

PM THORESEN ASIA HOLDINGS PLC.

26/26-27 Orakarn Building, 8th Floor, SoiChidlom, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
REG. NO. 010755700021

MINUTES OF THE 2020 ANNUAL GENERAL MEETING OF SHAREHOLDERS PM Thoresen Asia Holdings Public Company Limited

Time and Place:

The Meeting was held on 22 July 2020, at 1:30 P.M., at Mitrtown Hall 1, 5th floor, Samyan Mitrtown, 944 Rama 4 Road, Wangmai Sub-district, Pathumwan District, Bangkok 10330.

Preliminary Proceedings:

Mr. Chalermchai Mahagitsiri, Chairman of the Board of Directors, acted as the Chairman of the Meeting, and assigned Mr. Krittapart Ngernkao to act as the Master of Ceremonies (MC) and assigned Ms. Pemiga Chuangcham, Company secretary to announce the votes of each agenda.

The MC informed the Meeting of the numbers of attendees. There were 136 shareholders present both in persons and proxies, amounting to the total of 80,783,176 shares, representing 79.8253 percent of the paid-up shares of the Company (the paid-up shares of the Company totaled at 101,200,000 shares); therefore, a quorum was constituted. Then, the MC introduced the Board of Directors, executive officers, and other relevant parties.

Directors and Executives Present:

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| 1. Mr. Chalermchai Mahagitsiri | Chairman of the Board of Directors, 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, Chairman of Nomination and Remuneration Committee, Member of Audit 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 Executive Committee, Member of Nomination and Remuneration Committee and Member of Risk Management Committee |

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| 8. Mr. Sigmund Stromme | Director, Member of Executive Committee,
Member of Nomination and Remuneration
Committee and Managing Director
(attended via electronics conference from abroad) |
| 9. Mr. Didier Pinguet | Deputy to Managing Director
(attended via electronics conference from abroad) |
| 10. Mr. Pornthep Lertvorratham | Chief Financial Officer |

According to the air travel restrictions of the Civil Aviation Authority Thailand therefore, 2 of the foreign Director and executive officer of the Company cannot attend the Meeting in Thailand. Moreover, the Directors attending the meeting is 100 percent from total Directors of the Company.

Legal Advisor conducting the Meeting:

Mrs. Phatchada Muenthong	Company Secretary Company Limited
Mrs. Pattarasupang Chalermnon	Able & Primpton Attorneys at Law

Voting Inspector

Miss Chanchira Piumsuksomboon	Able & Primpton Attorneys at Law
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Auditor Present:

Mr. Banthit Tangpakorn	KPMG Phoomchai Audit Ltd.
Mr. Watchara Pattarapitak	KPMG Phoomchai Audit Ltd.

Translator:

Dr. Chanuntorn Katasaenee	Unique Translation Company Limited
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The MC informed to the Meeting that with kind concerns over the health of all meeting attendees, the microphones will not be provided for shareholders and proxies during Q&A sessions. Any shareholders and proxies who have questions are requested to write down their questions in the form that are provided and submit them to our staffs. Only questions related to the agenda items where voting is involved will be addressed in the Meeting. The Company shall keep its meeting short, concise and following the agenda that is in accordance to the law. A summary of the questions and answers that were not addressed in the meeting, will be attached to the minutes of the 2020 Annual General Meeting of Shareholders.

Next, to ensure that the Meeting was carried out smoothly, the MC explained the Meeting's steps, shareholders' voting procedures and vote counting methods for each agenda item. Details were as follows:

1. At the meeting, the agenda items will be considered in order as specified in the Notice of Invitation to the 2020 AGM. The Company will present information for each agenda and will give the shareholders the opportunities to ask questions on the relevant agenda item.
2. For shareholders, one share carries one vote. A shareholder may vote for or against or abstain from voting on any agenda item based on the full number of votes they have. Shareholders are unable to divide their votes, except for the case of the custodians who are proxies of foreign shareholders.
3. The Company has specified the number of votes required for approving each agenda item in the Notice of Invitation to the 2020 AGM and will inform all shareholders before voting on the relevant agenda item.
4. For voting on each agenda, except for agenda item 6, regarding the appointment of directors, shareholders who wish to vote against or abstain from voting are asked to clearly indicate their votes on the ballots and raise their hands. Officers will collect their ballots for vote counting.

Shareholders or proxies who do not submit the ballots marking disagreement or abstention will be considered as granting approval. Meanwhile, for those who submit the ballots, their votes would be processed according to the votes marked on ballots.

5. For the agenda item 6, regarding appointment of directors, all shareholders, who may grant approval, disapproval and abstention, are asked to cast their votes in the ballot and submit the ballot to the officers for vote counting. The Company would collect all ballots, whether approval, disapproval or abstention. The voting procedure would be informed again before casting vote in the mentioned agenda items.
6. In vote-counting process for each agenda item, the staff will deduct the vote counts of disapproval or abstention, as marked in the ballot and the invalid votes (if any) in each agenda from the total votes of the shareholders attending the meeting during the consideration of such agenda item. Votes apart from disapproval or abstention and the invalid votes will be considered as approval for such agenda item.

The ballots that do not contain such the clear intention of the shareholders or proxies in any specific way will be regarded as invalid votes, for instance, the cases where both approval and disapproval are marked, or the ballots with unclear marks, or where the ballots are crossed out without signature of voters, or the blank ballots without any marks. Invalid votes will not be incorporated into the total vote counting.

7. During the vote-counting process, the Meeting will move on to the next agenda item in order to save time, except when the Chairman informed differently.

Then, the Chairman conducted the Meeting in accordance with the agenda items as follows:

Agenda 1 To certify minutes of the 2019 Annual General Meeting of Shareholders held on 22 April 2019.

The Chairman proposed the minutes of the 2019 Annual General Meeting of Shareholders held on 22 April 2019 for the Meeting to consider and certify.

The Chairman allowed shareholders to raise questions and there is no shareholder raised any questions or expressed their views. The Chairman then asked the Meeting to certify the minutes of the 2019 Annual General Meeting of Shareholders as proposed.

Resolution: The Meeting resolved by a unanimous vote of shareholders attending the Meeting and casting their votes that the minutes of the 2019 Annual General Meeting of Shareholders, held on 22 April 2019, be approved as follows:

	Approval	Disapproval	Abstention	Void Ballots
Shares	80,784,183	0	0	0
Percentage	100.0000	0.0000	-	-

Remarks: During the consideration of this agenda item, there were additional shareholders and proxies attended the Meeting. Therefore, a total number of 140 shareholders were present in person or by proxy, representing 80,784,183 shares.

Agenda 2 To acknowledge the Company's 2019 operating results.

The Chairman assigned Mr. Pornthep Lertvorratham, Chief Financial Officer, to report the result of operations as well as business outlook of the Company to the shareholders.

Mr. Pornthep has summarized the overall 2019 business performance and the management discussion and analysis to the Meeting. He explained the overall performance by each of the business category that are; fertilizer, pesticide and factory area management service.

Fertilizer

The demand for premium fertilizer has been pressured by low crop price therefore, the farmers used more single fertilizers in order to lower their plantation cost. However, the Company managed to sharply increase the domestic sales by active sales and marketing effort. The export to Africa market has increased, while export to South East Asia slowed down, especially in Philippines market because of the cheaper Chinese products. And the high raw

material price during first half of the year 2019 caused the decrease in the gross margin.

Pesticide

Most of the pesticide products are imported to bagged and/or bottled and sold under “Stork” trademark as supplemental of our fertilizer products. The revenue from pesticide products grew 14 percent in 2019 to Baht 207.6 million. In 2020, the Vietnamese government banned the import of glyphosate so, the Company has promoted other substituted products.

Factory area management service

The warehouse area continued to be fully utilized with total space of 66,420 sq.m. The warehouse space of 10,000 to 15,000 sq.m. has been used internally for our fertilizer storage. The revenue from factory area management service was Baht 62.2 million that are slightly decreased by 2 percent.

For the overview of business of the year 2019, the fertilizer sales volume growth by 3 percent from 183,855 tons last year to 189,829 tons mainly from increase in single fertilizer volume. The total revenue in 2019 increased 4 percent to Baht 2,820.5 million and the gross profit was at Baht 555.4 million or decrease 9 percent due mainly to high cost of raw material during first half of the year. Also, the selling and administrative is reduced. Hence, the Company reported the increased of the net profit to Baht 44.1 million in 2019 which is 17 percent growth from the previous year.

Then, Mr. Pornthep presented the Company’s strategy and the business trend to the Meeting. He presented that the demand for premium NPK in Vietnam is highly depending on weather conditions and crop price. The drought and salinity during Q1/2020 and early Q2/2020 has impacted our domestic sales in Q1/2020. Covid-19 also caused some logistic difficulty to the operations. However, with the unlock measure and the improvement of weather conditions it is expected that the NPK market shall recover in 2H/2020. However, this is also subjected to crop price and weather conditions and we expect that the total NPK demand should maintain in 2020.

After Mr. Pornthep had reported the business plans and performance, the Chairman allowed shareholders to raise questions and there are no questions or comments.

The Chairman informed that this agenda is for acknowledgement therefore, no voting is required. The Company shall move on to present the next agenda.

Agenda 3 To consider and approve the Company's Financial Statements for the year ended 31 December 2019.

The Chairman proposed the Meeting to consider and approve the Company's financial statement, balance sheet and income statements for the financial year ended 31 December 2019, including the auditor's report, which were audited by the Company's auditor and reviewed by the Audit Committee, presented in detail in the Notice of Invitation to the 2020 AGM and submitted to shareholders prior to the date of the Meeting.

The Chairman allowed shareholders to raise questions.

Mr. Sakol Sukkawanichwchai
Representative
Thai Investors Association

1. How would the Company solve the problem of the decreasing of the gross profit from the previous year?
2. How would the Company manage loss on exchange rate and the significant decrease of the export volume?
3. What is the protocol of the factory in Vietnam to respond to the second wave of Covid-19 spread?

Mr. Pornthep Lertvorratham
Chief Financial Officer

1. Since the first half of 2019 the price of the raw material continued to increase. As a consequence, the Company has increased the selling price in order to reflect the increased of the raw material cost and including the Company's efficient raw materials inventory management that ensure the Company's to be able to maintain the ability to produce profitability.
2. The loss on the exchange is caused by the Company's loan to its subsidiaries in the USD currency therefore, at the closing date of the financial statements, there was the unrealized exchange loss. For the decreased of export volume this is due to the strong competitions in Philippines market which the Company is now seeking for other exports market as a substitution.
3. The Vietnamese government has an efficient management in containing the spread of the Covid-19. For the factory in Vietnam, we have a very strict measures

such as screening daily the temperature of the staffs and any guests, required staffs to wear face masks at all time, setting the tables in the canteen with the distance of 2 meters apart and screens between people while they are eating. Prohibited staffs to travel to the risky area and/or countries and if he/she travel to such countries then, they have compulsory quarantine. If the Vietnamese government announced the national lock down, Baconco will immediately stop all visitors and sales, marketing, office, and administration staffs shall be under the work from home policy.

Mr. Sigmund Stromme
Managing Director

Furthermore, we also produce for 1 month stock for the domestic market, and place the finished products in the warehouses outside of our factory location such as within the port, so in case of the factory lock down, we still have products available to supply to our distributors.

Mr. Thitipong Soponudomporn
Shareholder

Why the net profit for the year 2018 and 2019 had decreased from 2017 so much and how the Company plan to improve its performance in order to have the net profit that is similar to 2017?

Mr. Pornthep Lertvorratham
Chief Financial Officer

In the past few years, the price of the raw material was sharply increased hence, the Company's net profit were declined. However, from the second half of the year 2019, the raw material price had improved in a better trend and with the Company's efficient raw material inventory management through consistent monitoring raw material price and proper planning for the raw material procurement. Moreover, the Company has continued to increase the selling price in order to reflect the increased of the raw material cost therefore, the profit margin is improved.

Mr. Pisit Sothipanchai Shareholder	Does the Free Trade Agreement (FTA) between Vietnam and EU has any positive or negative impact to the Company and did the Company export to EU?
Mr. Pornthep Lertvorratham Chief Financial Officer	There are no impact from the Free Trade Agreement (FTA) between Vietnam and EU and Baconcos did not export to the EU countries.
Mr. Sigmund Stromme Managing Director	We do import some high grade products and additives like AVS from France, but there are no import tariff for such products.
Mr. Thitipong Sophonudomporn Shareholder	Why there are such a high amount of the short term loan from financial institution?
Mr. Pornthep Lertvorratham Chief Financial Officer	Such short term loan is used for the working capital for the raw material procurement of the factory.
Mrs. Bussakorn Ngampasuthadon Shareholder	Why the net profit margin keep decreasing during 2017-2019? This seems not be interesting for the business operation. What is the Company's strategy to improve this figure?
Mr. Pornthep Lertvorratham Chief Financial Officer	In the fertilizer business there are main factors that impact the performance that are the weather condition that affect the efficiency of the plantations and the crops price that resulted in the Vietnamese farmers' purchasing power. The Company is well aware and therefore, has been strategically focused on selling the products that have high profit margin in the domestic market. Besides, the Company has attempted to expand the export markets to cover a wide area in order to make the risk diversification from the decreasing domestic demand.

Mr. Tassana Chutiganont
Shareholder

What is the outlook for Africa market, why the Company choose to export to Africa and does the Company plan to export to other countries?

Mr. Sigmund Stromme
Managing Director

The African is a large NPK market with the volume around 1.2-1.5 million metric tons per annum and the demand is growing year by year. Baconco has a strong connection with strong players like Solevo and ETG which both of them have their own distribution networks and are not just simple traders.

East Africa is mainly supplying from South East Asia due to the interesting freight rates and good flexibility and they are basing on USD currency not Euro unlike West Africa. Hence, Baconco has the competitive advantage as our raw materials are also in USD.

Baconco is expanding this market as we also capable to produce in a smaller lot down to around 500 metric tons, we have the ability to customize the fertilizer formula to serve the customer's specific local needs and demands whereas other larger Europeans producers cannot do so. They only produce a minimum lot at 8,000-10,000 metric tons.

The competition in the Africa market is strong especially, with the Russian producer trying to take positions, but they are limited on few main formulas. Whereas Baconco has the flexibility to customize formulas and in same time have a good container freights cheaper than from Europe.

The Chairman requested the Meeting to consider and approve the Company's financial statements as proposed.

Resolution: The Meeting resolved by unanimous vote of shareholders attending the Meeting and casting their votes that the Company’s financial statements for the financial year ended 31 December 2019 is approved as follows:

	Approval	Disapproval	Abstention	Void Ballots
Shares	81,402,608	0	0	0
Percentage	100.0000	0.0000	-	-

Remarks: During the consideration of this agenda item, there were additional shareholders and proxies attended the Meeting. Therefore, a total number of 169 shareholders was present in person or by proxy, representing 81,402,608 shares.

Agenda 4 To consider and approve the omission of additional annual dividend payment for the year 2019 and to acknowledge the interim dividend payment.

The Chairman assigned the MC to inform details of agenda item 4.

The MC notified that, by virtue of Section 115 of the Public Limited Companies Act B.E. 2535 (as amended) (the “Public Limited Companies Act”), the Company shall allocate the dividend from the net profits only. Also, the Company's dividend policy is to distribute dividends to shareholders of at least 25 percent of the consolidated net profit after tax but excluding unrealized foreign exchange gains or losses, subject to the Company’s investment plans, and other relevant factors. The Board may review and revise the dividend policy from time to time to reflect the Company’s future business plans, the needs for investment, and other factors, as the Board deems appropriate.

The Company’s consolidated financial statements for the financial year ended 31 December 2019, the Company reported net profits of Baht 44.1 million and Baht 54.2 million for the separate financial statements. The Company has to allocate not less than five percent of its annual net profit less the accumulated losses brought forward (if any) to a reserve fund until this fund attains an amount not less than ten percent of the registered capital. Therefore, the Company has reserved an additional legal reserve in an amount of Baht 2,710,000.

The Board of Directors at the meeting No.2/2020 held on 16 April 2020 had approved the interim dividend payment from the Company’s financial performance of 1 January – 31 December 2019 and the retained earnings, instead of the annual dividend that shall be proposed for the 2020 AGM’s approval in order to mitigate the effects that may occur to the shareholders due to the postponement of the 2020 AGM, in the form of cash dividend of Baht 0.50 per share. (Which is the same rate that shall be proposed for the approval of the 2020 AGM that was previously scheduled on 28 April 2020) The total

amount of the interim dividend is Baht 50,600,000 and the interim dividend payment was made on 12 May 2020.

The Chairman allowed shareholders to raise questions and there are no questions and comments.

The Chairman requested the Meeting to consider the agenda item 4 as proposed by the Board of Directors.

Resolution: The Meeting resolved by unanimous vote of shareholders attending the Meeting and casting their votes that the omission of additional annual dividend payment for the year 2019 and to acknowledge the interim dividend payment is approved.

	Approval	Disapproval	Abstention	Void Ballots
Shares	81,402,622	0	0	0
Percentage	100.0000	0.0000	-	-

Remarks: During the consideration of this agenda item, there were additional shareholders and proxies attended the Meeting. Therefore, a total number of 170 shareholders was present in person or by proxy, representing 81,402,622 shares

Agenda 5 To consider and approve the appointment of auditors for the financial period ended 31 December 2020 and the determination of audit fees.

The Chairman requested the MC to inform details of agenda item 5.

The MC informed the Meeting that the Audit Committee had considered the auditors and auditor fee, and provided recommendations to the Board of Directors for the purpose of approving the appointment of the following auditors from KPMG Phoomchai Audit Ltd.

1. Ms. Siripen Sukcharoenyingyong CPA No. 3636 and/or
2. Mr. Veerachai Ratanajaratkul CPA No. 4323 and/or
3. Mr. Watchara Pattarapitak CPA No. 6669

Any one of them shall be authorized to conduct the audit and provide opinions on the Company's consolidated and non-consolidated financial statements. The audit fees for the financial year ended 31 December 2020 is Baht 1,881,000 (excluding other expenses) which is the same rate as the previous year.

The nominated auditors have no relationship or any interest in the Company, subsidiary companies, its management, major shareholders, or their related persons.

The Chairman allowed shareholders to raise questions. No shareholder raised any questions or expressed their view.

The Chairman requested the Meeting to consider and approve the appointment of auditors and the determination of audit fees as proposed. This agenda item must be approved by the majority vote of the shareholders attending the Meeting and casting their votes.

Resolution: The Meeting considered and resolved to appoint Ms. Siripen Sukcharoenyingyong CPA No. 3636 and/or Mr. Veerachai Ratanajaratkul CPA No. 4323 and/or Mr. Watchara Pattarapitak CPA No. 6669, to be the Company's auditors for the financial period ended 31 December 2020, any of which shall be authorized to conduct the audit and provide opinions on the consolidated and non-consolidated financial statements of the Company. The Meeting also approved the determination of audit fees for the financial year ended 31 December 2020 at Baht 1,881,000 which covers the audit of the Company's consolidated and non-consolidated financial statements. Voting results were as follows:

	Approval	Disapproval	Abstention	Void Ballots
Shares	81,402,622	0	0	0
Percentage	100.0000	0.0000	-	-

Agenda 6 To consider and approve the appointment of directors to replace those who are retiring by rotation.

The Chairman requested the MC to inform details of agenda item 6.

The MC informed the Meeting that this agenda item was related to the appointment of directors to replace those who were retiring by rotation.

Pursuant to Section 71 of the Public Limited Companies Act B.E. 2535 (as amended) and the Article 19 of the Articles of Association of the Company, one-third, or the nearest number, of all Directors, shall retire by rotation at every annual general meeting of shareholders. The retired directors may be re-elected.

The following directors were due to retire by rotation this year, effective on the date of this 2020 AGM:

- Assoc. Prof. Dr. Sathit Parniangtong Independent Director
- Mr. Jean Paul Thevenin Director
- Mr. Rapee Moungnont Independent Director

All elected candidates would be appointed as directors which effective on the date of the 2020 AGM.

The profiles of the proposed directors were provided in Enclosure 4 which was submitted to shareholders along with the Notice of Invitation to the 2020 AGM.

In this agenda, the retired directors temporarily walked out of the meeting room during the consideration on this agenda item. Then, The Chairman allowed shareholders to raise questions. No shareholder raised any questions or expressed their view.

The MC informed the Meeting that shareholders were asked to vote on the election of directors on a one-by-one basis. Shareholders had to clearly indicate as to whether they voted for or against, or abstained from voting on the election of each director in the ballot of agenda No. 6, and return the ballots, without tearing, to officers for vote counting. The Company was to collect all the ballots from shareholders at the same time.

Resolution: The Meeting resolved to approve the re-election of the following persons as the Company's directors for another term. The voting results were as follows:

- 6.1 Assoc. Prof. Dr. Sathit Parniangtong was appointed as an independent director of the Company for another term.

	Approval	Disapproval	Abstention	Void Ballots
Shares	81,402,614	8	0	0
Percentage	99.9999	0.0000	-	-

- 6.2 Mr. Jean Paul Thevenin was appointed as the director of the Company for another term.

	Approval	Disapproval	Abstention	Void Ballots
Shares	81,402,614	8	0	0
Percentage	99.9999	0.0000	-	-

6.3 Mr. Rapee Moungnont was appointed as an independent director of the Company for another term.

	Approval	Disapproval	Abstention	Void Ballots
Shares	81,402,622	0	0	0
Percentage	100.0000	0.0000	-	-

Remarks 1/ Assoc. Prof. Dr. Sathit Parniangtong, Mr. Jean Paul Thevenin and Mr. Rapee Moungnont walked out of the meeting room during the vote counting and returned to the meeting room after the completion of vote counting.

Agenda 7 To consider and approve the directors and sub-committee’s remuneration for the year 2020.

The Chairman requested the MC to informed details of agenda item 7.

The MC reported that the Board of Directors by the recommendation of the Nomination and Remuneration Committee is of an opinion that the shareholders are recommended to consider and approve the remunerations in the form of monthly remuneration and the meeting allowance for the Directors and member of sub-committees at the total amount of not exceeding Baht five (5) million to be allocated to the Board of Directors and authorize the Board of Directors to allocate the remunerations to directors and member of sub-committees as deemed appropriate. Details of the remunerations to directors and member of sub-committees are provided in Enclosure 5, which was submitted to the shareholders along with the Notice of Invitation to the 2020 AGM.

The Chairman allowed shareholders to raised questions.

No shareholder raised any questions or expressed their views.

The Chairman requested the Meeting to consider and approve the remunerations for the Directors and sub-committees as proposed. This agenda item must be approved by the vote of not less than two-thirds of the total votes of shareholders attending the Meeting.

Resolution: The Meeting considered and resolved to approve the remunerations for the Directors and sub-committees for the year 2020 at the total amount of not exceeding Baht five (5) million as proposed by the Board of Directors and authorize the Board of Directors to allocate the remunerations of the year 2020 to the Directors and member of sub-committees as deemed appropriate.

Voting results were as follows:

	Approval	Disapproval	Abstention	Void Ballots
Shares	81,402,622	0	0	0
Percentage	100.0000	0.0000	0.0000	0.0000

Agenda 8 To consider other business (if any)

No other agenda was proposed for consideration and approval.

When there was no query proposed to the Meeting for consideration, the Meeting was adjourned at 2.30 P.M.

-signed-

(Mr. Chalermchai Mahagitsiri)

Chairman of the Board

Chairman of the 2020 AGM

Minutes of the Meeting taken by

-signed-

(Ms. Pemiga Chuangcham)

Company Secretary

**Attachment to the Minutes of 2020 Annual General Meeting of Shareholders
of PM Thoresen Asia Holdings Public Company Limited**

Agenda 8 To Consider other business (if any)

- Mr. Winai Rungtiwasuwan
Shareholder
1. Please explain the plantation situation in the year 2020. Does the drought and salinity has any affect to the domestic sales?
 2. Would the export volume will increase in order to cover the domestic volume?

- Mr. Sigmund Stromme
Managing Director
1. Drought and salinity are linked in some area like Mekong Delta particularly on the fruit production. Baconco has a specific fertilizer formula that can reduce salinity impact by bringing to the crop some specific solution like more Calcium with USP formula and replace Chlorine Potash (MOP) by Sulfate of Potash. Baconco is preparing to launch the specific crop fertilizer program for this hard period.

In Highland due to drought situation from the past 2 years, therefore, the farmers that planted pepper and coffee were suffering a lot as the trees do not resist to the drought and many tree are dead. It is also because the bad market price of these products, the farmers prefer to change to a higher value crops such as durian, avocado and macadamia. These crops are more technical and will bring Baconco the opportunity to be able to develop specific suitable formula based on SOP. There are less competitors able to do this and therefore also have better margin on these products comparing to the more common formula for coffee.

2. The export will increase this year and it has a good prospects for next year. However margins on export products are lower than domestic so, they cannot fully compensate for a domestic decrease but still give us a good contribution to our results, particularly because the main seasons are different. Therefore, we can utilize our production tools for all 12 months. Also, as the domestic margins are higher, we are putting firm efforts in increasing our high margin domestic products as well.