

# Growth

A woman in a red dress and conical hat is seen from behind, carrying a large woven basket filled with green plants. She stands in a lush green terraced rice field. In the background, there are rolling hills and mountains under a cloudy sky. A single tree is visible on a distant ridge.

**PMTA**  
PMThoresenAsia

Annual Report 2020

PM Thoresen Asia Holdings Public Company Limited

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# Key Figures

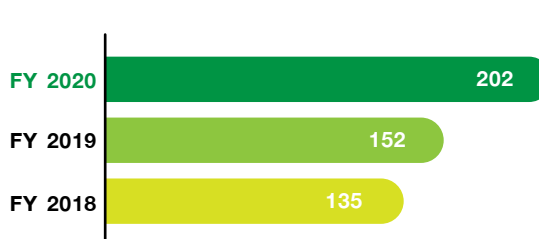
## Revenues

2,835 million Baht



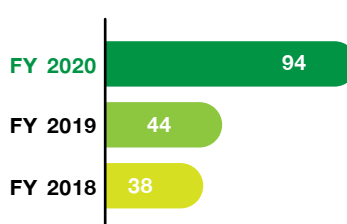
## EBITDA

202 million Baht

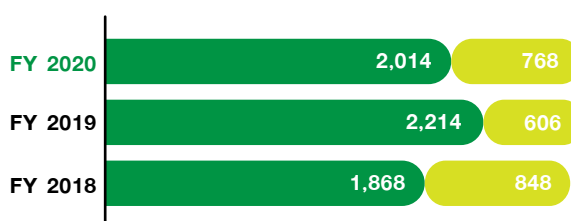


## Net Profit

94 million Baht



## Revenue from Sales Breakdown



● Domestic (Vietnam)

● Export

in million Baht



# Financial Highlights

For the year ended 31 December 2018, 2019 and 2020

	For the year (in million Baht)		
	2018	2019	2020
<b>Statement of comprehensive income:</b>			
Revenue from sales of goods	2,715.6	2,820.5	2,782.8
Revenue from rendering of services	63.6	62.2	50.3
Cost of sales of goods	2,374.8	2,498.4	2,391.4
Cost of rendering of services	59.6	53.3	42.9
Selling expenses	194.9	168.2	195.1
Administrative expenses	86.3	77.0	76.6
<b>Profit for the year</b>	<b>37.7</b>	<b>44.1</b>	<b>93.8</b>
<b>Basic earnings per share (in Baht)</b>	<b>0.37</b>	<b>0.44</b>	<b>0.93</b>
<b>Statement of financial position (at end of year):</b>			
Cash and cash equivalents	202.8	227.4	340.6
Inventories	1,039.6	779.0	658.4
Plant and equipment	590.8	501.8	457.7
<b>Total assets</b>	<b>2,121.2</b>	<b>2,027.4</b>	<b>2,072.6</b>
Short-term borrowings from financial institutions	366.0	347.9	238.9
<b>Total liabilities</b>	<b>610.6</b>	<b>608.2</b>	<b>616.2</b>
Issued and paid up share capital	1,012.0	1,012.0	1,012.0
<b>Total shareholders' equity</b>	<b>1,510.6</b>	<b>1,419.2</b>	<b>1,456.4</b>
<b>Other financial data:</b>			
Net cash generated from (used in) operating activities	(237.1)	105.4	316.4
Net cash generated from (used in) investing activities	(28.5)	(12.5)	(10.5)
Net cash generated from (used in) financing activities	154.0	(57.9)	(185.4)
<b>Financial ratios:</b>			
Return on Equity (%)	2%	3%	6%
Return on Total Asset (%)	3%	4%	7%
Net profit margin (%)	1%	2%	3%
Interest Bearing Debt to Equity (Times)	0.2	0.2	0.2
Net Interest Bearing Debt to Equity (Times)	0.1	0.1	(0.1)
<b>Historical EPS and Dividend Payment</b>			
Earning per Share (Baht)	0.37	0.44	0.93
Dividend per Share (Baht)	0.50	0.50	0.70 <sup>(1)</sup>
Number of Shares (million)*	101.20	101.20	101.20

\*as end of Period

(1) It is subject to the approval of shareholders at the 1/2021 AGM on 27 April 2021

# Message from the Chairman and Managing Director



Mr. Chalermchai  
Mahagitsiri  
Chairman

Mr. Sigmund  
Stromme  
Managing Director

“  
PMTA is determining to further develop and improve  
the quality of our products and services in order to retain  
our customers' trust.  
”

## Dear Shareholders

2020 was a challenging year for the Company as an overview of the fertilizer industry was still in a difficult time through the seasonal drought, decline price of the agricultural products, the salinity intrusion in the Mekong delta area. Moreover, there was the affect from Covid-19 pandemic that caused the delay in the logistics and marketing activities to be late than usual. However, the effective management of the Vietnamese government in responding to the outbreak has led to the reopening of the city and the Company able to resume the business operation since 3Q2020 onwards.

The domestic sales volume slightly decreased from last year and the volume was at 141,319 tons due to the low demand of the premium NPK fertilizer. The export volume was at 65,317 tons which increased at 39 percent from the year before. Therefore, the total fertilizer sales volume are at 206,636 tons which increased at 9 percent from last year as a result of the increasing export.

For our factory management service, the demand of the high quality warehouse has continued to grow. Currently, Baconco's total factory area for leasing and service is 66,420 square meters and all are fully occupied. At the end of 2020, PMTA delivers total revenue of Baht 2,834.6 million and a net profit of Baht 93.8 million.

While PMTA operates the business with commitment to growth, the Company has never neglected to fulfill social responsibility. Baconco's management retained their effort on energy saving and regulatory compliance. Moreover, Baconco is able to maintain its high operation efficiency in environmental production management to meet and exceed the requirement of the Vietnamese authority. In addition, PMTA has always remembered to return to the society. Baconco, our core subsidiary, funded

Quang Trung Junior Secondary School in Quang Binh province for its new computer room. We believe this is not only the opportunity for us to give back to the society by giving the opportunity for the disadvantaged but it also boosts morale of the employees and implant a sense of sharing within the employees which is the key to human resource development.

In conclusion, PMTA is determining to further develop and improve the quality of our products and services in order to retain our customers' trust. We strongly believe that the experiences and determination of our managements and employees shall lead the Company towards the sustainable growth. On behalf of the Board of Directors, managements and employees, we would like to thank you all shareholders and investors for your continued supports.



**Mr. Chalermchai Mahagitsiri**  
Chairman



**Mr. Sigmund Stromme**  
Managing Director

# Important Changes and Developments

## April 1995

- Baconco Company Limited ("Baconco") was incorporated under the Laws of Vietnam as a Joint Venture Company between SCPA-SIVEX International ("SSI") and two other Vietnamese investors. According to the investment certificate dated 27 April 1995.

## December 2006

- Baconco was converted into a Single Member Limited Liability Company after SSI purchased the remaining 3.98 percent from Vietnamese investors.

## June 2008

- EMC Gestion S.A.S ("EMCG") bought 100 percent of Baconco from SSI.

## July 2009

- Thoresen Thai Agencies Public Company Limited ("TTA") invested in Baconco through Soleado Holdings Pte. Ltd. ("Soleado"), a subsidiary of TTA, where it purchased all EMCG shares from EMC S.A.S ("EMC").

- Baconco's new management stepped in to improve Baconco's agrochemical business management and to maximize Baconco's redundant factory space by leasing it.

## February 2011

- Soleado purchased all shares of Baconco from EMCG for the purpose of its shareholding restructuring, resulting in Soleado being Baconco's sole and direct shareholder.



June 2013	November 2013	February 2014	February 2015	May 2015
<ul style="list-style-type: none"><li>• PMTA was incorporated with a registered and paid-up capital of Baht 1 million for the purpose of investing in other companies (holding company).</li><li>• PMTA purchased all of Baconco's shares held by Soleado following a plan to separate Baconco in order to offer its shares to the public and list it in the Stock Exchange of Thailand ("SET") through a holding company.</li></ul>	<ul style="list-style-type: none"><li>• PMTA invested in Atlantis Offshore Construction Pte. Ltd. and changed its name to PM Thoresen Asia (Singapore) Pte. Ltd. ("PMTS")</li><li>• PMTA increased its registered capital from Baht 1 million to Baht 931 million with a par value of Baht 10 per share. Capital-increase shares were issued and offered to existing shareholders to accommodate the purchase and transfer of Baconco's shares from Soleado.</li></ul>	<ul style="list-style-type: none"><li>• PMTA was registered and converted into a Public Company Limited. It increased its registered capital to Baht 1.012 billion to accommodate the IPOs of its capital-increase shares and for other actions it may require to do prior to the listing in the SET.</li></ul>	<ul style="list-style-type: none"><li>• The expansion of the granulation unit was completed therefore, the total capacity of the granulation increased to 450,000 metric tons per year which Baconco has stated the calibration and trial run production since August 2014 and the commercial production started in February 2015.</li></ul>	<ul style="list-style-type: none"><li>• PMTA has successfully listed in the SET and its first trading day was on 6 May 2015.</li></ul>
				December 2017
				<ul style="list-style-type: none"><li>• Baconco completed the construction of the additional factory area and the total factory area has been increased to 66,420 square meters.</li></ul>



## Board of Directors and Executive Officers



**Mr. Chalermchai Mahagitsiri**

- Chairman of the Board of Directors
- Chairman of Executive Committee
- Member of Risk Management Committee



**Mrs. Suvimol Mahagitsiri**

- Director



**Mr. Jean Paul Thevenin**

- Director



**Pol. Lt. Gen. Prakard Satamarn**

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





**Assoc. Prof. Dr. Sathit  
Parniangtong**

- Independent Director
- Member of Audit Committee
- Chairman of Nomination and Remuneration Committee
- Chairman of Risk Management Committee



**Mr. Rapee Moungnont**

- Independent Director
- Member of Audit Committee



**Mr. Jitender Pal Verma**

- Director
- Member of Executive Committee
- Member of Nomination and Remuneration Committee
- Member of Risk Management Committee



**Mr. Sigmund Stromme**

- Director
- Member of Executive Committee
- Member of Nomination and Remuneration Committee
- Member of Risk Management Committee
- Managing Director

**Mr. Chalermchai Mahagitsiri****(Age 42)**

- Chairman of the Board of Directors
- Chairman of Executive Committee
- Member of Risk Management Committee

**Date of first appointment:**

6 January 2014

**(%) of shareholding**

as of 31 December 2020 : 11.08

**Educations:**

- M.S. in Finance, Boston University, USA
- B.S. in Finance, Suffolk University, USA

**Trainings with Thai Institute of Directors:**

- Director Certification Program (DCP), Class 53/2005
- Director Accreditation Program (DAP), Class 30/2004

**Other trainings**

- Digital Edge Fusion (DEF), Sripatum University, Class 1/2017
- Ultra Wealth – Investment Like A Master, Class 2, 2016
- Academy of Business Creativity (ABC), Sripatum University, Class 4/2016
- Capital Market Academy Leadership Program, Class 17/2013, Capital Market Academy

**Working Experiences:****Listed companies**

- 2018 - present : Chairman of the Board of Directors,  
Unique Mining Services Public Company Limited
- 2018 - present : Director, Seven Utilities and Power Public Company Limited
- 2014 - present : Chairman of the Board of Directors and Chairman of Executive  
Committee, PM Thoresen Asia Holdings Public Company Limited
- 2012 - present : Director, President & Chief Executive Officer  
Thoresen Thai Agencies Public Company Limited
- 2011 - present : Director, Posco - Thainox Public Company Limited
- 2011 - present : Director, Thai Film Industries Public Company Limited

**Listed companies in other countries**

- 2012 - present : Chief Executive Officer and Executive Vice Chairman,  
Mermaid Maritime Public Company Limited
- 2015 - Jan 2019 : Director, Sino Grandness Food Industry Group Limited

**Non-listed companies**

- 2020 - present : Director, Praneat Company Limited
- Present : Director, Mermaid Subsea Services (UK) Limited
- 2020 - present : Director, Mermaid-MOE JV Company Limited
- 2019 - present : Director, Natural Aura Company Limited
- 2019 - present : Director, Natural Drink Company Limited
- 2018 - present : Director,  
Asia Infrastructure Management (Thailand) Company Limited
- 2018 - present : Director, CM Corporate Company Limited
- 2018 - present : Director, Siam Taco Company Limited
- 2018 - present : Director, Four One One Ecommerce Company Limited
- 2018 - present : Director, PTGC Company Limited
- 2017 - present : Director, Thoresen Shipping (Thailand) Company Limited
- 2016 - present : Director,  
Mermaid Subsea Services Saudi Arabia Company Limited
- 2016 - present : Director, PMT Property Company Limited
- 2016 - present : Director, Laser Game Asia Ltd.
- 2016 - present : Director, TTA Suez Company Limited
- 2014 - present : Director, Mermaid Subsea Services LLC
- 2014 - present : Director, Mermaid International Ventures
- 2014 - present : Director, Premo Shipping Plc.
- 2014 - present : Director, Thoresen Shipping FZE

2014 - present	: Director, Mermaid Maritime Mauritius Limited
2014 - present	: Director, Chidlom Marine Services & Supplies Limited
2014 - present	: Director, Gulf Agency Company (Thailand) Limited
2014 - present	: Director, GAC Thoresen Logistics Limited
2014 - present	: Director, PH Macaron Company Limited
2014 - present	: Director, Athene Holdings Limited
2014 - present	: Director, Thoresen & Company (Bangkok) Limited
2014 - present	: Director, Fearnleys (Thailand) Limited
2014 - present	: Director, Asia Coating Services Limited
2014 - present	: Director, PMFB Limited
2014 - present	: Director, Thor Fortune Shipping Pte. Ltd.
2014 - present	: Director, Thor Friendship Shipping Pte. Ltd.
2014 - present	: Director, Thoresen Shipping Company Pte. Ltd.
2013 - present	: Director, PM Thoresen Asia (Singapore) Pte. Ltd.
2013 - present	: Director, Baconco Company Limited
2013 - present	: Director, Thoresen (Indochina) S.A.
2013 - present	: Director, MTR-1 Ltd.
2013 - present	: Director, PM Quality Food and Beverage Company Limited
2013 - present	: Director, Thoresen Shipping Singapore Pte. Ltd.
2013 - present	: Director, Mermaid Drilling Limited
2013 - present	: Director, Mermaid Subsea Services (Thailand) Limited
2013 - present	: Director, Four One One (411) FUN Company Limited
2012 - present	: Director, MTR-2 Limited
2012 - present	: Director, Mermaid Subsea Services (International) Limited
2012 - present	: Director, Coffee Gallery Company Limited
2012 - present	: Director, Soleado Holdings Pte. Ltd.
2011 - present	: Director, Phaholyothin Garden Company Limited
2011 - present	: Director, Mountain Creek Development Company Limited
2011 - present	: Director, M Creek Land Company Limited
2010 - present	: Executive Director, Sak Chaisidhi Company Limited
2008 - present	: Chief Executive Officer, Four One One Entertainment Company Limited
2005 - present	: Chief Executive Officer, PM Group Company Limited
2005 - present	: Director, PM Corp Company Limited
2002 - present	: Director, Lakewood Kitchen Company Limited
2002 - present	: Director, ACME Camps Company Limited
1998 - present	: Managing Director, Lakewood Country Club Company Limited
1998 - present	: Director, Lakewood Land Company Limited
present	: Director, Quality Coffee Products Company Limited
present	: Director, The Nest Property Company Limited
2016 - 2020	: Director, Natural Bev. Company Limited
2013 - 2020	: Director, Asia Offshore Drilling Limited
2013 - 2020	: Director, Asia Offshore Rig 1 Limited
2013 - 2020	: Director, Asia Offshore Rig 2 Limited
2013 - 2020	: Director, Asia Offshore Rig 3 Limited

**Relation among family with other directors and executive :**

Son of Mrs. Suvimol Mahagitsiri

**Mrs. Suvimol Mahagitsiri****(Age 74)**

- Director

**Date of first appointment:**

25 April 2016

**(%) of shareholding****as of 31 December 2020 :**

0.66 (including the shareholding of spouse)

**Educations:**

- B.A. in Business Administration, Grossmont Junior College, USA
- B.A. in Political Science, Ramkhamhaeng University

**Trainings with Thai Institute of Directors:**

- Role of the Chairman Program (RCP), Class 16/2007
- Director Accreditation Program (DAP), Class 26/2004

**Working Experiences:****Listed companies**

- 2016 - present : Director, PM Thoresen Asia Holdings Public Company Limited  
 1983 - present : Vice Chairman, Thai Film Industries Public Company Limited

**Non-listed companies**

- 2002 - present : Vice Chairman, Lakewood Land Company Limited  
 2002 - present : Vice Chairman, Lakewood Country Club Company Limited  
 2002 - present : Vice Chairman, Lakewood Kitchen Company Limited  
 1992 - present : Vice Chairman, PM Group Company Limited  
 1989 - present : Vice Chairman, Quality Coffee Products Company Limited

**Relation among family with other directors and executives :**

Mother of Mr. Chalermchai Mahagitsiri



**Mr. Jean Paul Thevenin****(Age 80)**

- Director

**Date of first appointment:**

12 December 2019

**(%) of shareholding****as of 31 December 2020 :** None**Educations:**

- Ph.D. in Metallurgy, Orsay University, France
- Honorary Ph.D., King Mongkut Institute of Technology, Thailand

**Trainings with Thai Institute of Directors:**

- Director Accreditation Program (DAP), Class 74/2008

**Working experiences:****Listed companies**

- 2019 - present : Director, PM Thoresen Asia Holdings Public Company Limited  
 2014 - present : Director, Thoresen Thai Agencies Public Company Limited

**Listed companies in other countries**

- 2013 - present : Non-Executive Director,  
 Mermaid Maritime Public Company Limited

**Non-listed companies**

- 2018 - present : Director,  
 Asia Infrastructure Management (Thailand) Company Limited  
 2018 - present : Director, PTGC Company Limited  
 2017 - present : Director, PT Mermaid Subsea Services Indonesia  
 2017 - present : Director,  
 Mermaid Subsea Services Saudi Arabia Company Limited  
 2017 - present : Director, Petrolift Inc.  
 2016 - present : Director, TTA Mariner Company Limited  
 2016 - present : Director, Thoresen & Company (Bangkok) Limited  
 2015 - present : Director, Mermaid Subsea Services (International) Limited  
 2015 - present : Director, Thoresen Shipping Singapore Pte. Ltd.  
 2015 - present : Director, Mermaid Offshore Services Pte. Ltd.  
 2015 - present : Director, Mermaid Subsea Services (International) Limited  
 2014 - present : Director, Mermaid Drilling Limited  
 2014 - present : Director, MTR-1 Limited  
 2014 - present : Director, MTR-2 Limited  
 2016 - 2019 : Director, PMT Property Company Limited

**Relation among family with other directors and executives :**

None

**Pol. Lt. Gen. Prakard Satamarn**  
(Age 78)

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

**Date of first appointment:**

25 January 2017

**(%) of shareholding**

as of 31 December 2020 : None

**Educations:**

- Bachelor of Laws (LL.B.), Thammasat University

**Trainings with Thai Institute of Directors:**

- Director Accreditation Program (DAP), Class 45/2005

**Other trainings:**

- Advanced Management Program, Class 1, National Defense College
- National Defense Course, Class 37, National Defense College
- International Police Program, USA

**Working experiences:**

**Listed companies**

2017 - present : Independent Director, PM Thoresen Asia Holdings  
Public Company Limited

**Non-listed companies**

2005 - present : Advisor to Directors, Queen Sirikit National Convention Center  
2004 - present : Advisor, Thai Nam Thip Company Limited  
2007 - 2008 : Chairman of the Board of Directors,  
Bang Pakong Water Works Company Limited  
2007 - 2008 : Chairman of the Board of Directors,  
Chachoengsao Water Works Company Limited  
2007 - 2008 : Chairman of the Board of Directors,  
Nakhon Sawan Water Works Company Limited  
2006 - 2007 : Advisor, Deputy Interior Minister  
2006 - 2007 : Advisor to the Board of Directors, State Railways of Thailand  
2000 - 2006 : Member of the Disciplinary Committee,  
Office of the Auditor-General  
2000 - 2003 : Commander of Police Forensic Science, Royal Thai Police  
2000 - 2002 : Commander of Police Forensic (Investigation) Science,  
Royal Thai Police

**Relation among family with other directors and executives :**

None

**Assoc. Prof. Dr. Sathit Parniangtong**  
(Age 67)

- Independent Director
- Member of Audit Committee
- Chairman of Nomination and Remuneration Committee
- Chairman of Risk Management Committee

**Date of first appointment:**

6 January 2014

**(%) of shareholding**

as of 31 December 2020 : None

**Educations:**

- Ph. D. (Operations Management and Finance), University of Wisconsin, USA
- M. Eng (Industrial and Systems Engineering), University of Wisconsin, USA
- B.S. (Industrial and Manufacturing Engineering), University of Wisconsin, USA

**Trainings with Thai Institute of Directors:**

- Risk Management Program for Corporate Leaders (RCL), Class 13/2018
- Advanced Audit Committee Program (AACP), Class 13/2013
- Directors Certification Program (DCP), Class 128/2010

**Working experiences:**

**Listed companies**

- |                |   |   |
|----------------|---|---|
| 2018 - present | : | Chairman of Risk Management Committee,<br>PM Thoresen Asia Holdings Public Company Limited  |
| 2014 - present | : | Independent Director, Member of Audit Committee and<br>Chairman of Nomination and Remuneration Committee,<br>PM Thoresen Asia Holdings Public Company Limited   |
| 2016 - present | : | Member of Corporate Governance Committee,<br>Patum Rice Mill and Granary Public Company Limited   |
| 2010 - present | : | Independent Director, Member of Audit Committee and<br>Chairman of Nomination and Remuneration Committee,<br>Patum Rice Mill and Granary Public Company Limited |

**Non-listed companies**

- |                |   |   |
|----------------|---|---|
| 2001 - present | : | Associate Professor, Part Time Faculty, Faculty of Commerce<br>and Accountancy, Thammasat University and Sasin Graduate<br>Institute of Business Administration of Chulalongkorn<br>University                    |
| 2014 - present | : | Managing Director, C M B T Company Limited  |
| 2001 - 2015    | : | Executive Director, Head of General Management & Strategy<br>Department, Sasin Graduate Institute of Business<br>Administration of Chulalongkorn University   |
| 2002 - 2003    | : | Director of Management Project-Collaboration with Michael E.<br>Porter : Creating the Foundations for Higher Productivity of<br>Thailand, Office of the National Economic and Social<br>Development Board (NESDB) |
| 1989 - 2000    | : | Executives, Booz Allen & Hamilton, AT Kearney, Leading<br>consulting firms located in Washington DC, USA  |
| 1989 - 1997    | : | Adjunct Professor,<br>George Washington University, Washington DC, USA  |
| 1985 - 1989    | : | Adjunct Professor, University of Texas, Austin, USA   |
| 1982 - 1989    | : | Executives, Baxter-multinational consumer manufacturer,<br>American Airlines-transportation firm, located in Illinois and<br>Texas  |

**Relation among family with other directors and executives :**

None

**Mr. Rapee Mounnont****(Age 55)**

- Independent Director
- Member of Audit Committee

**Date of first appointment:**

25 April 2016

**(%) of shareholding****as of 31 December 2020 :** None**Educations:**

- MBA, Indiana University, USA
- Bachelor of Accounting, Thammasat University

**Trainings with Thai Institute of Directors:**

- Director Certification Program (DCP), Class 80/2006

**Other trainings:**

- Certified Management Consultant (CMC), Institute of Management Consultants Association of Thailand (IMCT)
- Capital market Academy Leadership Program, Capital Market Academy
- Economic and Fiscal Management, King Prajadhipok's Institute
- Financial Executive Development Program - FINEX 15, The Thai Institute of Banking and Finance Association
- ICO's International Executive Training Program in Development Banking Madrid # 1

**Working experiences:****Listed companies**

2016 - present : Independent Director,  
PM Thoresen Asia Holdings Public Company Limited

**Non-listed companies**

2010 - present : Director, Rajamangala University of Technology Rattanakosin

2009 : Director & Acting President,  
Thai Credit Guarantee Corporation (TCG)

2005 - 2009 : Audit Committee, Thai Credit Guarantee Corporation (TCG)

2005 - 2009 : President of The Employee Welfare Committee,  
Thai Credit Guarantee Corporation (TCG)

2008 : President, Thailand Privilege Card Company Limited

2005 - 2008 : Director & Acting President,  
Thailand Privilege Card Company Limited

2005 - 2008 : Director & Executive Committee,  
Thailand Privilege Card Company Limited  
Executive Committee, The Institution of Management  
Consultants Association of Thailand (IMCT)

2005 : Deputy Director General, The Office of SMEs Promotion  
(OSMEP) (responsibility to venture capital & OTOP)

2004 : Executive Vice President, Small and Medium Enterprise  
Development Bank of Thailand (SME BANK)

2002 - 2003 : Vice President of Venture Capital 2 Department Small and  
Medium Enterprise Development Bank of Thailand (SME  
BANK)

2000 - present : Guest Speaker,  
- Thammasat University  
- Chulalongkorn University  
- National Institute of Development Administration (NIDA)  
- King Mongkut's University of Technology Thonburi  
- Ramkhamhaeng University  
- Mahidol University  
- Burapha University

**Relation among family with other directors and executives :**

None



**Mr. Jitender Pal Verma****(Age 56)**

- Director
- Member of Executive Committee
- Member of Nomination and Remuneration Committee
- Member of Risk Management Committee

**Date of first appointment:**

15 May 2017

**(%) of shareholding****as of 31 December 2020 :** None**Educations:**

- Bachelor of Commerce (Honors), University of Delhi, India
- Fellow Chartered Accountant (FCA)

**Trainings with Thai Institute of Directors:**

- Diploma Examination, Class 49/2016
- The Board's Role in Mergers and Acquisition (M&A), Class 1/2011
- Director Certification Program (DCP), Class 78/2006

**Continuing Professional Development in the Accounting Profession in 2020:**

- TLCA CFO Professional Development Program (TLCA CFO CPD) No.7/2020 "Data Privacy Law and Cyber Security"
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 6/2020 "Update on Taxes and Foreign Investment Issues"
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 5/2020 "How to Create Value with the Right Environment, Social and Governance Strategies"

**Working experiences****Listed companies**

- 2017 - present : Director, Senior Executive Vice President and Group CFO, Thoresen Thai Agencies Public Company Limited
- 2017 - present : Director, PM Thoresen Asia Holdings Public Company Limited

**Listed companies in other countries**

- 2016 - present : Non-Executive Director, Mermaid Maritime Public Company Limited
- 2011 - 2015 : Board's Member, Executive Director & CFO, Jindal Stainless Ltd.

**Non-listed companies**

- 2018 - present : Director, Director, PTGC Company Limited
- 2017 - present : Director, Director, Zamil Mermaid Offshore Services Company LLC.
- 2017 - present : Director, Thoresen Indochina S.A.
- 2017 - present : Director, Thoresen Shipping (Thailand) Company Limited
- 2017 - present : Director, Baconco Company Limited
- 2017 - present : Director, PH Capital Company Limited
- 2017 - present : Director, MTR-1 Company Limited
- 2017 - present : Director, MTR-2 Company Limited
- 2017 - present : Director, Seascope Surveys Pte. Ltd.
- 2017 - present : Director, Mermaid Subsea Services LLC
- 2016 - present : Director, Mermaid Subsea Services Saudi Arabia Company Limited
- 2016 - present : Director, Mermaid Subsea Services (Thailand) Limited
- 2016 - present : Director, Mermaid Subsea Services (International) Limited
- 2016 - present : Director, Petrolift Inc.
- 2016 - present : Director, Thoresen & Company (Bangkok) Limited
- 2016 - present : Director, Chidlom Marine Services & Supplies Limited
- 2016 - present : Director, Gulf Agency Company (Thailand) Limited
- 2016 - present : Director, GAC Thoresen Logistics Limited
- 2016 - present : Director, Fearnleys (Thailand) Limited
- 2015 - present : Director, Mermaid Drilling Limited
- 2015 - present : Board's Member, Soleado Holdings Pte. Ltd.
- 2015 - present : Board's Member, Thoresen Shipping FZE, U.A.E
- 2016 - 2019 : Director, PMT Property Company Limited
- 2015 - 2016 : Board's Member, Thoresen Shipping Singapore Pte. Ltd., Singapore

**Relation among family with other directors and executives :**

None

**Mr. Sigmund Stromme****(Age 64)**

- Director
- Member of Executive Committee
- Member of Nomination and Remuneration Committee
- Member of Risk Management Committee
- Managing Director

**Date of first appointment:**

6 January 2014

**(%) of shareholding**

as of 31 December 2020 : 0.13

**Educations:**

- Master in Computer Science Finance/Administration, EDB Høyskolen, Norway

**Trainings with Thai Institute of Directors:**

- Director Certification Program (DCP), Class 182/2013

**Working experiences:****Listed companies**

- 2014 - present : Director and Managing Director,  
PM Thoresen Asia Holdings Public Company Limited
- 2015 - present : Executive Vice President - Agro & Logistics,  
Thoresen Thai Agencies Public Company Limited

**Non-listed companies**

- 2019 - present : Chairman, Thoresen Vinama Tug Company Limited, Vietnam
- 2016 - present : Director, Thoresen & Company (Bangkok) Limited
- 2016 - present : Director, Chidlom Marine Services & Supplies Limited
- 2015 - present : Director, Thoresen Shipping Singapore Pte. Ltd.
- 2015 - present : Director, Fearnleys (Thailand) Limited
- 2015 - present : Director,  
Gulf Agency Company (Thailand) Company Limited
- 2015 - present : Director, GAC Thoresen Logistics Limited
- 2015 - 2016 : Director, Thoresen Shipping and Logistics Limited
- 2015 - present : Director, Petrolift Inc.
- 2014 - present : Chairman, Thoresen-Vinama Agencies Company Limited
- 2013 - present : Director, Sharjah Ports Services LLC
- 2013 - present : Director, Thoresen Shipping FZE
- 2013 - present : Director, PM Thoresen Asia (Singapore) Pte. Ltd.
- 2012 - present : Chairman, Thoresen-Vinama Logistics Company Limited
- 2010 - present : Director, Baria Joint Stock Company of Services for Import  
Export of Agro-Forestry Products and Fertilizers
- 2009 - present : Chairman, Baconco Company Limited
- 2003 - present : Director, Thoresen (Indochina) S.A.
- 2000 - 2018 : Chairman,  
The NORDIC Chamber of Commerce, Ho Chi Minh City, Vietnam
- 2015 - 2016 : Director, Thoresen Shipping and Logistics Ltd.

**Relation among family with other directors and executives :**

None

**Mr. Didier Pinguet****(Age 56)**

- Deputy Managing Director

**(%) of shareholding****as of 31 December 2020 : None****Educations:**

- Bachelor Degree in Sales and Marketing, Chambres De Commerce Et D'Industrie, France

**Working experiences:****Listed companies:**

2019 - present : Deputy Managing Director,  
PM Thoresen Asia Holdings Public Company Limited

**Non-listed companies**

2019 - present : Commercial Director, PM Thoresen Asia (Singapore) Pte. Ltd.  
2017 - 2018 : Head of Sales & Marketing Africa and Middle East,  
EuroChem Trading, Zug- Switzerland  
2014 - 2017 : Commercial Director, PM Thoresen Asia (Singapore) Pte. Ltd.  
2011 - 2017 : Deputy General Director & Commercial Director,  
Baconco Company Limited  
2008 - 2010 : Export Manager, SDP Company Limited

**Relation among family with other directors and executives :**

None

**Mr. Pornthep Lertvorratham****(Age 51)**

- Chief Financial Officer

**(%) of shareholding****as of 31 December 2020 : 0.16****Educations:**

- MBA, Emporia State University, USA
- Bachelor of Economics, Chulalongkorn University

**Trainings with Thai Institute of Directors:**

- Risk Management Program for Corporate Leaders (RCL), Class 13/2018

**Other training:**

- Strategic Financial Leadership (SFLP) 2019

**Continuing Professional Development in the Accounting Profession in 2020:**

- Cost Accounting training, CPD Tutor Institute which has been certified by the Federal of Accounting Professions to be the online training center for the continuing profession development of the accountants and auditors.

**Working experiences:****Listed companies**

2016 - present : Chief Financial Officer,  
PM Thoresen Asia Holdings Public Company Limited  
2015 - 2016 : Chief Financial Officer,  
Unique Mining Services Public Company Limited  
2013 - 2015 : Associate Director,  
Thoresen Thai Agencies Public Company Limited

**Non-listed companies**

2011 - 2012 : Vice President, PM Group Company Limited  
2005 - 2011 : Vice President, Advance Finance Company Limited

**Relation among family with other directors and executives :**

None

# Company Background

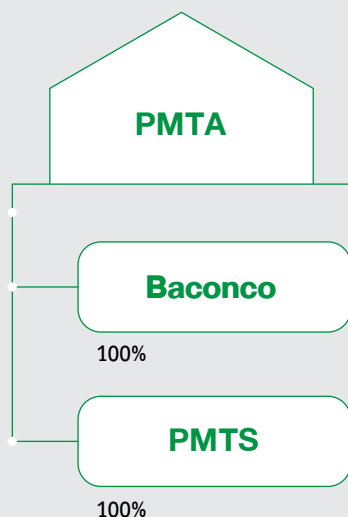
## Vision

To be the market leader and reference for the highest quality NPK and crop care solutions and provider of high standard and professional factory area management services.



Baconco's trademark, STORK, has been registered in Vietnam since 2005.

## Shareholding Structure



## Company Background

PM Thoresen Asia Holdings Public Company Limited ("PMTA" or "the Company") was established on 7 June 2013 and was traded in the Stock Exchange of Thailand since 6 May 2015. PMTA is a subsidiary of Thoresen Thai Agencies Public Company Limited ("TTA"). PMTA is a holding company that has a policy to invest in well-performed companies of which business is related to the Company's business in order to reinforce the strength of its core business through investment. The Company however may invest in any other business considered appropriate. The Company currently owns 100% of Baconco Company Limited ("Baconco") that operates the agrochemical business and factory area management services in Vietnam. Also, the Company owns 100% of PM Thoresen Asia (Singapore) Pte. Ltd. ("PMTS") that was incorporated to handle the raw material procurement to support Baconco's agrochemical business.

## Business review and outlook

Baconco is currently operating in the agrochemical industry, having its headquarter located at the Phu My I Industrial Park, Vung Tau Province, Ba Ria Vung Tau Area, in southern Vietnam. Baconco develops, manufactures, markets and distributes mixed fertilizers, compound fertilizers and single fertilizers with a total production capacity of approximately 450,000 metric tons per year and had the packaging capacity of 550,000 metric tons per year. All Baconco's fertilizers distributed in Vietnam, Laos PDR and Cambodia are under the "STORK" trademark registered by Baconco since 2005. The STORK brand has been highly-recognized and credited for quality and reliability, a result from Baconco's strategy to produce high-quality fertilizers with major nutrients of nitrogen (N), phosphate ( $P_2O_5$ ) and potash ( $K_2O$ ).



In order to expand customer base and increase sales and distribution channels overseas, Baconco also manufactures and distributes fertilizers for external customers. At present, it exports fertilizers relation over 30 countries worldwide with main clusters of customers in Africa, MEA and SEA. Apart from the fertilizers, Baconco also distributes pesticides in Vietnam and Foliar both in Vietnam and abroad where it outsources production process and packaging of pesticides based on formulas and criteria determined thereby to the third party. In addition, Baconco markets, sells and distributes fertilizers, pesticides and foliar under its trademarks registered in Vietnam and overseas such as in Laos PDR and Cambodia.

Having seen an opportunity to increase competitiveness and to take advantage of the factory's location situated in close proximity with the Phu My I Industrial Park, Baconco also provides the factory area management services to generate recurring incomes and to diversify risk into other businesses.

## A. Nature of Products or Services

### 1. Fertilizer

The essential ingredients in chemical fertilizers are nitrogen (N), phosphate (P<sub>2</sub>O<sub>5</sub>) which provides phosphorus (P), and potash (K<sub>2</sub>O) which provides potassium (K) as well as other supplements. Major and supplementing nutrients restore and increase soil nutrients to enhance cultivation yields and productivity. Nitrogen not only helps leaves required for photosynthesis to grow quickly but also helps producing seeds. Phosphorus encourages trunks to grow, strengthens and expands roots. Potassium is used in the transportation and production of starch to feed growing parts or to roots and stems while reducing infection.

Overall, the Company believes that one of its core strengths is the ability to offer a wide range of high-quality and well-recognized agrochemical products that could respond to myriads of customer's needs both in Vietnam and overseas. By selling products under its trademark, Baconco not only highlights its merchandises but also turns them into "top-of-mind" product for consumers.

### 1.1 NPK Compound Fertilizers

NPK Compound Fertilizers are composed of all three main nutrients, namely, nitrogen (N), phosphate (P<sub>2</sub>O<sub>5</sub>) which provides phosphorus (P), and potash (K<sub>2</sub>O) which provides potassium (K) for plants. The N-P-K mix may vary according to purposes and each crop's biological needs. Baconco sells NPK Compound Fertilizers both in Vietnam and overseas. These fertilizers are Baconco's main products. NPK Compound Fertilizers accounted for 81.5%, 71.1% and 72.6% of Baconco's total sales revenues as end of 31 December 2018, 2019 and 2020, respectively. Baconco also produced more than 95 formulas of NPK Compound Fertilizer for coffee, rice, rubber, vegetables and various other crops.

### 1.2 Other Fertilizers

The Other Fertilizers segment includes single fertilizer which contains a single nutrient; and compound fertilizer composing of at least two nutrients. The fertilizers are widely used due to the flexibility they offer end users to mix as desired. As end of 31 December 2018, 2019 and 2020, other fertilizer products accounted for 11.8%, 21.5% and 21.7% of total sales revenues, respectively.

### 2. Other Agrochemical Products

Other Agrochemical Products include pesticides and foliar which Baconco outsources and repackages for sales under its trademark. Other Agrochemical Products accounted for 6.7%, 7.4% and 5.7% of Baconco's total sales revenues as end of December 2018, 2019 and 2020 respectively.

### 2.1 Pesticides

Pesticides are biochemical or chemically-synthesis substances created to protect, destroy, deter or discourage pests. Mostly-found pests are insects, plant pathogens, weeds and microbes that spread disease, damage agricultural products and reduce production. Baconco distributes its pesticide products under the STORK trademark in Vietnam only.

### 2.2 Foliar

Foliar fertilizers are liquid fertilizers sprayed onto plants to be consumed through leaves which absorb nutrients faster than through roots. Foliar offers similar nutrients to the NPK Compound fertilizer; that's why foliar are commonly used with fruits and vegetables for higher and better productivity.

## 3. Factory Area Management Services

Baconco is located in southern Vietnam at the Phu My I Industrial Park, Ba Ria Vung Tau Area, which is 70 kilometers from Ho Chi Min City. Locating next to the river, the Phu My I Industrial Park attracts industries and is one of Vietnam's export centers in the South. The industrial estate also benefits from demands for storage of goods or raw materials prior to shipping or logistics. Since the cyclical nature of agrochemical business both in Vietnam and overseas depends on agricultural activities in each seasonal time, Baconco's factory spaces are free in some period of time. Baconco therefore foresees an opportunity to offer factory area management services to industries to generate recurring incomes and to also diversify its business risk to maintain sustainable growth.

To elaborate, Baconco I (“BCC I”) and Baconco III (“BCC III”) are for the Company’s raw materials, finished products, parts and others required for its agrochemical business while redundant areas may be leased to tenants on a short-term basis. Baconco V (“BCC V”) was reserved for foliar packaging line expansion and the other space remaining for factory area lease. Baconco’s storage facilities can be segmented to different sizes to suit customers’ requirements. The facilities also offer integrated services such as parking lot for trucks, trucking area, security guards and other infrastructures (electricity, water and ventilation system).

## B. Marketing and Competition

Baconco has started distributing fertilizers in Vietnam under the STORK trademark since 1995 before officially registering it ten years later. Baconco’s strategy is to directly capture wholesalers who are direct customers while complementing demands of end-users. Because of Baconco’s superior products and strong brand image, it has become one of the leaders in Vietnam’s agrochemical. Baconco is one of the leading players in the chemical fertilizer with market share of 19% in the premium NPK compound fertilizer.

After the Company’s acquisition of Baconco in 2009, Baconco’s management has shifted its focus to exports where it busily expanded markets in South East Asia and Africa by building new customer base from the existing customer and business partner networks. However, Baconco’s fertilizers exported to other countries except to Laos PDR and Cambodia are manufactured by customer orders or as contracted. At present, the basis of this group of customers is traders who distribute products under their trademarks. Yet, Baconco’s exports to Cambodia and Laos PDR are still made under the STORK trademark.

## 1. Competitive Strategy

As Vietnam’s economy is driven by the agro industry together with the fact that fertilizer is a commodity, Vietnam’s agrochemical industry is heavily competitive. Nonetheless, thanks to Baconco’s superior products, it is able to retain its position as one of the market leaders in the local agrochemical scene. The STORK trademark is widely recognized and renowned for its product quality and is Baconco’s main competitive strategy. Baconco business strategies are as follows.

1. Use of imported raw materials which boast higher quality than local ones in the production process.
2. Innovation of a chemical additive unique to Baconco, namely Urea Super Phosphate (USP), and its unique fertilizer coating substance named Bio Stimulant. The USP additive extends fertilizer life by delaying Nitrogen reaction in the fertilizer which in effect optimizes the crop’s need for nutrients. Moreover, Bio Stimulant coating substance increases efficiency by regulating a reaction of the fertilizer which therefore releases a right amount of nutrients as needed by the crop.

## 2. Target Customer and Marketing Strategy

### Target Customers

Baconco’s main products are fertilizers which are distributed locally in Vietnam under the STORK trademark and internationally; as well as other agrochemical products. Due to different business nature in domestic and international markets, Baconco has different groups of target customers in each market.

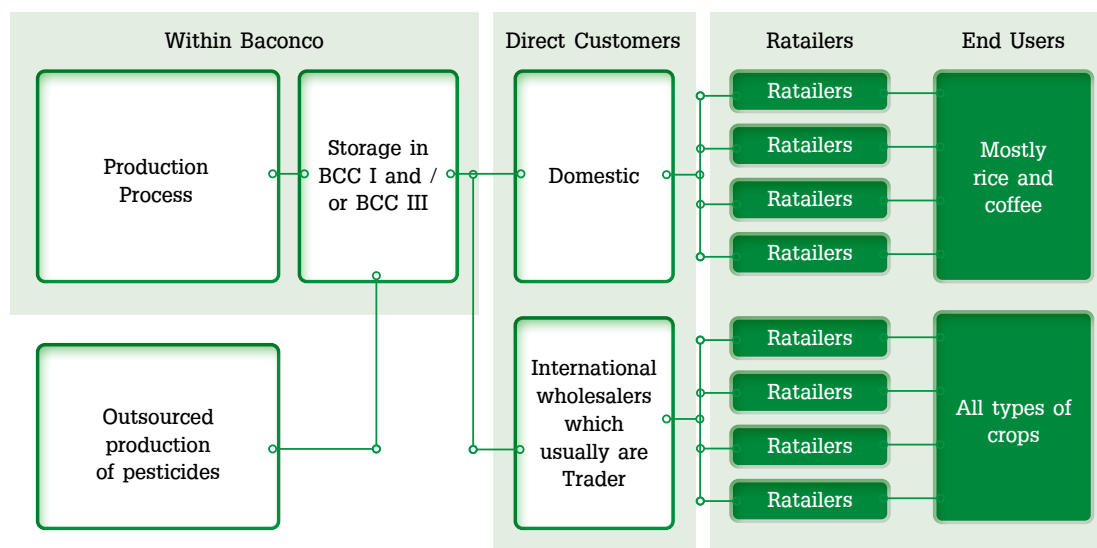
In Vietnam, Baconco’s direct and major customers for NPK Compound Fertilizers, Single Fertilizers, Compound Fertilizers, Foliar and Pesticides are wholesalers who distribute products to retailers and end users. In the export markets, Baconco’s direct customers for NPK Compound Fertilizers, Single Fertilizers, Compound Fertilizers and Foliar are traders. In these markets, Baconco acts as a manufacturer and Baconco products are not sold under its STORK trademark.

### Marketing Strategy

To respond to the nature of its customer base, Baconco conducts active direct marketing campaigns aimed to penetrate all groups of targeted customers in Vietnam. Baconco continues to focus at domestic marketing campaigns by organizing small meetings, seminars and events which target different types of customers for different purposes. For example, Baconco organizes small meetings with farmers mainly to advise them suitable fertilizers for use. The Company is there to also provide Baconco’s product knowledge and introduce other products. Aside from increasing sales revenues from these small meetings, Baconco also aims to boost sales through domestic fertilizer retailers. That’s why it has organized seminars for retailers throughout the country to introduce them to new products and to allow them to understand the products and able to sell more.

### 3. Distribution Channels

#### Agrochemical business



Baconco directly sells its products to wholesalers in Vietnam who re-distribute them to end users. For domestic markets, due to a favorable climate in southern Vietnam which makes it more appropriate for cultivation than in the north and where consumers buy fertilizer on the basis of its quality, Baconco's sales teams in the southern part outnumber those in the north. Meanwhile, Baconco's international customers are trading companies who contract Baconco to manufacture fertilizers. The products, in other words, are not sold under Baconco's STORK trademark. Land transportation is the main choice for customers in Vietnam and countries in the Mekong delta while marine transportation is the major alternative for shipping products overseas.

Aside from fertilizer, Baconco also sells two types of pesticides, namely, Baconco formula pesticides which it outsources the third party to manufacture and do the packaging; and pesticides which Baconco is only a distributor. The finished products will be distributed through land or marine transportation via a port within the Phu My I Industry Park.

Baconco's STORK fertilizers have been sold in Vietnam since 1995 and the trademark was officially registered in 2005. In addition, the export values were, Baht 848.1 million in 2018, Baht 606.1 million in 2019 and Baht 768.4 million in 2020.

The following table features sales revenues categorized by markets.

	For the year ended 31 December 2020		For the year ended 31 December 2019		For the year ended 31 December 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales in Vietnam	2,014.4	72.4	2,214.4	78.5	1,867.5	68.8
Revenue from sales other country	768.4	27.6	606.1	21.5	848.1	31.2
<b>Total revenue</b>	<b>2,782.8</b>	<b>100.0</b>	<b>2,820.5</b>	<b>100.0</b>	<b>2,715.6</b>	<b>100.0</b>

The table below lists top 10 of the export countries of Baconco in 2020.

No.	Country	Revenue (million Baht)	% <sup>1</sup>
1.	Madagascar	204.6	7.4
2.	Chad	175.2	6.3
3.	Ivory Coast	69.7	2.5
4.	Thailand	61.2	2.2
5.	Cambodia	43.1	1.5
6.	Cameroon	42.4	1.5
7.	Indonesia	16.8	0.6
8.	Lebanon	15.3	0.5
9.	Uganda	13.1	0.5
10.	Philippines	9.5	0.3
11.	Other	127.0	4.6
<b>Total</b>		<b>768.4</b>	<b>27.6</b>

Note: <sup>1</sup> Percentage of total sales revenue

## 4. Industry Overview and Competition

### Global Fertilizer Market

According to the report on World Fertilizer Trends and Outlook to 2022 by the Food and Agriculture Organization of the United Nations, total fertilizer nutrient consumption is estimated at 197.93 million metric tons in 2021 and will reach 200.91 million metric tons in 2022. Asia is the largest consumer of fertilizer in the world and most of which are consumptions from East and South Asia.

The Covid-19 pandemic is expected to affect the fertilizer business consumption through its primary impact on labor and logistics and secondary impact on demand for agricultural commodities. The International Fertilizer Association forecasted that the regions that are expected to experience the strongest demand decline are East Asia, South Asia and West Asia. More moderate impact are North America, Latin America and Europe. And the stable fertilizer use is Africa.

The table below depicts supplies and demands of the world's fertilizer industry classified by macronutrients in each geographic area in 2020.

Supply / Demand of Fertilizers	Macronutrients (Thousand Metric Tons)		
	Nitrogen	Phosphate	Potash
<b>World</b>			
Surplus / -Deficit <sup>1/</sup>	12,179	1,230	7,929
Supply	120,923	43,229	46,640
Demand	108,744	41,999	38,711
<b>Africa</b>			
Surplus / -Deficit <sup>1/</sup>	3,588	7,182	(1,105)
Supply	8,103	8,831	(204)
Demand	4,515	1,649	901
<b>Americas</b>			
Surplus / -Deficit <sup>1/</sup>	(7,160)	(4,925)	5,438
Supply	17,194	6,764	18,663
Demand	24,354	11,689	13,225
<b>Asia</b>			
Surplus / -Deficit <sup>1/</sup>	6,659	(1,452)	(11,791)
Supply	67,367	22,758	8,022
Demand	60,708	24,210	19,813



Supply / Demand of Fertilizers	Macronutrients (Thousand Metric Tons)		
	Nitrogen	Phosphate	Potash
<b>Europe</b>			
Surplus / -Deficit <sup>1/</sup>	10,588	938	15,834
Supply	27,799	4,416	20,168
Demand	17,211	3,478	4,334
<b>Oceania</b>			
Surplus / -Deficit <sup>1/</sup>	(1,496)	(503)	(447)
Supply	460	461	(9)
Demand	1,956	964	438

Note: <sup>1/</sup> Calculated from a difference between supply and demand. A surplus (positive) is when supply is higher than demand and a deficit (negative) is when demand is higher than supply.

Source: World Fertilizer Trends and Outlook to 2022, Food and Agriculture Organization of the United Nations

## Vietnam's Fertilizer Industry

Although there is the challenging from the weather conditions, Vietnam's fertilizer industry still has high potential since more than 60% of the population work in the agricultural sector. The growth of the fertilizer industry growth depends on the level of agricultural price recovery and the production of key crops. Moreover, the adequacy of rainfalls and water supplies are significant issue as some agricultural areas are potentially encountering drought. In addition, the fluctuation of raw material prices could also impact the demand and the trend fertilizer industry.

The table below displays product details and production capacity of major fertilizer producers in Vietnam.

Group	Company	Product	Productivity(Metric Tons per Year)
Vinachem	NinhBinh Phosphate Fertilizer JSC	FMP	300,000
		NPK	150,000
	Southern Fertilizer Company ("SFC")	Superphosphate	200,000
		NPK	300,000
	Lam Thao Fertilizer and Chemical ("Lam Thao")	Superphosphate	750,000
		FMP	140,000
		NPK	700,000
	Van Dien Fused Magnesium Phosphate Fertilizer Company	FMP	270,000
		NPK	150,000
	BinhDien Fertilizer Company ("BinhDien")	NPK	500,000
	Can Tho Fertilizer & Chemical JSC	NPK	more than 200,000
	Ha Bac Urea Company (Ltd)	Urea	190,000
PVN	NinhBinh Urea Company	Urea	560,000
	DAP 1 Company	DAP	330,000
	PetroVietnam Fertilizer and Chemical JSC	Urea	800,000
Others	Ca Mau Fertilizer Plant	Urea	800,000
		NPK	300,000
	Five Star International Group	Fertilizer Complex	n/a
		Specialized Fertilizer	n/a
	Baconco <sup>1/</sup>	NPK	450,000
	General Materials Biochemistry Fertilizer JSC	NPK	360,000
	Japan Vietnam Fertilizer Company ("JVf")	NPK	350,000

Source: Estimated by Baconco

## Baconco's Strengths

### Unique Product with Enhancing Chemical Additives

With scarce land resource but high demands for agriculture products, it is crucial for farmers to produce high-yielding crops to maintain their profitability and sustainability. That's why farmers increasingly need effective fertilizers that can enhance crop yields. With Baconco's yield-enhancing chemical additives, STORK fertilizers are recognized for quality and efficiency in improving productivity and are differentiated from competitors' products in the same market. Apart from the standard formula NPK compound and single fertilizers, Baconco also produces and distributes fertilizers with Urea Super Phosphate (USP) mix and Bio stimulant additives. USP and Bio Stimulant are unique to Baconco's fertilizers and the Company is the only production plant in Vietnam allowed to utilize bio-stimulants from France to coat granulated fertilizers.

### Comprehensive Agrochemical Product Producer

Baconco is a comprehensive producer of crop care solutions. It offers both fertilizers and pesticides. In the fertilizer segment, Baconco is also a comprehensive fertilizer manufacturer, meaning that it produces fertilizers in four different forms - granulated, bulk blended, compacted and foliar. A wide variety of products provides the company with an opportunity to capture a wide range of the market as Baconco can accommodate different customer needs and effectively adapt to market changes.

### Ability to Speedily Launch and Develop New Products

A critical component of Baconco's growth is its flexibility to respond to changing market needs. That's why Baconco has the Product Development Team invent and experiment fertilizers of new formulas to increase quality and to enhance product efficiency. The team also tests new formula fertilizers to accommodate demands in Vietnam and overseas. This unit therefore is critical to Baconco's market expansion and product varieties.

### Strong Distribution Network Fostered by Customer Relationship

The fertilizer industry in Vietnam is highly competitive due to government interventions by selling agrochemical products through the State Enterprise who will distribute to the end users with the credit term of payment. Therefore, a good relationship with customers is very crucial for Baconco's success. Despite the obstacle, Baconco continues to retain its leadership as one of the market leaders in high-quality fertilizers thanks to extensive customer networks and long-lasting business relationship, resulting from the expertise of the management and the effective marketing strategy.

### Proximity to Logistics Channels

Baconco's BCC 1 is adjacent to the Baria Port, the Phu My I Industrial Park's main port, which adds competitive advantage to Baconco both in terms of cost controlling and servicing. Its location next to the port enables Baconco to reduce logistics costs of transporting raw materials and finished products. Moreover, the proximity provides Baconco an ability to deliver on-time logistic service. Timeliness is critical because Baconco distributes fertilizer locally and internationally. Aside from competitions in pricing and quality, service is also critical for retaining existing and attracting new customers especially when orders are made in large bulk during their harvest seasons.

### Partnership with Leading Logistics Firms

The well-established relationship with the leading logistic company benefits Baconco's fertilizer and factory area management services businesses. Thanks to the collaboration, Baconco can provide on-time delivery and excellent distribution services which are among key factors to bolster its growth especially for the fertilizer market. Baconco is one of the few fertilizer producers boasting a comprehensive production process, namely fertilizer production, storage for raw and finished materials and logistics capability.

### Successful Presence in the World Market

Baconco's exported fertilizers are widely used in developing countries worldwide especially in Southeast Asia and Africa. The steady growth of Baconco's sale revenues reflects its marketing ability not only in Vietnam but also in various countries.

### Streamline Operations Through a Low-Inventory System

Thanks to Baconco's experienced management who foresees financial risk from inventory due to the industry's cyclical nature, the firm opts for a low-inventory policy aimed to naturally hedge an exchange risk incurred from volatility between the Vietnamese Dong versus other currencies as well as raw and finished product price volatility. Since fertilizer is a commodity good and is highly volatile due to global market conditions, Baconco's policy is to have the least amount of inventory as possible to enable the company to become flexible and to quickly adjust both production costs and product prices so that Baconco can effectively control profit margins.

## Risk management through market expansion

The agrochemical industry in Vietnam is volatile. Market conditions and demands depend on several factors such as rainfall, humidity levels and temperature. After the Company's invested in Baconco in 2009 and the new management was appointed, it changed a strategy to better manage risks. Baconco has focused more at export to reduce concentration risk in Vietnam while this is also a natural hedging strategy against exchange rate volatility between Vietnamese Dong and US Dollar incurred through raw material imports for fertilizer production since Baconco's exports are also carried out in US Dollar. Baconco's export sales revenues was Baht 848.1 million, Baht 606.1 million and Baht 768.4 million; or 31.2%, 21.5% and 27.6% of the total sales revenues in 2018, 2019 and 2020, respectively. The new management also sees new business opportunities from factory area management services. Not only will this generate recurring income for Baconco, but it also helps stabilizing the Company's performance. Incomes from the factory area management services business have steadily increased. Baconco's revenues from the business were Baht 63.6 million, Baht 62.2 million and Baht 50.3 million in 2018, 2019 and 2020, respectively.

## C. Procurement of Products and Services

### 1. Procurement of Raw Materials

#### Fertilizer Products

Baconco's procurement policy aims to balance its long-term profitability and sustainability. Apart from pricing considerations through bidding processes, Baconco also considers raw material quality, supplier's creditability and other agreements. Macronutrients and micronutrients are essential raw materials in the production of fertilizers. Major macronutrients components for the production of fertilizers are calcium, magnesium, potassium and sulfur; while essential micronutrients are boron, copper, iron, manganese and zinc.

Baconco has a network of the raw material suppliers in and outside of Vietnam to abate the risk of geographical supply stocks causing production hold-up problems. To reduce raw material uncertainty, Baconco has signed long-term contracts with its major suppliers. However, for quality consistency, Baconco opts to buy raw materials from reliable existing suppliers to manage procurement risk. Baconco also works closely with other suppliers who are its emergency sources of raw materials and as a means to monitor market conditions and prices.

As of 31 December 2020, approximately 50% of total raw materials were imported while the remaining 50% were sourced locally. Baconco needs to import a lot of raw materials due to their different quality.

## Pesticides

Apart from fertilizers, Baconco also sells pesticides. Due to business restrictions, it has to outsource the product to the third party for production and packaging on the basis of formulas and standards it requires.

## 2. Production Plant and Warehousing Facilities

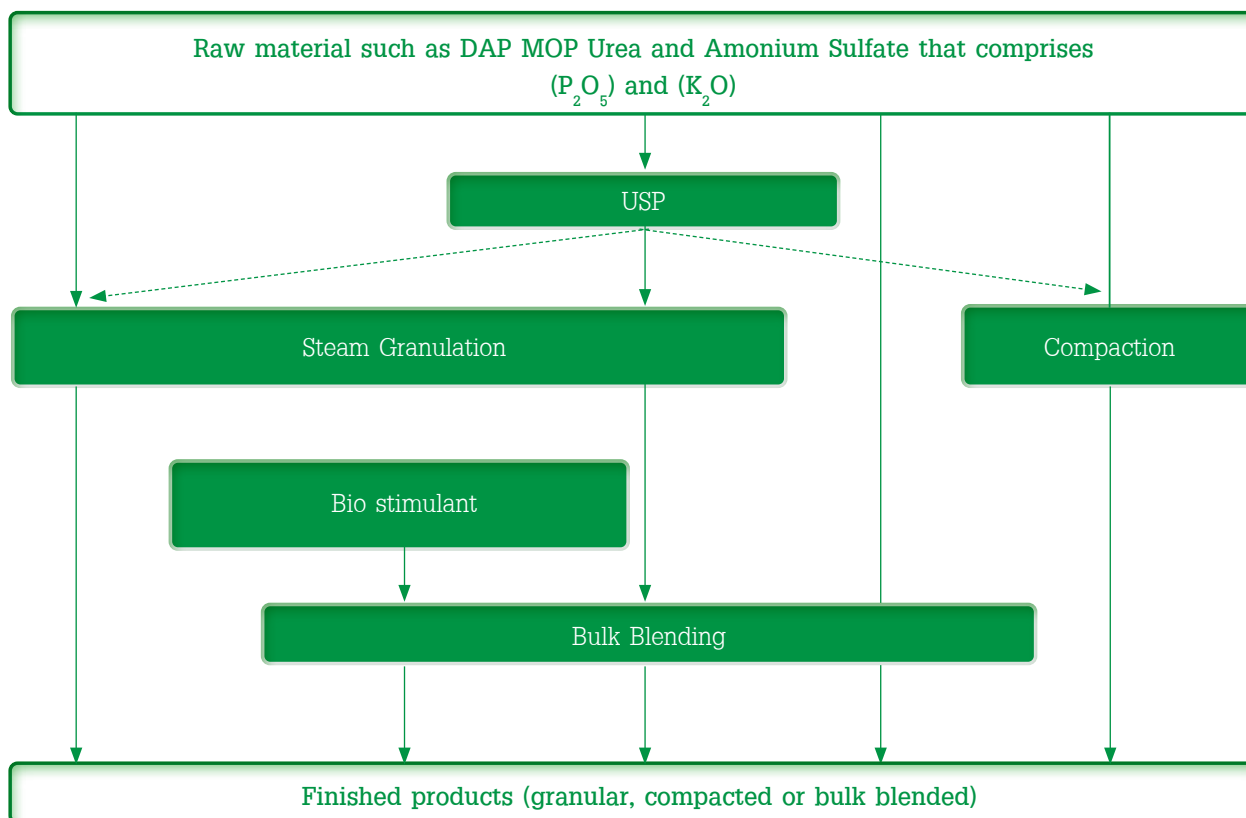
Baconco's production plant and storage facilities are strategically located in a close proximity to port, land transportation, markets and raw material suppliers.

Facility:	Baconco 1	Baconco 3	Baconco 5				
<b>Name:</b>	BCC I	BCC III	BCC 5A	BCC 5B.1	BCC 5B.2	BCC 5B.3	BCC5C
<b>Date of Operation:</b>	Apr. 2010	Feb. 2012	Mar. 2013 & Jan 2014	Mar. 2015	Jun. 2016	Q4/2017	Q4/2017
<b>Rentable Area:</b>	2,000 sq. m.	2,000 sq. m.	27,000 sq. m.	11,300 sq. m.	8,200 sq. m.	9,920 sq.m.	10,000 sq.m.
<b>Storage:</b>	Fertilizers and raw materials			Products and services of the third party			

### 3. Production

At present, Baconco has a production capacity of 450,000 metric tons of fertilizers per year. Baconco also has the packaging capacity of 550,000 metric tons per year. The total production capacity is restricted by production capacity of its core production process; namely production of granular and compacted fertilizers.

#### Production Process



Baconco produces three types of fertilizers, namely, Granulated, Compacted and Bulk Blending. Moreover, it produces enhancing additives known as Urea Super Phosphate (USP) and Bio Stimulant which is used to increase the fertilizer's efficiency in order to add value to Baconco's products and to make customer's money more worthwhile. The fertilizer production process requires both expertise and sophisticated technology where Baconco will produce at least 50,000 metric tons of fertilizer for each production line.



## 4. Environmental Impact

Baconco is mandated by law to treat its wastewater before releasing it to public waterways. Baconco has one wastewater treatment plant that purify wastewater at a rate of 450 cubic meters a day which is higher than legal requirements. Treated water is then released back into public waterways where sludge extracted during the treatment process is recycled back into the production process for its residual chemical contents, most of which is nitrogen. The plant's ability to treat nitrogen, phosphate and other organic compounds is well above Phu My Industrial Estate's and Vietnam's legal standards.

In 2020, Baconco is ISO 14001:2015 environment management accredited as a result of various environmental managements. It is the international standard that specifies requirements for an effective environmental management system. It provides a framework that an organization can follow to set up, improve, or maintain an environmental management system to conform to its established environmental policy and requirements. This will Increase stakeholder and customer trust, create a clear environmental responsibility and competitive advantage.

Besides, Baconco had further launched a project to reduce fuel costs and decrease the amount of sulfur dioxide emissions that negatively affect the environment by reclaiming and reusing tires as fuel.

The following table sets forth Baconco's waste water treatment efficiency and Phu My I Industrial Park's requirements.

Contaminants	Outflow Content (ppm)		
	Maximum contaminants required by the Phu My I Industrial Estate	Qualified level for the Lowest Fee	Baconco's contaminants <sup>/1</sup>
Nitrogen	110	40	19
Phosphorus	28	6	1.1
Chemical Oxygen Demand (proxy in measuring organic compounds)	1,200	150	65

Note: <sup>/1</sup> An average release as of December 2020.

Besides the waste water treatment, Baconco has also complied with the Vietnamese authority's regulations on the air pollution and noise.

The following table sets forth Baconco's outflow of the dust and gas

Contaminants	Outflow Content (milligram per square meter)	
	Maximum contaminants required by the Phu My I Industrial Estate	Baconco's contaminants <sup>/1</sup>
Dust	6	0.23
Sulfur Dioxide (SO <sub>2</sub> )	5	0.07
Nitrogen Dioxide (NO <sub>2</sub> )	5	0.03
Carbon Monoxide (CO)	20	3.75

Note: <sup>/1</sup> An average release as of December 2020.

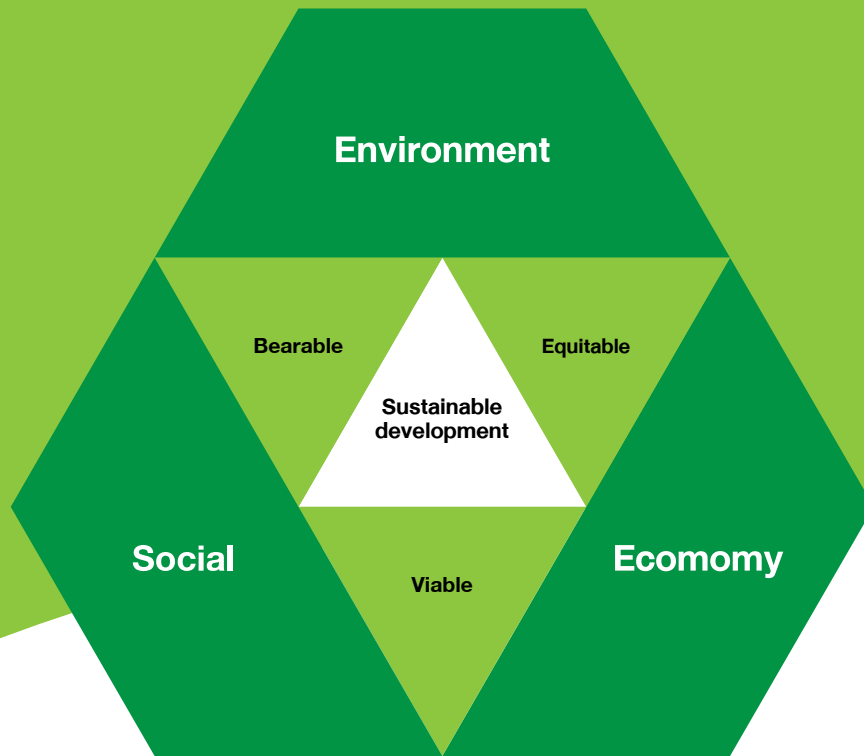
Besides, since the year 2018 all the emissions are monitored 24 hours by automated and certified probing system.

The following table sets forth Baconco's noise level

Production	Outflow Content (milligram per square meter)	
	Maximum contaminants required by the Phu My I Industrial Estate	Baconco's contaminants <sup>/1</sup>
Steam Granulation	85	79
Compaction		73
Bulk Blending		75
USP production		71

Note: <sup>/1</sup> An average release as of December 2020.

# Corporate Social Responsibility



**We believe that Corporate Social Responsibility (CSR) cannot be defined simply as the act of organizing activities to benefit society, but we also see CSR as a vital part of our corporate culture.**

PMTA and its subsidiaries are determined to uphold their status as corporate citizens in all aspects of their activities. We operate our business ethically and with good corporate governance for the optimal benefits of a society and an environment for sustainable development. We have defined standards for transparency and set up procedures for tracking, evaluating and improving our operations. We believe that Corporate Social Responsibility (CSR) cannot be defined simply as the act of organizing activities to benefit society, but we also see CSR as a vital part of our corporate culture. Our goal is to integrate the concept of social responsibility into every aspect of our operations, covering all internal and external activities.



We seek to achieve our corporate and social responsibility objectives by focusing on four strategic areas as follows:

### 1. Corporate Governance:

We are committed to comply with the corporate governance policy and codes of business conduct approved by the Board of Directors and adhere to transparency and accountability practices through right and equitable treatment of shareholders, right of stakeholders, information disclosure and transparency, responsibilities of the Board of Directors and business ethics and code of conduct.

### 2. Human rights and employee well-being:

We always address the needs and aspirations of staffs through equal opportunity and access, employee diversity, work-life balance, work safety and, labour standards.

### 3. Social Contributions:

We encourage and support our staffs to involve themselves in team and individual activities that contribute to society focusing especially on donations, volunteering and education. In 2020, Baconco; our core subsidiary, funded Quang Trung Junior Secondary School in Quang Binh province for its new computer room as this school was in the area that had been heavy flooding which damaged their facilities. Therefore, Baconco sponsored for their new computers and IT equipment. We believe this is not only the opportunity for us to give back to the society by giving the opportunity for the disadvantaged but it also boosts morale of the employees and implant a sense of sharing within the employees which is the key to human resource development.

### 4. Environment:

We had developed the environmental protection and management practices with the aim to minimise waste and maximise efficiencies which Baconco is able to maintain its high operation efficiency in environmental protection management to meet and exceed the Phu My I Industrial Park's requirements. In 2020, Baconco is ISO 14001:2015 environment management accredited as a result of various efficient environmental managements. ISO 14001:2015 is the international standard that specifies requirements for an effective environmental management system. It provides a framework that an organization can follow to set up, improve, and maintain an environmental management system to conform to its established environmental policy and requirements that would increase the organization's competitive advantage.



# Corporate Governance Report

PM Thoresen Asia Holdings Public Company Limited (“PMTA” or the Company) highlighted the importance of good corporate governance as it helps boost the efficiency of the Company’s operation and promote the sustainable growth, leading to the maximum benefits of all concerned parties, including employees, investors, shareholders, and other stakeholders. Thus, the Board of Directors agrees to stipulate the Corporate Governance Policy, to cover core contents ranging from the structure, duties and responsibilities of the Board to the principles of the executives’ management with transparency, clarity, and traceability. The Corporate Governance Policy serves as the direction of the organizational management and establishes confidence towards the Company’s operation, ensuring the implementation with ethics and for the maximum interests of shareholders and all stakeholders.

The Company’s Board of Directors and executives shall adhere to the principles of the business operation with determination and honesty. To consistently embed the good governance culture and to establish a firm foundation for sustainable growth, to add values among all stakeholders so that the Board could achieve its objective, the Company has set the organization structure to be transparent and clearly traceable in accordance with the Corporate Governance Policy under the regulations of the Stock Exchange of Thailand.

## Corporate Governance Policy and Principles

The Board of Directors emphasizes on the compliance with the Corporate Governance Principles. The Board believes that good corporate governance serve as a key mechanism that drives the efficiency, transparency and traceability of the operation and management. Operating the business based on the Corporate Governance Principles will increase the competitiveness and establish trust among all stakeholders, not merely shareholders or investors.

The Board of Directors has considered adopting the guideline of the 2017 Corporate Governance Code (CG Code) for listed companies that was developed by the Securities and Exchange Commission to suite with our business context. As the governing Board of the Company, the Directors understood the importance of adopting the CG Code for the Company’s sustainable value creation.

The Board of Directors defines the policy to support the compliance with the Corporate Governance Principles in five (5) modes as follows:

### I. Rights of Shareholders

The Company recognizes the importance of and do not conduct any actions that might violate or undermine basic rights of shareholders, such as rights to purchase, sell, or transfer shares they are holding, rights to receive dividend from the Company’s profit, rights to receive sufficient news or information from the Company, and rights to attend the shareholders’ meetings, as the Company realizes that the shareholders’ meetings are a key channel in which the Company’s shareholders can exercise their rights as shareholders. The Company, thus, has stipulated best practices in arranging the shareholders’ meetings to facilitate the use of shareholder rights as follow:

#### Shareholders meeting

The Company schedules an Annual General Meeting of Shareholders (“AGM”) within four (4) months after PMTA’s financial year-end. The Company shall call for other special shareholders’ meetings, called an Extraordinary General Meeting of Shareholders (“EGM”), on a case by case basis.

In addition, the Company advertises the notice of each meeting in at least one Thai language and one English language in a daily newspaper for three consecutive days no later than three days prior to each AGM. The Company also publishes the meeting notice on our website at <http://www.pnthoresenasia.com>.

The Board of Directors of the Company at the meeting No. 1/2020 held on 24 February 2020 approved convening the 2020 Annual General Meeting of Shareholders of the Company on 28 April 2020 at 1.30 P.M. at the Mitrtown Hall 1, 5th floor, Samyan Mitrtown, 944 Rama 4 Road, Wangmai Sub-district, Pathumwan District, Bangkok 10330, Thailand. However, as the outbreak of the Coronavirus Disease 2019 (“COVID-19”) in Thailand which is rapidly spread and could cover wider range. In this regard, the government has announced a state of emergency declared in all areas of the Kingdom of Thailand dated 25 March 2020, and according to Section 9 of the Emergency Decree on Public Administration in Emergency Situation, B.E. 2548 and Bangkok Metropolitan Administrative announcement, dated 27 March 2020, Subject: Temporary Closure of the Premises (No.4), and requested to consider activities involving gathering, which may promote person-to-person transmission of the virus, based on the aforementioned reasons, the Board of Directors of the Company at the Meeting No. 2/2020 held on 16 April 2020 had carefully

considered all related matters and resolved to postpone the 2020 Annual General Meeting of the Shareholders until further notice by cancelling the date and agenda of the AGM which was previously scheduled on 28 April 2020 and also cancelling the Record Date for the right to attend the 2020 AGM that previously set on 12 March 2020. After the situation is resolved and it is appropriate to hold the 2020 AGM, the Board of Directors will promptly determine the date and agenda of the 2020 AGM and notify the shareholders. Later, the Board of Directors' meeting No. 4/2020 held on 11 June 2020 approved convening the 2020 Annual General Meeting of Shareholders of the Company on 22 July 2020 at 1.30 P.M. at the Mitrtown Hall 1, 5th floor, Samyan Mitrtown, 944 Rama 4 Road, Wangmai Sub-district, Pathumwan District, Bangkok 10330, Thailand.

Procedures for the shareholders' meeting were as follows:

#### (i) Procedures prior to the meeting

In 2020, at the Company's held on 11 June 2020 approved convening the 2020 Annual General Meeting of Shareholders of the Company on 22 July 2020 at 1.30 P.M. at the Mitrtown Hall 1, 5th floor, Samyan Mitrtown, 944 Rama 4 Road, Wangmai Sub-district, Pathumwan District, Bangkok 10330, Thailand.

The meeting venue was easily accessible through public transportation systems and convenient for shareholders to travel to the place of the meeting. The Company informed the shareholders of the date, time, place, and meeting agendas together with the rationales and opinion of the Board on each agenda via SET's portal on the same day on which the Board resolved to call the shareholders' meeting on 11 July 2020.

The Company provided opportunity to shareholders to ensure sufficient time to scrutinize meeting notice or request additional information ahead of the meetings. The notice and relevant documents to the 2020 AGM were sent to shareholders and the SET on 3 July 2020, which was at least fourteen days prior to the meeting. Going forward, the Company made best efforts to send all meeting notices to shareholders more than fourteen days prior to the meeting as per the SET's best practices. The notice was also made available on PMTA's website in advance so that shareholders had sufficient time to study the information to make their decisions. Each agenda included the opinion of the Board.

The Company encourages all shareholders including institutional investors to attend the Company's shareholders' meetings. Apart from direct mailings, the Company notified its shareholders via SET's portal that the notice of 2020 AGM and relevant documents were available to download on the Company's website at <http://www.pmta.or.th> from 19 June 2020.

The Company also advertises the shareholders' meeting notice in at least one Thai language and one English language in a daily newspaper for three consecutive days no later than three days prior to the shareholders' meeting date. The notice of the 2020 AGM was advertised on 1-3 July 2020.

Details such as date, time and place of the meeting, the meeting agendas with rationale and opinion of the Board on each agenda item in the notice of the annual general meeting, proxy forms, and a list of documents required for attending the meeting were distributed to shareholders in advance of meeting to assist them in exercising their rights and casting their votes on each agenda item.

#### (ii) Date of shareholders' meeting

At the date of shareholders' meeting, the Company facilitated registration by separating lines between shareholders and proxy holders. The Company used a bar code system to register meeting attendees and to count votes. Envelopes were made readily available for shareholders to mail their proxy forms. The barcode was also used in the registration and vote count, increasing efficiency and transparency. Moreover, with kind concerns over the health of all meeting attendees, the Company has the guidelines for attending the 2020 Annual General Meeting of Shareholders.

#### 1. Shareholders are requested to appoint the Company's Independent Director as proxy instead of attending the meeting in person

For health and safety and to reduce the risk of the spread of COVID-19, the Company requests for the shareholders cooperation to consider appointing the Independent Director as proxy by fill in the proxy form B. and send the proxy form using the envelope that the Company has provided.

#### 2. In case the Shareholders wish to submit questions related to the agenda in advance The Company asked for King

The shareholders are requested to send questions in writing and please specify your name, telephone number and email address (if any) in the form that is sent together with the notice of the meeting.

#### 3. In case the Shareholders wish to attend the meeting in person

3.1. There will be a screening point to measure the body temperature before entering the meeting venue. For those being identified with the respiratory symptoms, the Company reserves the right to deny entry into the meeting room. In case the aforementioned shareholders present at the venue, such shareholder may grant proxy to the Independent Director to attend the meeting on their behalves, by fill in the proxy form B.

3.2. Attendees are required to fill in the form for health screening for being infected or possibly infected of Coronavirus Disease 2019 (COVID-19).

3.3. Attendees are required to register their check-ins and check-outs via QR Code linked with Thai Chana mobile platform.



- 3.4. The Company will arrange seats with social distancing of at least 1.5 meters and the meeting room could receive no more than 100 meeting attendees.
- 3.5. The Company will only allow the registered shareholders and proxies to attend the shareholders meeting and will not allow anyone accompanying them to enter the meeting room.
- 3.6. All attendees must sit only in their designated seats and shall not move to another seat throughout the duration of the meeting.
- 3.7. All attendees are required to wear face masks at all time.

### (iii) During the meeting

The Chairman of the Board of Directors (“Chairman”) presides over the shareholders’ meeting. For shareholders’ convenience and clarification, multimedia presentations are shown during all meetings. PMTA conducts the meeting in accordance with the agenda and offers an equal opportunity for each shareholder to cast their vote.

In the 2020 AGM which held on 22 July 2020, the Company asked the legal advisor from Able & Primpton Co., Ltd. to be the vote inspector in order to ensure the meeting was transparent and complied with applicable laws.

The Company has been rated “Good” from the Corporate Governance Report of Thai Listed Companies. Also, the Company was rated Excellent for the quality of the arrangement of 2020 AGM that was held on 22 July 2020.

### (iv) Procedures following the meeting

The Company submitted to the SET the resolutions of the shareholders’ meeting with details of voting results of each agenda through the SET’s portal and also posted the resolutions immediately on PMTA’s website at <http://www.pmtthoresenasia.com>.

The Company prepared and submitted the minutes of 2020 AGM to the SET and the Department of Business Development, Ministry of Commerce within the required timeframe. The minutes were also posted on PMTA’s website.

## II. Equitable treatment of Shareholders

The Company upholds the policy of equitable treatment of shareholders, regardless of being executive or non-executive shareholders, Thai or foreigners, and major or minor shareholders. The procedures undertaken are as follow:

1. The Company delivers the meeting notice together with other materials and information to shareholders in advance within the timeframe required by laws, notifications or related regulations, to allow shareholders adequate time to review the matters with completion before the meeting.

2. In order to reserve the rights and facilitate shareholders who cannot be present at the meeting, the Company delivers the proxy form, enclosed with the meeting notice, clearly detailing all documents and evidence needed for proxy. This allows shareholders to grant proxy to other person or an independent director of the Company as a proxy who can attend the meeting and cast vote on their behalf. The Company will have at least one (1) independent director as a proxy for attending the meeting and casting vote. In this regard, the Company will inform the name list of such independent directors in the meeting notice.
3. To enable all shareholders to gain equal access to the Company’s information, the Company provides additional channels of notifying news for shareholders through the Company’s website, in addition to notification via the SET’s portal. For the meeting notice, it is notified before the meeting.
4. The Company prepares all information in Thai language and English language so that both Thai and foreign shareholders can access all information equitably.
5. At the shareholders’ meetings, the Company provides opportunity for all shareholders to fully ask questions, express their views and make suggestions upon suitability.
6. The Company stipulates the protective measures concerning the Insider Trading Policy for directors, executives, employees and contractors. These measures also apply to the spouse and children under legal age of the above parties as related to the information. In addition, penalty measures for violation of information of disclosure of the Company and a subsidiary and for information exploitation for personal advantage are also defined.
7. The Company prohibits all directors and senior executives from trading the Company’s shares and securities during the period of three (3) weeks before the release of the Company’s quarterly and annual financial results (the “Blackout Period”). The prohibition applies to entities in which the Company’s directors have a beneficial interest, by which the directors are employed, or on behalf of which the directors act as a representative thereof. The Company Secretary will remind directors and executives about this restriction at least seven (7) days in advance of the Blackout Period.
8. The Company requires directors and executives to submit a report of securities ownership and an update on securities ownership under their possession as well as the possession of their spouse and children under legal age to the SEC and SET according to the Section 59, the Securities and Exchange Act B.E. 2535 (including amendments).

9. The Company stipulates that directors and executives shall submit a revised report every time in case there are changes. The Company Secretary will file and submit a copy to Chairman of the Board and Chairman of the Audit Committee.
10. The Company regulates the transaction policy for any transactions made with major shareholders, directors, executives or related parties of the aforementioned persons, to set guidelines for the implementation of related party transactions and connected transactions.

The Company shall enforce the directors and executives who undertake any conducts which have interests in the Company's business operation, directly or indirectly, to report on such conflict of interest to the Company Secretary, to further report to the Audit Committee and/or the Board of Directors.

### III. Role of Stakeholders

The Company gives priority to the rights of all stakeholder groups, regardless of being internal stakeholders such as shareholders and employees, or external stakeholders such as clients, partners, competitors, the society and surrounded community. The Company stipulates compliance based on ethics and code of business conduct, which set guidelines for Best Practices of the Company's Business Operation, Best Practices for Directors, Best Practices for Executives and Best Practices for Employees to encourage all directors, executives and employees in the Company perform their duties with full responsibilities, prudence and honesty, and to avoid any conducts that might fall under conflict of interest.

#### 3.1 Stakeholder Rights

##### (A) Shareholder

The Company is committed to undertake any actions for the maximum interests of shareholders in the long run, by carefully considering risks from operating the business. The Company discloses all information with fairness and transparency within a suitable period of time. The Company also attempts at its best to protect its properties and reputation. In addition to basic rights and rights as specified by laws and the Articles of Association such as rights for appealing to review share amounts, rights to receive share certificate, rights to attend the shareholders' meetings and to cast vote, rights to express their views freely in the shareholders' meetings and rights to fairly receive dividend, the Company also grants shareholders the rights to suggest their opinion on matters regarding the Company's business operation as the Company's owners through independent directors. Every opinion will be gathered and presented to the Board for consideration.

##### (B) Employees

The Company regards employees as the Company's one of the most valuable resources. The Company, thus, employs skillful and experienced employees in accordance to the Company's strategic plan and operation plan. It aims to retain employees in the long run. It promotes the work-life balance among employees. The Company provides employees with suitable compensation and in line with that of the same industry. The Company has the employee compensation policy which in line with the operation of the Company in short term and long term. The short-term policy includes salary and annual reward, determined by results of the employee performance and the Company's financial performance. The long-term policy includes provident fund for employees to establish the stability for living and to serve as an assurance to secure employees' life after the termination of employment or after their retirement. Besides, the Company also provides employees with benefits in other forms, including life insurance, personal medical insurance, maternity leave and annual holiday.

##### (C) Competitors

The Company treats competitors fairly, by operating its business with integrity and professionalism. The Company will not undertake any conducts that are wrongful against laws in relations to business competition.

##### (D) Creditors

The Company is always committed to maintaining sustainable relationships with its creditors with fair and equitable policy, by providing accurate, transparent, and traceable information for the creditors, and strictly adhering to the terms and conditions made with creditors, in terms of payment of the principal, interest, and fees, maintenance of the financial ratio, and other conditions. If The Company fails to comply with any such condition, the Company will promptly notify the creditor, in order to mutually agree on a solution.

##### (E) Business Partners

The Company sets criteria for choosing a business partner or a service provider, by considering partners' business strategy that are consistent with that of the Company, in terms of competitiveness, business continuity, protection and treatment of clients, and risk management approaches.

**(F) Clients**

The Company recognizes that clients are crucial to the success of its operations. Accordingly, the Company aims at building clients' satisfaction, by providing with high-quality services through consistent and regular improvement of the quality of products and services, to meet their needs and expectations in a fair and professional manner.

**(G) Responsibility to the Community, Society and Environment**

The Company emphasizes on the most effective use of natural resources with the least environmental impact. The Company employs technology and develops work process that are environmentally-friendly, while raising awareness of effects of employee's performance towards the environment among employees.

**3.2 Anti-Corruption Efforts**

The Company conducts business with strong ethics and responsibility for all concerned parties as a guideline for anti-corruption practices.

**3.3 Anti-Corruption and Anti-Bribery**

The Company encourages all employees to conform to the laws, as a practice set in the Thoresen Group's Code of Business Conduct on receiving gifts and entertainment. No gift, favor, or entertainment should be accepted or given, if it obligates or might be perceived as an attempt to influence fair judgment.

No director, manager, employee, and their family members should accept or receive a gift or entertainment if it (i) is not consistent with customary business practices, (ii) is extravagant in value, (iii) can be construed as a kickback, bribe, or payoff in violation of any laws, and (iv) violates any other laws or regulations.

**3.4 Whistle-Blowing Policy and Whistle-Blower Protective Measures**

The Company had the Whistle Blowing Policy to protect those who submit a report, grievance, or information regarding misconduct, or those who cooperate with the Company in providing information, under which they may choose not to disclose their identity if they deem that such disclosure may threaten safety or cause damage. The Company will keep all relevant information confidential, taking into account the safety of the whistleblowers.

**3.5 Contact Channels for Stakeholders**

The Company had the channels of reporting directly to the Audit Committee. The grievance will be forwarded to the Audit Committee to report to the Board of Directors in the quarterly meeting. The contact channels for the stakeholders are by email at [pmtawhistleblowing@thoresen.com](mailto:pmtawhistleblowing@thoresen.com) and the mailing address at PM Thoresen Asia Holdings Public Company Limited, P.O. Box 12, SCB Post Office, Lumpinee Sub-district, Pathumwan District, Bangkok 10330.

**IV. Information Disclosure and Transparency**

The Board of Directors is committed to overseeing the organization's conformity to laws, compliances and regulations related to information disclosure. The Company shall reveal information, both financial and general information, with completion, accuracy and transparency so that all concerned parties can gain access to the information equitably. Such information is disclosed to shareholders and the public via SET's portal and the Company's website.

The Board of Directors emphasizes on financial reporting as it represents the Company's true financial status and performance. Financial reporting is based on correct, complete and adequate financial information, according to the generally well-accepted financial standards. The Board of Directors appoints the Audit Committee to review the financial reports to gain accuracy, completion and credibility and to ensure the correct, clear, transparent and timely disclosure according to relevant regulations.

In addition, the Company discloses information on each director, roles and responsibility of the Board and sub-committees, and remuneration of the Board and executives in the Annual Report (Form 56-2) and Information Disclosure Form (Form 56-1).

In the financial year ended 31 December 2020, the Company has disclosed financial and general information related to the Company's business in a timely manner. Such information is disclosed to shareholders, investors, and any related parties via SET's portal, the Company's website (<http://www.pmothoresenasia.com>), press releases.



## V. Responsibilities of the Board

The Board of Directors is responsible for shareholders in operating the business, governing the Company to achieve the business objective, and setting guidelines to create maximum value to shareholders, taking into account the benefits of all stakeholders.

The Board of Directors shall perform its duties in compliance with laws, objectives, the Articles of Association and shareholders' resolution with integrity and prudence in protecting the benefits of shareholders and all stakeholders as a whole in short and long term. To ensure that the Company's business operation is geared towards creating maximum value to shareholders and stakeholders, the Board will ensure the implementation of vision, mission, goal, policies, direction, plans and annual budget of the Company. The Board will express their views to build the overall understanding of the business before considering. The Board will then monitor all business management to ensure alignment with the goal, adhering to the guidelines of the SET and SEC.

### Performance Evaluation of the Board and Sub-Committees

The Company ensures the evaluation on performance of the Board and sub-committees at least once a year, with an aim to help the Board and sub-committees to review their work and operation guidelines during the past year. Through this means, it increases the efficiency and promotes good understanding for the collaboration among the Board and sub-committees. The assessment is through evaluation for each committee and self-evaluation for each individual. The Company Secretary will then inform the results to the Board of Directors.

### Self Assessment of Board members on both as a whole and an individual basis

In 2020, the Board of Directors evaluated the performance of each sub-committee and self-evaluation of each individual. In relations to this, sub-committee Chairman submitted the committee assessment and self-assessment form to each director. All assessed forms are filed at the Company Secretary in order to evaluate and summarize the scores in accordance with the criteria as follow:

1. Excellent: with score range between 90-100
2. Very Good: with score range between 80-89
3. Good: with score range between 70-79
4. Fair: with score range below 69

The assessment form of each sub-committee is divided into six (6) areas as follow:

1. Structure and Qualifications of the Board
2. Roles and Responsibilities of the Board
3. Board Meetings
4. Board Performance
5. Relationship with Management
6. Personal Development of Directors

The self-assessment form is divided into three (3) areas as follow:

1. Structure and Qualifications of the Board
2. Board Meetings
3. Roles, Duties and Responsibilities of the Board

The Chairman will report the results to the Board of Directors. In 2020, results of the Board performance assessment as a whole gain "Very Good" level and self-assessment gain "Excellent" level.

### Self Assessment of Sub-Committee members on an individual basis

Sub-Committees namely, Audit Committee, Nomination and Remuneration Committee and Risk Management Committee, conducted a formal evaluation of its own performance for the year that ended on 31 December 2020. There were three (3) main areas of evaluation of Self-Assessment of Sub-Committee members on both as a whole and an individual basis as follows:

1. Sub-Committees' structure and qualifications
2. Sub-Committees' meeting
3. Roles, duties and responsibilities of Sub-Committees

In 2020, the assessment results for both as a whole and an individual basis of the Audit Committee were "Excellent", the results of the Nomination and Remuneration Committee were "Excellent" and the Risk Management Committee were "Excellent".

### Director and Executive Development

The Company implements the policy to facilitate the enhancement of knowledge for all directors and executives. Each director and executive must attend the trainings arranged by the Company or other agencies to expand their knowledge and views to consistently keep up with the dynamic environment of the business. Besides, each time when the Company appoints a new director, the Company will provide them with the orientation to introduce the business nature and operation guidelines. Details of attendance in key training sessions and seminars concerning the enhancement in performing duties as directors in listed companies are as follow:

NO.	Name	Course
1.	Mr. Chalemchai Mahagitsiri	<ul style="list-style-type: none"> <li>• Directors Certification Program (DCP), Class 53/2005, Thai Institute of Directors Association</li> <li>• Directors Accreditation Program (DAP), class 30/2004, Thai Institute of Directors Association</li> <li>• Capital Market Academy Leadership Program, Class 17/2013, Capital Market Academy</li> </ul>
2.	Mrs. Suvimol Mahagitsiri	<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP), Class 26/2004, Thai Institution of Directors Association</li> <li>• Role of the Chairman Program (RCP), Class 16/2007, Thai Institution of Directors Association</li> </ul>
3.	Mr. Jean Paul Thevenin	<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP), Class 74/2008, Thai Institute of Directors Association</li> </ul>
4.	Pol. Lt. Gen. Prakard Satamarn	<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP), Class 45/2005, Thai Institute of Directors Association</li> </ul>
5.	Assoc. Prof. Dr. Sathit Parniangtong	<ul style="list-style-type: none"> <li>• Risk Management Program for Corporate Leaders (RCL) Class 13/2018, Thai Institute of Directors Association</li> <li>• Director Accreditation Program (DCP), Class 128/2010, Thai Institute of Directors Association</li> <li>• Advanced Audit Committee Program (AACP), Class 13/2013, Thai Institute of Directors Association</li> </ul>
6.	Mr. Rapee Moungnont	<ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 80/2006, Thai Institute of Directors</li> </ul>
7.	Mr. Jitender Pal Verma	<ul style="list-style-type: none"> <li>• Diploma Examination, Class 49/2016, Thai Institute of Directors Association</li> <li>• The Board's Role in Mergers and Acquisition (M&amp;A), Class 1/2011, Thai Institute of Directors Association</li> <li>• Director Certification Program (DCP), Class 78/2006, Thai Institute of Directors Association</li> </ul>
8.	Mr. Sigmund Stromme	<ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 182/2013 Thai Institute of Directors Association</li> </ul>

# Audit Committee's Report

## To the Shareholders

The Audit Committee consists of three independent directors and non-executive directors. Pol. Lt. Gen. Prakard Satamarn presides over the committee of chairman. The other two directors are Assoc. Prof. Sathit Parniangtong, Ph.D., and Mr. Rapee Moungnont. The Audit Committee has adequate qualifications and discharges the duties as set forth as specified by the Audit Committee Charter and in accordance with the Securities and Exchange Commission and the Stock Exchange of Thailand regulations.

The Audit Committee performs its duties as laid out by the Board of Director. The Committee's duties included reviewing the financial statements and corporate governance practices, assessing risk management, reviewing compliance to law and regulations, reviewing internal controls, internal audit practices and fraud investigations, as well as proposing the appointment of external auditors.

In 2020, the Audit Committee held a total of five meetings. The following is a summary of opinions and key activities undertaken by the Audit Committee:

### 1. Review of Financial Statements

The Audit Committee reviewed and discussed with the external auditor and management responsible for preparing the financial reports in relation with significant information for the Company's and consolidated financial statements, including change in significant accounting policy, significant related party transaction, significant acquisition and disposal of the Company's assets, accuracy and adequacy of information disclosure, significant unusual, estimated transaction, if any, before submitted to the Board of Directors for approval. In carrying out the review, the Audit Committee reviewed independent papers from both the management and the external auditor, highlighting any significant areas of risk or judgment that have arisen in the period.

In addition, the meeting between the Audit Committee and auditors without the presence of management was held to make independent discussion on important issues which may arise including the problems or difficulties in performing their duties as well as to hear whether there was any suspicious information. In 2020, the external auditors did not discover any material misstatements or indications of suspicious incidents. The Audit Committee realized that the Company has a proper financial reporting process to disclose its financial information, in which the financial

statements were free from material misstatement and prepared in accordance with Thai Financial Reporting Standards.

### 2. Internal Control

The Audit Committee approved the audit plan for 2020 and reviewed the Internal Audit Department's independence, resource sufficiency and also evaluated the performance of Internal Auditor. The Audit Committee evaluated management control systems, financial control systems and compliance control systems, based on guidelines from the office of the Securities and Exchange Commission. Internal auditors have also followed up on the results of the aforesaid review and audit which the results of the audit and the recommendations were discussed with the related staff and management prior to report to the Audit Committee in every quarter.

In addition, the external auditor has also reported that was no significant deficiency impacting to the Company's financial statements identified. The Committee, therefore, is of the opinion that the Company has proper and adequate internal control systems including organizational control and environment measure, risk management measure, management control activities, information and communication measure, and monitoring systems, as management determines is necessary and there are no significant deficiencies identified.

### 3. Regulatory Compliance

The Audit Committee held meeting with the Compliance Department and relevance departments to review the Company's compliance with the laws and regulations. The Compliance Department have also reviewed the connected transactions or transactions that may lead to conflicts of interests ensuring that the transactions occurred have complied with the Securities and Exchange Commission and the Stock Exchange of Thailand regulations requirements, other regulatory bodies and are reasonable and for the highest benefit of the Company. The result of the review has been reported to the Audit Committee and subsequently the Board of Directors in order to ensure that transactions are transparency, reasonable, without conflict of interest, and for the highest benefit of the Company. The Audit Committee is of the opinion that the Company has been in compliance with significant laws and regulations to which the operations of the Company are subjected.

#### 4. Whistle Blowing

The Audit Committee acknowledges any concern of misconduct or fraud and reviews the final investigation reported by Internal Auditors according to Whistleblower Policy. No concern on misconduct or fraud was reported during this year.

#### 5. Appointment of the External Auditors

The Audit Committee assessed the scope, objectivity and effectiveness of the audit process and also the appropriateness of the fees which included considering a number of areas such as the overall quality of services, timeliness of the resolution of issues, the quality of the audit resource including knowledge and experience in core businesses and whether the audit plan was followed.

After careful consideration, the Audit Committee has recommended to re-appoint KPMG Phoomchai Audit Ltd. as external auditors to the Board of Directors before seeking approval at the Shareholders' Meeting for the appointment of Ms. Siripen Sukcharoenyingyong (CPA No. 3636), Mr. Veerachai Ratanajaratkul (CPA No. 4323) and Mr. Watchara Pattarapitak (CPA No. 6669) all of KPMG Phoomchai Audit Ltd., as the external auditors of the Company for the year ended 31 December 2021 with the audit fees for PMTA amounting 1.88 million that is proposed to the Board of Directors and subjected to the approval of 2021 Annual General Meeting of Shareholders.

#### 6. The Audit Committee Self-Assessments

The Audit Committee carried out its own performance assessment for the Group Committee and individual, against the Audit Committee Charter approved by the Board of Directors, relevant laws and regulations and assignment from the Board of Directors. The self-assessment was due to be benchmarked against guidelines from the Securities and Exchange Commission and concluded that it was excellent and effective.

In summary, the Audit Committee has continuously performed its duties and responsibilities with knowledge, ability, carefulness and sufficient independence, provided comments and recommendations which were beneficial to all of the Company's stakeholders. The Committee values internal control and continuous risk management so that the Company may command good corporate governance as well as management excellence, adequate internal control compatible with its business, effective risk management, together with accurate and reliable accounting practices and financial statements, and compliance with relevant laws and regulations.

For and on behalf of the Audit Committee of  
PM Thoresen Asia Holdings Public Company Limited

Pol. Lt. Gen. 

(Prakard Satamarn)  
Chairman of Audit Committee

# Nomination and Remuneration Committee's Report

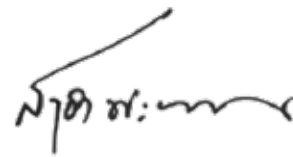
## To the Shareholders

Nomination and Remuneration Committee consists of four directors and Assoc. Prof. Dr. Sathit Parniangtong presides over as the committee's chairman. Pol. Lt. Gen. Prakard Satamarn, Mr. Jitender Pal Verma and Mr. Sigmund Stromme are the members of the committee.

In 2020, the Nomination and Remuneration Committee has carried out its duties as assigned by the Board of Directors and it held 2 meetings that can be summarized as follows.

1. Consider and nominate the candidates for the directors through the selection of the fully qualified persons as per specified by the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and who do not have any prohibited characteristics as per specified by the related laws and regulations to hold the position of the directors. Such nominated candidates must have knowledge, experience and expertise that will be beneficial to the Company. And the committee shall propose the nomination of the directors for the consideration and approval from the Board of Directors and the Shareholders' meeting.
2. Determine the remuneration of the directors in order to propose for the approval of the shareholders' meeting. The committee has reviewed the proposed remuneration by consideration of the duties and responsibilities of the directors together with the Company's performance and other similar leading listed company in the same industry.
3. Review the remuneration of the directors and the sub-committee members who are assigned to take additional responsibilities. The additional remuneration of the sub-committee members are set in accordance with their responsibilities.
4. Consider and approve the bonus for the Board of directors as a reward for the directors' dedications to the Company
5. Consider the criteria for the increase and bonus of the executives and employees jointly with the managements. Such salary increase and bonus rate are set in an appropriate rate and in line with the Company's performance.

The Nomination and Remuneration Committee has completely, carefully and independently performed duties and tasks by taking into account the best interests of Company and all stakeholders.



Assoc. Prof. Dr. Sathit Parniangtong

Chairman of the Nomination and Remuneration Committee

# Risk Management Committee's Report

## To the Shareholders

Risk Management Committee consists of four directors and Assoc. Prof. Dr. Sathit Parniangtong presides over as the committee's chairman. Mr. Chalermchai Mahagitsiri, Mr. Jitender Pal Verma and Mr. Sigmund Stromme are the members of the committee.

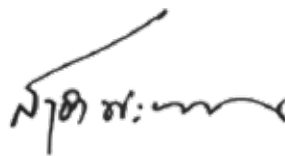
In 2020, the Risk Management Committee has carried out its duties as assigned by the Board of Directors and it held 4 meetings that can be summarized per below.

1. Review the risk management plan in order to ensure that they are in line with the Company's strategy and operations.

2. Monitor and follow up on the compliance of the risk management policy and its framework in order to ensure that the Company has the efficiency risk management.

3. Report the committee's operations to the Board of Directors

Hence, the Risk Management Committee is certain that the Company's risk management was effectively executed while continuously conducted in compliance with good corporate governance rules including sufficient and adequate internal control process as well as under all requirements of the related laws and regulations.



Assoc. Prof. Dr. Sathit Parniangtong  
Chairman of the Risk Management Committee



# Risks Factor

Risk management is a significant process encouraging the Company's business operations to attain our goals, objectives and strategies. Pertinent risk identification and assessment helps to reduce the group's impacts and prevent potential risks. Therefore, the group consistently oversees and manages overall risks in business line which is in accordance with the group's risk management. In addition, both external and internal risks have been considered for determining the risk management policy. Consequently, it is deemed that the group has the effective risk management process that can mitigate business risks to the acceptable level.

## Risk Management Structure and Responsibilities

In this regard, the management establishes directions, policies, goals, and strategies for managing risks which have a significant and pervasive impact upon business operations including closely monitor the ensuing situations.

The Board of Directors is responsible for overseeing risks and ensuring that the Company has executed on systematic risk management and internal controls both domestic and overseas areas. The Risk Management Committee, on behalf of the Board of Directors assesses the risk management system to ensure that the Company's control activities have been activated efficiently and effectively to comply with the established guidance.

## Risk Management Process

In order to have the efficient risk management and to be timely and suitably response to the business risks, the Board of Directors is responsible for setting risk management structures and strategies, designating risk owners to manage risks, reviewing and also monitoring the results quarterly. The management reports overall enterprise risks and mitigation plans which may affect the Company's goals to the Risk Management Committee and the Board of Directors constantly. The Company has enterprise risk management framework which covered all operations and develops proper internal control systems to strengthen the effectiveness of the internal control and risk management systems aligned with the integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The risk management process consists of risk identification, risk assessment, risk response/mitigation and risk monitoring as in the following detail:

### Step 1: Risk Identification

Risks have been determined from the group's long-term and annual strategy together with consideration in all potential risk factors such as strategic risk, operational risk, financial risk, market risk, compliance risk, and environmental risk and also both in external and internal factors.

### Step 2: Risk Assessment

The group evaluates the cause of risks, chance to occur and impact of risk in both monetary and non-monetary form. The management who are risk owners regularly assesses the all risks which effect to the achievement and all the company's objectives and goals. Risk assessment has been compared between the level of risk in the risk analysis and the level of risk appetite. In case that the risk is not in the acceptable level, the group will mitigate that risk immediately. Risk map is brought to assist to analyze and evaluate the importance of risk issues by classifying in the level of high, moderate and low.

### Step 3: Risk Response/Mitigation

The group considers and proposes the mitigation plan to the Risk Management Committee and the Board of Directors for consideration and approval. The guideline to manage risk concerned about risk appetite, the incurred cost compared with gained benefit and related laws or regulations. Moreover, the Company determines on how risks should be managed including consider whether to avoid, share, reduce or accept such risk.

### Step 4: Risk Monitoring

The group monitors risks to ensure that the risk owner has assessed their situation, analyzed and managed risk continuously and appropriately including the progress of critical risk has been reported to the management in time. Furthermore, internal control system is sufficient and practical to prevent or reduce the potential risks including consistently improve internal control system to be in accordance with changeable risks.

## Key Risks and Mitigation Strategies

The significant risks, which directly related to the Company and are considered that could affect the group's operations, are as following:

### Strategic Risk

Strategic risk may impact the group's strategies and also affect the Company's business model and competitive advantage, as well as uncertainties within countries that the Company has run the businesses. These include competition, markets, changing laws and regulations, changing customer demands and product innovation.

The mitigation plan has to consider key risks pertain to political and regulatory developments in the export network. Impact assessment is executed to closely monitor the exposure to changing market situations, economic, political, regulatory and competitive as well as to enable informed decision-making and prompt mitigating actions.

### Operational Risk

Raw material price is a major factor of fertilizer's cost. The change of raw material price could bring significant impact to fertilizer price setting and the Company's profitability. Global and domestic fertilizer's raw material prices can be volatile according to international market as it is commodity goods whose price is determined by uncontrollable factors such as climate, crop prices, economic conditions, fuel price including speculation on price changing in the significant futures market. Although fertilizer selling prices in Vietnam are benchmarked by demands and supplies in domestic and the global market, cost of raw materials for the whole industry and agribusiness sector is determined by uncontrollable factors.

Increment of raw material price without adjustment of selling price could make the Company can only sell fertilizer at the lower profit margins. While this risk cannot be completely eliminated, it is mitigated and minimized by controlling with these approaches:

- a) Maintain low inventories, therefore limiting exposure in a market downturn situation and
- b) Firm pricing and discount policies together with customer management based on superior quality, therefore, enabling Baconco to retain margins when raw material prices increase and

- c) Baconco quotes its selling price using the cost plus margin approach. For each product item, the selling price will be set in line with expected profit rates which however will be subject to market conditions and competitions at that moment. The management adjusts selling prices on a weekly basis to reflect the dynamics of the fertilizer market. However, the result of selling price adjustment on the revenue and profit could not be arise promptly since the Company could have outstanding orders from customers that would require a period of time for adjustment.

Baconco purchases raw materials from both domestic and overseas which almost 49% imported from foreign sources. With Baconco strategic policies of low inventory and just-in-time purchase of raw materials, it may be exposed to a higher probability of raw material shortage when global supply is tight. This could also lead to a probability of delivery delays to customers.

To mitigate such risk, Baconco has established long term relationship with the overseas large and medium sized suppliers. Not only planning the necessity of raw materials usage in advance and entered into raw material purchase agreements in both short term and long term with suppliers but also searching and contacting other suppliers to share raw material procurement. In addition, Baconco manages a good supply chain approach-through consistent and efficient communications between sales operations and the production facility which knows several weeks in advance of the incoming orders. Therefore, the lowest level of inventories for one week production can be reserved. A preventive maintenance program for machineries and equipment is implemented to maintain the production capacities. Finally, through automated bagging lines and loading processes, products are delivered to customers without delays.

Increasing in counterfeit goods becomes a threat to the fertilizer market, which may lead to revenue loss as well as discredit to Baconco. Although the counterfeit goods can only be found in small suppliers but it could be increased and created significant impact in the future.

However, Baconco managed this risk by using special yellow color called "DAP yellow" to differentiate its products and registering "Conco" trademark/logo. In addition, Baconco also gains the cooperation from its business networks e.g. wholesalers, dealers and suppliers for notification in case counterfeit goods was found, therefore Baconco can further take actions to prevent this risk.

## External Environment Risk

Drought, earthquake, floods, storms or weather changes are the natural disasters crisis that could result in commercial loss or interruption to operations. As a result, the irrigation system effects directly to agriculture sector's growth, while the natural disaster especially drought have an inevitably effect on market demand. The unexpected natural disaster may possibly make Baconco encountering loss of assets and its performance could not meet expectation.

Baconco has prepared crisis management plan and business continuity plan including communicating to management and staff so they can follow the plan when facing the crisis. The plan has been reviewed and tested regularly to ensure the Company has the effective crisis plan, which reduces the likelihood of interruption of operations. In addition, the Company has insurance to cover the possible natural disaster risk which can help to reduce the impact and mitigate any damage that may occur, including loss of income.

Furthermore, Baconco manage inventory at the optimum level according to market demand from time to time to prevent overstock keep during drought or shortage of fertilizer when drought has been released.

## Financial Risk

Vietnamese Dong has more fluctuation compared with other currencies especially US dollar. Baconco purchases raw materials from some international suppliers and receiving payments for exported products of which most of the payment will be made in US dollar. The US dollar income from export and cost of buying raw materials are close to balanced. In addition, Baconco pays dividend to the Company from its operation in Vietnam denominated mainly in Vietnamese Dong whereas the Company's operational and financial results are denominated in Thai Baht, fluctuation of the Vietnamese Dong compared with the Thai Baht and US dollar could materially affect the Company's revenues and cash flow.

Therefore, Baconco has adjusted strategy to be appropriate to manage risk from exchange rate and the impact on the business. At the present, Baconco opts instead to pursue the natural hedging strategy by modifying the structure of its revenues and raw material costs. The group has closely monitored exchange rate movements as well as other factors that can impact the rates. In addition, The Company is considering entering into forward contract with financial institutions to manage the exchange risk.

## Market Risk

Vietnam is a highly competitive market for fertilizers and agrochemicals. There is currently an imbalance between production capacity of NPK (Nitrogen, Phosphorus and Potassium) in Vietnam with some additional capacity for export (bulk blending and granulation/compaction) and demand for domestic market. In the next several years, more projects are being planned, as domestic demand is growing.

Baconco has chosen a strategy of differentiation and concentrates on specialized products to limit exposure to competition. Overall, Baconco engages in over 95 different fertilizer formulas from generic market blends to highly specialized types. This is to ensure that Baconco stays ahead of the competition, which in general produces only 10-15 product types.

In order to maintain its leading position in Vietnam and to mitigate risk, Baconco also engages in multiple production processes, as well as value adding its products with some unique processes such as compaction, USP, and bio coating of fertilizers. Through this approach, Baconco is able to maintain the reputation of the brand and the image in the market as the high quality, high service provider with consistent innovation and is able to maintain its market share and margins.

## Compliance Risk

The Vietnamese government establishes specific standards for fertilizer formulas in order to protect consumers and penalties are enforced if products are not manufactured based on tested specifications. Baconco imports raw materials from reliable foreign and domestic suppliers and already has the reputation as a high quality producer of fertilizer. Non-compliance or partial compliance could negatively affect the reputation of the group and result in significant penalties and fines or loss of business opportunities. With the direction calls for innovation of production formulas, Baconco's products are always in compliance or above stated government standards.

In order to minimize the risk, the group has implemented and reviewed quarterly compliance checklists to monitor that the Company's operation processes comply with all related laws and regulations both in Vietnam and Thailand.

## Continuous Improvement

Risk management has been continuously assessed and business risk factors have been monitored regularly. The Company can confirm that we have sufficient mitigation to encounter inherent risks and threats.



# Internal Control and Risk Management

**“PM Thoresen Asia Holdings Public Company Limited (“PMTA”) consistently recognizes the importance of internal control. The Management appoints the Internal Audit Department to assess the adequacy and effectiveness of internal control, whereas the Board of Directors appoints the Audit Committee to provide oversight to ensure that the internal control supports the achievement of business operations, accurate and reliable reporting, and compliance according to laws and regulations”**

The Board of Directors (“the Board”) evaluated PMTA’s Internal Control System based on internal control assessment report prepared by the Management which follows the guidelines of the Securities and Exchange Commission (SEC), together with the result of the Audit Committee’s internal control review. The Board viewed that PMTA’s Internal Control System has been functioning properly in an adequate and effective manner. The operation has been efficiently managed with sufficient number of qualified and competent personnel. In addition, PMTA has implemented monitoring system to ensure safeguarding of PMTA assets against misuse or unauthorized use by the Board or the management.

The Audit Committee (“the AC”) has been delegated the responsibility for reviewing the effectiveness of the PMTA’s internal controls. The AC uses information drawn from a number of different sources to carry out this responsibility including:

- Objective assurance provided by Internal Audit through its annual work plan, which is approved by the AC and focuses on the principal risks identified in the risk assessment and key internal controls;
- Regular reported on the internal audit and internal control results, compliance approaches and highlighting any significant issues;
- Further objective assurance is provided by external auditors.

The Internal Audit Department is an independent department that functional reports directly to the AC and administratively reports to Managing Director. The Internal Audit assists the AC and the Board by performing regular assessments and evaluations on PMTA’s key internal controls system.

Internal Audit has adopted a risk-based approach in formulating the annual audit plan which focuses on key business risks that might have an impact on business goals and the accuracy of financial reports. This plan is reviewed and approved by the AC on the Annual basis. The AC also reviews the audit results and progress reports on a quarterly basis.

Issues arising are considered to identify pervasive themes. Significant issues are reported to AC and the Board. The AC monitors resolution of any identified control issues through to a satisfactory conclusion and reduction risk level to be acceptant level. In addition, regular reports are made to the AC and the Board by management, internal audit and compliance functions covering in particular business, financial, operational controls and compliance.

PMTA’s internal control procedure is based on the regulations of The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The key control systems implemented by the Company are summarized below.





## 1. Control Environment

The control environment is the foundation of an effective internal control system, and provides discipline and structure for all the other components. The main elements of the Company's control environment are as follows:

- PMTA clearly defines, encourages and promotes a good working environment by setting policy and planning, executing, controlling and monitoring all business activities.
- PMTA adheres to its business philosophies and ethics through the actions and behavior to support the functioning of the internal control system. The Codes of Conduct have also been developed as guidelines for directors, management and employees.
- The Board and management at all levels demonstrate through their directives, actions, and behavior the important of integrity and ethical values. All stakeholders are treated with fairness and respect and in such a way that adheres to good corporate governance principles.
- There is an organizational chart that clearly defines the lines of management authority and responsibility according to a suitable organizational structure, business size and operations.

## 2. Risk Assessment and Management

Risk management policy, standard and guideline are put in place, emphasizing that risk management is the responsibility of the directors, management and all employees which must follow to achieve the Company's business objectives. In addition, the management and all employees are encouraged to understand and realize the importance of risk management in order to reduce or prevent the impact. The Company emphasizes that risk management is responsibility of all employees which also has impact on the Company's strategic objectives.

In addition, the Risk Management Committee is responsible for the review of the risk management policy framework and structure. The Committee also provides the recommendations on risk management that allied with strategic business directions and business plan, while supervising, monitoring and reviewing key outcomes of risk management reporting to ensure their alignment with standards and prevailing circumstances.

## 3. Control Activities

PMTA focuses on efficient control activities and appropriate for the business circumstances and activities of each department. These include the segregation of duties, regulations, policies, working procedures and good practices for conflicts of interest transactions. In addition, business is operated in a transparent, fair and auditable manner. There is a transparent transaction approval process which takes into account the maximum benefit of the organization. The transactions amongst the Company and its related parties have been carefully controlled and conform to the Securities and Exchange Commission and the Stock Exchange of Thailand regulations requirements and other regulatory bodies. PMTA employees are encouraged recognize the important of strictly complying with the control activities as well as related laws and regulations. This is to reduce risks covering various aspects, especially fraud risk and preventing violation of the laws.



#### 4. Information and Communication

PMTA recognizes the quality of Information & Communication which largely supports the effectiveness of PMTA's Internal Control System. This process is intended to ensure that important information concerning the business operations is accurate, complete, adequate and timely. It also has an effective information security system. In addition, PMTA also has set up several effective communication channels, including internal and external channels, for example, the organization's intranet, e-mail, new employee receive important information through orientation. The External communication channels to communicate with stakeholders, such as PMTA's website, e-mail and assigned departments which are responsible to disclose important information to all stakeholders regularly. PMTA has appropriately communicated the relevant information to the Board, the management, employees and stakeholders. Crucial information relevant to PMTA's performance will be delivered to the Board prior the meeting in order that they will have sufficient time to study, review and make decisions.

#### 5. Monitoring

Since the existing systems provide prompt and reliable information on a regular basis, management and the Board can therefore achieve proper monitoring over relevant financial reports in an effective manner and support the business objectives and goal achievement. At the same time, they can also perform an accurate review and assessment, and suggest improvement over existing business plans, supported by effective internal supervision carried out by the Internal Audit department throughout the period.

During the year 2020, the Company arranged the meeting for Audit Committee and audit attend non-management meeting with the auditor at least once a year following SET's regulations.

The Board formally reviews the effectiveness of the system of internal control at least annually in accordance with the Internal Control Assessments Guidance published by the Securities and Exchange Commission.

At Board of Directors' meeting No. 1/2021, held on 24 February 2021 with the Audit Committee present, the Board assessed the above five components of the Company's internal control systems. The Board concluded that the Company's internal control systems were found to be adequate and effective, with no material deficiency.

KPMG Phoomchai Audit Ltd., the Company's external auditors, who concluded the audit of the financial statements for year ended on 31 December 2020, concluded that there was no material deficiency in the Company's accounting and financial control system.



# Financial Highlights

	For the year ended		
	31-Dec-20	31-Dec-19	31-Dec-18
	(in million Baht)		
<b>Statement of comprehensive income:</b>			
Revenue from sales of goods	2,782.8	2,820.5	2,715.6
Revenue from rendering of services	50.3	62.2	63.6
Cost of sales of goods	2,391.4	2,498.4	2,374.8
Cost of rendering of services	42.9	53.3	59.6
Selling expenses	195.1	168.2	194.9
Administrative expenses	76.6	77.0	86.3
Profit for the year	93.8	44.1	37.7
Basic earnings per share (in Baht)	0.93	0.44	0.37
<b>Statement of financial position (at end of year):</b>			
Cash and cash equivalents	340.6	227.4	202.8
Inventories	658.4	779.0	1,039.6
Plant and equipment	457.7	501.8	590.8
Total assets	2,072.6	2,027.4	2,121.2
Short-term borrowings from financial institution	238.9	347.9	366.0
<b>Total liabilities</b>	<b>616.2</b>	<b>608.2</b>	<b>610.6</b>
Issued and paid up share capital	1,012.0	1,012.0	1,012.0
<b>Total equity</b>	<b>1,456.4</b>	<b>1,419.2</b>	<b>1,510.6</b>
<b>Other financial data:</b>			
Net cash generated from (used in) operating activities	316.4	105.4	(237.1)
Net cash generated from (used in) investing activities	(10.5)	(12.5)	(28.5)
Net cash generated from (used in) financing activities	(185.4)	(57.9)	154.0
<b>Financial ratios:</b>			
Return on Equity (%)	6%	3%	2%
Return on Total Asset (%)	7%	4%	3%
Net profit margin (%)	3%	2%	1%
Interest Bearing Debt to Equity (Times)	0.2	0.2	0.2
Net Interest Bearing Debt to Equity (Times)	(0.1)	0.1	0.1

# Income Structure

Group of Business	For the year ended					
	31 December 2020	%	31 December 2019	%	31 December 2018	%
	million Baht					
Manufacture of fertilizer and crop care products	2,782.8	98.1	2,820.5	97.7	2,715.6	97.6
Factory area management services	50.3	1.8	62.2	2.2	63.6	2.3
Other operating income	1.5	0.1	2.5	0.1	4.2	0.2
<b>Total</b>	<b>2,834.6</b>	<b>100.0</b>	<b>2,885.2</b>	<b>100.0</b>	<b>2,783.4</b>	<b>100.0</b>

# Management Discussion and Analysis

## FY2020 Highlight

- PMTA reported a net profit of Baht 93.8 million, a very strong increase of 112% from Baht 44.1 million in FY2019.
- Our fertilizer volume grew 9% YoY to 206,636 tons with strong growth in our export volume.
- Gross margin improved from 19.7% in FY2019 to 22.2% in FY2020. Our gross profit grew 11% to Baht 618.6 million.
- As a result, EBITDA strongly increased by 33% to Baht 202.3 million in FY2020.

## Overview

Our company had much better performance, even though it was a difficult year. Domestic demand for premium NPK fertilizers in FY2020 remained modest compare to last year. This was a result of drought and increased salinity in several main Mekong Delta provinces during first half of 2020, logistic difficulty due to Covid-19 lock down. According to General Statistic Office of Vietnam, there was the change of production structure and land use purposes. As a result, rice plantation area decreased 2.8%. However, the remaining agriculture area is now better used particularly with development of new rice brands.

Our revenue in FY2020 basically same level as FY2019 with a slight decreased of 1% to Baht 2,782.8 million. Revenue from fertilizer sales was almost the same as last year or Baht 2,625.5 million, while revenue from pesticide products was Baht 157.3 million or 24% decrease from last year due mainly to the ban of glyphosate products since beginning of 2020. Our gross profit grew 11% to Baht 618.6 million and our gross margin improved by 2.5% to 22.2%, because of the decrease in raw material cost, strict management of the Raw Material stocks, and higher sales proportion of priority higher margin products in FY2020. EBITDA increased 33% to Baht 202.3 million. Subsequently, PMTA report net profit of Baht 93.8 million in FY2020 or a very solid improvement of 112% YoY.

Table 1: Performance Summary

in Million Baht	FY19	FY20	% YoY	4Q/19	3Q/20	4Q/20	% YoY	% QoQ
Revenue from sales	2,820.5	2,728.8	-1%	788.8	775.6	687.3	-13%	-11%
Gross Profit*	555.4	618.6	11%	199.7	157.3	173.3	-13%	10%
Gross Margin (%)	19.7%	22.2%		25.3%	20.3%	25.2%		
EBITDA	152.4	202.3	33%	86.4	50.9	76.9	-11%	51%
EBITDA Margin (%)	5.4%	7.3%		10.9%	6.6%	11.2%		
Net Profit	44.1	93.8	112%	54.3	24.2	38.7	-29%	60%
Net Profit Margin (%)	1.1%	3.4%		6.9%	3.1%	5.6%		
Basic earnings per share (in Baht)	0.44	0.93	112%	0.54	0.24	0.38	-29%	60%

Remark \*Gross Profit = Sales Revenue - Raw Material Cost

## Fertilizer, Pesticide and Factory Area Management Business

NPK Fertilizer sales volume in 4Q/2020 decreased 21% YoY to 36,535 tons. Modest demand caused domestic fertilizer sales to decrease 7% YoY to 38,280 tons in 4Q/2020. Our export was also slow down due to the container shortage and sharp increasing container freight rate in Southeast Asia from the sudden recovery of production and export from China and Vietnam.

For FY2020, fertilizer volume increase 9% YoY to 206,636 tons mainly from 39% growth in export volume to 65,317 tons. Domestic volume kept same levels with a slight decreased 1% to 141,319 tons. Single fertilizer sales was 53,569 tons or an 18% increase YoY.

**Table 2: Sales Volume**

Unit: Tons	FY19	FY20	% YoY	4Q/19	3Q/20	4Q/20	% YoY	% QoQ
NPK Fertilizer	144,472	153,067	6%	46,377	37,921	36,535	-21%	-4%
Single Fertilizer	45,356	53,569	18%	9,165	23,356	9,731	6%	-58%
Total	189,829	206,636	9%	55,542	61,277	46,265	-17%	-24%

**Table 3: Sales Volume Breakdown**

Unit: Tons	FY19	FY20	% YoY	4Q/19	3Q/20	4Q/20	% YoY	% QoQ
Domestic	142,866	141,319	-1%	41,261	45,501	38,280	-7%	-16%
Export	46,962	65,317	39%	14,281	15,776	7,985	-44%	-49%
Total	189,829	206,636	9%	55,542	61,277	46,265	-17%	-24%

Our pesticide sales started to turnaround with 8% increase YoY to Baht 59.9 million in 4Q/2020 from the increase sales of other pesticide products. Revenue from pesticide sales in FY2020 was at Baht 157.3 million or a 24% decrease from last year, which shows a good increase on current product range as glyphosate represented over 50% of our sales in previous years.

Revenue from the factory area management services and other income decreased 20% YoY due to slow product movement in/out of our customers during this year, as well as low inventory from many importers in Q4/2020. The total factory area is 66,420 sq.m. of which, approximately 15,000 sq.m. has been internally used for our fertilizer storage. The remaining was fully utilized by our customers.



## Consolidated Performance

Table 4: Income Statement

in Million Baht	FY19	FY20	% YoY	4Q/19	3Q/20	4Q/20	% YoY	% QoQ
<b>Revenue from sales</b>	<b>2,820.5</b>	<b>2,782.8</b>	<b>-1%</b>	<b>788.8</b>	<b>775.6</b>	<b>687.3</b>	<b>-13%</b>	<b>-11%</b>
Fertilizer	2,612.9	2,625.5	0%	733.4	744.8	627.4	-14%	-16%
Pesticide	207.6	157.3	-24%	55.4	30.8	59.9	8%	94%
Raw Material Costs	(2,265.1)	(2,164.2)	-4%	(589.2)	(618.2)	(514.0)	-13%	-17%
<b>Gross Profit*</b>	<b>555.4</b>	<b>618.6</b>	<b>11%</b>	<b>199.7</b>	<b>157.3</b>	<b>173.3</b>	<b>-13%</b>	<b>10%</b>
Service & Other Income	64.7	51.6	-20%	15.1	11.7	11.7	-23%	-1%
Operating Cost	(197.2)	(187.6)	-5%	(50.7)	(50.3)	(48.3)	-5%	-4%
Cost of providing services	(27.2)	(14.9)	-45%	(5.6)	(3.2)	(2.9)	-49%	-12%
SG&A	(243.3)	(265.4)	9%	(72.1)	(64.7)	(56.8)	-21%	-12%
<b>EBITDA</b>	<b>152.4</b>	<b>202.3</b>	<b>33%</b>	<b>86.4</b>	<b>50.9</b>	<b>76.9</b>	<b>-11%</b>	<b>51%</b>
Depreciation & Amortization	(64.1)	(73.8)	15%	(15.6)	(18.6)	(17.7)	13%	-5%
<b>EBIT</b>	<b>88.3</b>	<b>128.4</b>	<b>45%</b>	<b>70.8</b>	<b>32.3</b>	<b>59.2</b>	<b>-16%</b>	<b>84%</b>
Financial Cost	(14.6)	(22.8)	56%	(3.5)	(6.3)	(4.8)	36%	-24%
Gain/(Loss) from Foreign Exchange	(11.4)	13.6	219%	(0.3)	6.4	(4.0)	-1239%	-163%
Profit before income tax	62.3	119.3	92%	66.9	32.3	50.5	-25%	56%
Income Tax Expense	(18.2)	(25.5)	40%	(12.6)	(8.1)	(11.7)	-7%	44%
<b>Net Profit</b>	<b>44.1</b>	<b>93.8</b>	<b>112%</b>	<b>54.3</b>	<b>24.2</b>	<b>38.7</b>	<b>-29%</b>	<b>60%</b>

Remark \*Gross Profit = Sales Revenue - Raw Material Cost

Our revenue from sales in FY2020 was stable YoY at Baht 2,782.8 million, basically same level as last year with a slight decrease by 1% due mainly to decrease in pesticide sales. Stricter management and lower raw material cost and larger proportion of high margin product in sales mix resulted in gross profit to grow 11% to Baht 618.6 million. While overall expenses was about the same as last year, our EBITDA improved 33% to Baht 202.3 million. Subsequently, PMTA reported the consolidated financial statements for FY2020 with a net profit of Baht 93.8 million a very strong increase of 112% from last year.

## Financial Position

Financial Position	As of 31 Dec 19	As of 31 Dec 20
<b>Asset</b>	2,027.4	2,072.6
Cash and Cash Equivalent	227.4	340.6
Other Current Asset	1,292.9	1,163.0
Property, Plant and Equipment	501.8	457.7
Right-of-use assets	-	105.6
Other non Current Asset	5.3	5.7
<b>Liabilities and Equity</b>	2,027.4	2,072.6
Interest Bearing Debt	347.9	238.9
Lease liabilities	-	96.8
Other Liability	260.3	280.5
Shareholder's Equity	1,419.2	1,456.4

As of 31 December 2020, total assets were at 2,072.6 million, increasing by Baht 45.2 million from last year. Our current assets were at Baht 1,503.6 million or about Baht 16.7 million less than last year. Cash and cash equivalent increased 50% to Baht 340.6 million, while our inventories decreased Baht 120.5 million to Baht 658.4 million. Our property, plant and equipment decreased by Baht 44.1 million to Baht 457.7 million due to normal depreciation during the period and no major CAPEX during the prior. As we have initially adopted TFRS 16, we recorded Baht 105.5 million of Right-of-use assets.

Total liabilities as of 31 December 2020 were at Baht 616.7 million, increasing slightly from Baht 608.1 million last year. Our current liabilities decreased Baht 85.2 million mainly due to the decrease in short-term borrowing from financial institution by Baht 109.0 million to Baht 238.9 million this year. We also recorded Baht 96.8 million of lease liabilities resulted from the adoption of TFRS 16.

## Cash Flows

For FY2020, PMTA had net cash inflow from operating activities of Baht 295.7 million due mainly to Baht 206.5 million of cash profit and the decrease in inventories of Baht 102.4 million. Net cash used in investing activities was at Baht 10.5 million mainly for the replacement and upgrade of equipment for fertilizer production. Moreover, net cash outflow from financing activities was at Baht 185.4 million. Therefore, net increase in cash and cash equivalents was equal to Baht 113.2 million. Together with cash and cash equivalents as at 1 January 2020 and effect of exchange rate changes on balances held in foreign currencies, PMTA's cash and cash equivalents as of 31 December 2020 was at Baht 340.6 million.

## Financial Ratios

Key Financial Ratio	2019	2020
Current Ratio	2.5	2.9
EBITDA to Sales Revenue (%)	5%	7%
Net Profit to Sales Revenue (%)	2%	3%
Return on Total Asset (%)	4%	7%
Return on Equity (%)	3%	6%
Interest Bearing Debt to Equity (Times)	0.2	0.2
Net Interest Bearing Debt to Equity (Times)	0.1	(0.1)
Net Interest Bearing Debt to EBITDA (Times)	0.8	(0.5)

### Note:

Current ratio	:	Current assets divided by current liabilities
EBITDA to sales revenue	:	EBITDA divided by sales revenue
Net profit on sale revenue	:	Net profit divided by sales revenue
Return on total assets	:	Net profit divided by average total assets
Return on equity	:	Net profit divided by average total shareholder's equity
Interest Bearing Debt to Shareholders' Equity	:	Interest Bearing Debt divided by shareholder's equity
Net Interest Bearing Debt to Shareholders' Equity	:	Interest Bearing Debt net from cash and cash equivalent and current investments divided by shareholder's equity
Net Interest Bearing Debt to EBITDA	:	Interest Bearing Debt net from cash and cash equivalent and current investments divided by shareholder's equity



# Statement of the Board of Directors' on the Responsibility of the Financial Statements

## To: The Shareholders of PM Thoresen Asia Holdings Public Company Limited

The Board of Directors realizes the significance of its duties and responsibilities in supervising the Company's business to ensure good management with integrity and prudence in accordance with laws, detailed objectives, Articles of Association, and resolutions of the shareholders meetings. The Board of Directors protects the benefits of the Company and its stakeholders by ensuring that the Company's financial report contains accurate and full accounting records that reflect its actual financial status and operational results.

The Board of Directors has established the Audit Committee comprising the fully qualified independent directors to review and ensure accuracy and sufficiency of the financial report, to review the internal control systems. The opinions of the Audit Committee also appeared in the Audit Committee's Report in the annual report.

The consolidated and separate financial statements as at 31 December 2020 have been audited by KPMG Phoomchai Audit Limited, the Company's Auditor which the Board of Directors provided information and documents to enable the Auditor to examine and express his opinion in conformity with generally accepted auditing standards.

The Board of Directors agreed that the overall internal control system of the Company was satisfactory and ensured that the consolidated and the separate financial statements for the year ended 31 December 2020 were prepared in conformity with Thai Financial Reporting Standards and in compliance with law and all relevant regulations.



**Mr. Chalermchai Mahagitsiri**  
Chairman



**Mr. Sigmund Stromme**  
Managing Director

# Independent Auditor's Report

## To the Shareholders of PM Thoresen Asia Holdings Public Company Limited

### *Opinion*

I have audited the consolidated and separate financial statements of PM Thoresen Asia Holdings Public Company Limited and its subsidiaries (the "Group") and of PM Thoresen Asia Holdings Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### *Basis for Opinion*

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

### Key Audit Matters

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

Taxation	
Refer to Note 16 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
Since the major operation of the Group is in Vietnam and the Group's income tax provision is subject to tax jurisdiction of Vietnam. As a consequence, the Group's current and deferred tax balances are sensitive to changes in regulations in this jurisdiction and judgments used in recognising assets and liabilities of current and deferred tax. I considered that this is a key area of focus in my audit.	My audit procedures included involving KPMG tax specialist in Vietnam, who has knowledge of the Vietnam taxes and has experience in its application to assist me in evaluating the judgments and methodologies used by the management, in particular those relating to allocation of taxable income to respective promotional privileges and deductibility of certain expenses.  In addition, I also assessed the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

### Emphasis of Matter

I draw attention to note 3 which describes the impact of the adoption of certain new accounting policies from 1 January 2020 on the Group and the Company. My opinion is not modified in respect of this matter.

### Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

*Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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

I communicate with 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 consolidated and separate 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.



(Watchara Pattarapitak)  
Certified Public Accountant  
Registration No. 6669

KPMG Phoomchai Audit Ltd.  
Bangkok  
24 February 2021

# Statement of financial position

## PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets		2020	2019	2020	2019
(in Baht)					
Current assets					
Cash and cash equivalents	6	340,610,202	227,397,197	69,870,576	47,354,148
Trade accounts receivable	5, 19	467,776,214	465,551,492	-	-
Other receivables	5	17,536,180	27,714,911	126,661,324	123,145,544
Short-term loan to subsidiary	5	-	-	108,060,253	108,455,701
Inventories	7	658,418,446	778,953,622	-	-
Other current assets		19,209,272	20,601,335	192,338	178,104
Total current assets		1,503,550,314	1,520,218,557	304,784,491	279,133,497
Non-current assets					
Investments in subsidiaries	8	-	-	905,064,206	905,064,206
Plant and equipment	9	457,702,171	501,821,774	894,814	245,607
Right-of-use assets	3, 10	105,575,670	-	2,249,092	-
Intangible assets		230,844	-	-	-
Deferred tax assets		5,503,674	5,345,524	-	-
Total non-current assets		569,012,359	507,167,298	908,208,112	905,309,813
Total assets		2,072,562,673	2,027,385,855	1,212,992,603	1,184,443,310

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



# Statement of financial position

## PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current liabilities					
Short-term borrowings from					
financial institution	11	238,883,319	347,944,214	-	-
Trade accounts payable	5	175,430,640	175,026,870	10,907,099	11,017,484
Other payables	5	72,098,924	53,676,557	2,279,837	1,493,077
Advances from customers		11,463,064	9,444,729	-	-
Current portion of lease liabilities	3, 5, 10	4,101,987	-	532,132	-
Current tax payable		11,842,940	12,896,185	-	-
Total current liabilities		513,820,874	598,988,555	13,719,068	12,510,561
Non-current liabilities					
Lease liabilities	3, 5, 10	92,676,475	-	1,774,248	-
Provision for employee benefit	12	9,678,535	9,173,790	2,293,110	1,998,175
Total non-current liabilities		102,355,010	9,173,790	4,067,358	1,998,175
Total liabilities		616,175,884	608,162,345	17,786,426	14,508,736
Equity					
Share capital					
Authorised share capital					
(101,200,000 ordinary shares,					
par value at Baht 10 per share)		1,012,000,000	1,012,000,000	1,012,000,000	1,012,000,000
Issued and paid-up share capital					
(101,200,000 ordinary shares,					
par value at Baht 10 per share)		1,012,000,000	1,012,000,000	1,012,000,000	1,012,000,000
Share premium					
Share premium on ordinary shares	13	60,384,380	60,384,380	60,384,380	60,384,380
Retained earnings					
Appropriated					
Legal reserve	13	44,361,000	40,561,000	44,361,000	40,561,000
Unappropriated		420,672,867	381,223,993	78,460,797	56,989,194
Other components of equity	13	(81,031,458)	(74,945,863)	-	-
Total equity		1,456,386,789	1,419,223,510	1,195,206,177	1,169,934,574
Total liabilities and equity		2,072,562,673	2,027,385,855	1,212,992,603	1,184,443,310

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

# Statement of comprehensive income

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Revenues					
Revenue from sales of goods		2,782,843,940	2,820,537,612	-	-
Revenue from rendering of services		50,265,816	62,155,053	-	-
Total revenues	14	2,833,109,756	2,882,692,665	-	-
Costs					
Cost of sales of goods		2,391,433,720	2,498,424,062	-	-
Cost of rendering of services		42,914,683	53,303,090	-	-
Total costs	15	2,434,348,403	2,551,727,152	-	-
Gross profit		398,761,353	330,965,513	-	-
Other income		1,376,408	2,497,742	91,332,725	87,760,463
Net foreign exchange gains		13,629,454	-	5,172,000	-
Profit before expenses		413,767,215	333,463,255	96,504,725	87,760,463
Selling expenses	15	195,101,638	168,171,133	-	-
Administrative expenses	15	76,588,495	77,003,163	20,482,006	19,605,048
Net foreign exchange loss		-	11,432,481	-	13,984,215
Total expenses		271,690,133	256,606,777	20,482,006	33,589,263
Profit before finance costs and					
income tax expense		142,077,082	76,856,478	76,022,719	54,171,200
Finance costs		(22,753,801)	(14,578,800)	(151,116)	-
Profit before income tax expense	14	119,323,281	62,277,678	75,871,603	54,171,200
Tax expense	16	(25,474,407)	(18,187,722)	-	-
Profit for the year		93,848,874	44,089,956	75,871,603	54,171,200

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

# Statement of comprehensive income

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Other comprehensive income (expense)					
Items that will be reclassified subsequently					
to profit or loss					
Exchange difference on					
translating foreign operations		(6,085,595)	(84,855,298)	-	-
Total items that will be reclassified					
subsequently to profit or loss		(6,085,595)	(84,855,298)	-	-
Items that will not be reclassified to profit					
or loss					
Loss on remeasurements of defined					
benefit plan	12	-	(41,701)	-	(41,701)
Total items that will not be reclassified					
to profit or loss		-	(41,701)	-	(41,701)
Other comprehensive income (expense)					
for the year		(6,085,595)	(84,896,999)	-	(41,701)
Total comprehensive income (expense)					
for the year		87,763,279	(40,807,043)	75,871,603	54,129,499
Basic earnings per share	17	0.93	0.44	0.75	0.54

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

# Statement of changes in equity

## PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements					
		Retained earnings		Other components of equity			Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Difference arising from business combination under common control	
					(in Baht)	Translating foreign operations	Total other components of equity
<b>Year ended 31 December 2019</b>							
Balance at 1 January 2019		1,012,000,000	60,384,380	37,851,000	390,485,738	359,606,167	9,909,435
Transactions with owners, recorded directly in equity						(349,696,732)	
Distributions to owners of the Company							
Dividends	18	-	-	-	(50,600,000)	-	-
Total distributions to owners of the Company		-	-	-	(50,600,000)	-	-
Comprehensive income for the year							
Profit		-	-	-	44,093,956	-	-
Other comprehensive expense		-	-	-	(41,701)	(84,855,298)	(84,855,298)
Total comprehensive income (expense) for the year		-	-	-	44,048,255	(84,855,298)	(40,807,043)
Transfer to legal reserves	13	-	-	2,710,000	(2,710,000)	-	-
Balance at 31 December 2019		1,012,000,000	60,384,380	40,561,000	381,223,993	359,606,167	1,419,223,510
<b>Year ended 31 December 2020</b>							
Balance at 1 January 2020		1,012,000,000	60,384,380	40,561,000	381,223,993	(434,552,030)	(74,945,863)
Transactions with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividends	18	-	-	-	(50,600,000)	-	-
Total distributions to owners of the Company		-	-	-	(50,600,000)	-	-
Comprehensive income for the year							
Profit		-	-	-	93,848,874	-	-
Other comprehensive expense		-	-	-	-	(6,085,595)	(6,085,595)
Total comprehensive income (expense) for the year		-	-	-	93,848,874	(6,085,595)	87,763,279
Transfer to legal reserves	13	-	-	3,800,000	(3,800,000)	-	-
Balance at 31 December 2020		1,012,000,000	60,384,380	44,361,000	420,672,867	359,606,167	1,456,386,789

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

# Statement of changes in equity

## PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings	Unappropriated	
				Legal reserve (in Baht)		
<b>Year ended 31 December 2019</b>						
Balance at 1 January 2019		1,012,000,000	60,384,380	37,851,000	56,169,695	1,166,405,075
Transactions with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends	18	-	-	-	(50,600,000)	(50,600,000)
Total distributions to owners of the Company		-	-	-	(50,600,000)	(50,600,000)
Comprehensive income for the year						
Profit		-	-	-	54,171,200	54,171,200
Other comprehensive expense		-	-	-	(41,701)	(41,701)
Total comprehensive income (expense) for the year		-	-	-	54,129,499	54,129,499
Transfer to legal reserves	13	-	-	2,710,000	(2,710,000)	-
Balance at 31 December 2019		1,012,000,000	60,384,380	40,561,000	56,989,194	1,169,934,574
<b>Year ended 31 December 2020</b>						
Balance at 1 January 2020		1,012,000,000	60,384,380	40,561,000	56,989,194	1,169,934,574
Transactions with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends	18	-	-	-	(50,600,000)	(50,600,000)
Total distributions to owners of the Company		-	-	-	(50,600,000)	(50,600,000)
Comprehensive income for the year						
Profit		-	-	-	75,871,603	75,871,603
Total comprehensive income (expense) for the year		-	-	-	75,871,603	75,871,603
Transfer to legal reserves	13	-	-	3,800,000	(3,800,000)	-
Balance at 31 December 2020		1,012,000,000	60,384,380	44,361,000	78,460,797	1,195,206,177

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

# Statement of cash flows

## PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(in Baht)			
<b>Cash flows from operating activities</b>				
Profit for the year	93,848,874	44,089,956	75,871,603	54,171,200
Adjustments to reconcile profit to				
<i>cash receipts (payments)</i>				
Tax expense	25,474,407	18,187,722	-	-
Finance costs	22,753,801	14,578,800	151,116	-
Depreciation	73,797,046	64,136,415	706,489	114,499
Amortisation on intangible assets	47,985	12,560	-	-
Write-off of plant and equipment	293,220	213,617	-	-
Gain on disposals of plant and equipment	(94,118)	(147,010)	-	-
Unrealised loss on exchange	639,419	8,137,150	491,085	10,493,209
Realised (gain) loss on exchange	(10,087,885)	1,765,477	(5,663,085)	2,867,943
Provision for employee benefit	787,250	652,278	294,935	283,648
Interest income	(926,032)	(1,519,520)	(3,752,547)	(3,822,820)
Dividend income from subsidiary	-	-	(87,580,129)	(83,921,330)
	206,533,967	150,107,445	(19,480,533)	(19,813,651)
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	2,226,659	(260,879,079)	-	-
Other receivables	(7,994,273)	(8,211,450)	60,734	526,972
Inventories	123,081,307	194,916,361	-	-
Other current assets	2,062,087	10,055,907	498,929	906,419
Trade accounts payable	1,519,098	33,825,225	(110,385)	(772,745)
Other payables	14,578,724	(106,842)	786,760	(147,347)
Advances from customers	2,115,482	(7,794,198)	-	-
Provision for employee benefit paid	(266,586)	(586,240)	-	(59,101)
Net cash generated from (used in) operating	343,856,465	111,327,129	(18,244,495)	(19,359,453)
Income tax paid	(27,496,577)	(5,916,850)	(513,163)	(678,576)
<b>Net cash from (used in) operating activities</b>	<b>316,359,888</b>	<b>105,410,279</b>	<b>(18,757,658)</b>	<b>(20,038,029)</b>

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



# Statement of cash flows

## PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(in Baht)			
<b>Cash flows from investing activities</b>				
Proceeds from sale of plant and equipment	185,693	147,010	-	-
Acquisition of plant and equipment	(11,331,170)	(14,194,289)	(793,424)	(51,360)
Acquisition of intangible assets	(293,221)	-	-	-
Loans to related party	-	-	-	(53,809,728)
Proceeds from repayment of loans				
related party	-	-	-	52,198,440
Dividend received from subsidiary	-	-	89,567,257	75,453,997
Interest received	926,032	1,519,520	3,756,353	3,901,217
<b>Net cash from (used in) investing activities</b>	<b>(10,512,666)</b>	<b>(12,527,759)</b>	<b>92,530,186</b>	<b>77,692,566</b>
<b>Cash flows from financing activities</b>				
Proceeds from short-term borrowings from				
financial institution	679,724,384	837,288,252	-	-
Repayment of short-term borrowings				
from financial institution	(787,785,915)	(830,000,866)	-	-
Dividend paid to owners of the Company	(50,600,000)	(50,600,000)	(50,600,000)	(50,600,000)
Payment of lease liabilities	(4,013,117)	-	(504,984)	-
Finance costs paid	(22,753,801)	(14,578,800)	(151,116)	-
<b>Net cash used in financing activities</b>	<b>(185,428,449)</b>	<b>(57,891,414)</b>	<b>(51,256,100)</b>	<b>(50,600,000)</b>
Net increase in cash and cash equivalents,				
before effect of exchange rates	120,418,773	34,991,106	22,516,428	7,054,537
Translating foreign operation	(7,193,140)	(10,417,455)	-	-
Effect of exchange rate changes on				
cash and cash equivalents	(12,628)	(2,697)	-	-
<b>Net increase in cash and cash equivalents</b>	<b>113,213,005</b>	<b>24,570,954</b>	<b>22,516,428</b>	<b>7,054,537</b>
Cash and cash equivalents at 1 January	227,397,197	202,826,243	47,354,148	40,299,611
<b>Cash and cash equivalents at 31 December</b>	<b>340,610,202</b>	<b>227,397,197</b>	<b>69,870,576</b>	<b>47,354,148</b>
<b>Non-cash transactions</b>				
Dividend receivable	-	-	87,580,129	83,921,330
Interest receivable	-	-	819,939	823,745
Right of use asset transferred	18,045,720	-	-	-
Payables for purchase plants and equipment	4,633,457	-	-	-

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

# Notes to the financial statements

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

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These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 24 February 2021.

## 1 General information

PM Thoresen Asia Holdings Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand. The Company’s registered office at 26/26-27 Orakarn Building, 8<sup>th</sup> Floor, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok, Thailand.

The immediate and ultimate parent company during the financial period was Thoresen Thai Agencies Public Company Limited, incorporated in Thailand.

The principal activity of the Company is that of investment holdings. The principal activities of the Company and its subsidiaries (the “Group”) are to manufacture NPK synthesised chemical and microelement fertilisers; to supply new seeds and agriculture materials; to manufacture, import and export plant protection chemicals (types to be licensed in Vietnam); and to provide factory area management services.

Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in note 8.

## 2 Basis of preparation of the financial statements

### (a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards, comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations which have no material impact on the financial statements and TFRS 16 *Leases* which disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. The Group is in the process of assessing the potential impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

### (b) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company’s functional currency.

### (c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

## (i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- 4 (j) and 10 Leases:
- whether an arrangement contains a lease;
  - whether the Group is reasonably certain to exercise extension options;
  - whether the Group exercise termination options.

## (ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 4(j) Determining the incremental borrowing rate to measure lease liabilities.
- 4(m) and 12 Measurement of defined benefit obligations: key actuarial assumptions.
- 16 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

### 3 Change in accounting policy

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term; and
- apply a single discount rate to a portfolio of leases with similar characteristics.

	Consolidated financial statements	Separate financial statements
	(in thousand Baht)	
<b>Impact from the adoption of TFRS 16</b>		
<b>At 1 January 2020</b>		
Decrease in other receivables	(18,046)	-
Increase in right-of-use assets	117,497	2,811
Increase in lease liabilities	(99,451)	(2,811)
<b>Measurement of lease liability</b>		
Operating lease commitment as disclosed at 31 December 2019	274,161	253
Extension options reasonably certain to be exercised	5,034	5,034
Discounted using the incremental borrowing rate at 1 January 2020	114,134	4,556
Recognition exemption for short-term leases	(14,683)	(1,745)
<b>Lease liabilities recognised at 1 January 2020</b>	<b>99,451</b>	<b>2,811</b>
Weighted-average incremental borrowing rate (% per annum)	<b>10.9</b>	<b>5.4</b>

Right-of-use assets and lease liabilities shown above were presented as part of Manufacture of fertiliser and crop care products and Factory area management services segments, respectively.

#### 4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

##### (a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

###### *Acquisitions from entities under common control*

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder’s equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

###### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

###### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

###### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated.

##### (b) *Investments in subsidiaries*

Investments in subsidiaries in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

###### *Disposal of investments in the separate financial statements*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

**(c) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

*Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

**(d) Financial instruments**

*(d.1) Recognition and initial measurement*

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

*(d.2) Classification and subsequent measurement*

*Financial assets - classification*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### *Financial assets – business model assessment*

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### *Financial assets – assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

#### *Financial assets – subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

*Financial liabilities – classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(d.3) Derecognition*

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

*Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

*(d.4) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(e) Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances and call deposits.

**(f) Trade and other receivables**

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**(g) Inventories**

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost is calculated using standard cost adjusted to approximate average cost and includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

**(h) Plant and equipment***Recognition and measurement*

Plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for depreciated as separate items (major components) of plant and equipment.

Any gain and loss on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. The estimated useful lives are as follows:

Buildings and building improvement	20 years
Machinery and equipment	8 years
Motor vehicles	3-6 years
Office equipment	3-5 years

No depreciation is provided on construction in progress.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(i) Intangible assets**

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Computer software	5 years
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Amortisation methods, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(j) Leases**

***Accounting policies applicable from 1 January 2020***

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

*As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, amount under extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### ***Accounting policies applicable before 1 January 2020***

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

## **(k) *Impairment of financial assets***

### ***Accounting policies applicable from 1 January 2020***

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), lease receivables, and loan commitments issued which are not measured at FVTPL.

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 180 days past due, probable the debtor will enter bankruptcy.

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

### ***Accounting policies applicable before 1 January 2020***

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

#### *Reversal of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost, the reversal is recognised in profit or loss.

### **(1) *Impairment of non-financial assets***

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.



*Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversal of impairment*

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(m) Employee benefits***Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Baconco's net obligation in respect to severance allowance in Vietnam which is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Vietnam government bonds that have maturity dates approximating the terms of Baconco's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in other comprehensive income in the period in which they arise.

*Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **(n) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

### **(o) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3:* inputs for the asset or liability that are not based on unobservable inputs.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises the transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(p) Revenue**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

*Sale of goods and services*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

**(q) Other income**

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

**(r) Interest**

***Accounting policies applicable from 1 January 2020***

*Effective Interest Rate (EIR)*

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

***Accounting policies applicable before 1 January 2020***

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

**(s) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(t) *Earnings per share***

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

**(u) *Related parties***

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

**(v) *Segment reporting***

Segment results that are reported to the Group's CODM (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly from the separate financial statements.

## 5 Related parties

Relationships with subsidiaries are described in note 8. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Thoresen Thai Agencies Public Company Limited	Thailand	The parent of the Company
ThoresenVinama Co., Limited ("ThoresenVinama")	Vietnam	Common director
Thoresen (Indochina) S.A.	Panama	Common shareholder and director
Thoresen-Vinama Logistics Company Limited	Vietnam	Common director
Baria Serece	Vietnam	Common shareholder and director
Key management personnel	Multi-nationalities	Persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Revenue from rendering of services	In line with market
Interest income	Market linked rate
Purchase of raw material	Cost plus a fixed margin
Services expenses	In line with market
Administrative expenses	Actual cost
Dividend	Right to receive dividends

Significant transactions for the year ended 31 December 2020 and 2019 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Parent</b>				
Administrative expenses	648	1,345	648	1,345
Dividend paid	34,669	34,669	34,669	34,669
<b>Subsidiaries</b>				
Dividend income	-	-	87,580	83,921
Interest income	-	-	3,377	3,622
<b>Other related parties</b>				
Revenue from rendering of services	46,278	57,144	-	-
Services expenses	172,544	120,954	-	-
Administrative expenses	4,341	5,622	-	-
<b>Key management personnel</b>				
Wages and salaries	34,190	31,352	2,545	2,340
Others	9,373	6,767	1,332	387
<b>Total key management personnel compensation</b>	<b>43,563</b>	<b>38,119</b>	<b>3,877</b>	<b>2,727</b>

The Group's directors are of the opinion that the above related party transactions were conducted on terms no less favourable than terms available to or from independent third parties and in the ordinary course of business.

Balances as at 31 December 2020 and 2019 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Trade accounts receivable</b>				
Other related parties	<b>2,975</b>	<b>5,825</b>	-	-
<b>Other receivables</b>				
Subsidiaries	-	-	126,661	123,145
Other related parties	-	18,561	-	-
<b>Total</b>	<b>-</b>	<b>18,561</b>	<b>126,661</b>	<b>123,145</b>

At the Board of Directors' meeting of Baconco Co., Ltd. ("Baconco") held on 31 December 2020 the Board approved the dividend appropriation of VND 68,000,000,000 equivalent to Baht 87.6 million or USD 2.9 million to the Company. The dividend will be paid in May 2021.

At the Board of Directors' meeting of Baconco Co., Ltd. ("Baconco") held on 31 December 2019, the Board approved the dividend appropriation of VND 65,000,000,000 equivalent to Baht 83.9 million or USD 2.8 million to the Company. The dividend was paid in May 2020.



	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<b>Short-term loan to</b>				
Subsidiary	-	-	108,060	108,456

The Company granted an unsecured short-term loan to PM Thoresen Asia (Singapore) Pte. Ltd. ("PMTS"), a subsidiary to support PMTS's working capital, bearing fixed interest at the rate of 3% per annum with repayment term within 1 year. As at 31 December 2020, the loan amounted to USD 3.6 million, equivalent to Baht 108.1 million (2019: USD 3.6 million, equivalent to Baht 108.5 million). Currently, the Company and PMTS agreed to extend the loan repayment to be on 21 August 2021.

Movements during the year ended 31 December 2020 of short-term loan to subsidiary were as follows:

	Separate financial statements (in thousand Baht)
<b>Short-term loan to subsidiary</b>	
At 1 January 2020	108,456
Unrealised loss on exchange	(396)
<b>At 31 December 2020</b>	<b>108,060</b>

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<b>Trade accounts payable</b>				
Parent	321	333	321	333
Subsidiaries	-	-	10,572	10,616
Other related parties	11,378	31,875	-	-
<b>Total</b>	<b>11,699</b>	<b>32,208</b>	<b>10,893</b>	<b>10,949</b>
<b>Other payables</b>				
<b>Accrued employee benefits</b>				
Key management personnel	6,452	4,409	810	105
<b>Lease liabilities</b>				
Parent				
Current	532	-	532	-
Non-current	1,774	-	1,774	-
<b>Total</b>	<b>2,306</b>	<b>-</b>	<b>2,306</b>	<b>-</b>

## 6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Cash on hand	228	286	5	5
Cash at banks	340,382	227,111	69,866	47,349
<b>Total</b>	<b>340,610</b>	<b>227,397</b>	<b>69,871</b>	<b>47,354</b>

## 7 Inventories

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Finished goods	191,734	192,784
Merchandises	59,126	65,568
Raw materials	269,410	412,955
Tools and supplies	47,626	49,989
Goods in transit	90,522	57,658
<b>Total</b>	<b>658,418</b>	<b>778,954</b>

As at 31 December 2020, inventories with carrying amount of VND 206.7 billion, equivalent to Baht 268.5 million (2019: VND 206.7 billion, equivalent to Baht 269.1 million), were pledged as security for the loan facility from a financial institution in Vietnam of VND 350 billion, equivalent to Baht 454.7 million (2019: VND 300 billion, equivalent to Baht 390.6 million).

## 8 Investments in subsidiaries

Separate financial statements	
2020	2019
(in thousand Baht)	
905,064	905,064

At the beginning and the end of the financial year

During the year ended 31 December 2020 and 2019, there was no acquisition or disposal of investment in subsidiaries.

Investments in subsidiaries as at 31 December 2020 and 2019 and dividend income from those investments for the year then ended, were as follows:

Name of subsidiaries	Type of business	Country of incorporation	Ownership interest	Paid-up capital	Cost	Dividend income for the year
			2020	2019		2020
						2019
						(in thousand Baht)
Direct subsidiaries						
	Fertiliser production and factory area management services	Vietnam	100	100	VND 377,072 million	87,580
Baconco Co., Ltd.					904,049	83,921
PM Thoresen Asia (Singapore) Pte.Ltd.	General trading	Singapore	100	100	SGD 40,000	-
					1,015	-
Total					905,064	

## 9 Plant and equipment

Consolidated financial statements						
	Buildings and building improvement	Machinery and equipment	Motor vehicles	Office equipment	Assets under construction	Total
	(in thousand Baht)					
<b>Cost</b>						
At 1 January 2019	669,004	368,775	73,139	3,820	8,037	1,122,775
Additions	1,294	11,585	1,200	115	-	14,194
Disposals and write-off	(5,149)	(2,371)	(598)	(60)	(214)	(8,392)
Translation adjustments	(45,465)	(25,347)	(4,957)	(225)	(536)	(76,530)
<b>At 31 December 2019 and 1 January 2020</b>	<b>619,684</b>	<b>352,642</b>	<b>68,784</b>	<b>3,650</b>	<b>7,287</b>	<b>1,052,047</b>
Additions	555	9,549	5,857	4	-	15,965
Disposals and write-off	(2,069)	(2,829)	(3,180)	-	-	(8,078)
Transfer out	-	-	-	-	(293)	(293)
Translation adjustments	(1,358)	(1,122)	(193)	(7)	(1)	(2,681)
<b>At 31 December 2020</b>	<b>616,812</b>	<b>358,240</b>	<b>71,268</b>	<b>3,647</b>	<b>6,993</b>	<b>1,056,960</b>
<b>Accumulated depreciation</b>						
At 1 January 2019	(229,920)	(255,572)	(43,191)	(3,294)	-	(531,977)
Depreciation charge for the year	(30,761)	(24,287)	(8,862)	(226)	-	(64,136)
Disposals and write-off	5,149	2,371	598	60	-	8,178
Translation adjustments	16,380	17,980	3,146	204	-	37,710
<b>At 31 December 2019 and 1 January 2020</b>	<b>(239,152)</b>	<b>(259,508)</b>	<b>(48,309)</b>	<b>(3,256)</b>	<b>-</b>	<b>(550,225)</b>
Depreciation charge for the year	(28,593)	(23,825)	(7,653)	(167)	-	(60,238)
Disposals and write-off	2,069	2,829	3,088	-	-	7,986
Translation adjustments	1,497	1,435	277	10	-	3,219
<b>At 31 December 2020</b>	<b>(264,179)</b>	<b>(279,069)</b>	<b>(52,597)</b>	<b>(3,413)</b>	<b>-</b>	<b>(599,258)</b>
<b>Net book value</b>						
At 31 December 2019	380,532	93,134	20,475	394	7,287	501,822
At 31 December 2020	352,633	79,171	18,671	234	6,993	457,702

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 276.8 million (2019: Baht 241.7 million).

As at 31 December 2020, plant and equipment with original cost of VND 127.7 billion, equivalent to Baht 165.9 million (2019: VND 127.7 billion, equivalent to Baht 166.3 million) are pledged against credit facilities from a financial institution in Vietnam of VND 350 billion, equivalent to Baht 454.7 million (2019: VND 300 billion, equivalent to Baht 390.6 million).

## 10 Leases

*As a lessee*

<b>At 31 December 2020</b>	<b>Consolidated financial statements (in thousand Baht)</b>	<b>Separate financial statements</b>
<b>Right-of-use assets</b>		
Right of land usage	80,877	-
Buildings	24,699	2,249
<b>Total</b>	<b>105,576</b>	<b>2,249</b>

In 2020, additions to the right-of-use assets of the Group was Baht 1.5 million.

The Group leases a number of land and building for 5-25 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

*Extension options*

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>For the year ended 31 December</b>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Amounts recognised in profit or loss</b>				
Depreciation of right-of-use assets:				
- Right of land usage	3,498	-	-	-
- Buildings	10,060	-	562	-
Interest on lease liabilities	11,414	-	151	-
Expenses relating to short-term leases	1,434	-	651	-
Lease expense	-	18,075	-	1,514

In 2020, total cash outflow for leases of the Group and the Company were Baht 16,737 thousand and Baht 1,307 thousand, respectively.

## 11 Short-term borrowings from financial institution

As at 31 December 2020, the Group had secured short-term borrowings from a financial institution in Vietnam amounting to USD 7.9 million, equivalent to Baht 238.9 million, bearing interest at the rate of 2.7% - 3.2% per annum and being mature in June 2021.

As at 31 December 2019, the Group had secured short-term borrowings from a financial institution in Vietnam amounting to USD 8.2 million and VND 76.3 billion, equivalent to Baht 347.9 million, bearing interest at the rate of 3.8% - 7.0% per annum and was mature in June 2020.

Plant and equipment with original cost of VND 127.7 billion, equivalent to Baht 165.9 million (2019: VND 127.7 billion, equivalent to Baht 166.3 million) and inventories of VND 206.7 billion, equivalent to Baht 268.5 million (2019: VND 206.7 billion, equivalent to Baht 269.1 million) were pledged as collateral for credit facilities of VND 350 billion, equivalent to Baht 454.7 million (2019: VND 300 billion, equivalent to Baht 390.6 million).

## 12 Provision for employee benefit

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Defined benefit plan	9,572	9,084	2,186	1,908
Other long-term employee benefits	107	90	107	90
<b>Total</b>	<b>9,679</b>	<b>9,174</b>	<b>2,293</b>	<b>1,998</b>

Provision for employee benefit in the consolidated financial statements represent those of the Company and its subsidiary, Baconco.

### *The Company - Defined benefit plan*

The Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as discount rate, future salary growth and turnover rate.

### *Subsidiary - Baconco*

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more ("eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay the eligible employees severance allowance calculated based on years of service and employees' compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their current salary level.

Pursuant to Law on Social Insurance, effective from 1 January 2009, Baconco and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency.

With the implementation of unemployment insurance scheme, Baconco is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees as of reporting date was determined based on the eligible employees' years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.



<i>Present value of the obligations</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	9,174	9,601	1,998	1,732
<b>Include in profit or loss:</b>				
Current service cost and interest on Obligation	787	652	295	284
<b>Include in other comprehensive income:</b>				
Actuarial (gain) loss				
- Financial assumptions	-	(124)	-	(124)
- Experience adjustment	-	166	-	166
	-	<b>42</b>	-	<b>42</b>
Effect of movements in exchange rates	(15)	(535)	-	-
Benefit paid	(267)	(586)	-	(60)
<b>At 31 December</b>	<b>9,679</b>	<b>9,174</b>	<b>2,293</b>	<b>1,998</b>

<i>Principal actuarial assumptions</i>	<b>Separate financial statements</b>	
	2020	2019
	<i>(%)</i>	
Discount rate	3.02	3.02
Future salary growth	5.00	5.00
Turnover rate	1.91 - 22.92	1.91 - 22.92

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 14 years (2019: 14 years).

### **Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	<b>Separate financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(180)	(167)	209	194
Future salary growth	215	181	(186)	(157)
	20% increase in assumption		20% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Employee turnover	(140)	(117)	164	138

## 13 Share premium and reserves

### *Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

### *Reserves*

Reserve comprise:

### *Appropriations of profit and/or retained earnings*

#### **Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

### *Other components of equity*

#### **Translating foreign operations**

The translating foreign operations comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

#### **Difference arising from common control transaction**

The difference arising from common control transactions represent the excess of the book values of certain entities of business under common control over their cost as of the date of their acquisition and have been recorded as a reserve. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

## 14 Segment information and disaggregation of revenue

Management determined that the Group has two reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1              Manufacture of fertiliser and crop care products
- Segment 2              Factory area management services

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

### Information about reportable segments and timing of revenue recognition

Revenue, results, and timing of revenue recognition based on business segments in the consolidated financial statements for the year ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements				
	Manufacture of fertiliser and crop care products		Factory area management services		Total
	2020	2019	2020	2019	
			(in thousand Baht)		
Disaggregation of revenue					
Primary geographical markets					
Vietnam	2,014,425	2,214,391	50,266	62,155	2,276,546
Other countries	768,419	606,147	-	-	606,147
Total revenues	2,782,844	2,820,538	50,266	62,155	2,882,693
Segment profit before tax expense	158,798	111,884	7,351	8,852	120,736
Timing of revenue recognition					
At a point in time	2,782,844	2,820,538	-	-	2,820,538
Overtime	-	-	50,266	62,155	62,155
Total revenues	2,782,844	2,820,538	50,266	62,155	2,882,693
Segment assets as at 31 December	1,700,712	1,656,070	298,644	323,538	1,979,608
Segment liabilities as at 31 December	602,754	598,984	294	522	599,506

*Reconciliation of reportable segment profit or loss and assets*

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<b>Profit or loss</b>		
Total reportable segment profit	166,149	120,736
Unallocated amounts	(46,826)	(58,458)
<b>Consolidated profit before income tax</b>	<b>119,323</b>	<b>62,278</b>

<i>As at 31 December</i>	<b>Consolidated financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<b>Assets</b>		
Total reportable segment assets	1,999,356	1,979,608
Unallocated amounts	73,207	47,778
<b>Total assets</b>	<b>2,072,563</b>	<b>2,027,386</b>
<b>Liabilities</b>		
Total reportable segment liabilities	603,048	599,506
Unallocated amounts	13,128	8,657
<b>Total liabilities</b>	<b>616,176</b>	<b>608,163</b>

*Geographical segments**Revenue from sales of goods*

The manufacture of fertiliser and crop care products is managed on a worldwide basis but operated from manufacturing facilities and sales offices in Vietnam. In presenting geographical information, revenue is based on the geographical location of the customer. There are no material assets located in other countries.

*Revenue from rendering of services*

For revenue from factory area management services, the geographical information is considered to be Vietnam, which is where the factory area is located.

*Major customer*

Revenues from a customer of the Group's manufacture of fertilizer and crop care products segments represents approximately Baht 263.7 million (2019: Baht 351.1 million) of the Group's total revenues.

## 15 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Expenses included in costs of sales and services</b>				
Raw materials and consumables used	2,051,835	2,113,946	-	-
Cost of merchandise goods sold	112,411	151,180	-	-
Personnel expenses	97,095	94,420	-	-
Depreciation and amortisation expenses	67,573	62,271	-	-
Production overhead	105,434	129,910	-	-
<b>Total</b>	<b>2,434,348</b>	<b>2,551,727</b>	<b>-</b>	<b>-</b>
<b>Expenses included in selling expenses</b>				
Transportation and travelling expenses	116,145	85,312	-	-
Personnel expenses	38,445	35,523	-	-
Marketing expenses	24,349	26,510	-	-
Depreciation and amortisation expenses	3,063	1,412	-	-
Others	13,100	19,414	-	-
<b>Total</b>	<b>195,102</b>	<b>168,171</b>	<b>-</b>	<b>-</b>
<b>Expenses included in administrative expenses</b>				
Personnel expenses	61,092	54,940	13,949	12,161
Depreciation and amortisation expenses	3,209	467	707	114
Professional fees	2,885	4,463	1,921	1,893
Travelling expenses	838	1,916	96	404
Rental expenses	602	5,595	581	1,467
Others	7,962	9,622	3,228	3,566
<b>Total</b>	<b>76,588</b>	<b>77,003</b>	<b>20,482</b>	<b>19,605</b>

## 16 Income tax

### *Income tax recognised in profit or loss*

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	25,644	18,165	-	-
	<b>25,644</b>	<b>18,165</b>	<b>-</b>	<b>-</b>
<b>Deferred tax expense</b>				
Movements in temporary differences	(170)	23	-	-
<b>Total</b>	<b>25,474</b>	<b>18,188</b>	<b>-</b>	<b>-</b>

### Reconciliation of effective tax rate

	Consolidated financial statements			
	2020		2019	
	Tax rate (%)	(in thousand Baht)	Tax rate (%)	(in thousand Baht)
Profit before income tax expense		119,323		62,278
Income tax using the Thai corporation tax rate	20	23,865	20	12,456
Effect of different tax rates in foreign jurisdictions		(6,564)		(4,270)
Expenses not deductible for tax purposes		3,915		1,979
Current year losses and temporary differences for which no deferred tax assets was recognised		2,644		6,640
Others		1,614		1,383
<b>Total</b>	<b>21</b>	<b>25,474</b>	<b>29</b>	<b>18,188</b>

	Separate financial statements			
	2020		2019	
	Tax rate (%)	(in thousand Baht)	Tax rate (%)	(in thousand Baht)
Profit before income taxes		75,872		54,171
Income tax using the Thai corporation tax rate	20	15,174	20	10,834
Income not subject to tax		(17,516)		(16,784)
Expenses not deductible for tax purposes		3		8
Current year losses and temporary differences for which no deferred tax assets was recognised		2,999		6,433
Others		(660)		(491)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Unrecognised deferred tax assets	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Deductible temporary differences	920	520	920	520
Tax losses	25,730	27,953	23,860	24,943
<b>Total</b>	<b>26,650</b>	<b>28,473</b>	<b>24,780</b>	<b>25,463</b>

The majority tax losses expire in 2021 to 2025. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

### Applicable tax rates in Vietnam

Under the terms of investment Certificate, Baconco has an obligation to pay the Vietnam government income tax at the rate of 15% of taxable profits for the sale of fertilisers. The tax reduction is not applicable to sales of other products and services and other income which are taxed at the rate of 20%.

## 17 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht / thousand shares)			
Profit for the year attributable to ordinary shareholders of the Company (basic)	<u>93,849</u>	<u>44,090</u>	<u>75,872</u>	<u>54,171</u>
Number of ordinary shares outstanding	<u>101,200</u>	<u>101,200</u>	<u>101,200</u>	<u>101,200</u>
Basic earnings per share (in Baht)	<u>0.93</u>	<u>0.44</u>	<u>0.75</u>	<u>0.54</u>

## 18 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2019</i>				
Interim dividend	16 April 2020	May 2020	<u>0.5</u>	<u>50.6</u>
<i>2018</i>				
Annual dividend	22 April 2019	May 2019	<u>0.5</u>	<u>50.6</u>

## 19 Financial instruments

### (a) Carrying amounts and fair values

Since the majority of the financial assets and liabilities classified as short-term and loans are bearing interest at rates close to current market rate. As at 31 December 2020 and 2019, the carrying amount of the Group's financial instruments does not materially differ from their aggregate fair value.

### (b) Financial risk management policies

#### *Risk management framework*

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.



**(b.1) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

**(b.1.1) Trade accounts receivable**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes financial statements, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of six months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivable.

<b>At 31 December 2020</b>	<b>Consolidated financial statements</b> (in thousand Baht)
<b>Related parties</b>	
Within credit terms	2,975
<b>Other parties</b>	
Within credit terms	278,390
Overdue:	
Less than 3 months	173,014
3-6 months	12,825
6-12 months	572
<b>Total</b>	<b>464,801</b>
Less allowance for expected credit loss	-
<b>Net</b>	<b>467,776</b>

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

<b>At 31 December 2019</b>	<b>Consolidated financial statements</b> (in thousand Baht)
<b>Related parties</b>	
Within credit terms	5,825
<b>Other parties</b>	
Within credit terms	289,156
Overdue:	
Less than 3 months	165,898
3-6 months	4,672
	<b>459,726</b>
Less allowance for doubtful account	-
<b>Net</b>	<b>465,551</b>

The normal credit term granted by the Group ranges from 5 days to 120 days.

## (b.1.2) Cash and cash equivalents

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

**(b.2) Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements						
Contractual cash flows						
More than 1 year but less than 2 years (in thousand Baht)						
More than 2 years but less than 5 years						
More than 5 years						
At 31 December 2020	Carrying amount	1 year or less	2 years	5 years	5 years	Total
Non-derivative financial liabilities						
Loans from financial institutions	238,883	238,883	-	-	-	238,883
Trade accounts payable	175,431	175,431	-	-	-	175,431
Lease liabilities	96,778	21,074	20,583	41,839	192,878	276,374
	511,092	435,388	20,583	41,839	192,878	690,688

Separate financial statements						
Contractual cash flows						
More than 1 year but less than 2 years (in thousand Baht)						
More than 2 years but less than 5 years						
More than 5 years						
At 31 December 2020	Carrying amount	1 year or less	2 years	5 years	5 years	Total
Non-derivative financial liabilities						
Trade accounts payable	10,907	335	-	-	10,572	10,907
Lease liabilities	2,306	656	656	1,312	-	2,624
	13,213	991	656	1,312	10,572	13,531

Consolidated financial statements					
Maturity period					
After 1 year but within 5 years (in thousand Baht)					
After 5 years					
At 31 December 2019	Effective interest rate (% per annum)	Within 1 year	5 years	5 years	Total
Financial liabilities					
Loans from financial institutions	3.8 - 7.0	347,944	-	-	347,944
Total		347,944	-	-	347,944

At 31 December 2019	Effective interest rate (% per annum)	Separate financial statements			
		Maturity period			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in thousand Baht)		
<b>Financial assets</b>					
Loans to subsidiary	3.0	108,456	-	-	108,456
<b>Total</b>		<b>108,456</b>	<b>-</b>	<b>-</b>	<b>108,456</b>

### (b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

#### (b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

The Group's currency exposure to the USD is as follows:

	Consolidated financial statements	
	2020	2019
	(in thousand Baht)	
<b>Financial assets</b>		
Cash and cash equivalents	8,824	19,472
Trade and other receivables	167,588	228,623
Short-term loan to subsidiary	108,060	108,456
	<b>284,472</b>	<b>356,551</b>
<b>Financial liabilities</b>		
Short-term borrowings from financial institution	(238,884)	(248,607)
Trade accounts payable	(210,521)	(248,907)
	<b>(449,405)</b>	<b>(497,514)</b>
<b>Currency exposure</b>	<b>(164,933)</b>	<b>(140,963)</b>

	Separate financial statements	
	2020	2019
	(in thousand Baht)	
<b>Financial assets</b>		
Other receivables	126,661	123,145
Short-term loan to subsidiary	108,060	108,456
	<b>234,721</b>	<b>231,601</b>
<b>Financial liabilities</b>		
Trade accounts payable	(10,572)	(10,616)
	<b>(10,572)</b>	<b>(10,616)</b>
<b>Currency exposure</b>	<b>224,149</b>	<b>220,986</b>

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

At 31 December 2020	Movement (%)	Consolidated financial statements	
		Profit or loss	
		Strengthening	Weakening
		(in million Baht)	
USD	10	(16)	16

#### (b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (see note 11). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

## 20 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and also monitors the level of dividends to ordinary shareholders.

## 21 Commitments

	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2019
	(in thousand Baht)			
<i>Capital commitments</i>				
Contracted but not provided for				
factory construction	4,623	866	-	-
Total	4,623	866	-	-
<i>Future minimum lease payment under non-cancellable operating lease</i>				
Within one year	23	14,615	23	253
After one year but within five years	-	51,901	-	-
After five years	-	207,645	-	-
Total	-	274,161	-	253

### Others

As at 31 December 2020, the Group gave a guarantee regarding its own obligations to third party suppliers in the normal course of business for the purchase of raw materials of USD 19 million, equivalent to Baht 570.7 million (2019: USD 19 million, equivalent to Baht 572.9 million).

## 22 Event after the reporting period

At the Board of Directors' meeting of the Company held on 24 February 2021, the Board of Directors approved to propose the appropriation of dividend for the year ended 31 December 2020 of Baht 0.7 per share, amounting to Baht 70.8 million to the Annual General Meeting of shareholders which will be held in April 2021.

# Related Party Transactions

## For the year ended 31 December 2020 and 31 December 2019

Related party transactions between PMTA and its subsidiaries or between subsidiaries and subsidiaries are shown in the notes to the consolidated financial statements. Significant related party transactions between PMTA and its subsidiaries or transactions with companies or persons that may have conflicts of interest are shown as follows:

			Amount (Thousand Baht)		
			For the year ended		
Related company	Relationship	Description of transactions	31 December 2020	31 December 2019	Pricing policy
1. Thoresen Thai Agencies Public Company Limited ("TTA")	TTA is a major shareholder of PMTA holding 68.52% (2019: 68.52%) stake of total issued shares of PMTA. PMTA and TTA have two common directors being Mr. Chalermchai Mahagitsiri and Mr. Jitender Pal Verma and common management being Mr. Sigmund Stromme.	Rental space expenses and administer ative support.	648	1,345	Price and condition is in line with market
		Trade account payable	321	333	
		Dividend paid	34,669	34,669	Per shareholders approved
2. Thoresen (Indochina) S.A. ("TI")	TI is a joint venture which 50.00% of shares (2019: 50.00%) held by TTA and 10.00% (2019: 10.00%) held by Mr. Sigmund Stromme. PMTA and TI have two common directors being Mr. Chalermchai Mahagitsiri and Mr. Sigmund Stromme.	Sea transportation services to Baconco.	78,401	54,106	Price and trading conditions are in line with those which TI charged to other customers.
		Trade account payable	2,571	21,174	

			Amount (Thousand Baht)		
			For the year ended		
Related company	Relationship	Description of transactions	31 December 2020	31 December 2019	Pricing policy
3. Thoresen - Vinama Agencies Company Limited (“TVA”)	TVA holds 49.00% stake in TI (2019: 49.00%). PMTA and TVA have a common director being Mr. Sigmund Stromme.	Transportation fee for Baconco	41,708	27,514	Price and trading conditions are in line with those which TVA charged to other customers.
		Trade account payable	4,616	1,173	
		Rental income for factory area leasing service <sup>1</sup>	46,278	57,144	The leasing price is fixed per square meter and settled monthly on actual lease space. The price per square meter is in line with current market price in Vietnam.
		Trade accounts receivable	2,975	5,825	
4. Thoresen - Vinama Logistics Company Limited (“TVL”)	TVL holds 100.00% stake in TVA (2019: 100.00%). PMTA and TVL have a common director being Mr. Sigmund Stromme.	Transportation services to Baconco	31,505	28,538	Price and trading conditions are in line with those which TVL charged to other customers.
		Trade account payable	3,034	8,163	
5. Baria Joint Stock Company of Services for Import Export of Agro - forestry Products and Fertilizer (“Baria”)	Soleado holds 28.00% stake in Baria (2019: 28.00%). PMTA and Baria have two common directors being Mr. Chalermchai Mahagitsiri and Mr. Sigmund Stromme.	Services related to port for Baconco	20,930	10,796	Price and trading conditions are in line with those which Baria charged to other customers.
		Administrative expenses	4,341	5,622	
		Trade account payable	1,157	1,365	

Note: <sup>1</sup> Factory management service is not a core business of Baconco. However, it supports the agrochemical business for managing normal business operations and in preparation for potential business expansion in the future. It helps Baconco to be ready for the expansion of its business in the future by allowing Baconco to have the flexibility in procurement, storage, production and control quantity of goods and materials to maximize the Company's benefit by delivering goods to customers in each period. If there is unoccupied space, the Company also considers leasing it out for more income and profit to the Company.

### Necessity and Rationale of the Related Party Transactions

In case PMTA or its subsidiary signs an agreement or conducts a related party transaction with a subsidiary company, affiliated company and/or third party, PMTA or a subsidiary will consider the necessity and rationale of such agreement based mainly on PMTA's interests.

### Measures or Procedures for Related Transactions Approval

If PMTA or its subsidiary is to execute an agreement or if there is any related party transaction between PMTA and its subsidiary, affiliated company, related company, third party and/or anyone with possible conflict of interests, the Board of Directors requires PMTA or a subsidiary, for the purpose of its benefits, to comply with the rules and regulations of the SET and the SEC regarding disclosure of information of listed companies concerning connected transactions. Prices and other conditions shall be on an arm's length basis and are conducted in the best interests of PMTA and all shareholders. Directors, executives, or employees having an interest in such transaction are not allowed to participate in the decision-making process and in any approval process.

### Future Related Transactions Policy

The Audit Committee and PMTA will jointly consider and review any related party transactions that may arise in the future to ensure their necessity and fair price basis.





# Dividend Policy

The Company has a policy to pay no less than 25% of net profit in the consolidated statement after income tax excluding unrealized profit or loss from exchange rates as dividend which however will depend on investment plans and other related factors. The Board of Directors may review and amend the dividend payment policy from time to time to accord with the Company's plan for future business growth, its demand for investment and other appropriate factors.

The Company is a holding company and its main assets are the investments in the subsidiaries therefore, the ability to pay dividend is subject to the performance and the dividend from Baconco and have to comply with the related rules and regulations of Vietnam and Thailand.

## The Company's dividend payment:

	2015	2016	2017	2018	2019	2020 <sup>1</sup>
Earning per share (Baht)	2.36	2.74	1.89	0.37	0.44	0.93
Dividend per share (Baht)	1.12	1.17	1.00	0.50	0.50	0.70
Dividend payout ratio	50.1%	42.6%	49.8%	131.4%	96.9%	75.0%

Remark <sup>1</sup> The dividend payment for FY 2020 is subject to the approval of the 2021 Annual General Meeting of the Shareholders that will be held on 27 April 2021

# Remuneration of Auditors

## Audit Fee

For the year ended 31 December 2020

Unit : Baht

Company	Audit Fee for KPMG	Audit fee for other auditing firms	Total Fee (by company)
PMTA	1,881,000	-	1,881,000
PMTA's Subsidiaries	617,869	129,580	747,449
<b>Total Audit Fee (by auditing firm)</b>	<b>2,498,869</b>	<b>129,580</b>	<b>2,628,449</b>

## Non-Audit Service Fees

For the year ended 31 December 2020

Unit : Baht

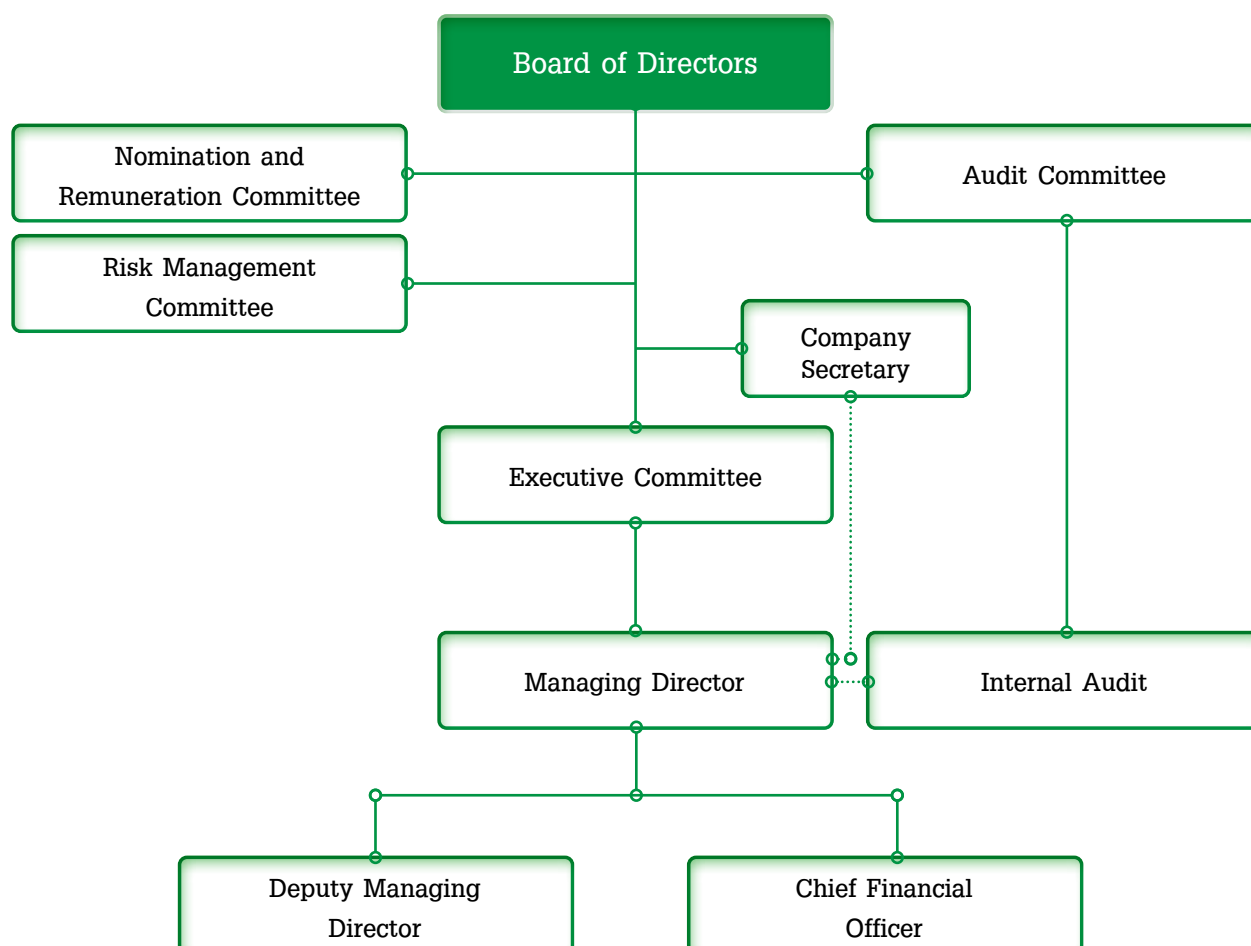
Company	Non-Audit Ser-vice Fees for KPMG	Non-Audit Service Fees for other auditing firms	Total Fee (by company)
PMTA	-	-	-
PMTA's Subsidiaries	442,502	-	442,502
<b>Total Non-Audit Service Fees (by auditing firm)</b>	<b>442,502</b>	<b>-</b>	<b>442,502</b>

Note: Non-audit service fees for the year ended 31 December 2020 were primarily relating to Transfer pricing audit, tax filling and tax advice.

# Management Structure

PM Thoresen Asia Holdings Public Company Limited

Organization Structure (as at 31 December 2020)



## Composition of the Board

The Board of Directors consists of the directors who gain valuable knowledge, skills and experience in business. The Board determines the policy, vision, strategies, goal, mission, business plan and budget of the Company. The Board also oversees the executives' operation and management to be in line with the Company's policy, ensuring efficiency and effectiveness in compliance with laws, objectives, Articles of Association, resolutions of shareholders' meetings and resolutions of the Board's meetings, with responsibilities, honesty and prudence as specified in best practices to add business value to the Company and to create stability for shareholders to the highest extent.

The Board of Directors comprises of eight (8) directors, there are three (3) independent directors, who are qualified under the relevant Announcement of the Capital Market Supervisory Board. All three (3) independent directors also act as members of the Audit Committee. No less than half of all directors must reside in Thailand. In addition, the Board of Directors appoints sub-committees to assist in governing the Company's business operation.

Each director shall fully perform one's own duties and make decisions based on independent discretion. Directors can pose questions and express their opinions. They can also suggest objections in the case that there are conflicting views on any matter which could affect the interests of shareholders or stakeholders.

Hereby, the Board of Directors has defined the policy stipulating that Chairman and Managing Director must not be the same individual, to clearly set their separate responsibilities between defining the governing policies and day-to-day management. The Company has clearly separated the roles and responsibilities of the Board of Directors and executives, with a well-balanced authority in operating the business. The Board of Directors is responsible for defining policies and overseeing the executives' operations at policy level. Concurrently, the executives are responsible for managing the Company's tasks in all areas to be in line with the stipulated policies. The Board comprises of eight (8) directors, having Ms. Pemiga Chuangcham as the Company Secretary. The Board of Directors as of 31 December 2020 comprises as follow:

No.	Name	Position
1.	Mr. Chalermchai Mahagitsiri	Chairman of the Board, Chairman of Executive Committee and Member of Risk Management Committee
2.	Mrs. Suvimol Mahagitsiri	Director
3.	Mr. Jean Paul Thevenin	Director
4.	Pol. Lt. Gen. Prakard Satamarn	Independent Director, Chairman of Audit Committee and Member of Nomination and Remuneration Committee
5.	Assoc. Prof. Dr. Sathit Parniangtong	Independent Director, Member of Audit Committee, Chairman of Nomination and Remuneration Committee and Chairman of Risk Management Committee
6.	Mr. Rapee Moungnont	Independent Director and Member of Audit Committee
7.	Mr. Jitender Pal Verma	Director, Member of Nomination and Remuneration Committee, Member of Risk Management Committee and Member of Executive Committee
8.	Mr. Sigmund Stromme	Director, Member of Nomination and Remuneration Committee, Member of Risk Management Committee, Member of Executive Committee and Managing Director
9.	Mr. Didier Pinguet	Deputy Managing Director
10.	Mr. Ponthep Lertvoratham	Chief Financial Officer

## Authorized Director

According to the Company's Certificate of Incorporation issued by the Department of Business Development of the Ministry of Commerce, the directors who are authorized to sign to bind the Company are: Mr. Chalermchai Mahagitsiri, Mr. Jean Paul Thevenin, Mr. Jitender Pal Verma and Mr. Sigmund Stromme, two of which shall jointly sign with the Company seal affixed.

## Nomination of Directors

The Company place high importance on the individuals who gain knowledge, expertise, experience, good performance background and leadership. They must be visionary, moral and ethical. They need to have positive attitude towards the organization. Furthermore, they must be able to dedicate sufficient time for the benefits of the Company's business. In addition, they must be qualified and suitable in compliance with the Board's composition and structure and in accordance to the Company's business strategies. The process of nomination of directors is transparent and creates confidence among shareholders. The Board of Directors, thus, appoints the Nomination and Remuneration Committee to consider qualifications of suitable candidates in order to present to the Board of Directors' meetings and/or the shareholders' meetings.

## Remuneration of Directors

The Nomination and Remuneration Committee, appointed by the Board of Directors, will consider and present its views to the Board of Directors and shareholders in regards to the direction and criteria of the remuneration of directors. The policy and criteria of the remuneration of directors are as follow:

1. The Company's performance and business size in consideration comparing to the director remuneration of other listed companies in the Stock Exchange of Thailand, operating in the similar type and size of the business
2. Experience, role, duties and responsibilities of each director
3. Benefits expected to obtain from each director
4. The remuneration must be attractive to the qualified candidates suitable to the need and circumstances of the Company to become the Company's directors or executives.

## Remuneration Policy for the Directors

The Company has defined the remuneration policy of the directors, consisting of a monthly fee, an attendance fee and an annual reward (to be paid corresponded to the Company's goal achievement), taking into consideration the suitability, tasks, duties and assigned responsibilities. The remuneration of directors

must be competitive to other listed companies in the Stock Exchange of Thailand, operating in the similar type and size of the business. In addition, it must be sufficiently suitable to retain and attract the directors to efficiently perform their duties for the Company to achieve its business goal. The remuneration process must be transparent, enabling to create trust among shareholders in defining the remuneration. The Company appoints the Nomination and Remuneration Committee to consider and present the suitable amount of remuneration to the Board of Directors to obtain prior consent before presenting to the shareholders' meetings for approval.

### Remuneration Policy for the Managing Director

Compensation paid to the Managing Director is corresponded to his individual performance and overall business performance. Managing Director shall conduct a self-evaluation and present it to the Nomination and Remuneration Committee to consider. The Nomination and Remuneration Committee shall then consider the remuneration and present to the Board of Directors for approval.

### Term of Director

At every AGM, one-third of the Board, or if the number is not a multiple of three, the number nearest to one-third, shall retire from office. Directors who must retire in the first and second year after the Company's registration must be randomly chosen by drawing lots. For the following years, length of service on the Board should be considered, so that those who have served the longest are most eligible to retire. A retiring director is eligible for re-election, which must gain approval from the shareholders' meeting. In the case that directors retire due to any reasons other than term expiry, the Board must select a qualified candidate to replace the vacancy. The new director shall be in the term of office during the remaining term of the director who has been replaced.

### Duties and Responsibilities of the Board

The Board of Directors is responsible for overseeing the Company's operation to ensure compliance with laws, objectives, the Articles of Association as well as resolutions of shareholders' meetings, taking into account the interests of the Company and shareholders. The Board shall determine the Company's policies, business goal, business plans, risk management policy and annual budget. Furthermore, it shall govern the operation of the executives to be in line with the defined policies, plans and budget with efficiency and effectiveness, for the maximum benefits of the Company and shareholders.

### Independent Director

The qualifications of an independent director are as per the definition of the Notification of the Capital Market Supervisory Board as follows.

1. Holding shares not exceeding one per cent of the total number of shares with voting rights of the Company, its subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the appointment. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company;
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company;
4. Neither having nor used to have a business relationship with the Company, its subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the appointment;
5. Neither being nor used to be an auditor of the Company, its subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the appointment;
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million Baht per year from the Company, its subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the appointment;
7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;

8. Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company; and
9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

#### Shareholding Structure of Directors in PM Thoresen Asia Holdings Public Company Limited

No.	Name	Number of Shares		
		31 Dec. 2020	31 Dec. 2019	Change during the year
1.	Mr. Chalermchai Mahagitsiri	11,211,505	8,611,505	+2,600,000
2.	Mrs. Suvimol Mahagitsiri	563,321	563,321	-
	Mr. Prayudh Mahagitsiri (Spouse)	102,585	102,585	
3.	Pol. Lt. Gen. Prakard Satamarn	-	-	-
4.	Assoc. Prof. Dr. Sathit Parniangtong	-	-	-
5.	Mr. Somporn Chitphentom	-	-	-
6.	Mr. Rapee Moungnont	-	-	-
7.	Mr. Jitender Pal Verma	-	-	-
8.	Mr. Sigmund Stromme	128,300	128,300	-

#### The Audit Committee

The Audit Committee is composed of at least three (3) independent directors and at least one (1) member of the Audit Committee must gain knowledge and experience in accounting sufficient to be able to audit the credibility of the Company's financial statement. As of 31 December 2020, the Audit Committee comprises as follow:

No.	Name	Position
1.	Pol. Lt. Gen. Prakard Satamarn	Chairman of Audit Committee
2.	Assoc. Prof. Dr. Sathit Parniangtong	Member of the Audit Committee
3.	Mr. Rapee Moungnont	Member of the Audit Committee

Mr. Pornthep Lertvoratham, Chief Financial Officer is the secretary to the Audit Committee.

#### Duties and Responsibilities of the Audit Committee

The Audit Committee has an authority, duties and main responsibilities in auditing the Company to ensure the correct and sufficient financial reporting and overseeing the Company to implement suitable and efficient internal control system and internal audit system.

#### The Nomination and Remuneration Committee

Chairman of the Nomination and Remuneration Committee is an independent director. The Nomination and Remuneration Committee comprises of four (4) members. As of 31 December 2020, the Nomination and Remuneration Committee comprises as follow:

No.	Name	Position
1.	Assoc. Prof. Dr. Sathit Parniangtong	Chairman of Nomination and Remuneration Committee
2.	Pol. Lt. Gen. Prakard Satamarn	Member of Nomination and Remuneration Committee
3.	Mr. Jitender Pal Verma	Member of Nomination and Remuneration Committee
4.	Mr. Sigmund Stromme	Member of Nomination and Remuneration Committee

Ms. Pemiga Chuangcham, Company Secretary is the secretary to the Nomination and Remuneration Committee.

### Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has an authority, duties and responsibilities in considering the remuneration and benefits for the Company's directors to present to the Board's meeting and/or shareholders' meetings to consider and approve such remuneration and benefits, determine the remuneration and benefits as well as consider and nominate the qualified candidates to the Board of Directors and/or shareholders to appoint as directors.

### The Risk Management Committee

Chairman of the Risk Management Committee is an independent director and the committee comprises of four (4) members. As of 31 December 2020, the Nomination and Remuneration Committee comprises as follow:

No.	Name	Position
1.	Assoc. Prof. Dr. Sathit Parniangtong	Chairman of Risk Management Committee
2.	Mr. Chalermchai Mahagitsiri	Member of Risk Management Committee
3.	Mr. Jitender Pal Verma	Member of Risk Management Committee
4.	Mr. Sigmund Stromme	Member of Risk Management Committee

Mr. Pornthep Lertvoratham, Chief Financial Officer is the secretary to the Audit Committee.

### Duties and Responsibilities of the Risk Management Committee

The Risk Management Committee has an authority, duties and responsibilities in providing an independent oversight on the risk exposures faced by the Company, the Risk Management Committee assists the Board where the Committee oversees the implementation of the Company's risk management, including establishing risk appetite, as well as the management implementation of appropriate systems to ensure that risks are effectively identified, measured, monitored and controlled. These significant risks are reviewed and discussed at the Risk Management Committee quarterly meetings, where risks are prioritized and depending on the probability and severity of the risk, escalated as appropriate, and ensured that appropriate mitigation plans are in place and implemented.

### The Executive Committee

The Executive Committee shall determine the business direction and strategies to be aligned with the business goal set by the Board of Directors. To ensure the flow of the Company's operation with excellent result, the Executive Committee comprises of three (3) members. As of 31 December 2020, the Executive Committee comprises as follow:

No.	Name	Position
1.	Mr. Chalermchai Mahagitsiri	Chairman of Executive Committee
2.	Mr. Jitender Pal Verma	Member of Executive Committee
3.	Mr. Sigmund Stromme	Member of Executive Committee

Ms. Pemiga Chuangcham, Company Secretary is the secretary to the Nomination and Remuneration Committee.



## Board Meeting

The Company has defined the Board meeting criteria as follow:

1. The Board meetings are scheduled in advance and extra meetings may be called upon necessity and suitability. Notice of the meetings shall be delivered no later than seven (7) days, except in some urgent cases when rights and benefits of the Company must be urgently protected. The quorum of a Board Meeting requires no less than a half of the total number of directors on the Board.
2. Agenda of the Board meetings shall be specified before the meetings take place. Chairman of the Board shall consider the matters to be incorporated into the meeting agenda. The Company Secretary will deliver the meeting documents to the directors in advance, allowing sufficient time to review the matters on which opinions and votes must be cast.
3. Sufficient time shall be allocated to allow the management to present the information for discussion and the Board to discuss on significant matters, while promoting each director to express one's views before opinions from the meeting shall be summarized.
4. In considering the meeting agenda, directors having conflicts of interest on the matters of discussion shall abstain from voting. In considering the connected transactions, directors having conflicts of interest on the matters shall not be present at the meeting during the discussion of such agenda.
5. The Company shall promote all directors to attend at least 75% of all Board meetings held during the year.
6. In every meeting, the minute of meeting shall be recorded in written form and the approved version of the minute of meeting shall be filed as to enable the directors and relevant parties to review.

### Attendance of the Board of Directors and Sub-Committee meetings in 2020

No.	Name	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee
1.	Mr. Chalermchai Mahagitsiri	8/8	-	-	-/4
2.	Mrs. Suvimol Mahagitsiri	8/8	-	-	-
3.	Mr. Jean Paul Thevenin	8/8	-	-	-
4.	Pol. Lt. Gen. Prakard Satamarn	8/8	5/5	2/2	-
5.	Assoc. Prof. Dr. Sathit Parniangtong	8/8	5/5	2/2	4/4
6.	Mr. Rapee Moungnont	8/8	5/5	-	-
7.	Mr. Jitender Pal Verma	8/8	-	2/2	4/4
8.	Mr. Sigmund Stromme	8/8	-	2/2	4/4

## Governing the Business of its Subsidiary Company

The Board of Directors shall oversee the Company to have a mechanism to govern a subsidiary of its core business. Suitable candidates shall be nominated or appointed to be directors or executives of a subsidiary, at least at the proportion of shareholding in such subsidiary. According to the regulations and compliance, nomination and appointment of such person must gain approval from the Board's meeting. Hereby, in calculating the number of directors or executives according to the proportion of shareholding, if decimal numbers occur, such decimal numbers shall be disregards.

## Company Secretary

In the Board's meeting No. 4/2014 on 6 January 2014 appointed Ms. Pemiga Chuangcham as the Company Secretary to be in charge of matters related to the Board's meetings and shareholders' meetings and to provide support on Corporate Governance practices. She also serves as the secretary to the Nomination and Remuneration Committee, facilitates the Board's activities and provides coordination to ensure the implementation compliant to the resolutions of the Board as follow:

1. To provide advice pertaining to the Company's regulations and Articles of Association, to monitor new laws and regulations on a regular basis, and to report any significant changes to the Board;
2. To arrange meetings of shareholders and the Board in accordance with applicable laws and regulations and the Company's Articles of Association;
3. To prepare minutes of shareholders and Board meetings and to monitor execution of such resolutions on a regular basis;
4. To ensure that all public information disclosure is in accordance with laws and the SET's and SEC's regulations;
5. To facilitate the Board's activities, including director orientation; and
6. To file and keep records of the Company's key documents, such as directors' registration, notice of the Board meetings, minutes of the Board meetings, annual reports, notice to shareholders' meetings and the minutes of the meetings, and reports on directors' and management's interest.

### Detail of the Company's secretary

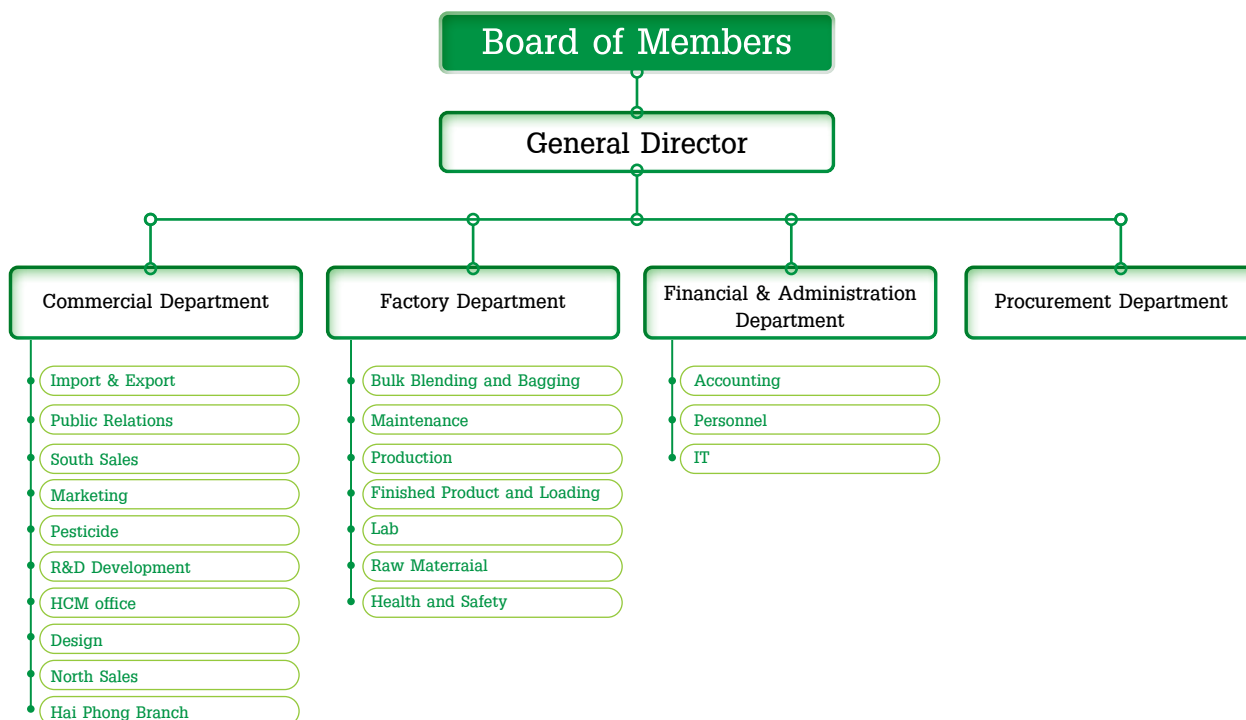
Name	Shareholding in PMTA as of 31 Dec. 2020	Education/ Training	Professional Experiences	
			Period	Company
Ms. Pemiga Chuangcham (35 years)	none	- Master degree in Business Administration (English Program), Chulalongkorn University	2014 - present	Company Secretary, PM Thoresen Asia Holdings Public Company Limited
		- Bachelor of Arts (Economics), International Program, Thammasat University		
		- Certification business law program, Thammasat University	2007 - 2013	Compliance officer, Ratchaburi Electricity Generating Holding Public Company Limited
		- Company Secretary Program (CSP) class 54/2013 Thai Institutions of Directors		
		- Advances for Corporate Secretaries class 29/2014, Thai Company Secretary Club		

## The Board of Directors of the Subsidiaries

The Company is a holding company with two (2) wholly-owned subsidiaries that the Company holds 100% stakes namely Baconco Company Limited and PM Thoresen Asia (Singapore) Pte. Ltd.

### Baconco Company Limited

#### Organization Structure (as of 31 December 2020)



Remark TPM is an abbreviation of Total Productivity Maintenance

HSE is an abbreviation of Health and Safety

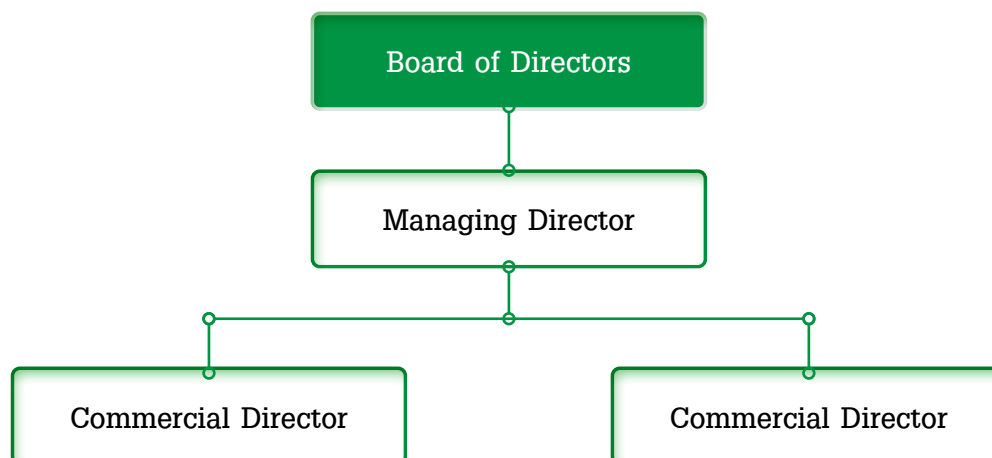
FIP is an abbreviation of Finished Product

#### Board of Member and Managements

	Name	Position
1.	Mr. Sigmund Stromme	Chairman
2.	Mr. Chalermchai Mahagitsiri	Director
3.	Mr. Jitender Pal Verma	Director
4.	Mr. Didier Pinguet	Chief Commercial Officer
5.	Mr. Pierre Siquet	General Director
6.	Mr. Ho Ngoc Chau	Financial and Administrative Director
7.	Mr. Nguyen Dang Cat	Plant Manager

## PM Thoresen Asia (Singapore) Pte. Ltd.

### Organization Structure (as of 31 December 2020)



### Board of Directors and Managements

	Name	Position
1.	Mr. Chalemchai Mahagitsiri	Director
2.	Mr. Sigmund Stromme	Director and Managing Director
3.	Mr. Wee Choo Peng	Director
4.	Mr. Didier Pinguet	Commercial Director
5.	Mr. Pierre Siquet	Commercial Director

## Remuneration of Directors and Executives in 2020

### PM Thoresen Asia Holdings Public Company Limited

The 2020 Annual General Meeting of the Shareholders held on 22 July 2020 has approved the amount of remuneration for the directors and sub-committees in year 2020 not exceeding Baht 5 (five) million and approved to authorize the Board of Directors to determine the allocation of remuneration to directors and members of sub-committee as deemed appropriate. The Board of Directors has approved the remunerations for the Board and sub-committee per detail below.

Type of Remuneration	Rate
1. Board of Directors	<b>Monthly remuneration</b> <ul style="list-style-type: none"> <li>Chairman Baht 38,500 per month</li> <li>Director Baht 16,800 per month</li> </ul> <b>Meeting attendance</b> <ul style="list-style-type: none"> <li>Chairman Baht 16,100 per meeting</li> <li>Director Baht 14,000 per meeting</li> </ul>
2. Audit Committee	<b>Meeting attendance</b> <ul style="list-style-type: none"> <li>Chairman Baht 21,000 per meeting</li> <li>Member Baht 17,500 per meeting</li> </ul>
3. Nomination and Remuneration Committee	<b>Meeting attendance</b> <ul style="list-style-type: none"> <li>Chairman Baht 12,600 per meeting</li> <li>Member Baht 10,500 per meeting</li> </ul>
4. Risk Management Committee	<b>Meeting attendance</b> <ul style="list-style-type: none"> <li>Chairman Baht 12,600 per meeting</li> <li>Member Baht 10,500 per meeting</li> </ul>

Type of Remuneration	Rate
5. Executive Committee	<b>Meeting attendance</b> <ul style="list-style-type: none"> <li>Chairman Baht 21,000 per meeting</li> <li>Member Baht 17,500 per meeting</li> </ul>
6. Bonus	A bonus for all non-executive directors shall be paid at a rate of not exceeding 1 percent of the consolidated net profit of the Company (after deducting unrealized gains/losses). The Board of Directors will fix the appropriate amount of the bonus to be payable to the directors.

## Directors' remuneration in year 2020

Name	Board of Directors (Baht)		Remuneration for sub-committee meeting attendance (Baht)			Bonus	Total (Baht)
	Monthly fee	Meeting attendance	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee		
1. Mr. Chalermchai Mahagitsiri	-	-	-	-	-	-	-
2. Mrs. Suvimol Mahagitsiri	201,600	112,000	-	-	-	150,000	463,600
3. Mr. Jean Paul Thevenin	201,600	112,000	-	-	-	150,000	463,600
4. Pol. Lt. Gen. Prakard Satamarn	201,600	112,000	105,000	21,000	-	150,000	589,600
5. Assoc. Prof. Dr. Sathit Parniangtong	201,600	112,000	87,500	25,200	50,400	150,000	626,700
6. Mr. Rapee Moungnont	201,600	112,000	87,500	-	-	150,000	551,100
7. Mr. Jitender Pal Verma	-	-	-	-	-	-	-
8. Mr. Sigmund Stromme	-	-	-	-	-	-	-

## Remuneration for Executives

As of 31 December 2020, the Company has total number of executives of 3 persons and the total remuneration of the executives was 5,763,280 Baht which is divided into salary and bonus at Baht 5,440,097 and the contribution to the provident fund at 323,183 Baht.

## Remuneration of Employees

As of 31 December 2020, the Company has total number of employees at 7 persons. Apart from four executives comprises Managing Director, Deputy Managing Director, Chief Finance Officer and Manager, Accounting and Finance, the Company has three employees. The total remuneration of employees was 2,820,708 Baht which is divided into salary and bonus at Baht 2,643,708 and the contribution to the provident fund at 176,999 Baht.

## Remuneration of Directors and Executives of the Subsidiaries

### Baconco Company Limited

- No monetary remuneration is paid to the directors of Baconco Company Limited
- Remuneration for the executives including salary and bonus was 11.4 million Baht in total.

### PM Thoresen Asia (Singapore) Pte. Ltd.

- No monetary remuneration is paid to the directors of PM Thoresen Asia (Singapore) Pte. Ltd.
- Remuneration for the executives including salary and bonus is accounted for 28.2 million Baht in total.

# Shareholding Structure

The top 10 shareholders as of the record date on 15 March 2021.

No.	Shareholders	Number of share	%
1.	Thoresen Thai Agencies Public Company Limited	69,338,498	68.52
2.	Mr. Chalermchai Mahagitsiri <sup>/1</sup>	16,264,522	16.07
3.	Ms. Ausana Mahagitsiri	1,432,231	1.42
4.	Mr. Sophon Wiseranee	1,000,000	0.99
5.	Mr. Samreng Manunphon	961,000	0.95
6.	Mr. Nattapol Boonrit	718,000	0.71
7.	Mr. Piya Kittitheerapornchai	615,800	0.61
8.	Mr. Pisit Sottipanchai	580,000	0.57
9.	Mrs. Suvimol Mahagitsiri	563,321	0.56
10.	Mr. Supot Lapananrat	441,281	0.44
<b>Total number of share held by top 10 shareholders</b>		<b>91,914,653</b>	<b>90.84</b>
Other shareholders		9,285,347	11.26
<b>Total fully-paid up capital</b>		<b>101,200,000</b>	<b>100.00</b>

Note: <sup>/1</sup> Mr. Chalermchai Mahagitsiri also has 650,000 shares held under a custodian account, representing 0.64% of total number of shares.

## Share Distribution

The share distribution as of the record date on 15 March 2021.

Share distribution by Nationality	Number of shareholders	Number of shares	%
Thai	2,233	100,222,106	99.03
Foreign	16	977,894	0.97
<b>Total of shareholders</b>	<b>2,249</b>	<b>101,200,000</b>	<b>100.00</b>

## Company Investments

Investments in other companies exceeding 10% of other companies' shares as of 31 December 2020 are as follows.

No.	Name of company	Type of share	No. of is-sued shares	No. of invested shares	% of holding	Par value
1	Baconco Company Limited Petroland Tower (17 <sup>th</sup> Floor) 12 Tan Trao Street, Tan Phu Ward District 7, Ho Chi Minh City	Charter capital is VND 377,072,638,790			100	-
2	PM Thoresen Asia (Singapore) Pte. Ltd.  3 Church Street #22-06 Samsung Hub Singapore (049483)	Ordinary	40,000	40,000	100	SGD 1



# Corporate Information

<b>Name of Company</b>	:	<b>PM Thoresen Asia Holdings Public Company Limited</b>
<b>Registration Number</b>	:	0107557000021
<b>Date of Incorporation</b>	:	7 June 2013
<b>Date of Conversion to Public Company Limited</b>	:	4 February 2014
<b>Type of Business</b>	:	A holding company that invests 100% in registered and paid up capital of Baconco, a company that operate the agrochemical and factory management service in Vietnam. Also, the Company owns 100% of PM Thoresen Asia (Singapore) Pte. Ltd. ("PMTS") that was incorporated to handle the raw material procurement to support Baconco's agrochemical business.
<b>Office Address</b>	:	26/26-27 Orakarn Building, 8 <sup>th</sup> Floor, Soi Chidlom, Ploenchit Road, Bangkok 10330 Telephone : + 66 (0) 2250-0569 Facsimile : + 66 (0) 2657-1040 Website : <a href="http://www.pmthoresenasia.com">http://www.pmthoresenasia.com</a>
<b>Registered Capital</b>	:	Baht 1,012,000,000
<b>Paid-up Capital</b>	:	Baht 1,012,000,000
<b>Number of Issued Shares</b>	:	101,200,000 shares
<b>Par Value</b>	:	Baht 10

## Reference Persons

<b>Regulator</b>	: The Securities and Exchange Commission, Thailand 333/3 Viphavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Telephone : +66 (0) 2695-9999 Facsimile : +66 (0) 2695-9660 Email : info@sec.or.th Website : http://www.sec.or.th
<b>Regulator of the listed companies</b>	: The Stock Exchange of Thailand 93 Ratchadaphisek Road, Dindaeng Bangkok 10400 Telephone : +66 (0) 2009-9000 Facsimile : +66 (0) 2009-9991 SET Contact Center : +66 (0) 2009-9999 Email : SETContactCenter@set.or.th Website : http://www.set.or.th
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