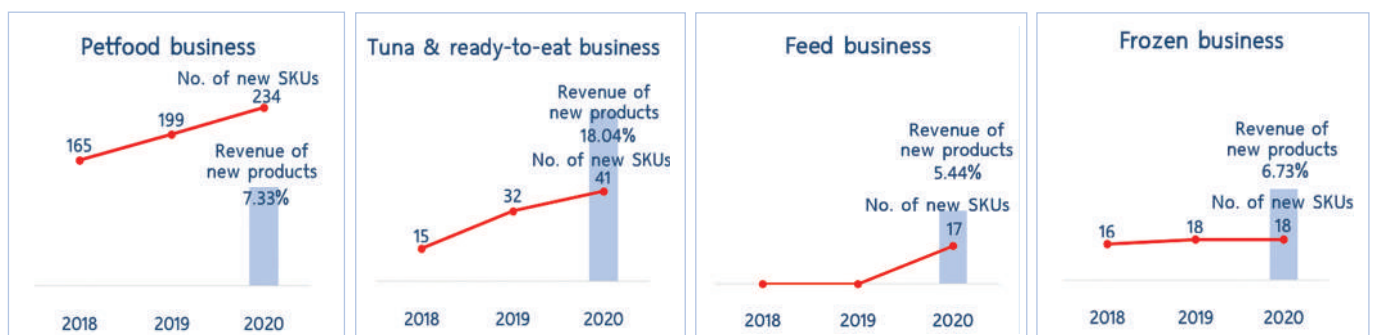
- 1) Identification of raw materials and packaging of the product during the production process in the finished product and in the material or a product inconsistent with standards, including products which are taken back to be reworked, and the delivery of all raw material, packaging, and components to the company.
- 2) Document keeping of traceability identification.
- 3) Scheduling frequency of traceability testing at least once per year from raw material and primary packaging to finished product, and which can be done in reverse from finished product to raw material and primary packaging.
- 4) Stipulating a time period for traceability which is appropriate to the category of business, the standards of the industry and the needs of the customer.
- 5) Product Traceability Exercise must cover every production process.
- 6) Traceability must include a specification of Mass Balance to be 95 to 105% within acceptable criteria.

Products Research and development.

As an OEM business, ASIAN pays attention to the development of research and development of products to meet the needs of consumers and to enable Asian's business and its customers to grow sustainably together, aiming to be "Codeveloper". This is the important strategy in the pet food and tuna business and will develop further into the frozen food business in the ready-to-cook product.

Asian conduct products research and development together with its partners who are suppliers of raw materials and various components used and customers, both inside and outside the country. The cooperation includes sharing information on the development of food products, market trends, and trends in consumer needs in each area through direct communication, conferences, annual seminars, training, track changes in law or related regulations. Asian has set a target for the proportion of income from new products to the total product value each year as well as targeting the number of new products that can be sold as a measure of the performance of the product research and development department.

In 2020, the number of new products released, and the revenue proportion of new products are as follows.



Asian's Responsible for Human Resources Development

Safety in the Workplace

Employee safety has always been a concern of Asian, work safety measures are undertaken intensively by working with measures and regulations and establishing emergency measures such as a countermeasure in the event of a CO₂ leak as well as having regulations to work in high-risk areas such as working in confined spaces, working with toxic substances or working with dangerous machinery. In addition, the necessary basic information is provided, which is trained by experienced professionals and supervisors, collect accident data, and investigate the root cause to formulate systematic preventive measures.

Asian monitors Injury Frequency Rate (IFR) and Injury Severity Rate (ISR) of our employees. These indicators are used to manage Asian's safety performance.

	2020	2019
	5,208 employees	5,376 employees
Injury Frequency Rate : IFR	3.12	2.83
Injury Severity Rate : ISR	2.40	5.89

From the above information, ASIAN has implemented additional root cause analysis and used lessons learned from past incidents to improve work processes and preventative measures to reduce repeat incidents, and accident data are reported to top management and the Occupational Health and Safety Committee for Acknowledge.

In addition, ASIAN Group also conducts safety promotion activities within the workplace such as fire evacuation drills, evacuation drills in case of ammonia leak, participation in safety activities with government agencies and organizations etc., as well as providing a risk assessment for diseases related to chemical, light, sound and heat work, and there is an annual health check-up and special examination according to the risks received by the occupational medicine specialists and report the results to the Provincial Labor Protection and Welfare Department as required by law, as well as the allocation of the area by in Noisy positions will be separated and equipped with Safety Sign to warn of dangerous areas and provide personal protective equipment (PPE) to prevent noise for employees who have to perform duties in the area.

Safety target of Asian's Group

1. Injury Frequency Rate (IFR) = 0 case / 1 million working hours for all employees.
2. Injury Severity Rate (ISR) = 0 days / 1 million working hours for all employees.

Project to promote safety in the workplace in 2020

- Occupational Safety, Health and Environment Management System Standard Project by the Institute for Safety Promotion Occupational health and work environment (Public Organization).
- Occupational Safety Training Course for Employees (Myanmar Language) by the Employers Organization Council of Thailand (ECOT).
- A project to promote and develop safety related to fire prevention and suppression and the electrical system in the factory by the Department of Industrial Works together with Kasetsart University.

Employee and Workplace Preventive Action from Covid-19 Pandemic

The Covid-19 pandemic in Thailand since March 2020, ASIAN, using "Covid-19 Situation Management Team", stipulates essential measures to ensure safety of every premises of ASIAN. Those measures include :

1. Preventive measures which limit employee travel into risky area according to the government announcement or travel aboard, including any public gathering places or crowded area.
2. Screening measures which comply with the suggestion of the Ministry of Public Health. Those measures are temperature screening and sign and fill in up-to-date screening forms. The company employees also have to fill in screening form once a month.
3. Self-isolation measures which stated that the employee must self-isolated at least 14 days if they are founded risky such as travel into risky area, contacted person who contaminated, or have some Covid-19 symptoms.

4. Cleaning and disinfection measures particularly the area that normally touch such as handle or handrail.
5. Social distancing measures which include marking areas, set up partition in the offices and canteen, mask must be worn before entering the workplaces, and getting part of the workforce to work from home to reduce the number of employees in the office.
6. Communicating measures which focus on communicate to all employee to ensure that they were acknowledge every measure launch by the company and have correct and enough information to take care of themselves away from Covid-19. The company also provide essential information at the publicity board in every workplace, in both Thai and Myanmar, so that all employees must realize and follow every measures. All employees will not violate any measure or covered any fact as they realize that to do so, they were guilty according to the company's regulation and state laws and they will be punished at the highest penalty according to laws and regulation relevant to the cases.

Fair wages and systematic and transparent performance evaluation process

- Manpower of the company and its subsidiaries as of December 31st, 2020 are as follows:

(Unit: Million Baht)

Company	Monthly Employee		Daily Employee		Total	
	2020	2019	2020	2562	2020	2019
Asian Sea Corporation Public Company Limited	268	270	688	864	956	1,134
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	184	227	526	854	710	1,081
Asian Alliance International Co., Ltd.	514	490	2,784	2,424	3,298	2,914
Asian Feed Co., Ltd.	199	200	24	36	223	236
Asian Group Services Co., Ltd.	21	11	0	0	21	11
Thaiya Corporation (Shanghai) Co., Ltd.	24	20	0	0	24	20
Total	1,210	1,218	4,022	4,178	5,232	5,396

- Salary and Wages paid as of December 31st, 2020 are as follows:

(Unit: Million Baht)

Company	Monthly Employee		Daily Employee		Total	
	2020	2019	2020	2562	2020	2019
Asian Sea Corporation Public Company Limited	90.45	96.65	98.29	127.89	188.74	224.54
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	47.37	51.96	75.22	105.91	122.59	157.88
Asian Alliance International Co., Ltd.	150.97	139.15	395.34	344.38	546.31	483.53
Asian Feed Co., Ltd.	63.45	53.84	4.45	4.06	67.90	57.90
Asian Group Services Co., Ltd.	9.91	7.62	0.00	0.00	9.91	7.62
Thaiya Corporation (Shanghai) Co., Ltd.	9.19	4.89	0.00	0.00	9.19	4.89
Total	371.34	354.11	573.3	582.24	944.64	936.35

Performance Evaluation Systems

Asian has 3 performance evaluationschemes, classified by level as follows:

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

The annual assessment results will be used to determine compensation as well as to consider promotion.

Employee proportion by level



Training and career path opportunity

ASIAN realizes that employees are the most important and valuable factor for success, progress, and steady growth. Therefore, Asian aims to work to maximize capability of employees, to develop knowledge management and work culture under the proper human resource management policy. Such the policy focuses on creating good and talent employees and develop its employees according to the "ASIAN" core values. ASIAN use a transparent performance appraisal system, including promotion and compensation and benefit payment that are comparable to similar businesses.

In 2020, 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.
- External training is the training aim to improve specific employee to develop work skill and specialization.

The training results as follow

No	Level	Target	Number of participants	Percentage (%)		Number of courses approved		Number of actual training courses	
				In-house	External	In-house	External	In-house	External
1	New Employee	Course • 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	982	100%	-	-	-	-	-
2	All Employees (by level)	Course approved for 2019	1,825	80.00%	70.59%	105	34	84	24
	• Operational		721						
	• Supervisor		234						
	• Manager								

Note: The training was not as planned, especially External training, as it was largely affected by the epidemic situation of COVID-19.

In addition, the Human Resources Department through the work of the Nomination and Remuneration Committee has also initiated a succession plan. In 2020, the Nominating Committee has established criteria to assess the required successor positions and determine which positions to be assessed, which is expected that in 2021, it will be able to identify the positions that require successors, as well as define successors and succession development plans until the completion.

Asian's Responsible for Efficiency in using Resources

ASIAN LINK



we could easily buy the good quality farm shrimp for processing in our frozen factories.

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.

Tuna by product are a main ingredient for our pet foods. Tuna bone and scrap are converted into tuna meal, which is the second main source of protein in aquaculture feed product next to domestic poultry meal, to use in our feed factory. And by producing this ourselves we can guarantee the origin and the quality of our shrimp and fish feeds. Moreover with good and long relationship of our feeds sales staff, who supports many shrimp in term of giving advice on feed types and regime or providing quality analysis services,

The use of machines to replace Labors

The risk of labor shortage as well as the cost-to-workforce tends to increase, lowering the competitiveness of the organization, and is critical to the sustainable growth of the organization. Asian Group has made a major adjustment of the manpower plan in the frozen food business since 2019 to reflect the new products and the changing market size. In 2020, Asian has set a policy for subsidiaries to increase production capacity without adding any manpower, as well as to set up investment plans for more automated machines to be used in the production process by setting targets to reduce Labor cost per unit of production in all subsidiaries in 2021.

Asian's Responsible for Environment

Asian has great awareness, concern, and care about the environment. The Company's management has provided a clear environmental management policy with operational planning, implementation, review and improve continuously. According to those, ASIAN received many important certificates such as Environmental Management System Standard (ISO 14001), Carbon Footprint of Organization Project [CFO] from the Thailand Greenhouse Gas Management Organization (Public Organization), including certification from the Department of Industrial Works, which includes the Green Industry project, the combustion efficiency improvement program for the radiators and boilers using the liquid as conductive, and the 3R project. From the certification standards that Asian has obtained, we can be confident that Asian has a strictly established system and rules that can lead to actions that are responsible for the community and free from any serious environmental damage both now and in the future.



Water management

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.

In 2020, Asian has signed a memorandum of understanding (MOU) to join the project "Volunteer spirit to save rivers in the area of Khlong Si Wa Pha Sa Wat and the branch canals in Samut Sakhon Province" with a common goal to drive environmentally friendly activities to reduce pollution in the area, jointly cultivate awareness and raise awareness of the conservation and development of the environment and to support and focus on promoting the value of public consciousness, contributing to society and the environment.

In addition, in 2021, the Asian Group aims to provide a comprehensive water management plan from assessing the sufficiency of water sources, water quality, reducing water consumption per tonne of production, reducing the amount of wastewater per tonne of production and wastewater treatment and water recycle guidelines.

Air pollution management

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, Asian has released measures for air pollution management, divided into two parts: reducing air pollution and Dust and vapors (contaminants) from the fuel consumption by measuring the contaminants in the exhausted air according to the announcement of the Ministry of Industry on the determination of the impurity content of 2006 and the chimney cleaning is required at least twice a year. Installed a pm 2.5 dust measurement device at the vent as needed and issue regulations prohibiting motorized parking in the Company's premises and compel the transport operators, both those employed by the company and partner transportation vehicles. Vehicles entering the establishment must not have black smoke and evidence of vehicle inspection must be presented upon request.

In addition, in 2020, Asian has joined the project. "Increase the combustion efficiency for boilers and boilers that use liquid as a heat carrier to conserve energy and reduce PM 2.5 dust at factories in Bangkok and metropolitan areas" which organized by the Department of Industrial Works together with King Mongkut's University of Technology Thonburi to promote energy conservation and environmental protection and safety in boiler use, boilers that use liquid as a heat carrier to conserve energy and reduce PM 2.5 dust at factories in Bangkok and metropolitan areas as well.



Waste management based on 3R principles

Asian has adopted the 3Rs concept: Reduce, Reuse and Recycle to apply with the Company and its subsidiaries, starting from product design, production planning, production process / method, and waste management in order to have the most efficient circulation and use of resources. It is expected that 3R waste management will make operations more efficient, reduce production costs, create a positive image, and feel for customers, and create positive attitudes and acceptance from the surrounding communities as well as, there are measures for the disposal of waste covering from waste sorting and methods for getting rid of garbage both general waste, contaminated waste and hazardous waste, including the selection measures for third-party companies to bring the waste of the company and its subsidiaries to dispose of as well.

In addition, in 2020, Asian has joined the project. "Developing the potential of waste utilization" organized by the Department of Industrial Works and there is also a campaign for waste separation within the factory.

Renewable Energy

By pushing forward on clean energy project in 2019, Asian has implemented solar rooftop project in Asian Alliance International Co., Ltd. as a pilot project which divided into 2 sides as follows

1. Cold Storage Side, the total installation capacity of the system is 999.24 kw, producing 1,408,400 kwh per year and helping to save electricity costs approximately 5,065,062 per year. This has resulted in greenhouse gas reduction of approximately 801.66 tons CO₂e. Currently, the cold storage side has completed the installation on November 22, 2020, and began to supply power from the solar system on November 30, 2020

2. Tuna Factory Side, the total installation capacity of the system is 3,531 kw, producing 4,788,670 kwh per year and helping to save electricity costs approximately 17,221,605 per year. This has resulted in greenhouse gas reduction of approximately 2,725.71 tons CO₂e. Currently, the tuna factory side is still under construction, but due to the coronavirus outbreak situation, the project is delayed than planned. The installation is expected to be completed in May 2021.



Green housegas emissions reduction

In 2020, Asian Group sets a target for subsidiaries to study guidelines for measuring greenhouse gas emissions and identify activities that generate greenhouse gases. In 2020, Asian Alliance International Co., Ltd. and Asian Feed Co., Ltd. have joined the project "Expanding the promotion of corporate carbon footprint in the industrial sector, Phase 9". This makes it possible to measure the amount of greenhouse gas emissions and identify the activities that cause greenhouse gases. Asian aims to expand to other subsidiaries in the reporting of greenhouse gas emissions until it can set a target to reduce greenhouse gas emissions across the organization by 2022.

On Wednesday, 16 September 2020, Asian participated in a forum to share experiences in making carbon footprint of the organization with 3 other private companies and received a certificate from Mr. Jatuporn Buruspat, Permanent Secretary of the Ministry of Natural Resources and Environment in the project "Roi Hearts to Reduce Global Warming (Carbon Footprint)", organized by the Thailand Greenhouse Gas Management Organization (Public Organization) at Paradium A Room, 10th Floor, The Berkeley Hotel, Pratunam, Bangkok.

2019 GHG Performance

Asian Sea Corporation PLC.



9,689Ton CO₂ eq
(1.63Ton CO₂ eq / Ton FG)

Asian Alliance International Co.,Ltd.



45,961 Ton CO₂ eq
(1.101.63 Ton CO₂ eq / Ton FG)

Asian Feed Co., Ltd.



9,238Ton CO₂ eq
(0.191.63 Ton CO₂ eq / Ton FG)

Note: Due to it is the first greenhouse gas emission data report, the company has used 2019 as the base year, so no difference in greenhouse gas emissions is compared.

Asian's Responsible for Human Rights

Human rights respect

ASIAN always respects Human rights, in the past Asian has undertaken many important actions that demonstrate the intent of the company, 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 as well as having a policy to pay equal wages without dividing by race, nationality, gender, religion, etc.

IUU & Slavery Free Zone

Asian Group is the manufacturers of foods of which natural resources, including tuna, sillago fish, shrimp, squid, and other aquatic animals, are the main raw material sources, the group of companies are then well aware of environmental importance, conservation of marine sources in particular. The Thai government together with associations related to the industry has put all attempts to eradicate illegal, unreported, and unregulated fishing (IUU) activities and slavery labor problems in both fishing industry and manufacturing plants. The Company and subsidiaries are seriously determined to address these problems to help Thailand regain international acceptance. To confirm a clear intention, the Company and subsidiaries have been among fishing operators who signed a Memorandum of Understanding (MoU) with state agencies to fight against illegal fishing activities and deny procuring, importing, exporting, transiting, and distributing aquatic animals and products obtained from illegal fishing. The MoU is also extended to illegal labor and human trafficking. The Company and its subsidiaries will strictly comply with the agreement individually and jointly with other parties in order to maintain transparent operating standards, enable to examine all processes and attain sustainable fisheries. To honor the agreement, the Company and subsidiaries will not get involved in illegal fishing, procure, import, export, transit and distribute aquatic life and products obtained from illegal fishing and labor, and human trafficking. The Company and subsidiaries will not process aquatic animals obtained from illegal fishing and labor, and human trafficking in the industry and sell these seafood, and they will strictly adhere to laws regulating fisheries, labor, and human trafficking.

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

Anti-corruption

Anti-Corruption Policy

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

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

Political Supporting Policy

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

Charitable Donation Policy

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

Financial Support Policy

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

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

Asian Sea Corporation Public Company Limited and its subsidiaries has policy that to obtaining and giving gifts or any entertainment or expenses could be able to give or take at the proper value which will not be able to influence to business decision-making of receivers. The obtaining or giving must follow the procedures of obtaining and giving gifts, things, or other benefits.

Directors' Duties and Responsibilities on Anti-Corruption Policy.

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

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.

Channels for reports and complaint receipts

No.	Channels	Telephone	Email	Mail	Other
1	Hot line (24 hours)	095-372-0144	-	-	-
2	Company Secretary	034-822704 ext.2420	Asian-Secretary@asiansea.co.th	Asian Sea Corporation PLC. 55/2 Rama II Road, Bangkachao, Muang, Samutsakorn 74000	-
3	Internal Audit Office	034-822704 c/o 2306	Asian-IA@asiansea.co.th	Asian Sea Corporation PLC. 55/2 Rama II Road, Bangkachao, Muang, Samutsakorn 74000	Red Box (For employees)
4	Chief Executive Officer	-	Asian-Whistleblowing@asiansea.co.th	Asian Sea Corporation PLC. 55/2 Rama II Road, Bangkachao, Muang, Samutsakorn 74000	-
5	Audit Committee	-	Asian-Audit@asiansea.co.th	Asian Sea Corporation PLC. 55/2 Rama II Road, Bangkachao, Muang, Samutsakorn 74000	-

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

Asian's Responsible for Stakeholders

Stakeholders Engagement

Asian determined its stakeholders into 9 groups, which are shareholders, customers, trading partners, creditors, employees, competitors, society, communities and environment, government sector and independent and other organizations in society. ASIAN sets the rights of stakeholders including the guideline on how to treat stakeholders in Asian Corporate Governance and Business Ethics Policy, as well as to emphasize the strict implementation of the Intellectual Property Management and Anti-Corruption Policy.

In 2020, Asian has a different communication channel for each stakeholder group according to the nature of relationship. Similarly, the Company's response to their expectations and concerns differs, as presented in the following table.

Stakeholder Groups	Communication & Channels	Expectation	Response
Shareholders	- AGM / EGM Meeting - IR Activity such as Analyst meeting / SET Opportunity Day / Company Visit. - IR Website/ IR material such as MD&A, e-Newsletter. - Discussion, ask questions, answer questions, and receive suggestions through meetings, telephone, email, and website.	- There is a good performance. - There is transparent in its operations. - The business is growing steadily. - Disclosure of information, image, and social acceptance.	- Manage the business to grow, reduce risks and increase transparency. - Transparency and governance (Fraud Prevention, Disclosure, Tax Policy and Reporting) - Strategies have been established to drive sustainability actions in line with international standards. - Investor relations team, quarterly meetings to provide the latest sustainability information.
Customers	- Product research and development team / Develop products together with customers. - Customer inspects the factory and receives products. - Gathering feedback through various channels such as email / phone and others - Negotiate sales of products and services.	- Product quality and food safety. - Develop new products according to Trends that customers want. - Delivery of the products is on schedule. - Reasonable price, as cheap as possible, Do not increase the price of the product, there is a discount, there is a promotion, there is a free gift, there is a credit term. - Retention of customers' personal information.	- Innovation and product responsibility (Quality and food safety) - There is a potential research and development team, There is continuous training to develop knowledge. - There is a production plan and a clear lead time. - Find raw materials at competitive prices to produce products for customers - There are systematic measures to prevent information leakage.
Trading Partners	- TRADE PARTNERS Evaluation Form - Negotiate to buy - Gathering feedback through various channels such as email / phone and others.	- Procurement that is transparent, fair, and verifiable. - Sell products at a high price, profitable, pay quickly, have a good payment system, pay in cash, good finance, financial stability. - Consistency and growth of business size.	- There is a clear policy to prevent conflicts of interest. - Implement the anti-corruption policy. - Responsible management of the supply chain.
Creditors	Meeting with analysts and credit rating agencies.	- Financial stability. - Follow the terms and conditions of the loan and bond agreement.	- Strictly abide by the terms of loan agreements and debentures. - Strictly comply with the regulations of financial institutions issued by government agencies. - Respond to inquiries to credit analysts when in doubt accurately and quickly. - Take a tour of the Company's business in order to gain confidence in the performance and good relationship with the financial institution.

Stakeholder Groups	Communication & Channels	Expectation	Response
Employees	• Providing a CEO Box and answering questions via email or voice-over. • Electronic communication within the organization. • Monthly meeting / Morning talk • Publicity boards	• Good welfare for all aspects, both internal and external, such as funds, life and health insurance, transfers, bonuses, marital leave, step-by-step vacation leave, mortgage allowance, Maternity Aid, Child Scholarship, Staff Uniform, Free Accommodation, Free Lunch, Interest-Free Loan. • Salary • Compensation such as fuel, travel allowance, diligence allowance, talent allowance • There is a talent development project. • Promotion. • Non-Discrimination. • Performance appraisals. • The company will support the cost of extension of work permit. • The working environment is safe for life and health. • The executives listen to their opinions. • New Year Party, Annual seminar, Leisure activities.	• The salary, compensation and benefits structure has been improved to be comparable with the same business. • There is a training plan to develop knowledge and ability. • There is a clear and transparent performance evaluation system. • There is a budget allocated for recreational activities based on earnings.
Competitors	• Follow competitor information from external media. • Join a trade association.	• Provide marketing information that does not affect competitors. • Cooperate to develop the same industry to advance and solve problems related to the industry. • Operate business with transparency under fair trade and competition.	• Do not give negative information in the competition with competitors. • No complaints from competitors on the part of unfair trade. • Operate business continuously under free trade competition.
Society, Communities and Environment	• Participate in activities with temples, schools, and communities. • Surveys by doing questionnaires about the impact of factories on the community • Prepare a publicity board. • Meet community leaders. • Various communication channels of the company such as Line, Facebook, mail, telephone. • Attend monthly meetings with the community to receive opinions. • Join the Coffee Council once a month between the company and the community leaders.	• Supporting budget for village activities such as Children's Day, Village Fund, Funding Activity (Mini Marathon), etc. for community development. • The company will give importance to the environment to the community such as waste water, smoke, odor, etc. • Disseminate various knowledge. Of the organization to people in the community. • Promote and support the community to earn income and gain career opportunities.	• Strict compliance with environmental laws. • There are remedial measures in case of an impact. • A representative of employees is sent to provide knowledge for furthering and career development for people in the community. • Allocate budget for community development. • The company organizes a responsible person to participate in activities to listen and exchange ideas with the community. • The Company provides opportunities for villagers and people in the community to bring agricultural products to the factory employees to generate income.
Government Sector	• Joining activities with government agencies such as SAO. • Attending community meetings and seminars. • Factory visit.	• Obey the law. • Cooperate with government agencies. • Cooperate and provide truthful information for improvement and development in the right direction. • Participation in expressing opinions and responding to government policies.	• Obey the law. • Cooperate with government agencies. • Cooperate with government agencies for factory visits and to provide accurate and truthful information. • Appoint a representative to attend government activities.
Independent and Other organizations in society	• Meet and chat with employees in the company. • There is a meeting with staff to educate. • Provide support for various items to employees.	• The company must strictly abide by the labor law. • Employee safety. • Equality in the rights and liberties of the workplace. • The company allows meeting employees in the factory to communicate information of that	• Obey the law. • There are safety measures in the factory. / There is a safety committee (NCPO) • There is a Labor Welfare Committee. • Consider permission on a case-by-case basis and assign a responsible person to take care of that activity.

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 elements.

Section 1 Shareholders' Rights

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

- 1) Rights to register as the Company's shareholders.
- 2) Rights to transfer shares. However, such share transfer that causes foreign ownership in the Company exceeding 20% of total paid-up shares is not permitted.
- 3) Rights to obtain the Company's material news and information regularly and adequately.
- 4) Rights to attend meeting to cast vote in the Company's shareholder meeting.
- 5) Rights to appoint or remove the Company's Directors.
- 6) Rights to consider remuneration for the Company's Directors.
- 7) Rights to appoint auditor and consider auditor's remuneration.
- 8) Rights to consider profit allocation and receive a share of the Company's profit.
- 9) Rights to participate in making decision and acknowledge results of the Company's decision-making concerning changes in the Company's fundamentals as following.
 - Divestment or transfer of the Company's entire business or some significant parts to other persons.
 - Acquisition or being recipient of business transfer from other companies.
 - Entering, amending, or terminating contracts concerning rental business of the entire company or some significant parts, assigning others to manage the Company's business, or amalgamating business with others with an aim at sharing profit and loss.
 - Amendments to the Company's Articles of Association or the Company's rules and regulations.
 - Capital increases or decreases.
 - Merger and acquisition or company's closure.
 - Debenture issuance
 - Extra items which are not transactions on normal course of business.

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

Before Shareholder Meeting

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

On Shareholder Meeting Date

- 1) Setting date, time and venue for shareholder meeting held in area in which headquarters are located or neighboring provinces in order to be convenient for shareholders who will attend the meeting.
- 2) Employing computer system for shareholder registration process and providing sufficient time for registration.
- 3) Encouraging shareholders to use ballots in casting vote in every agenda.
- 4) In case of shareholders unable to attend meeting, they can appoint a proxy to participate in the meeting and cast vote
- 5) Informing shareholders about a clear criterion in voting at the start of meeting.
- 6) Do not add agenda other than those stated in shareholder meeting's invitation notice or change important information without advance notice.
- 7) The Company's Directors and Executive Management participating in shareholder meeting and opening opportunities for shareholders to raise questions and opinions and ask for clarification from Directors, Executive Management or Auditor in related agenda before voting.
- 8) Opening opportunities for shareholders to vote directors on individual basis.

- 9) Counting vote and disclosing outcome in each agenda to shareholders clearly and transparently by soliciting shareholders 'representatives as witness to observe the vote count.

After Shareholder Meeting Date

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

Section 2 Equitable Treatment to Shareholders

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

Giving information ahead of shareholder meeting

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

Minority shareholder right protection

- 1) Refraining from adding agenda other than those stated in shareholder meeting's invitation notice or changing important information without advance notice.
- 2) Opening opportunities for shareholders to cast vote in appointing directors on individual basis.
- 3) Shareholders who collectively hold at least 5% of the Company's total voting rights have rights to sign in a single letter and submit to the Company Secretary via e-mail Asian-secretary@asianseafoods.co.th to request to add agenda items in Ordinary Shareholders' Meeting.
- 4) Shareholders who collectively hold at least one fifth of the issued shares or no less than 25 shareholders who collectively own at least one tenth of the issued shares can sign in a single letter to be eligible to nominate director candidates. They also must submit information to be used for qualification consideration and consent letter of the nominated candidates to the Company's Board of Directors through the Company Secretary at Asian-Secretary@asiansea.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 who 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 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.
- The Chairman of the Board and The Chief Executive Officer shall not be the same person.
- Board of Directors must have a variety of professional skills, specialized expertise and there is no sex restriction.

Appointment of the Board of Directors

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

Office Term of the Board of 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.

Qualification of the Board of Directors

- 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.

The Director's remuneration

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.

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 n 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.

Approval power of the Board of Directors

- 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.

Chairman of the Board of Directors

Appointment of the Chairman of the Board of Directors.

The Chairman of the Board of Directors is appointed by the Board of Directors.

Office Term of the Chairman of the Board of Directors

The Chairman of the Board of Directors has the term of office equal to the remaining term of office of the Board of Directors.

Duties and Responsibilities of the Chairman of the Board of Directors

- 1) To call for a meeting of the Board of Directors of the company and the meeting of shareholders and to chair the meeting of the Board of Directors of the company and the meeting of shareholders in compliance with the regulations of the company.
- 2) To cast a decisive vote if the votes are on par in the meeting of the Board of Directors of the company.
- 3) To take a role to control the meeting efficiently in accordance with rules and regulations of the company and to support and provide an opportunity to the directors of the company to express their opinion independently.
- 4) To encourage and support the Board of Directors of the company to perform its duties at full capacity within the scope of authority, duty, and responsibility and in accordance with the good corporate governance principles.
- 5) To take responsibility as a leader of the Board of Directors of the company to supervise, monitor and look after the management of the Board of Directors of the company and other sub-committee to achieve the objectives and plan provided.
- 6) To supervise the policy and guidelines on strategic work of the management and to provide recommendations and support to the business undertaken by the management.
- 7) To be a leader and role model on business conduct and ethics of the company and to promote, supervise and monitor the management with respect to sustainable principle, social responsibility and to comply with the anti-corruption measures and guidelines.

Sub-Committees

1. Audit Committee

Appointment of the Audit Committee

Audit Committee must not involve in daily operation of the company and must be appointed by the Board of Directors. Not exceeding 4 persons.

Office Term of the 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.

Duties and Responsibilities of the 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.

Approval power of the 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.

2. Executive Committee

Appointment of the Executive Committee

The 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 the Board of Directors.

Office Term of the Executive Committee

The Executive Committee has the term of office of 3 years.

Duties and Responsibilities of the 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.

Approval power of the Executive Committee

- 1) Consider and approve matters related to the Company's normal business operations or seek an approval from the Company's Board of Directors for matters which significantly affect the Company.
- 2) Consider and approve annual budget.
- 3) Consider and approve borrowing, lending, seeking credit facilities from financial institutions or becoming guarantor for amount not exceeding 300 million baht per contract.
- 4) Consider and approve 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.

Chief Executive Officer (CEO)

Appointment of the Chief Executive Officer (CEO)

The Chief Executive Officer (CEO) is appointed by the Board of Directors.

Office Term of the Chief Executive Officer (CEO)

The Chief Executive Officer (CEO) has the term of office of 3 years.

Duties and Responsibilities of the Chief Executive Officer (CEO)

- 1) To manage the business of the company, to supervise and control the overall operation in accordance with the objectives, rules, policies, regulations, requirements, orders, business strategies, targets and operating plans, financial targets, budgets and resolutions of the meeting of the Board of Directors of the company and/or resolutions of the meeting of shareholders.
- 2) To prepare and submit the business policy of the company, including plan and budget to the Board of Directors of the company for approval and to report the progress in accordance with the plan and budget approved by the board of directors of the company.
- 3) To undertake or determine the management authority to ensure that the operation is undertaken in accordance with the policies, plan and budget approved by the board of directors of the company efficiently and effectively based on the internal control concept systematically and consistent risk management.
- 4) To determine the organization structure, management method and to select, train employ and dismiss the employees and to determine the wage, salary, reward, bonus and welfare for the employees.

- 5) To direct, contact, command, undertake and sign in the juristic act, agreement, order, notice or any letter used to contact with other agencies or persons to ensure that the work of the company is accomplished efficiently and effectively.
- 6) To have authority to provide the authority to the substitute and/or assign the other person to undertake the specific work for him through substitution and/or assignment within the scope of authority in accordance with the power of attorney and/or in accordance with the regulations, requirements or orders made by the Board of Directors of the company or the company.
- 7) To be a leader and role model on business conduct and ethics of the company and to promote, supervise and monitor the management with respect to sustainable principle, social responsibility and to comply with the anti-corruption measures and guidelines.
- 8) To play a role in setting the agenda of the meeting. To ensure that important matters are included in the agenda of the Board of Directors' meetings.
- 9) To have the authority, duty and responsibility assigned or in accordance with the policy assigned by the Board of Directors of the company.

3. Credit Committee

Appointment of the Credit Committee.

The Credit Committee consists of directors and senior management whose roles are related to routine management who are appointed by the Executive Committee.

Office Term of the Credit Committee.

The Credit Committee has the term of office of 3 years.

Duties and Responsibilities of the 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.

Approval power of the 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.

4. Risk Management Committee

Appointment of the Risk Management Committee

The 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 the Executive Committee.

Office Term of the Risk Management Committee

The Risk Management Committee has the term of office of 3 years.

Duties and Responsibilities of the 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.

Approval power of the 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.

5. Sustainability Management Committee

Appointment of the Sustainability Management Committee

The Sustainability Management Committee consists of directors and high-ranking executives whose roles are related to routine management who are appointed by the Executive Committee.

Office Term of the Sustainability Management Committee

The Sustainability Management Committee has the term of office of 3 years.

Duties and Responsibilities of the 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.

Approval power of the 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.

6. Nomination and Remuneration Committee

Appointment of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of directors and high-ranking executives whose roles are related to routine management and one independent director who are appointed by the Executive Committee.

Office Term of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has the term of office of 3 years.

Role, Authority, Duty and Responsibility of the Nomination and Remuneration Committee

- 1) To formulate policies and criteria for remuneration for directors and top management, which means Chief Executive Officer, Executive Director, Managing Director and Deputy Managing Director.
- 2) To recruit select and nominate persons who should be appointed for the Board of Directors or the shareholders' meeting for approval.
- 3) To evaluate the performance of the Managing Director to receive compensation that is suitable for his duties and responsibilities, as well as in accordance with the Company's performance and proposes to the Board of Directors for approval.
- 4) To propose a succession plan for the Managing Director for the Board of Directors to consider and ensure that the company has a Succession Plan for other senior executives. Including positions that are important to the company by considering people who are knowledgeable, competent, and suitable in various fields.
- 5) To consider, screen and propose opinions to the Board of Directors in considering the appointment, transfer, placement, and removal of employees at the senior management level of the company, which means the Chief Executive Officer, Executive Director, Managing Director and Deputy Managing Director.
- 6) To consider and scrutinize the compensation structure and other benefits of employees to propose to the Board of Directors for approval.
- 7) Perform other duties as assigned by the Board of Directors.

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

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 2020, shareholders exercised rights defined in the Company's corporate governance policy. The Company holds the Annual General Meeting of Shareholders (AGM) as prescribed policy in compliance with the Stock Exchange of Thailand (SET)'s rules and regulations, and the Securities and Exchange Commission (SEC)'s requirements as follows:

1. 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 as follow,

- The AGM 2020, held on April 23rd, 2020, disseminated through the company's website on March 25th, 2020 and copies were sent on April 8th, 2020.

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 2020, 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 2020 were informed through the SET's information disclosure system on April 23rd, 2020.

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 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) 822700-4 ext. 2306 or via e-mail address Asian-IR@asiansea.co.th. The investors' relations department could be reached via the Company's website.

During 2020, 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.

Quarter / year	Opportunity Day	Analyst Meeting
Quarter 4 / 2019	4 March 2020	4 March 2020
Quarter 1 / 2020	20 May 2020	20 May 2020
Quarter 2 / 2020	9 September 2020	21 August 2020
Quarter 3 / 2020	1 December 2020	30 November 2020

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

In 2020, Directors' and Managements' have any changes in relation to shares transaction as following.

No.	Name	Number of Shares as of Dec 31 st , 2020	Shareholding portion (%)	Number of Shares as of Dec 31 st , 2019	Shareholding portion (%)	Change Increase (Decrease) In 2020
1	Mr. Somsak Amornrattanachaikul	279,633,071	51.52	278,119,671	51.25	1,513,400
2	Mr. Somchai Amornrattanachaikul	60,515,000	11.15	70,515,000	12.99	(10,000,000)
3	Mr. Suriya Prasatbuntitya	-	-	-	-	-
4	Mr. Hendrikus Van Westendorp	-	-	1,050,000	0.19	(1,050,000)
5	Mr. Aekarat Punnasung	-	-	-	-	-
6	Mrs. Suree Jansawat	80,000	0.01	120,150	0.02	(40,150)
7	Mr. Wallop Lomlim	-	-	-	-	-
8	Ms. Prapa Puranachote	-	-	-	-	-
9	Mrs. Sunanta Tiasuwan	-	-	-	-	-
10	Mrs. Yaowanee Kruo-ngarjnkool	-	-	-	-	-
11	Mr. Somboon Phaobanchong	-	-	-	-	-
12	Mr. Vichai Assarasakorn	-	-	-	-	-
		340,228,071	62.68	349,804,821	64.45	

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 2020, the Company's Board of Directors had 12 members, 8 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 of Directors in Board and Sub-Committees Meeting**

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

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

Meeting Attendance of the Board of Directors in 2020 Boards and Sub-committees Meeting

No.	Name	Board of Directors	Audit Committee	Nomination and Remuneration Committee ⁽²⁾	Executive Committee	Risk Management Committee	Credit Committee	Sustainability Management Committee
		No. of Meeting : 4	No. of Meeting : 4	No. of Meeting : 3	No. of Meeting : 12	No. of Meeting : 7	No. of Meeting : 12	No. of Meeting : 4
1	Mr. Somsak Amornrattanachaikul	4/4	-	-	12/12	-	-	-
2	Mr. Somchai Amornrattanachaikul	4/4	-	-	9/12	-	-	-
3	Mr. Suriya Prasatbuntitya	4/4	-	3/3	12/12	7/7	12/12	4/4
4	Mr. Hendrikus Van Westendorp ⁽¹⁾	4/4	-	-	11/12	-	7/12	-
5	Mr. Aekarat Punnasung	4/4	-	-	12/12	-	12/12	4/4
6	Mrs. Suree Jansawat	4/4	-	-	12/12	-	12/12	4/4
7	Mr. Wallop Lomlim	4/4	-	-	12/12	-	12/12	3/4
8	Ms. Prapa Puranachote	4/4	-	3/3	12/12	-	-	-
9	Mrs. Sunanta Tiasuwan ⁽³⁾	3/4	4/4	-	-	1/7	-	-
10	Mrs. Yaowanee Kruo-ngarjnuakool ⁽³⁾	4/4	4/4	-	-	1/7	-	-
11	Mr. Somboon Phaobanchong	3/4	3/4	3/3	-	5/7	-	-
12	Mr. Vichai Assarasakorn ⁽³⁾	3/4	3/4	-	-	1/7	-	-

Noted: ⁽¹⁾ Mr. HendrikusVan Westendorp resigned from his position as a director of the Credit Committee on 21 July 2020.

⁽²⁾ Nomination and Remuneration Committee appointed on May 11, 2020

⁽³⁾ Mrs. Sunanta Tiasuwan, Mrs. Yaowanee Kruo-ngarjnuakool and Mr. Vichai Assarasakorn attended a special meeting between the Risk Management Committee and the Audit Committee on 8 September 2020.

Self-Assessment of directors' performances

Criteria

The company conducts a self-assessment for the Board of Directors and sub-committees individually and summarizes the results in each committee once a year, including Chief Executive Officer and Chief Financial Officer. The Self-Assessment Evaluation Form used has adjusted from the SET guideline.

Procedure

The Company Secretary will arrange for delivery and collection for making an executive summary or the results for presentation at a Board meeting.

Self-evaluation Results

Assessment scores are given in percent, with >85% = excellent, >75% = very good, >65% = good, >50% = fair, and <=50% = need improvement.

The results of the evaluation for the year 2020 can be shown as shown in the table.

No.	Director / Committee	Percentage
1	CEO	99.07
2	CFO	89.35
3	Board of Director	90.02
4	Audit Committee	97.50
5	Executive Committee	96.36
6	Nomination and Remuneration Committee	97.78
7	Credit Committee	96.39
8	Risk Management Committee	85.45
9	Sustainability Management Committee	95.00

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 2020, there was a new directors which is Ms. Prapa Puranachote and orientation on 28th April 2020.

Directors' Development

The Company value regular participation in development training relevant to the director's performance. In 2020,the Coronavirus outbreak (COVID-19) caused the training institutions to cancel the seminar activities but still hold online seminars. In which the executives also attended online seminars as well.

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

Risk factors and risk management strategies

Overview of the company's risk management

The company and its subsidiaries are aware of risks which may arise from both internal and external factors. Therefore, risk management is at an acceptable level. The company has established a Risk Management Committee since 2016, with the objective to oversee risk management of the company and its subsidiaries. It stipulates policies, procedures, assessments and analysis of risk issues, the probability of their occurrence and the level of impact on the company, as well as determining measures to manage risk factors which have a significant impact on business growth, which are submitted and reported to the company's Board of Directors. In the company's risk management processes, besides organization-level risk which is assessed and analyzed by the Risk Management Committee, the various business units will state risk factors and prepare risk management plans to specify risk factors at the business level. From there, the Risk Management Committee will make an assessment of the probability and severity of the impact. If there is significant impact on the organization as a whole, or is a risk for many businesses jointly, the Risk Management Committee will consider raising its level to be an organization-wide risk factor. It will specify measures or methods to prevent, control or mitigate that risk, just as for risk at the organization level which has been assessed and analyzed by the Risk Management Committee. The Risk Management Committee represents the company's Board of Directors, comprising senior management from each business function, and expertly qualified outsiders.

In 2020, the company conducted continuous risk management through the Risk Management Committee considering both internal and external factors impacting business operations. It analyzed and assessed the level of impact to enumerate risk issues covering Strategic Risk, Operational Risk, Financial Risk and Compliance Risk. Risk factors and measures to mitigate significant risk are as follows:

1. Strategic Risk

For the company and its subsidiaries to grow sustainably, the company and its subsidiaries have operated according to a specified corporate strategy, with a focus to expand the business according to the supply chain of each business group and improve internal efficiency continuously covering every aspect. However, the success of these strategies depends on both internal and external business factors which may be hard to predict and control. Therefore, there are risks of not being able to operate according to the strategy, and these comprise

- **Risk from economic slow down** The risks from conditions of economic slowdown have significant effects on operations in the company's strategic plan, and in particular, strategies focused on expanding along the supply chain of each business. Moreover, 2020 was a year in which many business sectors all over the world were impacted by the Covid-19 pandemic, and lockdown measures in almost every country around the world. These caused social changes with many impacts on the business. The company is focused on managing risk with an emphasis on spreading risk by creating a balance of revenues in each business category, whether frozen commodities, pet food, tuna or aquaculture feed. It creates a balance in the customer base to cover countries with high potential and spending power, while adding a customer base from the brand-owning group distributing products in retail markets. This reduces reliance on customers in the HoReCa segment, the company's original customer base, most particularly in the frozen commodities business.
- **Risk from competitive conditions** The Group's businesses experience severe competition from both inside and outside the country. Also, the Group derives over 75% of its revenues from exports, with quotations denominated in US dollars. This has resulted in pressure from the strengthening baht against the US dollar, combined with the Group's focus on improving competitive. There is a determination to develop the outstanding parts of each business as follows

Pet food business: Focus on improving manufacturing efficiency by adjusting production processes with more automation, to get quality products at a competitive manufacturing cost, reduce reliance on human labor, and focus on product research and development to meet customers' needs, to keep abreast of market demands and changes.

Frozen commodities business: Ending production and distribution of consumer products, in particular frozen raw prawns and frozen boiled prawns for export to the United States. Only Premium Commodities remain, whose strong points are superior to competitor countries in terms of quality. These include frozen prawn products using live prawns, and prawn sashimi products requiring extra special cleanliness. There has been a focus on developing markets for Value-Added Products such as products in batter or pre-fried products, which have been significantly successful in 2020. For both of these product groups, the company has greatly increased competitive potential, as they are product groups relying on technology, experience, and expertise. Meanwhile, they also have mitigated risk for raw material price volatility.

Tuna business: Although the company is a small producer of tuna compared to its competitors, the company has chosen to create competitive advantage by its ability to use production capacity and manpower jointly with the production of wet pet food. This requires adjustments to working processes to be flexible, especially in the matter of managing labor. This enables a choice to take manufacturing orders giving the best profit margins. Apart from this, the company has also focused on using all parts of the tuna raw material for maximum cost-effectiveness in manufacturing. Byproduct raw materials from the canned tuna process, or pouches, can be used to produce wet pet food, and also fishmeal used as a raw material in aquaculture feed.

Aquaculture feed business: This is a business group making nearly all its sales domestically and there is severe competition from big players in the market. Therefore, the company has developed competitive capability by giving priority to developing product quality, so it is appropriate for different aquaculture species and market demand. International experts have been advising the company and have started to develop prawn larvae as an alternative for customers. There is a team to systematically investigate and analyze this academically, while markets are being sought for customers through the internal frozen commodities business of AsianSea Group.

2. Operational Risk

- **Raw material risk** The main raw materials used by the company are mostly Commodity Products which have high price volatility according to market supply and demand, such as tuna, prawns, squid and sea whiting. There may also be risk from raw material shortages during some periods. Asian Sea Group has mitigated this risk by relying on the company's long business experience. There is knowledge of a variety of channels to procure raw materials, from both inside and outside the country. There are personnel expert in procuring raw materials, and there are sources of information to constantly follow the raw material situation for analysis and forecasts and, presenting to management to make decisions. These decisions create a balance in managing raw materials, between reducing price volatility and preventing the problem of raw material shortages, so that there is an efficient circulation of raw material consistent with purchasing estimates. This is also used to develop new products, and particularly products in the Value-Added group, which enable a reduction in the proportion of costs from raw material in the product, as well as specifying policy to more greatly diversify raw materials.

- **Labour risk** Currently, the working age population has a trend to decrease, while demand for skilled labour in this industry is tending to increase in line with industry growth. There is a risk of not retaining labour with skills and expertise, and/or not being able to find additional or replacement labour. This may arise either at the management or the operational level. To mitigate this risk, Asian Sea Group has taken action in two main aspects, which are:

Human resources management: Specified the preparation of a head count plan consistent with the company's growth plans and including a training plan to develop the company's internal personnel individually. Planning has also started on succession for various positions to support the company's growth. The Group has also specified periodic surveys of compensation and benefits to be consistent with the labour, and there is a clear and fair system of performance review, with effective and thorough communication to employees.

Improving production processes: Specifying studies and operations to improve efficiency throughout the organization, with the core objective to reduce the use of labor and adjusting production lines by introducing technology and automation.

- **Risk from not collecting payment on schedule** This is a risk arising from debtors unable to make payments, or unable to comply with previously agreed conditions. This may cause a problem from being unable to store production as needed, or debtors' management errors affecting their ability to make payments. To mitigate this risk, the company has assigned the Committee on Credit and Debt collection to monitor and specify credit policies which take the customer's financial status into consideration and analyze the risk according to the business and customer categories before approving a credit facility, doing due diligence on credit quality and enforcing appropriate legal measures as problems arise.

- **Business continuity risk** Asian Sea Group started giving priority to business continuity risks after the Covid-19 pandemic started at the end of December 2019 in Wuhan China, becoming steadily more severe through 2020. Total Covid infections worldwide now stand at over 100 million with fatalities of over 2 million. In Thailand, although infections and fatalities have been at a manageable level, infections continued to increase after the discovery of a new wave of the pandemic, which started from foreign labor in Samut Sakhon on 17 December 2020.

The company has given top priority to dealing with the coronavirus pandemic, as it has directly affected the health and safety of employees, suppliers, consumers, and surrounding communities. A team has been established to manage the Covid-19 pandemic situation in the Asian Sea Group, tasked with monitoring the situation and stipulating essential measures, as well as following up the enforcement of various measures. These include controlling employees' travel, maintaining cleanliness by disinfection, screening, and social distancing, and improving the inside environment at the company's premises to be in line with measures and advice from public health agencies. Also, after the Covid-19 outbreak in Samut Sakhon, the location of two of the company's sites, since the middle of last December, the Group has increased screening measures, and has assigned some parts of the workforce to work from home, to reduce the number of employees in the office.

These stringent measures have enabled all of the company's sites to continue operating normally. The company also has a plan of creating cash reserves and preparing sufficient liquidity, while providing integrated guidelines for labour management for the entire group, to reduce the risk of labor shortages in the areas with the strictest controls. There is also a policy to look after employees strictly according to government procedure, to give employees good morale in their jobs.

3. Financial Risk

- **Risk from exchange rate volatility** The company is fully aware of the impact of risk from exchange rate volatility, which has a direct effect on operating results. The company has a clear policy on preventing risk from exchange rate volatility, including by making Currency Forward Contracts by considering trends and delivery terms of exchange rates in the future. There has also been a reduction in the terms of receiving advance orders to reduce risk or prevent risk by natural hedging. This reduces duplication in making various transactions from the company and its subsidiaries importing raw material from abroad denominated in the same currency as revenues arising, of which this currency is usually the US dollar.

- **Risk from interest rate volatility** The movement of interest rates is a factor affecting the company's operating results and cash flows. The company is managing this risk by closely monitoring fluctuations of interest rates, for the greatest efficiency in cash management. As of 31 December 2020, the company and its subsidiaries had liabilities with financial institutions totaling 1,816.71 million baht, of which 1,243.19 million baht or 68% were long-term loans. These were borrowed at a fixed interest rate, so do not bear any risk from interest rate volatility.

4. Compliance Risk

- **Risk of corruption in procurement and sales, and making contact with state agencies** Giving bribes, using one's position, or using information obtained from performing one's duties to do anything to benefit oneself, one's associates or other individuals, including either giving or receiving bribes, has an effect on the company's image, and confidence in its business operations. To mitigate this risk, the company has stipulated regulations and rules of compliance which are transparent, circumspect, and stringent. There are also investigations of vested interest, whether in procurement or sales, and the company has announced policies to counter corruption. There has also been review and improvement of oversight policies to cover more aspects, and to be more in line with the principles of corporate governance and business ethics.

Corporate Social Responsibility Activities

- **Project to carry on the Buddhist Lent tradition, offering candles and volunteering for good deeds at Pa Mahachai Temple.**

This project was organized to invite employees within the company to join in making merit and offering candles and bathing clothes to continue the good Buddhism and tradition at Pa Mahachai Temple on July 4, 2020.

- **Leftover items donation project to Suan Kaew Temple.**

This project was organized to invite employees within the company to jointly donate consumables and supplies or other items left to the Suan Kaew Foundation.

- **Pha Pa Ceremony Projects**

1. Asian participated in Pha Pa Ceremony at Thung Siat Temple, Suratthani Province to support the money for the temple to be used for further development.
2. Asian participated in Pha Pa Ceremony at Don Mali Temple, Surat Thani Province to support the money for the temple to be used for further development.

- **Financial Support Projects**

1. Asian supports money to provide gifts for Children's Day to Subdistrict Administrative Organization, Phunphin District, Surat Thani Province.
2. Asian supports money to provide gifts for Children's Day to the shelter for children and families in Suratthani Province.

- **Monchou's Charity for Underprivileged Pets Projects**

1. On April 24, 2020, Asian gave Monchou products to the Small Friends Program to donate to needy stray dogs and cats.
2. On October 16, 2020, Asian gave Monchou products to Khaosod Newspaper through the Small Friends Program to donate to the lack of feral dogs and cats.

- **Donation project "Tas Maew Mai Ting Gun"**

On May 8, 2020, Asian gave Monchou products to the page of Khun Mani to support the activity "Tas Maew Mai Ting Gun" by bringing petfood to the needy cat home.

- **Various donation projects during the coronavirus disease outbreak 2019 (COVID-19)**

1. Asian has donated rice, drinking water, instant noodle, and canned tuna to fill the happiness cabinet together with the Provincial Employment Office Surat Thani to help people affected by the COVID-19.
2. Asian has donated cover net to Public Health in Phunphin District, Surat Thani Province, amount 500 pieces to support medical personnel.
3. Asian has donated money to support Surat Thani Hospital to purchase personal protective equipment for medical personnel.
4. Asian has donated canned tuna for Public Health in Phunphin District, Surat Thani Province to help To help the villagers in Khao Siwichai community, 25 households were detained due to close contact with people infected with the COVID-19.
5. Asian has set up a budget for Samut Sakhon Province to withdraw the amount of 10 million baht, donate medical equipment, shower room, and deliver boxed food to Public Health, Samut Sakhon Province to help the people of Samut Sakhon Breaking through the crisis from the COVID-19 epidemic situation in the second round.

Management Discussion and Analysis

Summary of Audit Report

1. The Financial Statement for 2020 was audited by Ms. Sumalee Reewarabandith, Certified Public Accountant license no. 3970, from EY Office Company Limited.

The auditor has audited the Financial Statement of the company and its subsidiaries ("the Group"), which comprise the consolidated financial position as at 31 December 2020, Consolidated statement of Comprehensive Income, Changes in Shareholders' Equity and Statement of Cash Flows for the year then ended, with notes to the consolidated financial statements, including a summary of key significant accounting policies, and has audited the separated Financial Statement of Asian Sea Corporation Public Company Limited. The auditor expressed the opinion that the statements present fairly, in all material aspects, the Financial Statement consistent with generally certified accounting principles and Thai financial reporting standards.

2. The Financial Statement for 2019 was audited by Ms. Sumalee Reewarabandith, Certified Public Accountant license no. 3970, from EY Office Company Limited

The auditor has audited the Financial Statement of the company and its subsidiaries ("the Group"), which comprise the consolidated financial position as at 31 December 2020, Consolidated statement of Comprehensive Income, Changes in Shareholders' Equity and Statement of Cash Flows for the year then ended, with notes to the consolidated financial statements, including a summary of key significant accounting policies, and has audited the separated Financial Statement of Asian Sea Corporation Public Company Limited. The auditor expressed the opinion that the statements present fairly, in all material aspects, the Financial Statement consistent with generally certified accounting principles and Thai financial reporting standards.

3. The Financial Statement for 2018 was audited by Ms. Sumalee Reewarabandith, Certified Public Accountant license no. 3970, from EY Office Company Limited

The auditor has audited the Financial Statement of the company and its subsidiaries ("the Group"), which comprise the consolidated financial position as at 31 December 2020, Consolidated statement of Comprehensive Income, Changes in Shareholders' Equity and Statement of Cash Flows for the year then ended, with notes to the consolidated financial statements, including a summary of key significant accounting policies, and has audited the separated Financial Statement of Asian Sea Corporation Public Company Limited. The auditor expressed the opinion that the statements present fairly, in all material aspects, the Financial Statement consistent with generally certified accounting principles and Thai financial reporting standards.

2020 Auditor's fee

Audit Fee	The Company			Subsidiaries		
	2020	2019	2018	2020	2019	2018
Audit fee for quarter and year ended statement	1,950,000	1,950,000	1,830,000	3,200,000	3,200,000	2,890,000
Other Services	The Company			Subsidiaries		
	2020	2019	2018	2020	2019	2018
BOI Certificate Review (per certificate)	80,000	80,000	80,000	80,000	80,000	80,000

Consolidated financial statements

Statement of financial position

Unit: Million Baht	Y2020	%	Y2019	%	Y2018	%
Assets						
Current Assets						
Cash and cash equivalents	207.4	3.3	102.9	1.8	96.8	1.5
Trade and other receivables	986.2	15.8	822.9	14.1	1,125.3	17.2
Inventories	1,915.9	30.7	1,738.3	29.9	2,354.4	36.0
Other current financial assets	13.1	0.2	0.0	0.0	0.0	0.0
Other current assets	55.8	0.9	54.4	0.9	71.3	1.1
Total current assets	3,178.5	51.0	2,718.4	46.7	3,647.8	55.8
Non-current assets						
Restricted bank deposits	18.5	0.3	18.5	0.3	0.0	0.0
Investments in joint ventures	42.5	0.7	43.6	0.7	0.0	0.0
Long-term loans to joint ventures	11.8	0.2	7.4	0.1	0.1	0.0
Long-term loans to associate	1.5	0.0	0.6	0.0	1.6	0.0
Investment properties	50.0	0.8	47.8	0.8	40.3	0.6
Property, plant and equipment	2,779.5	44.6	2,844.7	48.9	2,689.1	41.1
Right-of-use assets	28.9	0.5	0.0	0.0	0.0	0.0
Intangible assets	51.0	0.8	40.7	0.7	40.3	0.6
Deferred tax assets	43.0	0.7	76.7	1.3	100.1	1.5
Other non-current assets	26.7	0.4	23.9	0.4	22.5	0.3
Total non-current assets	3,053.4	49.0	3,103.9	53.3	2,893.9	44.2
Total assets	6,231.8	100.0	5,822.2	100.0	6,541.7	100.0

Unit: Million Baht	Y2020	%	Y2019	%	Y2018	%
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from banks	573.5	9.2	333.4	5.7	1,061.0	16.2
Trade and other payables	670.0	10.8	610.2	10.5	697.3	10.7
Current portion of long-term loans	638.3	10.2	618.3	10.6	487.8	7.5
Current portion of lease liabilities	16.1	0.3	0.6	0.0	0.9	0.0
Income tax payable	0.0	0.0	0.4	0.0	0.0	0.0
Other current financial liabilities	0.2	0.0	0.0	0.0	0.0	0.0
Other current liabilities	27.1	0.4	26.9	0.5	44.2	0.7
Total current liabilities	1,925.1	30.9	1,589.8	27.3	2,291.1	35.0
Non-current liabilities						
Long-term loans	604.9	9.7	1,243.2	21.4	1,312.1	20.1
Lease liabilities	12.0	0.2	0.4	0.0	1.0	0.0
Provision for long-term employee benefits	67.4	1.1	66.5	1.1	54.2	0.8
Deferred tax liabilities	111.7	1.8	111.1	1.9	117.2	1.8
Other non-current financial liabilities	11.8	0.2	0.0	0.0	0.0	0.0
Other non-current liabilities	1.0	0.0	0.9	0.0	0.9	0.0
Total non-current liabilities	808.8	13.0	1,422.2	24.4	1,485.4	22.7
Total liabilities	2,733.9	43.9	3,011.9	51.7	3,776.6	57.7
Shareholders' equity						
Share capital						
Issued and paid-up						
542,727,549 ordinary shares of Baht 1 each	542.7	8.7	542.7	9.3	542.7	8.3
Premium on ordinary shares	552.8	8.9	552.8	9.5	552.8	8.5
Retained earnings						
Appropriated - statutory reserve	54.3	0.9	54.0	0.9	54.0	0.8
Unappropriated	1,879.4	30.2	1,197.1	20.6	1,203.4	18.4
Other components of shareholders' equity	468.7	7.5	463.7	8.0	412.2	6.3
Total shareholders' equity	3,497.9	56.1	2,810.3	48.3	2,765.1	42.3
Total liabilities and shareholders' equity	6,231.8	100.0	5,822.2	100.0	6,541.7	100.0

Statement of comprehensive income

Unit: Million Baht	Y2020	%	Y2019	%	Y2018	%
Revenues						
Sales	8,631.0	97.8	8,180.0	98.3	9,635.2	98.4
Cold storage service income	14.3	0.2	14.0	0.2	14.3	0.1
Other income	176.0	2.0	131.6	1.6	147.0	1.5
Total revenues	8,821.3	100.0	8,325.6	100.0	9,796.4	100.0
Expenses						
Cost of sales and services	7,252.4	82.2	7,541.8	90.6	8,642.2	88.2
Selling and distribution expenses	270.2	3.1	236.5	2.8	293.6	3.0
Administrative expenses	372.5	4.2	303.6	3.6	366.0	3.7
Total expenses	7,895.1	89.5	8,081.8	97.1	9,301.8	95.0
Operation profit (loss)	926.2	10.5	243.7	2.9	494.6	5.0
Share of loss from investments in joint ventures	(2.3)	(0.0)	(5.3)	(0.1)	(6.5)	(0.1)
Share of loss from investment in associate	(0.7)	(0.0)	(2.6)	(0.0)	0.0	0.0
Finance income	5.8	0.1	5.2	0.1	1.9	0.0
Finance cost	(76.7)	(0.9)	(103.2)	(1.2)	(132.3)	(1.4)
Profit (loss) before tax income (income tax expenses)	852.3	9.7	137.9	1.7	357.7	3.7
Tax income (income tax expenses)	(34.3)	(0.4)	(5.2)	(0.1)	4.6	0.0
Profit (loss) for the year	818.1	9.3	132.7	1.6	362.2	3.7
Other comprehensive income for the year	5.1	0.1	47.9	0.6	0.0	0.0
Total comprehensive income for the year	823.1	9.3	180.6	2.2	362.2	3.7
Basic earnings per share	1.51		0.24		0.67	

Cash flow statement

Unit: Million Baht	Y2020	%	Y2019	%	Y2018	%
Cash flows from operating activities						
Profit (loss) before tax	852.3	101.8	137.9	12.4	357.7	35.2
Adjustments:						
Depreciation and amortisation	248.0	29.6	207.5	18.6	198.2	19.5
Reversal of allowance	(3.2)	(0.4)	(10.2)	(0.9)	3.5	0.3
Reduction of cost of inventories to net realisable value (reversal)	18.5	2.2	(22.4)	(2.0)	(27.2)	(2.7)
(Reversal) allowance for impairment loss on land and buildings	(0.3)	(0.0)	1.1	0.1		0.0
Reversal of allowance for impairment loss on investment properties	(0.6)	(0.1)	0.0	0.0		0.0
Write-off of withholding income tax	0.1	0.0	0.5	0.0	0.1	0.0
(Gain) loss on sales/write-off of buildings and equipment	1.7	0.2	(1.7)	(0.2)	10.8	1.1
Long-term employee benefit expenses	7.6	0.9	20.9	1.9	7.0	0.7
Unrealised (gain) loss on exchange rate	(3.4)	(0.4)	2.0	0.2	1.1	0.1
Unrealised gain on foreign exchange forward contract	(11.5)	(1.4)	(0.4)	(0.0)	0.6	0.1
Unrealised gain on interest rate swaps contracts	(15.3)	(1.8)	0.0	0.0		0.0
Share of loss from investments in joint ventures	2.3	0.3	5.3	0.5	6.5	0.6
Share of loss from investment in associate	0.7	0.1	2.6	0.2	0.0	0.0
Finance income	(5.8)	(0.7)	(5.2)	(0.5)	(1.9)	(0.2)
Finance cost	76.7	9.2	103.2	9.3	132.3	13.0
Profit from operating activities before changes in operating assets and liabilities	1,167.7	139.4	441.0	39.6	688.7	67.8
Operating assets (increase) decrease						
Trade and other receivables	(170.9)	(20.4)	306.4	27.5	54.5	5.4
Inventories	(196.1)	(23.4)	638.5	57.4	354.9	35.0
Other current assets	(1.4)	(0.2)	17.0	1.5	(35.0)	(3.4)
Other non-current assets	2.1	0.2	(0.8)	(0.1)	(1.5)	(0.2)
Operating liabilities increase (decrease)						
Trade and other payables	119.9	14.3	(154.3)	(13.9)	92.5	9.1
Other current liabilities	0.2	0.0	(17.4)	(1.6)	0.3	0.0
Cash paid for long-term employee benefits	(6.7)	(0.8)	(13.1)	(1.2)	(6.3)	(0.6)
Other non-current liabilities	0.0	0.0	(0.0)	(0.0)	(1.1)	(0.1)
Cash flows from operating activities	914.7	109.2	1,217.2	109.4	1,146.9	113.0
Interest received	7.2	0.9	2.1	0.2	1.8	0.2
Cash paid for interest	(79.0)	(9.4)	(105.4)	(9.5)	(134.9)	(13.3)
Cash paid for income tax	(5.4)	(0.6)	(6.0)	(0.5)	(8.4)	(0.8)
Cash received from withholding income tax	0.0	0.0	4.9	0.4	9.7	1.0
Net cash flows from operating activities	837.5	100.0	1,112.8	100.0	1,015.0	100.0
Cash flows from investing activities						
Increase in restricted bank deposits	0.0	0.0	(18.5)	6.1	0.0	0.0
Cash payments for acquisitions of building and equipment	(239.1)	102.0	(231.7)	76.8	(233.5)	96.0
Cash payments for acquisitions of computer software and trademark	(4.6)	1.9	(4.0)	1.3	(1.6)	0.7
Proceeds from sales of equipment	12.0	(5.1)	10.7	(3.5)	0.3	(0.1)
Proceeds from sales of investment properties	2.0	(0.9)	0.0	0.0	0.0	0.0
Cash paid for investments in joint ventures	0.0	0.0	(44.5)	14.7	(2.2)	0.9
Increase in long-term loans to joint ventures	(3.1)	1.3	(12.0)	4.0	(6.3)	2.6
Increase in long-term loan to associate	(1.6)	0.7	(1.6)	0.5	0.0	0.0
Net cash flows from (used in) investing activities	(234.3)	100.0	(301.6)	100.0	(243.3)	100.0
Cash flows from financing activities						
Increase (decrease) in bank overdrafts and short-term loans from banks	243.8	(48.6)	(727.0)	90.7	(217.8)	30.5
Cash received from long-term loans	0.0	0.0	600.0	(74.8)	550.0	(77.1)
Repayment of long-term loans	(618.5)	123.2	(538.6)	67.2	(559.3)	78.4
Repayment of long-term debentures		0.0		0.0	(350.0)	49.0
Repayment of principal of lease liabilities	(19.1)	3.8	(0.9)	0.1	(0.9)	0.1

Unit: Million Baht	Y2020	%	Y2019	%	Y2018	%
Dividend paid	(108.3)	21.6	(135.4)	16.9	(135.7)	19.0
Net cash flows from (used in) financing activities	(502.1)	100.0	(801.9)	100.0	(713.6)	100.0
Increase (decrease) in exchange differences on translation of financial statements in foreign currency	3.4		(3.2)		0.0	
Net increase (decrease) in cash and cash equivalents	104.5		6.1		58.1	
Cash and cash equivalents at beginning of year	102.9		96.8		38.6	
Cash and cash equivalents at end of year	207.4		102.9		96.8	

Financial Ratio

		Y2020	Y2019	Y2018
Liquidity Ratio				
Current ratio	time	1.7	1.7	1.6
Quick ratio	time	0.6	0.6	0.5
Accounts receivable turnover ratio	time	9.2	10.4	8.8
Average debt collection	day	39.6	35.1	41.4
Accounts payable turnover ratio	time	16.0	18.5	17.5
Average debt repayment	day	22.8	19.7	20.8
Inventory turnover ratio	time	3.8	4.3	3.7
Average sales of goods	day	96.4	84.1	99.3
Cash cycle	day	113.3	99.5	119.9
Profitability ratio				
Gross profit margin	%	16.1	8.0	10.4
Net profit margin	%	9.3	2.2	3.7
Return on equity	%	23.4	13.1	4.7
Efficiency ratio				
Return on assets	%	13.1	2.3	5.5
Return on fixed assets	%	26.8	4.3	12.5
Asset turnover ratio	time	1.4	1.4	1.5
Financial ratio				
Debt to equity ratio	time	0.8	1.1	1.4
Net debt to equity ratio	time	0.5	0.7	1.0
Interest coverage ratio	time	15.3	4.4	5.2
Dividend payment	%	13.2	102.0	37.5

Management Discussion and Analysis

Overview of recent operations

Total operating results

Unit: Million Baht	Y2020	%	Y2019	%	Y2018	%
Sales & Service revenues	8,645.3	100.0	8,194.0	100.0	9,649.5	100.0
Gross Profit	1,392.9	16.1	652.3	8.0	1,007.3	10.4
Net Profit	818.1	9.5	132.7	1.6	362.2	3.8
Earnings per share (Baht)	1.51		0.24		0.67	

2020 was a year in which the company posted outstanding operating results, from the highest ever gross profit margin achieved, to unprecedentedly high net earnings, all the while economic conditions were being impacted by the Covid-19 pandemic. Core revenue from sales and providing services was 8,645.3 million baht, an increase of approximately 6% on 2019 or an increase of 451.3 million baht.

In 2019 revenue from sales and providing services was 8,194 million baht, a reduction on 2018 of 1.4555 billion baht, with significant reduction from the pet food group of businesses and frozen commodities.

Gross profits in 2020 were 1,393 million baht, giving a gross profit margin of 16%, the highest ever in the company's history. Net earnings of 818 million baht gave a net profit margin of 9.5% and earnings per share of 1.51 baht.

Revenues

Unit: Million Baht	Y2020	%	Y2019	%	Y2018	%
Revenues						
Sales	8,631.0	97.8	8,180.0	98.3	9,635.2	98.4
Cold storage service income	14.3	0.2	14.0	0.2	14.3	0.1
Other income	176.0	2.0	131.6	1.6	147.0	1.5

In 2020, 2019 and 2018, the company had total revenue of 8,821.3 million baht, 8,325.6 million baht and 9,764.4 million baht respectively. The company's total revenues comprised revenue from sales, revenue from service fees for its cold storage, and other revenues. In 2020 the proportion was 97.8%, 0.2% and 2.0% respectively.

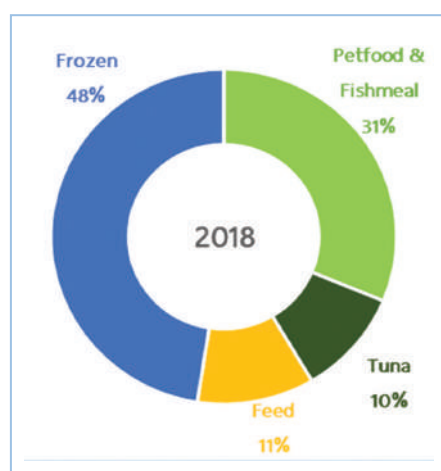
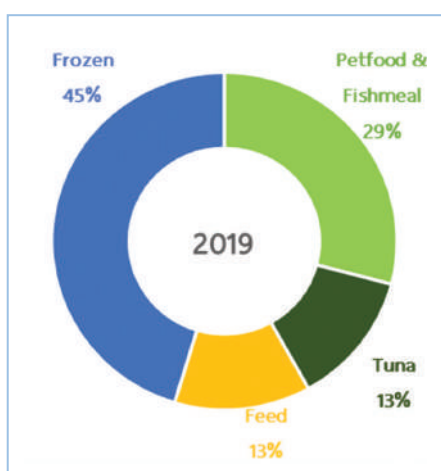
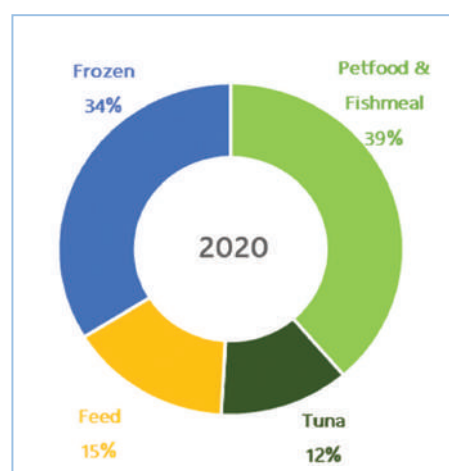
Revenue from sales increased in 2020 to 8,631 million baht, from 8,180 million in 2019, a result of increased revenues from selling pet food and fishmeal, which followed growth in the pet food industry, and also from selling aquaculture feed, in which the company gained increased market share.

Reduction of revenues from sales in 2019 on 2018 was a result of falls in the average sale prices in the frozen commodities business, pet food and fishmeal businesses, and tuna businesses, combined with a weakening in the value of the US dollar.

Other revenues in 2020 increased by 176 million baht (2019: 131.6 million baht), which was an increase of earnings from derivatives of 26.8 million baht and exchange rate earnings of 10.3 million baht.

Operating resultsof each business group

	Y2020	Y2019	Increase (Decrease) %	Y2018	Increase (Decrease) %
Volume (Mt)	102,575	88,086	16.4	89,933	(2.1)
Pet Food & Fishmeal Business	33,075	22,314	48.2	22,608	(1.3)
Tuna Business	8,724	9,277	(6.0)	7,442	24.7
Aquaculture Feed Business	48,107	38,652	24.5	38,489	0.4
Frozen business	12,670	17,843	(29.0)	21,394	(16.6)
Revenues (Millions Baht)	8,925	8,585	4.0	10,004	(14.2)
Pet Food & Fishmeal Business	3,454	2,499	38.2	3,128	(20.1)
Tuna Business	1,088	1,100	(1.1)	1,023	7.5
Aquaculture Feed Business	1,361	1,095	24.3	1,097	(0.2)
Frozen business	3,023	3,891	(22.3)	4,756	(18.2)



Pet food and fishmeal business group

2020 was a year of significant growth for the pet food business group with sales in the fourth quarter of 2020 increased by 60% year on year. Sales in 2020 were increased by 38% year on year, and combined sales for the year broke records. Demand for wet pet food continued to grow during lockdown, a result of the Covid-19 pandemic. Sales growth came from both the group of existing customers and new customers in Japan and Europe, where business started during this year. The product group with the strongest growth was pet food packaged in pouches, as it is convenient to use and a popular trend. As a result, the company was required to increase production in the third quarter.

During 2020, the “Monchou” brand, a premium pet food brand of the Group, expanded its market in sales through both pet food stores and modern trade stores, as well as selling online. Marketing “Monchou” in China has also made progress. “Thaiya Corp,” the company’s Chinese subsidiary, successfully opened a flagship store in Tmall. Despite this, sales in China increased only slightly as a result of the Covid-19 pandemic. The Group also launched an affordable pet food product, “HAJIKO”. This has been on sale in Thailand since September last year. Plans are underway to launch the “HAJIKO” brand in China through Thaiya Corp, just as for “Monchou”.

In the first half of 2020, Thaiya Meisi, a joint trading venture of the Group which is a factory producing dry pellet pet food in China, was heavily impacted by the Covid-19 epidemic. The cause was raw materials shortages which carried over into a problem of expensive raw materials in the second half of the year. Despite this heavy impact, the company was certified for many International quality standards (ISO 9001, ISO 22000, BRC and GMP+). Thaiya Meisi was thus able to be hired to make pellet pet food for international brands immediately after the Covid-19 situation had abated somewhat.

Sales volumes in 2019 were quite similar to 2018, the result of large customers in the USA slowing down orders in the first 9 months of 2019. After the customers’ own adjustment of their internal strategies, orders increased at the end of 2019. Revenue from sales was reduced by about 20%. Part of this was a result of a weakening of the US dollar against the baht, and another part from a reduced proportion of high-priced products.

Tuna business

In 2020 sales volumes in the tuna group of businesses were reduced by about 6% year on year, even though demand for the products remained at a good level. Labor being limited from the Covid-19 pandemic problem was a hindrance to increasing production capacity, while there were also shortages of raw material from the same cause. Concerning labor limitations in particular, the company was rather determined to increase production capacity in the pet food business group.

In 2019, sales volumes increased on 2018 by about 25%, from the group of customers demanding more sophisticated products than plain canned tuna, and that is solid growth. Revenues from sales increased by approximately 8%, because of currency values and the average sale price of tuna being less than in 2018, and particularly in the fourth quarter, when the price of tuna hit a historical low of approximately 900 USD per ton.

Aquaculture feed business

In 2020, sales volumes of aquaculture feed increased by about 24% year on year, with increased sales of feed for prawns, contrary to a shrinking market direction. The company gained increased market share mainly through good quality products. This is compared to growth in 2019, when there was hardly any growth in either sales volumes or revenue, despite the prawn feed market showing good growth in 2018.

Frozen commodities business

Revenue from sales and sales volumes in 2020 were greatly reduced by 22% and 29% respectively on 2019. This was a result of ending production of the frozen commodity group of products for the US market and turning to market added-value products such as products in batter, deep fried products and frozen products, for which the current core market is in the USA. However, the profit margins for frozen commodity products have greatly improved from having a greater proportion of value-added products, and improved profit on squid products.

Gross profits

In 2020, gross profits were 1,393 million baht with a gross profit margin of 16%

In 2019, gross profits were 652 million baht with a gross profit margin of 8%

In 2018, gross profits were 1,007 million baht with a gross profit margin of 10%

Selling and administrative expenses

In 2020, selling expenses were 270.2 million baht, a 3.1% proportion of total revenues and increased from 2019 by 33.7 million baht, or 14.2%. Administrative expenses were increased by 68.9 million baht on the previous year or 22.7% on the 2019 figure of 303.6 million baht, to 372.5 million baht, a 4.2% proportion of total revenue, and increased from provisions for obsolete and damaged inventory.

In 2019, selling expenses were 236.5 million baht, a 2.8% proportion of total revenues and decreased from 2018 by 57.1 million baht. Administrative expenses were 303.6 million baht, a 3.6% proportion of total revenues, and reduced by 62.4 million baht or 17%, which was a reduction from not setting a value for increased doubtful or bad debt and reduced from setting provisions for obsolete inventory.

In 2018, selling expenses were 293.6 million baht, a 3% proportion of total revenues, and administrative expenses were 366.0 million baht, a 3.7% proportion of total revenues.

Net profits

In 2020, the company posted net profits of 818.1 million baht, increased by 685.4 million baht, an increase of 516.5%

In 2019, the company posted net profits of 132.7 million baht, decreased by 229.5 million baht, a decrease of 63.4%

In 2018, the company posted net profits of 362.2 million baht, decreased by 55.8 million baht, a decrease of 13.3%

Financial status

Assets

	Million Baht		
	Y2020	Y2019	Y2018
Total Assets	6,231.8	5,822.2	6,541.7
Increase/(Decrease) from previous year	409.6	(719.5)	(268.9)
Increase/(Decrease) %	7.0	(11.0)	(3.9)

In 2020, total assets increased, mainly from an increase in current assets, in turn due to cash in hand and equivalents of 104.5 million baht, accounts receivable of 163.3 million baht and inventory of 177.7 million baht.

In 2019, total assets decreased, mainly from a reduction in current assets, which were reduced accounts receivable of 302.4 million baht and reduced inventory of 616.2 million baht.

In 2018, total assets decreased, mainly from a reduction in current assets, which were reduced accounts receivable of 327.7 million baht

Trade Receivables

	Y2020		Y2019		Y2018	
	Million BHT	%	Million BHT	%	Million BHT	%
Not yet due	625.5	57	506.8	51	662.4	51
Past due						
Upto 3 months	224.9	21	228.9	23	372.8	29
3-6 months	37.1	3	8.5	1	22.5	2
6-12 months	23.9	2	21.3	2	32.6	3
Over 12 months	178.5	16	222.6	23	208.2	16
Total	1,089.8	100	988.1	100	1,298.6	100
Less: Allowance for expected credit losses						
(2018-9: Allowance for doubtful accounts)	(150.4)	(14)	(197.0)	(20)	(208.2)	(16)
Total Trade Receivables - net	939.4		791.0		1,090.3	

Accounts receivable were mostly debtor companies whose payments were still not yet due or not overdue by more than 3 months. From 2018-2020, total accounts receivable before deducting provisions for expected credit losses (2018-9: Provisions for doubtful or bad debt) were at a ratio of 78% for 2020, 74% for 2019 and 80% for 2018.

Inventories

	Million Baht		
	Y2020	Y2019	Y2018
Inventories	1,915.9	1,738.3	2,354.4
Increase/(Decrease) from previous year	177.7	(616.2)	(327.7)
% of Total Assets	30.7	29.9	36.0

The company's inventories were adjusted downwards over the last 3 years, and were at a ratio of 30-31% of total assets in 2019-20.

Liquidity

Cash flows

Cash from operations has been spent with great caution by the company for the greatest benefit. It has considered investment in increasing production capacity and increasing production efficiency in line with business growth and including the repayment of loans. The company has a policy of managing cash in hand or equivalents to be at a suitable level according to business operating conditions.

	Million Baht		
	Y2020	Y2019	Y2018
Net cash flows from operating activities	837.5	1,112.8	1,015.0
Net cash flows from (used in) investing activities	(234.3)	(301.6)	(243.3)
Net cash flows from (used in) financing activities	(502.1)	(801.9)	(713.6)
Net increase (decrease) in cash and cash equivalents	101.1	9.3	58.1

In 2020, the company had cash in hand or equivalents increased by 101.1 million baht, increased from operations by 837.5 million baht, and spending 234.3 million baht on investment activities, and spending 502.1 million baht on financing activities.

In 2019, the company had cash in hand or equivalents increased by 9.3 million baht, increased from operations by 1,112.8 million baht, and spending 301.6 million baht on investment activities, and spending 801.9 million baht on fundraising activities.

In 2018, the company had cash in hand or equivalents increased by 58.1 million baht, increased from operations by 1,015 million baht, and spending 243.3 million baht on investment activities, and spending 713.6 million baht on fundraising activities.

Cash flows from operations

In 2020, cash flows from operations increased to 837.5 million baht. This increase was significantly from earnings before tax of 852.3 million baht, increased by depreciation of 248.0 million baht, reduced from accounts receivable increased by 170.9 million baht, and reduced from inventories increased by 196.1 million baht.

In 2019, cash flows from operations increased to 1,112.8 million baht. This increase was significantly from earnings before tax of 137.9 million baht, increased by depreciation of 207.5 million baht, and increased from the reduction of accounts receivable of 306.4 million baht, and increased from inventories reduced by 638.5 million baht.

In 2018, cash flows from operations increased to 1,015 million baht. This increase was significantly from earnings before tax of 357.7 million baht, increased by depreciation of 198.2 million baht, and increased from inventories reduced by 355.9 million baht.

Cash flows used for investment activities

In 2020, 234.3 million baht was spent, most importantly for investment in machinery and equipment of 239.1 million baht, and mainly to add machinery for the production of pet food and payment of the last tranche for the Auto Warehouse system.

In 2019, 301.6 million baht was spent, most importantly investment to purchase machinery and equipment of 231.7 million baht, mainly payment for the Auto Warehouse system, investment in Shandong Thaiya Meisi Pet Foods Co., Ltd. In China, and investment of 44.5 million baht.

In 2018, 234.3 million baht was spent, most importantly for investment to purchase machinery and equipment of 233.5 million baht, mostly to improve systems work and machinery, and to make payment of the first tranche of the Auto Warehouse system.

Cash flows spent in financing activities

In 2020, 502.1 million baht was spent, most importantly for repayment of long-term loans, an amount of 618.5 million baht, and dividend payments of 108.3 million baht. More short-term loans from the bank were received in the category of export credit and trust receipts, a total of 243.8 million baht.

In 2019, 801.9 million baht was spent, most importantly for repayment of long-term loans, an amount of 538.6 million baht, repayment of short-term loans, an amount of 727.0 million baht, and dividend payments of 135.4 million baht. Additional long-term loans were received of 600.0 million baht.

In 2018, 713.6 million baht was spent, most importantly for repayment of long-term loans and long-term debentures, amounts of 559.3 million baht and 350.0 million baht respectively, and repayment of short-term loans, an amount of 217.8 million baht, and dividend payments of 135.7 million baht. Additional long-term loans were received of 550 million baht.

Sources of capital

	Million Baht		
	Y2020	Y2019	Y2018
Total Liabilities	2,733.9	3,011.9	3,776.6
Increase/(Decrease) from previous year	(278.1)	(764.7)	(495.5)
Bank overdrafts and short-term loans from banks	573.5	333.4	1,061.0
Current portion of long-term loans	638.3	618.3	487.8
Long-term loans	604.9	1,243.2	1,312.1

Debt

As of 31 December 2020, the company had total liabilities from 2019 of 278.1 million baht, mainly from long-term loans reduced by 638.3 million baht, while overdrafts and short-term loans from the bank were increased by 240.0 million baht.

As of 31 December 2019, the company had total liabilities from 2018 of 764.7 million baht, reduced from repayment of overdrafts and short-term loans of 727.5 million baht.

As of 31 December 2018, the company had total liabilities from 2017 of 495.5 million baht, mainly reduced from repayment of long-term debentures of 350.0 million baht, and repayment of overdrafts and short-term loans of 223.2 million baht.

Debt to equity ratios for 2020, 2019 and 2018 were 0.8, 1.1 and 1.4 respectively

Short-term loans from the bank

As of the end of 2020, the company had short-term loans from the bank increased from 333.4 million baht in the previous year to be 573.5 million baht, an increase of 72%. This was an increase in export credits of 119 million baht, an increase of trust receipts of 32.8 million baht, and promissory notes increased by 21.5%.

As of the end of 2019, the company had short-term loans from the bank reduced by 727.5 million baht from 2018, a reduction of 69% This was a reduction of promissory notes of 354.8 million baht and a reduction of trust receipts of 372.2 million baht.

As of the end of 2018, the company had short-term loans from the bank reduced by 217.8 million baht in 2017, a reduction of 17%, from a reduction of export credits of 131.8 million baht, a reduction of trust receipts of 233.5 million baht, while promissory notes were an amount of 148.5 million baht.

Long-term loans

					Million Baht
Loan	Interest Rate%	Maturity	Y2020	Y2019	Y2018
1	THBFIX 6M+1.90	May 2022	540.0	880.0	1,220.0
2	FIX rate2.94%	June 2025	353.6	432.1	510.7
3	FIX rate2.57%	September 2022	175.0	275.0	
4	THBFIX 3M+2.00	September 2022	175.1	275.0	
5	THBFIX 3M+2.50	January 2019			70.0
			1,243.6	1,862.2	1,800.7

As of the end of 2020, the company had long-term loans of 1,243.6 million baht, with the part due in 2021 of 638.3 million baht. During the year, the amount redeemed according to the terms was 618.6 million baht.

As of the end of 2019, the company had long-term loans of 1,862.2 million baht, with the part due in 2020 of 618.6 million baht. During the year, an additional loan contract was made of 600 million baht, and the amount redeemed according to the terms was 538.6 million baht.

As of the end of 2018, the company had long-term loans of 1,800.7 billion baht, with the part due in 2019 of 487.8 million baht. During the year, an additional loan contract was made of 550 million baht, and the amount redeemed according to the terms was 559.3 million baht.

As of 31 December 2020, the company had a long-term loan facility not yet drawn down of 500 million baht.

Long-term debentures

During 2018, the company redeemed remaining long-term debentures according to the terms of redemption, amounting to 350.0 million baht

Shareholders' equity

As of 31 December 2020, the company had shareholders' equity of 3,497.9 million baht, increased from 2019 by 687.6 million baht. This was an increase from comprehensive earnings of 823.1 million baht. There were dividend payments in the year of 108.3 million baht, and an item of retained earnings from changes in accounting policy of 27.2 million baht.

As of 31 December 2019, the company had shareholders' equity of 2,810.3 million baht, increased slightly from 2018 by 45.1 million baht. This was an increase from comprehensive earnings of 180.6 million baht. There were dividend payments in the year of 135.4 million baht.

As of 31 December 2018, the company had shareholders' equity of 2,765.1 million baht, increased from 2017 by 226.6 million baht. This was an increase from comprehensive earnings of 362.2 million baht. There were dividend payments in the year of 135.7 million baht.

Important financial policy analysis ratios

Liquidity ratio

The company had a liquidity ratio as of the end of 2020 of 1.7. This ratio was at the same level as of the end of 2019 and 0.1 higher compared to the end of 2018. The quick ratio as of the end of 2020 was 0.6, which was at the same level as at the end of 2019 and better than at the end of 2018 by 0.1. Mostly, the company's current assets comprised cash in hand and equivalents, accounts receivable and inventories. Current liabilities comprise mainly overdrafts and short-term loans from the bank, accounts payable and long-term liability with payment terms of one year.

Interest coverage ratio

The company had an interest coverage ratio as of the end of 2020 of 15.3. This is increased from 2019, which was at a level of 4.4. The interest coverage ratio is calculated from earnings before interest, tax, depreciation, and amortization (EBITDA) divided by interest expense. For operating results in 2020, this grew by 516% year on year, and interest paid reduced by 26%.

Debt to equity ratio

As of 31 December 2020, the company had a debt to equity ratio of 0.8, reduced from 2019 when the ratio was 1.1, and reduced from 2018 when the ratio was 1.4. The reduction was from the company's reduced liabilities, particularly liabilities with interest obligations, and increased equity from earnings in each year.

Maintaining financial ratios required by compliance with bank conditions

For the company's long-term loans, there is an agreement that the debt to equity ratio must be maintained to not exceed 2.0, the liquidity ratio must not be less than 1.2, and dividends or other benefit may not be paid to shareholders in the case that the interest coverage ratio is less than 1.2. Regarding this, from 2018 to 2020 the company was able to maintain these financial ratios according to the criteria and conditions stipulated.

Declaration of the Directors' Responsibility for the Financial Statements

The Board of Directors of Asian Sea Corporation Plc recognizes its responsibility for financial statements of the Company and its subsidiaries – including financial information that appears in the annual report of 2020. The Board has been directed to the company so that such statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies and due and reasonable discretion exercised in the preparation of financial statements. Adequate significant information has been disclosed in the notes to these financial statements for transparent use by shareholders and investors at large.

The Board has instituted and maintained effective internal control system, internal auditing risk management, and effective governance to become reasonably confident of accurate, complete, and adequate accounting information to retain Company assets and prevent frauds or significant anomalies in operation.

The Audit Committee, which including with 4 independent directors, acting on behalf of the Board, has been assigned responsibility for the quality and adequacy of financial reports and internal control system, and reports their comments to the Board

It is our view that the Company's overall internal control system is satisfactory and can reasonably ensure that the financial statements of the Company and its subsidiaries for the year ended December 31, 2020, represented true and fairness, and showed essentially accurate financial positions, performance outcomes, and cash flows under financial reporting standards.



Mr. Somsak Amornrattanachai
Chairman of the Board of Directors

Independent Auditor's Report

To the Shareholders of Asian Sea Corporation Public Company Limited and its subsidiaries

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 2020, 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 2020, 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.

Emphasis of Matter

I draw attention to Note 3 to the consolidated financial statements. Due to the impact of the COVID-19 Pandemic, in preparing the consolidated and separate financial statements for the year ended 31 December 2020, the Group has elected to apply the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. My opinion is not modified in respect of this matter.

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 and canned food products, and feedstuff. 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 expected credit losses for trade receivables

As discussed in Note 9 to the financial statements, as at 31 December 2020, the Group had an outstanding balance of trade receivables over 12 months, amounting to Baht 178 million, while allowance for expected credit losses of Baht 150 million, representing 14% of total trade receivables, has been recorded. The management is required to exercise considerable judgement in determining the allowance for expected credit losses for these long-outstanding debtors. There are therefore risks with respect to the amount of the allowance for expected credit losses for trade receivables.

I assessed and tested the internal controls of the Group relating to the approval on recording transaction and following up of debts including determining allowance for expected credit losses for trade receivables. I also assessed the key information, assumptions and methods used by the Group in calculating allowance for expected credit losses for trade receivables by applying the following procedures:

- Gaining an understanding of the Group's assumptions used in both the collective and individual allowance calculations to my own assessments in relation to key inputs.
- Assessing the Group's revisions to estimates and assumptions which the Group applied together with the observation period for historical default rates.
- Analysing and assessing the Group's assumptions on the expected future cash flows, including the realisable value of collateral, based on my own understanding and available market information.

Impairment on investments in subsidiaries

Because some subsidiaries had consistent operating losses in the past and had deficits, the process of determining the impairment loss of investments in the subsidiaries, requires significant management judgement with respect to the 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 2021

Asian Sea Corporation Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(UNIT: BAHT)					
		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	8	207,401,133	102,876,298	52,715,751	6,849,656
TRADE AND OTHER RECEIVABLES	9	986,211,530	822,865,806	205,772,914	166,314,540
SHORT-TERM LOANS TO SUBSIDIARIES	7	-	-	136,446,122	280,242,827
INVENTORIES	10	1,915,912,015	1,738,255,956	336,423,813	251,586,226
OTHER CURRENT FINANCIAL ASSETS	36.1	13,134,396	-	3,811,073	-
OTHER CURRENT ASSETS		55,799,677	54,355,378	11,387,403	9,740,071
TOTAL CURRENT ASSETS		3,178,458,751	2,718,353,438	746,557,076	714,733,320
NON-CURRENT ASSETS					
RESTRICTED BANK DEPOSITS	11	18,543,217	18,524,722	-	-
INVESTMENTS IN SUBSIDIARIES	12	-	-	2,664,993,000	2,474,993,000
INVESTMENTS IN JOINT VENTURES	13	42,492,832	43,623,682	-	-
INVESTMENT IN ASSOCIATE	14	-	-	-	-
LONG-TERM LOANS TO JOINT VENTURES	7	11,778,964	7,408,789	-	-
LONG-TERM LOANS TO ASSOCIATE	7	1,502,205	568,736	-	-
INVESTMENT PROPERTIES	15	50,022,557	47,813,857	-	-
PROPERTY, PLANT AND EQUIPMENT	16	2,779,499,675	2,844,680,224	1,207,384,645	1,217,973,980
RIGHT-OF-USE ASSETS	21	28,888,451	-	6,632,452	-
INTANGIBLE ASSETS	17	50,986,599	40,711,864	34,862,343	35,335,420
DEFERRED TAX ASSETS	28	42,977,010	76,675,073		
OTHER NON-CURRENT ASSETS		26,661,990	23,852,907	22,479,247	18,853,754
TOTAL NON-CURRENT ASSETS		3,053,353,500	3,103,859,854	3,936,351,687	3,747,156,154
TOTAL ASSETS		6,231,812,251	5,822,213,292	4,682,908,763	4,461,889,474

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Asian Sea Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(UNIT: BAHT)					
		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
BANK OVERDRAFTS AND SHORT-TERM LOANS FROM BANKS	18	573,482,155	333,436,094	196,722,208	12,048,235
SHORT-TERM LOANS FROM SUBSIDIARIES	7	-	-	963,072,485	458,237,327
TRADE AND OTHER PAYABLES	19	669,956,474	610,208,117	89,872,071	92,550,530
CURRENT PORTION OF LONG-TERM LOANS	20	638,270,324	618,270,324	538,571,428	518,571,428
CURRENT PORTION OF LEASE LIABILITIES	21	16,137,789	579,921	6,670,605	228,957
INCOME TAX PAYABLE		-	421,652	-	-
OTHER CURRENT FINANCIAL LIABILITIES	36.1	171,743	-	-	-
OTHER CURRENT LIABILITIES		27,050,556	26,865,734	8,390,259	3,549,100
TOTAL CURRENT LIABILITIES		1,925,069,041	1,589,781,842	1,803,299,056	1,085,185,577
NON-CURRENT LIABILITIES					
LONG-TERM LOANS	20	604,915,933	1,243,186,257	530,000,002	1,068,571,430
LEASE LIABILITIES	21	12,033,494	396,590	71,047	-
PROVISION FOR LONG-TERM EMPLOYEE BENEFITS	22	67,363,967	66,509,177	28,000,907	30,543,531
DEFERRED TAX LIABILITIES	28	111,717,415	111,149,374	88,331,148	87,529,735
OTHER NON-CURRENT FINANCIAL LIABILITIES	36.1	11,821,520	-	11,821,520	-
OTHER NON-CURRENT LIABILITIES		961,811	916,821	954,100	909,112
TOTAL NON-CURRENT LIABILITIES		808,814,140	1,422,158,219	659,178,724	1,187,553,808
TOTAL LIABILITIES		2,733,883,181	3,011,940,061	2,462,477,780	2,272,739,385

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Asian Sea Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(UNIT: BAHT)					
		Consolidated financial statements		Separate financial statements	
	Note	'2020	'2019	'2020	'2019
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	23	54,272,755	54,000,000	54,272,755	54,000,000
UNAPPROPRIATED		1,879,392,039	1,197,072,875	663,872,302	632,864,163
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		468,722,733	463,658,813	406,744,383	406,744,383
TOTAL SHAREHOLDERS' EQUITY		3,497,929,070	2,810,273,231	2,220,430,983	2,189,150,089
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,231,812,251	5,822,213,292	4,682,908,763	4,461,889,474
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.					

Asian Sea Corporation Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(UNIT: BAHT)					
		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
PROFIT OR LOSS:					
REVENUES					
SALES	31	8,630,953,365	8,180,004,026	1,509,495,803	1,736,636,330
COLD STORAGE SERVICE INCOME	31	14,299,906	14,025,334	92,035,286	88,197,944
OTHER INCOME	25	176,002,508	131,567,317	136,403,784	116,536,356
TOTAL REVENUES		8,821,255,779	8,325,596,677	1,737,934,873	1,941,370,630
EXPENSES					
COST OF SALES AND SERVICES		7,252,371,315	7,541,776,209	1,374,661,812	1,762,277,223
SELLING AND DISTRIBUTION EXPENSES		270,191,883	236,482,905	28,766,657	42,650,292
ADMINISTRATIVE EXPENSES		372,509,129	303,589,308	105,590,559	140,071,462
TOTAL EXPENSES		7,895,072,327	8,081,848,422	1,509,019,028	1,944,998,977
OPERATION PROFIT (LOSS)		926,183,452	243,748,255	228,915,845	(3,628,347)
SHARE OF LOSS FROM INVESTMENTS IN JOINT VENTURES	13	(2,277,141)	(5,308,530)	-	-
SHARE OF LOSS FROM INVESTMENT IN ASSOCIATE	14	(666,531)	(2,593,625)	-	-
FINANCE INCOME		5,826,903	5,224,741	12,969,333	10,937,509
FINANCE COST	26	(76,744,064)	(103,216,537)	(74,338,275)	(86,547,906)
PROFIT (LOSS) BEFORE TAX INCOME (INCOME TAX EXPENSES)		852,322,619	137,854,304	167,546,903	(79,238,744)
TAX INCOME (INCOME TAX EXPENSES)	28	(34,266,104)	(5,157,352)	(801,413)	636,628
PROFIT (LOSS) FOR THE YEAR		818,056,515	132,696,952	166,745,490	(78,602,116)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Asian Sea Corporation Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2020

(UNIT: BAHT)					
		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
OTHER COMPREHENSIVE INCOME:					
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS					
EXCHANGE DIFFERENCES ON TRANSLATION OF FINANCIAL STATEMENTS IN FOREIGN CURRENCY		5,063,920	(2,765,547)	-	-
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		5,063,920	(2,765,547)	-	-
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS					
SURPLUS ON REVALUATION OF LAND - NET OF INCOME TAX	24	-	54,220,291	-	27,545,244
ACTUARIAL LOSS - NET OF INCOME TAX	22	-	(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
OTHER COMPREHENSIVE INCOME FOR THE YEAR		5,063,920	47,856,966	-	26,484,809
TOTAL COMPREHENSIVE INCOME FOR THE YEAR					
		823,120,435	180,553,918	166,745,490	(52,117,307)
EARNINGS PER SHARE					
30					
BASIC EARNINGS PER SHARE					
PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
		1.51	0.24	0.31	(0.14)
(ကျွေး: နှိ)					
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
Statement of changes in shareholders' equity
For the year ended 31 December 2020

	Consolidated financial statements							(UNIT: BAHT)
	Other components of equity							
	Retained earnings			Other comprehensive income				
	Exchange differences							
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated statutory reserve	Unappropriated	on translation of financial statements in foreign currency	Surplus on revaluation of land	Total other components of shareholders' equity	Total
BALANCE AS AT 1 JANUARY 2019	542,727,549	552,813,994	54,000,000	1,203,404,013	-	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	51,454,744	47,856,966
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	129,099,174	(2,765,547)	54,220,291	51,454,744	180,553,918
DIVIDEND PAID (NOTE 33)	-	-	-	(135,430,312)	-	-	-	(135,430,312)
BALANCE AS AT 31 DECEMBER 2019	542,727,549	552,813,994	54,000,000	1,197,072,875	(2,765,547)	466,424,360	463,658,813	2,810,273,231
BALANCE AS AT 1 JANUARY 2020	542,727,549	552,813,994	54,000,000	1,197,072,875	(2,765,547)	466,424,360	463,658,813	2,810,273,231
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING POLICY (NOTE 4)	-	-	-	(27,120,366)	-	-	-	(27,120,366)
BALANCE AS AT 1 JANUARY - AS RESTATED	542,727,549	552,813,994	54,000,000	1,169,952,509	(2,765,547)	466,424,360	463,658,813	2,783,152,865
PROFIT FOR THE YEAR	-	-	-	818,056,515	-	-	-	818,056,515
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	5,063,920	-	5,063,920	5,063,920
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	818,056,515	5,063,920	-	5,063,920	823,120,435
DIVIDEND PAID (NOTE 33)	-	-	-	(108,344,230)	-	-	-	(108,344,230)
TRANSFERRED UNAPPROPRIATED RETAINED EARNINGS								
TO STATUTORY RESERVE (NOTE 23)	-	-	272,755	(272,755)	-	-	-	-
BALANCE AS AT 31 DECEMBER 2020	542,727,549	552,813,994	54,272,755	1,879,392,039	2,298,373	466,424,360	468,722,733	3,497,929,070
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.								

Asian Sea Corporation Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2020

Separate financial statements							(UNIT: BAHT)
	Other components of equity						
	Other comprehensive income						
	Unappropriated			Surplus on revaluation of land			
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated		Total	
BALANCE AS AT 1 JANUARY 2019	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 33)	-	-	-	(135,430,312)	-	(135,430,312)	
BALANCE AS AT 31 DECEMBER 2019	542,727,549	552,813,994	54,000,000	632,864,163	406,744,383	2,189,150,089	
BALANCE AS AT 1 JANUARY 2020	542,727,549	552,813,994	54,000,000	632,864,163	406,744,383	2,189,150,089	
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING POLICY (NOTE 4)	-	-	-	(27,120,366)	-	(27,120,366)	
BALANCE AS AT 1 JANUARY 2020 - AS RESTATED	542,727,549	552,813,994	54,000,000	605,743,797	406,744,383	2,162,029,723	
PROFIT FOR THE YEAR	-	-	-	166,745,490	-	166,745,490	
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	166,745,490	-	166,745,490	
DIVIDEND PAID (NOTE 33)	-	-	-	(108,344,230)	-	(108,344,230)	
TRANSFERRED UNAPPROPRIATED RETAINED EARNINGS TO STATUTORY RESERVE (NOTE 23)	-	-	272,755	(272,755)	-	-	
BALANCE AS AT 31 DECEMBER 2020	542,727,549	552,813,994	54,272,755	663,872,302	406,744,383	2,220,430,983	
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.							

Asian Sea Corporation Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

	(UNIT: BAHT)			
	Consolidated financial statements		Separate financial statements	
	'2020	'2019	'2020	'2019
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT (LOSS) BEFORE TAX	852,322,619	137,854,304	167,546,903	(79,238,744)
ADJUSTMENTS TO RECONCILE PROFIT (LOSS) BEFORE TAX TO NET CASH PROVIDED BY (PAID FROM) OPERATING ACTIVITIES				
DEPRECIATION AND AMORTISATION	247,963,580	207,462,429	56,713,799	49,415,508
REVERSAL OF ALLOWANCE FOR EXPECTED CREDIT LOSSES FOR TRADE AND OTHER RECEIVABLES (2019: REVERSAL OF ALLOWANCE FOR DOUBTFUL ACCOUNTS)	(3,192,886)	(10,216,995)	(373,485)	(1,048,894)
REVERSAL OF ALLOWANCE FOR EXPECTED CREDIT LOSSES FOR SHORT-TERM LOANS TO SUBSIDIARY	-	-	(41,836,226)	-
REDUCTION OF COST OF INVENTORIES TO NET REALISABLE VALUE (REVERSAL)	18,457,228	(22,352,401)	3,557,006	(4,580,328)
(REVERSAL) ALLOWANCE FOR IMPAIRMENT LOSS ON LAND AND BUILDINGS	(282,945)	1,083,408	-	-
REVERSAL OF ALLOWANCE FOR IMPAIRMENT LOSS ON INVESTMENT PROPERTIES	(623,382)	-	-	-
WRITE-OFF OF WITHHOLDING INCOME TAX	149,847	536,601	-	-
(GAIN) LOSS ON SALES/WRITE-OFF OF BUILDINGS AND EQUIPMENT	1,653,949	(1,747,312)	(980,451)	(613,641)
LOSS ON SALES OF INVESTMENT PROPERTIES	24,082	-	-	-
LOSS ON WRITE-OFF OF INTANGIBLE ASSET	9,056	-	9,056	-
LONG-TERM EMPLOYEE BENEFIT EXPENSES	7,552,071	20,895,980	2,595,221	10,139,815
UNREALISED (GAIN) LOSS ON EXCHANGE RATE	(3,375,593)	2,005,220	98,923	31,208
UNREALISED GAIN ON FOREIGN EXCHANGE FORWARD CONTRACT	(11,460,389)	(416,646)	(3,422,827)	(289,010)
UNREALISED GAIN ON INTEREST RATE SWAPS CONTRACTS	(15,298,845)	-	(15,298,845)	-
SHARE OF LOSS FROM INVESTMENTS IN JOINT VENTURES	2,277,141	5,308,530	-	-
SHARE OF LOSS FROM INVESTMENT IN ASSOCIATE	666,531	2,593,625	-	-
FINANCE INCOME	(5,826,903)	(5,224,741)	(12,969,333)	(10,937,509)
FINANCE COST	76,744,064	103,216,537	74,338,275	86,547,906
PROFIT FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES	1,167,759,225	440,998,539	229,978,016	49,426,311
OPERATING ASSETS (INCREASE) DECREASE				
TRADE AND OTHER RECEIVABLES	(170,863,708)	306,357,948	(40,632,251)	69,722,536
INVENTORIES	(196,113,287)	638,541,565	(88,394,593)	366,148,189
OTHER CURRENT ASSETS	(1,444,299)	16,968,413	(1,647,332)	3,966,937
OTHER NON-CURRENT ASSETS	2,058,118	(828,493)	1,017,521	65,600

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Asian Sea Corporation Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

	(UNIT: BAHT)			
	Consolidated financial statements		Separate financial statements	
	'2020	'2019	'2020	'2019
OPERATING LIABILITIES INCREASE (DECREASE)				
TRADE AND OTHER PAYABLES	119,853,220	(154,343,788)	(5,330,980)	(62,917,044)
OTHER CURRENT LIABILITIES	184,822	(17,366,363)	4,841,159	(10,791,332)
CASH PAID FOR LONG-TERM EMPLOYEE BENEFITS	(6,697,281)	(13,115,022)	(5,137,845)	(9,381,639)
OTHER NON-CURRENT LIABILITIES	22,501	(15,750)	22,499	(15,748)
CASH FLOWS FROM OPERATING ACTIVITIES	914,759,311	1,217,197,049	94,716,194	406,223,810
INTEREST RECEIVED	7,169,539	2,086,401	13,640,804	11,016,060
CASH PAID FOR INTEREST	(78,991,510)	(105,363,139)	(75,417,327)	(87,111,070)
CASH PAID FOR INCOME TAX	(5,438,700)	(6,045,552)	(4,643,014)	(5,784,025)
CASH RECEIVED FROM WITHHOLDING INCOME TAX	-	4,906,774	-	4,906,774
NET CASH FLOWS FROM OPERATING ACTIVITIES	837,498,640	1,112,781,533	28,296,657	329,251,549
CASH FLOWS FROM INVESTING ACTIVITIES				
INCREASE IN RESTRICTED BANK DEPOSITS	-	(18,524,722)	-	-
CASH PAYMENTS FOR ACQUISITIONS OF BUILDING AND EQUIPMENT	(239,078,951)	(231,705,715)	(39,815,275)	(22,464,397)
CASH PAYMENTS FOR ACQUISITIONS OF COMPUTER SOFTWARE AND TRADEMARK	(4,558,561)	(3,969,141)	(207,522)	(113,953)
PROCEEDS FROM SALES OF EQUIPMENT	11,994,574	10,655,067	5,763,965	8,957,161
PROCEEDS FROM SALES OF INVESTMENT PROPERTIES	2,020,000	-	-	-
DECREASE IN SHORT-TERM LOANS TO SUBSIDIARIES	-	-	185,632,931	34,277,974
CASH PAID FOR INVESTMENT IN SUBSIDIARY	-	-	(190,000,000)	-
CASH PAID FOR INVESTMENTS IN JOINT VENTURES	-	(44,487,200)	-	-
INCREASE IN LONG-TERM LOANS TO JOINT VENTURES	(3,102,571)	(11,988,170)	-	-
INCREASE IN LONG-TERM LOAN TO ASSOCIATE	(1,600,000)	(1,600,000)	-	-
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(234,325,509)	(301,619,881)	(38,625,901)	20,656,785
CASH FLOWS FROM FINANCING ACTIVITIES				
INCREASE (DECREASE) IN BANK OVERDRAFTS AND SHORT-TERM LOANS FROM BANKS	243,834,990	(727,006,409)	185,052,383	(207,182,959)
INCREASE IN SHORT-TERM LOANS FROM SUBSIDIARIES	-	-	504,835,158	187,355,766
CASH RECEIVED FROM LONG-TERM LOANS	-	600,000,000	-	300,000,000
REPAYMENT OF LONG-TERM LOANS	(618,531,428)	(538,561,428)	(518,571,428)	(513,571,428)
REPAYMENT OF PRINCIPAL OF LEASE LIABILITIES	(19,069,001)	(872,553)	(6,799,033)	(536,127)
DIVIDEND PAID	(108,321,741)	(135,411,992)	(108,321,741)	(135,411,992)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(502,087,180)	(801,852,382)	56,195,339	(369,346,740)
INCREASE (DECREASE) IN EXCHANGE DIFFERENCES ON TRANSLATION OF FINANCIAL STATEMENTS IN FOREIGN CURRENCY	3,438,884	(3,207,749)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	104,524,835	6,101,521	45,866,095	(19,438,406)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	102,876,298	96,774,777	6,849,656	26,288,062
CASH AND CASH EQUIVALENTS AT END OF YEAR	207,401,133	102,876,298	52,715,751	6,849,656

Asian Sea Corporation Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

	(UNIT: BAHT)			
	Consolidated financial statements		Separate financial statements	
	'2020	'2019	'2020	'2019
SUPPLEMENTAL CASH FLOWS INFORMATION				
NON-CASH TRANSACTIONS				
INCREASE (DECREASE) IN OTHER PAYABLES FOR ACQUISITIONS				
OF EQUIPMENT	(57,125,737)	69,969,405	1,213,621	(1,628,035)
INCREASE IN OTHER PAYABLES FOR ACQUISITIONS OF COMPUTER				
SOFTWARE	2,528,263	-	2,528,263	-
INCREASE IN DIVIDEND PAYABLE	22,489	18,320	22,489	18,320
SURPLUS ON REVALUATION OF LAND	-	67,775,363	-	34,431,556
INVESTMENT PROPERTIES RECEIVED FROM PROCEEDS ON				
SALES OF GOODS	3,629,400	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
Notes to consolidated financial statements
For the year ended 31 December 2020

1. General information

1.1 Corporate 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 Samudhsakorn, Samudhsakorn. There are 8 branches located in Bangkok, Samudhsakorn, and Songkhla.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

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 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 and the following subsidiaries (hereinafter called as "the Group").

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			Percent	Percent
Subsidiaries directly held by the Company				
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 Pets Care Corporation Co., Ltd. (Formerly known as "Asian Group Services Co., Ltd.")	Marketing and management activities, including investing in other business	Thailand	100	100
Subsidiary held by Asian Feed Co., Ltd.				
Asian Seafoods Coldstorage (Sriracha) Co., Ltd.	Currently non-active	Thailand	100	100
Subsidiary held by Asian Pets Care Corporation Co., Ltd.				
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 Group 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 2019) and new 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. The new standards 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 five 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 Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Recognition of credit losses - The Group recognises 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 and other receivables.

- Recognition of derivatives - The Group initially recognises 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 Group adopted these financial reporting standards 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 cumulative effect of the change is described in Note 4 to the financial statements.

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.

The Group recognised the cumulative effect of the adoption of this financial reporting standard and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives.

Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.

Not to use information relating to the COVID-19 situation that may affect financial forecasts used in measuring the fair values of land.

The Group is evaluating the impact on the financial statements and will consider recording the impact after the relief measures expire.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group has evaluated that these standards do not have any significant impact on the Group's financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December	The impacts of		
	2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	822,866	(1,503)	-	821,363
Other current financial assets	-	1,503	-	1,503
Non-current assets				
Property, plant and equipment	2,844,680	-	(2,284)	2,842,396
Right-of-use assets	-	-	33,135	33,135
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	610,208	(671)	-	609,537
Current portion of lease liabilities	580	-	15,977	16,557
Non-current liabilities				
Lease liabilities	397	-	14,874	15,271
Other non-current financial liabilities	-	27,791	-	27,791
Shareholders' equity				
Retained earnings - unappropriated	1,197,073	(27,120)	-	1,169,953

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			
	31 December2019	Financial reportingstandards related to financial instruments	TFRS 16	1 January2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	166,315	(388)	-	165,927
Other current financial assets	-	388	-	388
Non-current assets				
Property, plant and equipment	1,217,974	-	(1,350)	1,216,624
Right-of-use assets	-	-	14,556	14,556
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	92,551	(671)	-	91,880
Current portion of lease liabilities	229	-	6,556	6,785
Non-current liabilities				
Lease liabilities	-	-	6,650	6,650
Other non-current financial liabilities	-	27,791	-	27,791
Shareholders' equity				
Retained earnings - unappropriated	632,864	(27,120)	-	605,744

4.1 Financial instruments

- a) Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows.

	(Unit: Thousand Baht)
	<u>Consolidated/Separate financial statements</u>
Recognition of derivatives at fair value through profit or loss	(27,120)
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	<u>(27,120)</u>

- b) As at 1 January 2020, classification and measurement of financial assets and financial liabilities required by TFRS 9, in comparison with the former carrying amount, are as follows.

		(Unit: Thousand Baht)		
		Consolidated financial statements		
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	102,876	-	102,876	102,876
Trade and other receivables	822,866	-	821,363	821,363
Other current financial assets	-	1,503	-	1,503
Restricted bank deposits	18,525	-	18,525	18,525
Long-term loans to joint ventures	7,409	-	7,409	7,409
Long-term loan to associate	569	-	569	569
Total financial assets	952,245	1,503	950,742	952,245
Financial liabilities as at 1 January 2020				
Bank overdrafts and short-term loans from banks	333,436	-	333,436	333,436
Trade and other payables	610,208	-	609,537	609,537
Long-term loans	1,861,456	-	1,861,456	1,861,456
Lease liabilities	977	-	977	977
Other non-current financial liabilities	-	27,791	-	27,791
Total financial liabilities	2,806,077	27,791	2,805,406	2,833,197

		(Unit: Thousand Baht)		
		Separate financial statements		
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	6,850	-	6,850	6,850
Trade and other receivables	166,315	-	165,927	165,927
Short-term loans to subsidiaries	280,243	-	280,243	280,243
Other current financial assets	-	388	-	388
Total financial assets	453,408	388	453,020	453,408
Financial liabilities as at 1 January 2020				
Bank overdrafts and short-term loans from banks	12,048	-	12,048	12,048
Short-term loans from subsidiaries	458,237	-	458,237	458,237
Trade and other payables	92,551	-	91,880	91,880
Long-term loans	1,587,143	-	1,587,143	1,587,143
Lease liabilities	229	-	229	229
Other non-current financial liabilities	-	27,791	-	27,791
Total financial liabilities	2,150,208	27,791	2,149,537	2,177,328

4.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	34,245	14,144
Less: Short-term leases and leases of low-value assets	(1,866)	(552)
Less: Contracts reassessed as service agreements	(523)	-
Less: Deferred interest expense	(1,005)	(386)
Increase in lease liabilities due to TFRS 16 adoption	30,851	13,206
Liabilities under finance lease agreements as at 31 December 2019	977	229
Lease liabilities as at 1 January 2020	31,828	13,435
Weighted average incremental borrowing rate (percent per annum)	3.05 - 3.94	3.05
Comprise of:		
Current lease liabilities	16,557	6,785
Non-current lease liabilities	15,271	6,650
	31,828	13,435

5. Significant accounting policies

5.1 Revenue and expense 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 calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

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.

5.2 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.

5.3 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.

5.4 Investments in subsidiaries, joint ventures and associate

Investments in joint ventures and associate are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

5.5 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.

5.6 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	2 - 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.

5.7 Intangible assets

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

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

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

Trademark	10 years
Computer software	3 - 15 years

No amortisation is charged for computer software under installation.

5.8 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	3 years
Buildings	2-3 years
Factory equipment	3-5 years
Office equipment	3and5 years
Motor vehicles	3-4 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

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 assets acquired under finance leases is depreciated over useful life of the asset.

Leases of property, plant or 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.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

5.9 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.

5.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

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 are included in determining income.

5.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties 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 property, plant and equipment were 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.

5.12 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.

5.13 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.

5.14 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.

5.15 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, for trade receivables that do not contain a significant financing component, the Group will measure financial assets at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. These financial assets include derivatives.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

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

5.16 Derivatives

The Group uses derivatives, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

5.17 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.

6. 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. 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

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification- The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to 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 expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

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.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment and right-of-use assets/depreciation and intangible assets/amortisation

In determining depreciation of plant and equipment and right-of-use assets and amortisation of intangible assets, the management is required to make estimates of the useful lives and residual values of the assets and to review estimate useful lives (if any) 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 16 to the financial statements.

In addition, the management is required to review property, plant and equipment, right-of-use assets and intangible assets for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amounts are lower than the carrying amounts. 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.

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.

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.

7. Related party transactions

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	Pricing policy
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Sales	-	-	8,133	4,850	Cost plus margin
Cold storage service income	-	-	77,735	74,173	Contract price
Rental income	-	-	15,840	19,200	Contract price
Management fee income	-	-	73,860	63,130	Mutually agreed price
Interest income	-	-	12,585	10,691	3.11% - 3.75% per annum (2019: 3.85% - 4.15% per annum)
Other income	-	-	8,620	8,513	Cost plus margin and mutually agreed price
Purchases of raw materials	-	-	142,010	166,827	Cost plus margin
Interest expense	-	-	23,706	13,880	2.57% - 3.85% per annum (2019: 3.71% - 4.34% per annum)
Other expenses	-	-	9,485	4,213	Cost plus margin and mutually agreed price
Transactions with joint ventures					
Interest income	842	383	-	-	4.00% - 5.00% per annum
Commission expenses	4,767	365	-	-	Mutually agreed price
Transactions with associate					
Sales	21,416	15,212	-	-	Cost plus margin
Interest income	184	87	-	-	4.00% per annum
Other income	-	617	-	-	Mutually agreed price
Other expenses	36	236	-	-	Mutually agreed price

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties are as follows.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - related parties (Note 9)				
Subsidiaries	-	-	6,979	8,169
Associate	2,495	3,762	-	-
Total	2,495	3,762	6,979	8,169
Other receivables - related parties (Note 9)				
Subsidiaries	-	-	15,791	15,944
Joint ventures	1,317	439	-	-
Associate	75	94	-	-
Total	1,392	533	15,791	15,944
Trade payables - related parties (Note 19)				
Subsidiaries	-	-	5,187	6,053
Total	-	-	5,187	6,053
Other payables - related parties (Note 19)				
Subsidiaries	-	-	5,523	1,665
Total	-	-	5,523	1,665

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 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	3.11 - 3.60	-	567,196	(567,196)	-
Asian Feed Co., Ltd.	3.11 - 3.75	104,800	383,200	(365,500)	122,500
Asian Food Co., Ltd.	3.11 - 3.75	58,312	114,004	(161,323)	10,993
Asian Pets Care Corporation Co., Ltd.	3.11 - 3.75	158,967	59,473	(215,487)	2,953
Total		322,079	1,123,873	(1,309,506)	136,446
Less: Allowance for expected credit loss (2019: Allowance for doubtful debt)		(41,836)	-	41,836	-
Total short-term loans to - net		280,243	1,123,873	(1,267,670)	136,446

The Company reversed allowance for expected credit losses of short-term loans to Asian Feed Co., Ltd. amounting to Baht 41.8 million due to the repayment of loans from the subsidiary during the year.

(Unit: Thousand Baht)					
Short-term loans from	Interest rate (percent per annum)	Separate financial statements			
		Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	2.90 - 3.85	81,237	397,121	(305,586)	172,772
Asian Alliance International Co., Ltd.	2.57 - 3.49	377,000	1,517,460	(1,104,160)	790,300
Asian Food Co., Ltd.	2.99 - 3.25	-	6,786	(6,786)	-
Total short-term loans from		458,237	1,921,367	(1,416,532)	963,072

Long-term loans to joint ventures

In May 2018, Asian Pets Care Corporation 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 Pets Care Corporation 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 2020 and 2019, Asian Pets Care Corporation Co., Ltd. has a loan of Euro 250,000 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 Pets Care Corporation Co., Ltd.) and another company entered into a joint venture agreement to establish Shandong Thaiya Meisi Pet Foods Co., Ltd. (the joint venture) and a long-term loan agreement granting a loan of RMB 5 million to Shandong 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 Shandong 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 specified installments as prescribed in the agreement. As at 31 December 2020, Thaiya Corporation (Shanghai) Co., Ltd. has granted a long-term loan of RMB 2.4 million (2019: RMB 1.7 million) 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)

Consolidated financial statements						
	Balance as at 31 December 2019	Increase during the year	Unrealised gain on exchange rate	Recognised share of gain	Recognised share of translation of financial statements in foreign currency	Balance as at 31 December 2020
Long-term loans to						
Asian Group SCS Europe GmbH	24	-	806	547	(778)	599
Shandong Thaiya Meisi Pet Foods Co., Ltd.	7,385	3,103	692	-	-	11,180
Total	7,409	3,103	1,498	547	(778)	11,779

Long-term loans to associate

In May 2018, Asian Pets Care Corporation 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 Pets Care Corporation 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 2020, Asian Pets Care Corporation Co., Ltd. has granted a loan of Baht 4.8 million (2019: Baht 3.2 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)

Consolidated financial statements				
Long-term loans to	Balance as at 31 December 2019	Increase during the year	Recognised share of loss	Balance as at 31 December 2020
Inter Petrina Co., Ltd.	569	1,600	(667)	1,502
Total	569	1,600	(667)	1,502

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2563	2562	2563	2562
Short-term employee benefits	21,824	13,874	10,270	5,782
Post-employment benefits	708	2,624	287	1,407
Total	22,532	16,498	10,557	7,189

Guarantee obligations with related parties

The Company has guaranteed bank credit facilities of the subsidiaries as described in Notes 18 and 34.3 c) to the financial statements without charging guarantee fee. The Company's bank overdraft and short-term bank loan facilities are guaranteed by Asian Seafoods Coldstorage (Suratthani) Co., Ltd. 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.

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	644	685	35	42
Bank deposits	206,757	102,191	52,681	6,808
Total	207,401	102,876	52,716	6,850

As at 31 December 2020, bank deposits in savings accounts carried interests between 0.13% and 0.25% per annum (2019: between 0.13% and 0.63% per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade receivables - related parties (Note 7)</u>				
Aged on the basis of due dates				
Not yet due	2,495	-	5,626	7,087
Past due up to 3 months	-	3,762	1,353	1,082
Total trade receivables - related parties	2,495	3,762	6,979	8,169
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	622,976	506,783	116,302	111,780
Past due				
Up to 3 months	224,853	225,100	27,685	28,364
3 - 6 months	37,077	8,458	19,813	6
6 - 12 months	23,919	21,324	14,798	-
Over 12 months	178,450	222,638	5,322	5,849
Total	1,087,275	984,303	183,920	145,999
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(150,382)	(197,041)	(5,322)	(5,849)
Total trade receivables - unrelated parties, net	936,893	787,262	178,598	140,150
Total trade receivables - net	939,388	791,024	185,577	148,319
<u>Other receivables</u>				
Other receivables - related parties (Note 7)	-	-	15,391	14,873
Other receivables - unrelated parties	98,149	80,232	4,405	1,664
Forward contract receivables	-	1,503	-	388
Interest receivable from related parties (Note 7)	1,392	533	400	1,071
Total	99,541	82,268	20,196	17,996
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(52,717)	(50,426)	-	-
Total other receivables - net	46,824	31,842	20,196	17,996
Total trade and other receivables - net	986,212	822,866	205,773	166,315

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 1 January 2020	247,467	5,849
Provision for expected credit losses (Reversal)	(2,419)	3
Amount written off	(41,175)	(154)
Amount recovered	(726)	(376)
Effect from foreign exchange	(48)	-
As at 31 December 2020	203,099	5,322

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2563	2562	2563	2562	2563	2562
Finished goods	942,720	850,659	(57,148)	(57,913)	885,572	792,746
Work in process	108,926	52,268	-	-	108,926	52,268
Raw materials	581,879	586,506	(10,408)	(19)	571,471	586,487
Packing materials	161,889	176,005	(8,833)	-	153,056	176,005
Spare parts and factory supplies	43,595	35,393	-	-	43,595	35,393
Goods in transit	153,292	95,357	-	-	153,292	95,357
Total	1,992,301	1,796,188	(76,389)	(57,932)	1,915,912	1,738,256

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	142,113	150,649	(11,741)	(9,514)	130,372	141,135
Work in process	107,552	39,247	-	-	107,552	39,247
Raw materials	78,052	46,502	(836)	(19)	77,216	46,483
Packing materials	6,590	14,737	(513)	-	6,077	14,737
Spare parts and factory supplies	1,345	571	-	-	1,345	571
Goods in transit	13,862	9,413	-	-	13,862	9,413
Total	349,514	261,119	(13,090)	(9,533)	336,424	251,586

During the year 2020, the Group reduced cost of inventories by Baht 27 million (2019: Baht 1 million) (Separate financial statements: 4 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 9 million (2019: Baht 23 million) (Separate financial statements 2019: Baht 5 million), and reduced the amount of inventories recognised as expenses during the year.

11. Restricted bank deposits

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

12. Investments in subsidiaries

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

(Unit: Thousand Baht)						
Company	Paid-up capital		Shareholding percentage		Cost	
	2020	2019	2020	2019	2020	2019
			(%)	(%)		
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 Pets Care Corporation Co., Ltd.	200,000	10,000	100	100	200,000	10,000
Total					2,775,993	2,585,993
Less: Allowance for impairment loss					(111,000)	(111,000)
Investments in subsidiaries - net					2,664,993	2,474,993

On 30 January 2020, the Extraordinary General Meeting No.1/2020 of the shareholders of Asian Pets Care Corporation Co., Ltd. passed a resolution approving the change of its name from "Asian Group Services Co., Ltd." to "Asian Pets Care Corporation Co., Ltd." 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 7 December 2020, the Extraordinary General Meeting No.2/2020 of the shareholders of Asian Pets Care Corporation Co., Ltd. passed a resolution to increase its registered share capital by Baht 190 million, from the existing registered share capital of Baht 10 million to Baht 200 million, by issuing 1,900,000 newly issued ordinary shares, with a par value of Baht 100 each. The subsidiary received the call amount of shares in full and registered the increase in its share capital with the Ministry of Commerce on 14 December 2020.

The subsidiaries did not pay any dividend in the years 2020 and 2019.

13. Investments in joint ventures

13.1 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 areas follows.

(Unit: Thousand Baht)								
Joint venture	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2020	2019	2020	2019	2020	2019
			(%)	(%)				
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	51	44,487	44,487	42,493	43,624
Total					45,059	45,059	42,493	43,624

13.2 Share of comprehensive income and dividend received

During the years ended 31 December 2020 and 2019, 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 gain (loss)		Share of other comprehensive income	
	2020	2019	2020	2019
Asian Group SCS Europe GmbH	547	(4,669)	(778)	666
Shandong Thaiya Meisi Pet Foods Co., Ltd.	(2,824)	(640)	1,694	(223)
Total	(2,277)	(5,309)	916	443

The Group recognised share of loss from investment in a joint venture until the value of the investment approached zero. Subsequent losses 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 7 to the financial statements). The joint ventures did not pay any dividend in the years 2020 and 2019.

13.3 Summarised financial information of material joint ventures

Summarised information of financial position

(Unit: Million Baht)				
	Asian Group SCS Europe GmbH		Shandong Thaiya Meisi Pet Foods Co., Ltd.	
	2020	2019	2020	2019
Cash and cash equivalents	1	1	3	2
Trade and other receivables	1	-	4	1
Inventories	-	-	7	6
Other current assets	1	-	1	1
Property, plant and equipment	-	-	56	54
Other non-current assets	-	-	1	1
Total assets	3	1	72	65
Trade and other payables	1	1	6	3
Other current liabilities	1	-	1	1
Long-term loans	15	14	18	12
Total liabilities	17	15	25	16
Net assets (liabilities)	(14)	(14)	47	49
Shareholding percentage (%)	60	60	51	51
Net assets (liabilities) in proportion of shareholding percentage	(8)	(8)	24	25
Elimination entries	-	-	-	-
Carrying amounts of joint ventures based on equity method (liabilities)	(8)	(8)	24	25

Summarised information about comprehensive income

(Unit: Million Baht)				
	Asian Group SCS Europe GmbH		Shandong Thaiya Meisi Pet Foods Co., Ltd.	
	2020	2019	2020	2019
Revenue	8	1	96	31
Cost of sales	-	(1)	(88)	(29)
Selling and distribution expenses	-	-	(4)	(1)
Administrative expenses	(6)	(7)	(9)	(2)
Finance cost	(1)	-	(1)	-
Profit (loss)	1	(7)	(6)	(1)
Shareholding percentage (%)	60	60	51	51
Profit or loss in proportion of shareholding percentage	1	(4)	(3)	(1)
Elimination entries	-	-	-	-
Share of profit (loss) from investments in joint ventures	1	(4)	(3)	(1)

The share of profit (loss) from investments in joint ventures for the years ended 31 December 2020 and 2019 have 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.

14. Investment in associate

14.1 Details of investment in associate

(Unit: Thousand Baht)								
Associate	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2020	2019	2020	2019	2020	2019
			(%)	(%)				
Inter Petrina Co., Ltd.	Distribution of pet foods	Thailand	40	40	1,600	1,600	-	-
Total					1,600	1,600	-	-

14.2 Share of profit or loss and dividend received

During the years ended 31 December 2020 and 2019, the Group recognised its share of loss from investment in associate in the consolidated financial statements as follows.

Associate	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of loss	
	2020	2019
Inter Petrina Co., Ltd.	(667)	(2,593)
Total	(667)	(2,593)

The Group recognised share of loss from investment in an associate until the value of the investment approached zero. Subsequent loss of Baht 0.7 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 7 to the financial statements).

The associate did not pay any dividend in the years 2020 and 2019.

14.3 Summarised financial information of material associate

Summarised information about financial position

	(Unit: Million Baht)	
	Inter Petrina Co., Ltd.	
	2020	2019
Cash and cash equivalents	6	1
Trade and other receivables	4	2
Inventories	6	4
Equipment	-	1
Total assets	16	8
Trade and other payables	12	7
Long-term loans	12	8
Total liabilities	24	15
Net liabilities	(8)	(7)
Shareholding percentage (%)	40	40
Net liabilities in proportion of shareholding percentage	(3)	(3)
Elimination entries	-	-
Carrying amounts of associate based on equity method (liabilities)	(3)	(3)

Summarised information about comprehensive income

	(Unit: Million Baht)	
	Inter Petrina Co., Ltd.	
	2020	2019
Revenue	27	15
Cost of sales	(20)	(12)
Selling and distribution expenses	(7)	(8)
Administrative expenses	(1)	(1)
Finance cost	(1)	-
Loss	(2)	(6)
Shareholding percentage (%)	40	40
Profit or loss in proportion of shareholding percentage	(1)	(2)
Elimination entries	-	-
Share of loss from investment in associate	(1)	(2)

The share of loss from investment in associate for the years ended 31 December 2020 and 2019 have 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.

15. 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 2020 amounted to Baht 94.6 million (2019: Baht 92.7 million), which had been determined based on valuation performed by an accredited independent valuer using the market approach.

16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Revaluation basis		Cost basis					Total
	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	
Cost / Revalued amount								
1 January 2019	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
Reclassified to right-of-use assets	-	-	-	-	-	(3,522)	-	(3,522)
Additions	-	733	21,083	114,808	11,206	601	33,522	181,953
Disposals/write-off	-	(7,389)	(15,260)	(50,570)	(11,218)	(5,726)	(2,938)	(93,101)
Adjusted	-	-	-	-	-	1,982	(7,761)	(5,779)
Transfer in (out)	-	68	111,308	143,037	811	-	(255,224)	-
Translation adjustments	-	-	-	-	13	-	-	13
31 December 2020	1,051,908	115,710	1,747,840	2,436,519	110,042	128,593	37,104	5,627,716
Accumulated depreciation								
1 January 2019	-	(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)
Accumulated depreciation of those reclassified to right-of-use assets	-	-	-	-	-	1,238	-	1,238
Depreciation for the year	-	(8,931)	(71,775)	(134,971)	(7,318)	(2,010)	-	(225,005)
Depreciation on disposals/write-off	-	7,369	12,981	42,500	10,919	5,684	-	79,453
ADJUSTED	-	-	-	-	-	(710)	-	(710)
TRANSLATION ADJUSTMENTS	-	-	-	-	(3)	-	-	(3)
31 DECEMBER 2020	-	(75,571)	(1,061,124)	(1,516,966)	(84,869)	(108,886)	-	(2,847,416)
Allowance for impairment loss								
31 December 2019	(800)	-	(283)	-	-	-	-	(1,083)
Decrease during the year	-	-	283	-	-	-	-	283
31 December 2020	(800)	-	-	-	-	-	-	(800)
Net book value								
31 December 2019	1,051,108	48,289	628,096	804,749	20,763	22,170	269,505	2,844,680
31 December 2020	1,051,108	40,139	686,716	919,553	25,173	19,707	37,104	2,779,500
Depreciation for the years								
2019 (Baht 194 million included in manufacturing cost, and the balance in selling and administrative expenses)								203,882
2020 (Baht 194 million included in manufacturing cost, and the balance in selling and administrative expenses)								225,005

	Separate financial statements							
	Revaluation	Cost basis						
	basis							
		Land	Buildings and	Machinery	Furniture,	Motor	Assets under	
		improvement	building	and	fixtures and	vehicles	installation	
	Land		improvement	equipment	equipment		and	Total
							construction	
Cost / Revalued amount								
1 January 2019	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
Reclassified to right-of-use assets	-	-	-	-	-	(1,982)	-	(1,982)
Additions	-	150	5,779	26,584	5,322	167	3,027	41,029
Disposals/write-off	-	(7,389)	(14,064)	(28,382)	(8,787)	(4,869)	-	(63,491)
Adjusted	-	-	-	-	-	1,982	-	1,982
Transfer in (out)	-	-	-	646	-	-	(646)	-
31 December 2020	840,274	38,350	689,902	534,340	23,776	37,786	3,567	2,167,995
Accumulated depreciation								
1 January 2019	-	(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)
Accumulated depreciation of those reclassified to right-of-use assets	-	-	-	-	-	632	-	632
Depreciation for the year	-	(1,255)	(24,687)	(18,291)	(1,674)	(849)	-	(46,756)
Depreciation on disposals/write-off	-	7,369	12,226	25,501	8,742	4,869	-	58,707
Adjusted	-	-	-	-	-	(710)	-	(710)
31 December 2020	-	(27,932)	(464,818)	(418,092)	(16,959)	(32,809)	-	(960,610)
Net book value								
31 December 2019	840,274	11,543	245,830	110,190	3,214	5,737	1,186	1,217,974
31 December 2020	840,274	10,418	225,084	116,248	6,817	4,977	3,567	1,207,385
Depreciation for the years								
2019 (Baht 41 million included in manufacturing cost, and the balance in selling and administrative expenses)								46,169
2020 (Baht 42 million included in manufacturing cost, and the balance in selling and administrative expenses)								46,756

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
	300 - 30,500	3,900 - 30,500	Increase in fair value
Price per square wah (Baht)			

Had the land been carried in the financial statements on a historical cost basis, their net book values as of 31 December 2020 and 2019 would have been as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Land	431,512	431,512	331,844	331,844

As at 31 December 2020, 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 1,348 million (2019: Baht 974 million) and Separate financial statements: Baht 524 million (2019: Baht 426 million).

As at 31 December 2020, the Group has pledged its land and buildings with net book value of Baht 792 million (2019: Baht 806 million) as collateral to secure credit facilities received from banks as described in Note 20 to the financial statements and Separate financial statements: the Company's land with net book value of Baht 507 million (2019: Baht 507 million).

17. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Trademark	Computer software	Computer software under installation	Total
Cost				
1 January 2019	-	51,491	1,016	52,507
Additions	1,140	384	2,445	3,969
Disposal/amortisation	-	(294)	-	(294)
Transfer in (out)	-	253	(253)	-
31 December 2019	1,140	51,834	3,208	56,182
Additions	-	4,431	2,656	7,087
Disposal/amortisation	-	(50)	-	(50)
Adjusted	-	-	7,761	7,761
Transfer in (out)	-	10,914	(10,914)	-
Translation adjustments	-	8	-	8
31 December 2020	1,140	67,137	2,711	70,988
Accumulated amortisation				
1 January 2019	-	(12,184)	-	(12,184)
Amortisation for the year	(57)	(3,523)	-	(3,580)
Disposal/amortisation	-	294	-	294
31 December 2019	(57)	(15,413)	-	(15,470)
Amortisation for the year	(114)	(4,456)	-	(4,570)
Disposal/amortisation	-	41	-	41
Translation adjustments	-	(2)	-	(2)
31 December 2020	(171)	(19,830)	-	(20,001)
Net book value				
31 December 2019	1,083	36,421	3,208	40,712
31 December 2020	969	47,307	2,711	50,987

18. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
Bank overdrafts	MOR	MRR + 3.25, MOR	-	289	-	130
Promissory notes	2.75 - 2.90	3.25 - 3.85	213,891	192,364	-	-
Trust receipt	1.98 - 2.95	3.35 - 4.30	179,591	140,783	16,722	11,918
Packing credit	2.50	-	180,000	-	180,000	-
Total			573,482	333,436	196,722	12,048

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 34.3 c) to the financial statements.

19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables - related parties (Note 7)	-	-	5,187	6,053
Trade payables - unrelated parties	452,102	406,934	19,959	43,311
Other payables - related parties (Note 7)	-	-	3,178	264
Other payables - unrelated parties	67,060	130,265	13,687	15,216
Interest payable to related parties (Note 7)	-	-	2,345	1,401
Accrued expenses	150,794	73,009	45,516	26,306
Total	669,956	610,208	89,872	92,551

20. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule of principal and interest	Consolidated financial statements		Separate financial statements	
			2020	2019	2020	2019
1	THBFIX 6M +1.90	Quarterly repayment as from February 2018 until May 2022	540,000	880,000	540,000	880,000
2	2.94	Quarterly repayment as from September 2018 until June 2025	353,572	432,143	353,571	432,143
3	2.57	Quarterly repayment as from December 2019 until September 2022	175,000	275,000	175,000	275,000
4	THBFIX 3M +2.00	Monthly repayment as from October 2019 until September 2022	175,050	275,010	-	-
Total			1,243,622	1,862,153	1,068,571	1,587,143
Less: Deferred financial fee			(436)	(697)	-	-
Less: Portion due within one year			(638,270)	(618,270)	(538,571)	(518,572)
Portion due more than one year			604,916	1,243,186	530,000	1,068,571

The Company swapped interest of loan No.1 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.2 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.

The Company swapped interest rate of loan No.3 to 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.

Asian Alliance International Co., Ltd. entered into loan agreement No.4 with a bank. 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 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	1,862,153	1,587,143
Less: Repayment	(618,531)	(518,572)
Deferred financial fee	(436)	-
Balance as at 31 December 2020	1,243,186	1,068,571

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

As at 31 December 2020, the Group has long-term loan facilities which have not yet been drawn down amounted to Baht 500 million (2019: None) and Separate financial statements: Baht 500 million (2019: None).

21. Leases

21.1 The Group as a lessee

The Group has lease contracts for assets used in its operations with the lease terms between 2 and 5 years.

a) Right-of-use assets

Set out below is the movement of right-of-use assets for the year ended 31 December 2020.

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Land	Buildings	Factory equipment	Office equipment	Motor vehicles	Total
1 January 2020	13,100	2,955	14,558	238	2,284	33,135
Additions	-	135	6,129	106	9,043	15,413
Depreciation for the year	(6,559)	(2,535)	(7,549)	(124)	(1,621)	(18,388)
Adjusted	-	-	-	-	(1,272)	(1,272)
31 December 2020	6,541	555	13,138	220	8,434	28,888

	(Unit: Thousand Baht)					
	Separate financial statements					
	Land	Buildings	Factory equipment	Office equipment	Motor vehicles	Total
1 January 2020	13,100	-	78	28	1,350	14,556
Additions	-	-	-	106	-	106
Depreciation for the year	(6,559)	-	(78)	(43)	(78)	(6,758)
Adjusted	-	-	-	-	(1,272)	(1,272)
31 December 2020	6,541	-	-	91	-	6,632

b.) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease payments	29,488	1,015	6,837	232
Less: Deferred interest expenses	(1,317)	(38)	(95)	(3)
Total	28,171	977	6,742	229
Less: Portion due within one year	(16,138)	(580)	(6,671)	(229)
Portion due more than one year	12,033	397	71	-

A maturity analysis of lease payments is disclosed in Note 36 to the financial statements under the liquidity risk.

c.) Expenses relating to leases those are recognised in profit or loss

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	18,388	6,758
Interest expenses on lease liabilities	1,118	296
Expenses relating to short-term leases	11,611	2,139
Expenses relating to leases of low-value assets	603	-

21.2 The Group as a lessor

The Group has entered into operating leases for its land and buildings with a lease term of 3 years.

The Group has future minimum rental receivables under operating leases as at 31 December 2020 and 2019 as follows.

(Unit: Thousand Baht)

	Separate financial statements	
	2020	2019
Within 1 year	15,840	12,900
Over 1 and up to 5 years	27,720	17,000
Total	43,560	29,900

22. 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	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	66,509	54,231	30,544	28,460
Included in profit or loss:				
Current service cost	6,561	6,107	2,188	1,760
Interest cost	991	1,612	407	812
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	(6,697)	(13,115)	(5,138)	(9,382)
Provision for long-term employee benefits at end of year	67,364	66,509	28,001	30,544

As at 31 December 2020, the Group expects to pay Baht 4 million of long-term employee benefits during the next year (2019: Baht 9 million) and Separate financial statements: Baht 2 million (2019: Baht 6 million).

As at 31 December 2020 and 2019, the weighted average duration of the liabilities for long-term employee benefits is 13 years and Separate financial statements: 13 years.

Significant actuarial assumptions are summarised below.

(Unit: percent per annum)

	Consolidated/Separate financial statements	
	2020	2019
Discount rate	1.19 - 2.50	1.19 - 2.50
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 are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(6,334)	7,371	(2,344)	2,684
Salary increase rate	8,531	(7,400)	3,170	(2,792)
Employee turnover rate	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
	(8,730)	11,185	(3,160)	3,946
	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	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
	(7,684)	9,809	(2,855)	3,555

23. Statutory reserve

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

24. Surplus on revaluation of land

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Balance - beginning of year	583,030	515,255	508,431	473,999
Revaluation	-	75,177	-	34,432
Devaluation	-	(7,402)	-	-
Balance - end of year	583,030	583,030	508,431	508,431
Balance - end of year - net of income tax	466,424	466,424	406,744	406,744

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

25. Other income

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Gain on derivatives	26,759	417	18,722	289
Gain on exchange rate	75,507	65,160	8,572	10,490
Management fee income	-	-	73,860	63,130
Rental income	5,111	5,706	17,925	21,565
Gain on sales of assets	-	2,003	971	614
Export incentives	34,490	27,922	1,175	1,418
Others	34,136	30,359	15,179	19,030
Total	176,003	131,567	136,404	116,536

26. Finance cost

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest expenses on borrowings	27,070	36,653	25,486	20,023
Interest expenses on lease liabilities	1,118	62	296	23
Interest paid on interest rate swap agreements	48,556	66,502	48,556	66,502
Total	76,744	103,217	74,338	86,548

27. Expenses by nature

Significant expenses classified by nature are as follows.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Salaries, wages and other employee benefits	1,102,699	1,057,717	227,810	259,888
Depreciation	243,393	203,882	53,514	46,169
Amortisation	4,570	3,580	3,200	3,247
Transport expenses	174,557	191,882	38,236	48,615
Raw materials and consumables used	5,599,622	5,324,434	985,283	919,385
Changes in inventories of finished goods and work in process	(148,719)	623,670	(59,769)	308,169

28. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2020	2019
Current income tax		
Current income tax charge	-	466
Deferred tax		
Relating to origination and reversal of temporary differences	34,266	4,691
Income tax expenses (tax income) reported in profit or loss	34,266	5,157

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2020	2019
Deferred tax relating to		
Surplus on revaluation of land	-	13,555
Actuarial loss	-	(899)
Total	-	12,656

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before tax	852,323	137,854	167,547	(79,239)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	170,465	27,571	33,509	(15,848)
Share of loss from investments in joint ventures and associate	589	1,580	-	-
Effects of eliminated entries	8,370	547	-	-
Deferred tax assets relating to:				
Temporary differences	-	153	-	-
Tax losses	(13,404)	7,412	(23,709)	16,636
Effects of:				
Promotional privileges	(127,112)	(35,806)	-	(5,205)
Revenue subject to tax	(579)	2,679	386	2,162
Exempted revenues and non-deductible expenses	(3,968)	1,351	(9,307)	1,686
Additional expense deductions allowed	(95)	(330)	(78)	(68)
Total	(131,754)	(32,106)	(8,999)	(1,425)
Income tax expenses (tax income) reported in profit or loss	34,266	5,157	801	(637)

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	37,560	46,257	-	-
Provision for diminution in value of inventories	6,355	7,987	-	-
Allowance for impairment loss on investments in subsidiaries	-	-	22,200	22,200
Allowance for impairment loss on assets	160	217	-	-
Provision for long-term employee benefits	13,384	13,244	5,600	6,109
Unused tax losses	49,424	68,961	-	-
Total	106,883	136,666	27,800	28,309
Deferred tax liabilities				
Surplus on revaluation of land	(123,919)	(123,919)	(101,686)	(101,686)
Depreciation	(49,077)	(47,221)	(13,683)	(14,153)
Unrealised gain from foreign exchange forward contracts	(2,627)	-	(762)	-
Total	(175,623)	(171,140)	(116,131)	(115,839)
Net	(68,740)	(34,474)	(88,331)	(87,530)

As at 31 December 2020, the Group has deductible temporary differences and unused tax losses amounting to Baht 349 million (2019: Baht 382 million) and Separate financial statements: Baht 215 million (2019: Baht 318 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 2020, the unused tax losses of the Group amounting to Baht 285 million (2019: Baht 356 million) and Separate financial statements: Baht 184 million (2019: Baht 303 million) will gradually expire in 2025.

29. Promotional privileges

	Asian Seafoods				
	Asian Seafoods Coldstorage Plc.	Coldstorage (Suratthani) Co., Ltd.	Asian Alliance International Co., Ltd.	Asian Feed Co., Ltd.	
Certificate No.	1982(3)/2554	2938(5)/2555	1920(2)/2554	63-0035-1-05-1-0	1658(2)/2554
Promoted operations	Coldstorage services	Manufacturing or preservation of food additives with high processing technology	Production of animal feeds	Production of packaged seafoods, animal feeds and fishmeal	Production of feedstuff and feedstuff mix
Promotional privileges for					
1. Exemption from corporate income tax for a period of 8 years, commencing from the date the promoted operations commenced generating revenues, to the extent that the amount of tax exempted does not exceed 100% of investment capital exclusive of land and working capital.	-	-	Granted	-	Granted
Period of corporate income tax exemption	-	-	15 Sep 2011 - 14 Sep 2019	-	4 Jan 2011 - 3 Jan 2019
2. Exemption from corporate income tax for a period of 8 years, commencing from the date the promoted operations commenced generating revenues.	Granted	Granted	-	-	-
Period of corporate income tax exemption	13 Jul 2012 - 12 Jul 2020	14 Jan 2013 - 13 Jan 2021	-	-	-

Certificate No.	Asian Seafoods	Asian Seafoods	Asian Seafoods		Asian Feed
	Coldstorage Plc.	(Suratthani) Co., Ltd.	Asian Alliance International Co., Ltd.		Co., Ltd.
	1982(3)/2554	2938(5)/2555	1920(2)/2554	63-0035-1-05-1-0	1658(2)/2554
Promoted operations		Manufacturing or preservation of food additives with high processing technology	Production of animal feeds	Production of packaged seafoods, animal feeds and fishmeal	Production of feedstuff and feedstuff mix
	Coldstorage services				
3. Exemption from corporate income tax for net profit from the promoted operation equal to 100% of the investment made in automatic warehouses or robotic machines for a period of 3 years, commencing from the date the promoted operations commenced generating revenues	-	-	-	Granted	-
Period of corporate income tax exemption	-	-	-	10 Jan 2020 - 9 Jan 2023	-
4. Utilisation of net loss incurred during the exemption period as a deduction from net profit incurred subsequent to such period for another 5 years.	Granted	Granted	Granted	Granted	Granted
5. Exemption from income tax on dividend that is distributed from the promoted operations.	Granted	Granted	Granted	Granted	Granted
6. Additional 25% deduction for the cost of installation or construction of facilities.	-	Granted	-	-	Granted
7. Exemption from import duty on machinery as approved by the Board of Investment.	Granted	Granted	Granted	Granted	Granted
8. 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	-	-
9. Exemption from import duty on imported articles for re-export for a period of 1 year commencing from the first importation date.	-	-	Granted	-	-
10. 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
11. 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 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Sales and services						
Domestic sales and services	289,605	95,413	1,690,941	1,793,053	1,980,546	1,888,466
Export sales	4,826,091	2,287,345	1,838,616	4,018,218	6,664,707	6,305,563
Total	5,115,696	2,382,758	3,529,557	5,811,271	8,645,253	8,194,029

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Sales and services						
Domestic sales and services	-	42,603	343,080	388,367	343,080	430,970
Export sales	-	-	1,258,451	1,393,864	1,258,451	1,393,864
Total	-	42,603	1,601,531	1,782,231	1,601,531	1,824,834

30. 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.

31. 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	
	2020	2019
Revenues from external customers		
Thailand	1,980,546	1,888,466
United States of America	3,225,872	2,543,006
Japan	777,957	836,966
Italy	583,199	804,403
United Kingdom	796,064	677,863
Others	1,281,615	1,443,325
Total	8,645,253	8,194,029

In the year 2020, the Group had a major customer with revenue of more than 10% of its revenues amounting to Baht 1,527 million, arising from feedstuff segment (2019: a major customer amounting to Baht 1,029 mill)

31

(Unit: Million Baht)

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Timing of revenue recognition				
Revenue recognised at a point in time	8,560,116	8,110,180	1,477,618	1,697,461
Revenue recognised over time	85,137	83,849	123,913	127,373
Total revenue from contracts with customers	8,645,253	8,194,029	1,601,531	1,824,834

32. 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 2020 amounting to Baht 3.9 million (2019: Baht 3.9 million) were recognised as expenses and Separate financial statements: Baht 0.9 million (2019: Baht 0.9 million).

33. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividends per share (Baht)
Final dividends for 2019	Annual General Meeting of the shareholders on 24 April 2019	135,430	0.25
Final dividends for 2020	Annual General Meeting of the shareholders on 23 April 2020	108,344	0.20

34. Commitments and contingent liabilities

34.1 Capital commitment

As at 31 December 2020, the Group had outstanding capital commitment of Baht 25.0 million in respect of acquisition of computer software (2019: Baht 49.4 million in respect of warehouse construction and acquisition of equipment).

34.2 Investment commitment

As at 31 December 2020 and 2019, Asian Pets Care Corporation Co., Ltd. has outstanding commitment of USD 0.65 million in respect of uncalled portion of investment in Thaiya Corporation (Shanghai) Co., Ltd.

34.3 Guarantees

- As at 31 December 2020, there were outstanding bank guarantees of Baht 32.8 million and USD 0.2 million (2019: Baht 38.0 million and USD 0.2 million) and Separate financial statements: Baht 17.4 million and USD 0.2 million (2019: Baht 24.0 million and USD 0.2 million) issued by banks on behalf of the Group to guarantee electricity use and letter of credit facilities.
- As at 31 December 2020 and 2019, the Company had pledged cheques amounting to Baht 20.0million to guarantee its purchase of raw materials.
- As at 31 December 2020, the Company had provided guarantees to secure the subsidiaries' credit facilities obtained from banks amounting to Baht 1,160.0 million (2019: Baht 1,260.0 million).

35. Fair value hierarchy

As at 31 December 2020 and 2019, 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	
	2020	2019	2020	2019
Assets measured at fair value				
Derivatives				
Foreign exchange forward contracts	13,134	1,503	3,811	388
Land	1,051,108	1,051,108	840,274	840,274
Liabilities measured at fair value				
Derivatives				
Foreign exchange forward contracts	172	-	-	-
Interest rate swap contracts	11,822	-	11,822	-
Assets for which fair value are disclosed				
Investment properties	94,595	92,650	-	-

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

36. Financial instruments

36.1 Derivatives

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	13,134	1,503	3,811	388
Total	13,134	1,503	3,811	388
Derivative liabilities				
Derivative liabilities not designated as hedging instruments				
Foreign exchange forward contracts	172	-	-	-
Interest rate swap contracts	11,822	-	11,822	-
Total	11,994	-	11,822	-

Derivatives not designated as hedging instruments

- The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally of 2 to 6 months.
- The Group uses interest rate swap contracts to manage its interest rate risk. The contracts are entered into for periods consistent with the underlying transactions.

36.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, other current financial assets, short-term and long-term loan receivables, trade and other payables, short-term and long-term loan payables and other financial liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade 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. Outstanding trade receivables are regularly monitored and any shipments to major customers are covered by credit insurance obtained from the banks. In addition, the Group does not have high concentrations of credit risk since it has a large and various customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses for groups of receivables with similar credit risk characteristics, with the rate of provision for expected credit losses used in the calculation based on age of the outstanding receivables for each group. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Group's policy, when appropriate.

Financial instruments and cash deposits

Credit risk associated with balances at banks is managed in accordance with the Group's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The credit limits are set to minimise risk concentrations and risk of losses as a result of counterparty's potential failure to make payments.

Market risk

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its purchasing and selling of goods transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts. Generally, the forward contracts mature within one year.

As at 31 December 2020 and 2019, 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	
	2020	2019	2020	2019	2020	2019
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	18,428	16,341	10,308	8,165	30.04	30.15
Japanese yen	-	10,388	13,479	26,302	0.29	0.28
Euro	270	260	-	-	36.49	33.38
Australian dollar	189	60	-	-	22.52	20.68
Pound	173	251	-	-	40.20	39.09
New Zealand dollar	-	-	185	66	21.84	20.52

<i>Foreign currency</i>	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	2,529	2,183	582	866	30.04	30.15
Japanese yen	-	-	11,193	22,709	0.29	0.28

Foreign currency sensitivity

There is no significant impact on the Group's profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

Interest rate risk

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

The Group manages its interest rate risk by having an appropriate portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swap contracts, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate of interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2020 and 2019, 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 rate 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 2020					
	Fixed interest rate			Non- interest		Effective
	Within	1-5	Floating	bearing	Total	interest rate
	1 year	years	interest rate			(% per annum)
Financial assets						
Cash and cash equivalents	-	-	206,757	644	207,401	Note 8
Trade and other receivables	-	-	-	986,212	986,212	-
Restricted bank deposits	-	18,543	-	-	18,543	0.25
Long-term loans to joint ventures	-	11,779	-	-	11,779	Note 7
Long-term loans to associate	-	1,502	-	-	1,502	Note 7
	-	31,824	206,757	986,856	1,225,437	
Financial liabilities						
Bank overdrafts and short-term loans from banks	573,482	-	-	-	573,482	Note 18
Trade and other payables	-	-	-	669,956	669,956	-
Long-term loans	360,000	180,000	703,186	-	1,243,186	Note 20
Lease liabilities	16,138	12,033	-	-	28,171	3.05 - 4.00
	949,620	192,033	703,186	669,956	2,514,795	

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2019

	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	102,191	685	102,876	Note 8
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	Note 7
Long-term loans to associate	-	569	-	-	569	Note 7
	-	26,503	102,191	823,551	952,245	
Financial liabilities						
Bank overdrafts and short-term loans from banks	333,147	-	289	-	333,436	Note 18
Trade and other payables	-	-	-	610,208	610,208	-
Long-term loans	340,000	540,000	981,456	-	1,861,456	Note 20
Lease liabilities	580	397	-	-	977	0.35 - 0.43
	673,727	540,397	981,745	610,208	2,806,077	

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2020

	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	52,681	35	52,716	Note 8
Trade and other receivables	-	-	-	205,773	205,773	-
Short-term loans to subsidiaries	136,446	-	-	-	136,446	Note 7
	136,446	-	52,681	205,808	394,935	
Financial liabilities						
Bank overdrafts and short-term loans from banks	196,722	-	-	-	196,722	Note 18
Short-term loans from subsidiaries	963,072	-	-	-	963,072	Note 7
Trade and other payables	-	-	-	89,872	89,872	-
Long-term loans	360,000	180,000	528,571	-	1,068,571	Note 20
Lease liabilities	6,671	71	-	-	6,742	3.05
	1,526,465	180,071	528,571	89,872	2,324,979	

(Unit: Thousand Baht)

	Separate financial statements					
	As at 31 December 2019					
	Fixed interest rate					
	Within 1 year	1-5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	6,808	42	6,850	Note 8
Trade and other receivables	-	-	-	166,315	166,315	-
Short-term loans to subsidiaries	280,243	-	-	-	280,243	Note 7
	280,243	-	6,808	166,357	453,408	
Financial liabilities						
Bank overdrafts and short-term loans from banks	11,918	-	130	-	12,048	Note 18
Short-term loans from subsidiaries	458,237	-	-	-	458,237	Note 7
Trade and other payables	-	-	-	92,551	92,551	-
Long-term loans	340,000	540,000	707,143	-	1,587,143	Note 20
Lease liabilities	229	-	-	-	229	0.36 - 0.43
	810,384	540,000	707,273	92,551	2,150,208	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate financial assets and long-term loans affected as at 31 December 2020, with all other variables held constant.

Consolidated financial statements		Separate financial statements	
Increase/decrease (%)	Effect on profit before tax (Thousand Baht)	Increase/decrease (%)	Effect on profit before tax (Thousand Baht)
+1.0	(9,643)	+1.0	(8,353)
-1.0	9,643	-1.0	8,353

This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

As of 31 December 2020, 69.4% of the Group's liabilities were set to mature within one year, based on the carrying value of borrowings reflected in the financial statements (2019: 51.9%) and Separate financial statements: 33.8% (2019: 27.4%). The Group has assessed the concentration of risk with respect to refinancing its debt and concluded the risk is low. Furthermore, the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flow.

	Consolidated financial statements			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdrafts and short-term loans from banks	-	577,641	-	577,641
Trade and other payables	-	667,515	-	667,515
Long-term loans	-	664,368	623,096	1,287,464
Lease liabilities	-	16,883	12,605	29,488
Total non-derivatives	-	1,926,407	635,701	2,562,108
Derivatives				
Derivative liabilities: net settled	-	172	11,822	11,994
Total	-	172	11,822	11,994

(Unit: Thousand Baht)

	Separate financial statements			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdrafts and short-term loans from banks	-	198,235	-	198,235
Short-term loans from subsidiaries	965,417	-	-	965,417
Trade and other payables	-	86,231	-	86,231
Long-term loans	-	561,499	547,309	1,108,808
Lease liabilities	-	6,764	72	6,836
Total non-derivatives	965,417	852,729	547,381	2,365,527
Derivatives				
Derivative liabilities: net settled	-	-	11,822	11,822
Total	-	-	11,822	11,822

36.3 Fair values of financial instruments

Given that some financial assets and financial liabilities are short-term or bear interest at rates close to market rates, and loans denominated in Thai Baht carry interest at market rates, the Group's management believes that the fair values of those financial assets and financial liabilities closely approximate their carrying values in the statement of financial position.

37. 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 maximises shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.8:1 (2019: 1.1:1) and the Company's was 1.1:1 (2019: 1.0:1).

38. Events after the reporting period

On 25 February 2021, the Board of Directors' meeting of the Company approved the following matters.

- a) Approved the dividend payment from the Company's retained earnings at the rate of Baht 1.05 per share. The dividend will be paid in stock dividend and cash dividend as follows.
 - The Company will pay the stock dividend of 271,363,774 ordinary shares with a par value of Baht 1 each, issued at a rate of 1 dividend share for every 2 existing shares, in the total amount of Baht 271,363,774, or equivalent to a dividend payment of Baht 0.50 per share.
 - The Company will pay cash dividend at the rate of Baht 0.55 per share or in the total amount of Baht 298,500,152.
- b) Approved the increase of the Company's registered share capital by Baht 271,363,774, from the existing registered share capital of Baht 542,727,549 to Baht 814,091,323, by issuing 271,363,774 newly issued ordinary shares, with a par value of Baht 1 each, to accommodate the stock dividend payment as mentioned in a).

The Company will propose the above matters for approval by the Annual General Meeting of the Company's shareholders.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2021.



We Are The Right Choice



Asian Sea Corporation Public Company Limited



55/2 Moo2 Rama II Road, Bangkrajao, Muang, Samutsakorn 74000, Thailand



Tel. (034) 822700-4 , Fax. (034) 822699