

Annual Report 2015

PM Thoresen Asia Holdings Public Company Limited



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PMTA has successfully listed in the Stock Exchange of Thailand on 6 May 2015.

1. Key Figures



Key Figures

Revenue Baht 3,311 million



EBITDA Baht 349 million



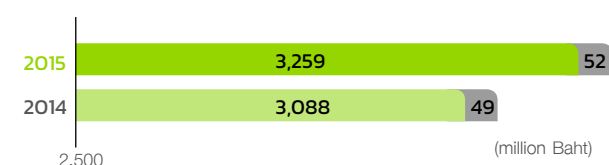
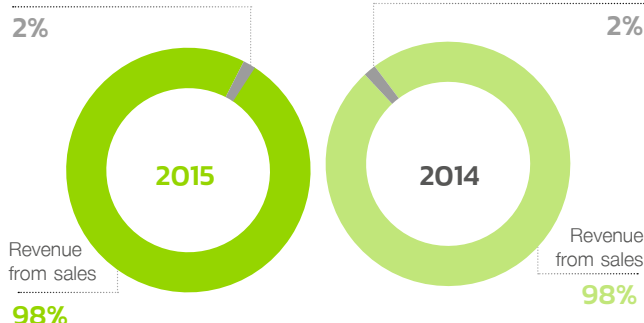
Net Profit Baht 233 million



Revenue Breakdown

Revenue from factory area leasing services and other operating income

Revenue from factory area leasing services and other operating income



2. Group Financial Summary



For the Year Ended 31 December 2015 and 2014

Statement of comprehensive income:	For the year (in million Baht)		Change (Percentage)
	2015	2014 ¹	
Revenue from sales	3,258.5	3,088.0	5.52
Revenue from factory area leasing services	49.1	32.1	52.96
Cost of sales	2,748.6	2,505.6	9.70
Cost of providing services	25.0	17.6	42.05
Selling expenses	154.2	178.7	(13.71)
Administrative expenses	94.1	88.4	6.45
Net profit	233.0	283.0	(17.67)
Basic earnings per share (in Baht)	2.36	3.04	(22.37)
Statement of financial position (at end of the year):			
Cash and cash equivalents	297.2	259.8	14.40
Inventories	724.7	504.1	43.76
Plant and equipment	642.6	521.0	23.34
Total assets	1,961.6	1,612.9	21.62
Short-term loans from financial institutions	93.3	219.3	(57.46)
Total liabilities	423.1	448.5	(5.66)
Issued and paid up share capital	1,012.0	931.0	8.70
Total equity	1,538.5	1,164.4	32.13
Other financial data :			
Net cash generated from (used in) operating activities	205.3	314.2	(34.66)
Net cash generated from (used in) investing activities	(166.5)	(131.9)	(26.23)
Net cash generated from (used in) financing activities	(1.4)	(123.0)	98.86
Financial ratios :			
Return on equity (%)	17%	24%	
Return on total asset (%)	16%	23%	
Net profit margin (%)	7%	9%	
Interest bearing debt to equity (Times)	0.1	0.2	
Net Interest Bearing Debt to Equity (Times)	(0.1)	(0.0)	

Note ¹Unaudited Financial Statements

3. Message from Chairman and Managing Director



Mr. Chalermchai Mahagitsiri
Chairman of the Board of Directors



Mr. Sigmund Stromme
Managing Director

“ The support of our shareholders, will surely drive PMTA and Baconco toward sustainable growth ”



2015, Year of Honors and Challenges

2015 was a very important and honored year for PM Thoresen Asia Holdings Public Company Limited (“PMTA”), which was listed in the Stock Exchange of Thailand and being traded in industrials industry, Petrochemicals & Chemicals sector since 6 May 2015. PMTA was the second security of Thailand that listed in form of Holding Company which had main business in foreign country. Baconco Company Limited (“Baconco”) was the core company which its primary operation is chemical fertilizers and agrochemical products’ manufacturer in Vietnam.

Even though PMTA has faced many challenges both in economic and environmental in these past few years, especially negative factors and difficulties including the global economic slowdown

and high fluctuation which resulted in low commodity price and agricultural products price, also El Nino effects that causing drought in many areas around the world especially in Vietnam and countries in Southeast Asia which is main plantation area of the world, PMTA maintains the strong performance and achieved total revenue of Baht 3,311 million with a net profit of Baht 233 million.

Key Development during the Past Year

During the past year, even though an overview of the industry was in difficult times, PMTA business growth still increases significantly. Baconco has increased production capacity of fertilizers to 450,000 metric tons per year and introduced new granulation production technology and doubling the production capacity. Baconco has the

advantage of having a balanced market of both domestic in Vietnam and export, which have different consumption seasons. PMTA has now exportation rate accounted for 40.1% of total sales volume, and able to increase exportation significantly, from 28,627 metric tons in 2011 to 79,690 metric tons in 2015. The export markets are now mainly West Africa and Philippines. The new line production facility also support Baconco to achieve increasing in exportation of steam granulate NPK fertilizers to Philippines from 8,250 metric tons in 2014 to 36,100 metric tons in 2015 or approximately 4 times increase. Baconco also developed special formula fertilizers for exclusively export to Philippines.

More importantly Baconco becomes partner with Solvay, leading chemical manufacturer from Belgium, and has an important role in research and



development of effective chemical innovation without environmental impact. Baconco also become exclusive dealer of new Urea fertilizer with N-Protect coating formula which is Solvay exclusive innovation. The agreement has a duration of three years by Baconco will be exclusive dealer of Urea fertilizer with N-Protect coating formula in Vietnam, Laos, Cambodia and countries in Africa which are Baconco main markets. All this fact represents potential and recognition of Baconco in international market.

Meanwhile Baconco's warehousing business grows strongly due to warehouse with international standard demand is increasing steadily. Baconco currently provide an accumulated space of 42,300 square meters which is 100% fully leased. In addition, during the past year, Baconco introduced warehousing area of Baconco 5 phase 2 which is still under construction but already fully leased.

Business Trend and Direction in 2016

In 2016 Global warming which has resulted in several changes to the global climate, especially drought and climate change is causing abnormal change in harvesting season and may affect the sales of fertilizer that could be slowing down.

However, global demand for fertilizer is expected to rebound in 2016 through a combination of stable crop prices and stronger growth in emerging economies. According to the International Fertilizer Industry Association (IFA), global fertilizer demand is forecast to expand by 1.9% in the next year to 186.6 million tons, assuming no major changes to agricultural market fundamentals. The chemical

fertilizers are also needed for agriculture and it can be used with organic fertilizers as well. The combination use of chemical fertilizers and organic fertilizers to achieve balance, and suitability for soil conditions is another measure to reduce production costs for farmers.

Another positive factor in 2016 is the official launch of The ASEAN Economic Community (AEC) which would increase more plantation area. Since almost every country in Southeast Asian have the potential for cultivation and Southeast Asian is also a region where agriculture is the primary source of the world as each country has its own agricultural product for export.

Considering these trends, PMTA strongly believe in the potential of growth in the agrochemical business and warehouse business through business operation under main strategies including: expanding distribution channels, offering new products and technology, finding more business partners and penetrating into new markets and expanding exportation.

Our Parallel Goal is Social Responsibility

While PMTA operates business with commitment to growth which is an important part to build a solid foundation for overall economy of the country, the company has never negligent to fulfill social responsibility. Last year Baconco received a certification for its achievement

in efficient energy-saving measure and pass the standard as in Ba Ria - Vung Tau Power Company's rules and regulations which are the results of Baconco taking a variety of energy saving measures to manage power in its plants in these past five years.

Moreover Baconco together with Norwegian Football Association in Vietnam organized football matches and offered lunches for 2,000 youths from 15 social centers from remote area in Phu Log, Thua Thien Hue, Vietnam. In addition to providing opportunities for the disadvantaged, this activity also boosted morale of the employees and implant a sense of sharing within the employees which is the key to human resource development.

On behalf of PMTA's Board of Directors, managements and employees, We would like to thank our shareholders and investors for supporting us. Please be assured that we will contribute to grow our business and take our company to another level. With our Board of Directors and managements' vision, dedication of our employees and supporting from shareholders, will surely drive PMTA and Baconco toward sustainable growth goal.

Mr. Chalermchai Mahagitsiri
Chairman of the Board of Directors

Mr. Sigmund Stromme
Managing Director

4. 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% from Vietnamese investors.



June 2008

- EMC Gestion S.A.S (“EMCG”) bought 100% of Baconco from SSI.



July 2009

- Thoresen Thai Agencies PLC. (“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

- PMTA was incorporated with a registered and paid-up capital of Baht 1 million for the purpose of investing in other companies (holding company).
- 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.

November 2013

- PMTA invested in Atlantis Offshore Construction Pte. Ltd. and changed its name to PM Thoresen Asia (Singapore) Pte. Ltd. ("PMTS")
- 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 would be offered to existing shareholders to accommodate the purchase and transfer of Baconco's shares from Soleado.

February 2014

- PMTA was registered and converted into a Public Company Limited. It increased its registered capital to Baht 1,012 million 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.

February 2015

- 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 will start in February 2015.

May 2015

- PMTA has successfully listed in the SET and its first trading day was on 6 May 2015.



5. Board of Directors _____ and Executive Officers



1. **Mr. Chalermchai Mahagitsiri**
- Chairman of the Board of Directors
 - Chairman of Executive Committee



2. **Mr. Chia Wan Huat Joseph**
- Director
 - Member of Executive Committee
 - Member of Nomination and Remuneration Committee



3. **Mr. Somboonkiat Kasemsuwan**
- Independent Director
 - Chairman of Audit Committee
 - Member of Nomination and Remuneration Committee





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

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



5. **Mr. Arild Haugan**

- Independent Director
- Member of Audit Committee



6. **Mr. Somporn Chitphentom**

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



7. **Mr. Sigmund Stromme**

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



Mr. Chalermchai Mahagitsiri (Age 37)

Chairman of the Board of Directors and Chairman of Executive Committee

Date of first appointment

: 6 January 2014¹

(%) of shareholding as of 31 December 2015

: 7.87

Education

- M.S. in Finance, Boston University, USA, 2004
- B.S. in Finance, Suffolk University, USA, 2001

Training/ Certification

- Director Certification Program (DCP), Thai Institute of Directors Association, Class 53/2005
- Director Accreditation Program (DAP), Thai Institute of Directors Association, Class 30/2004
- Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 17, 2013

Professional experience

- 2012 – present : Chief Executive Officer/ Executive Vice Chairman, Mermaid Maritime Public Company Limited
- 2012 - present : Vice Chairman, Unique Mining Services Public Company Limited
- 2013 - 2014 : Chairman, PM Thoresen Asia Holdings Company Limited
- 2011 - present : Vice Chairman, Posco-Thainox Public Company Limited
- 2011 - present : Vice Chairman, Thai Film Industries Public Company Limited
- 2014 - present : Director, Premo Shipping Public Company Limited
- 2015 - present : Director, Sino Grandness Food Industry Group Limited (Singapore)
- 2014 – present : Director, Thoresen Shipping FZE
- 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, Athene Holdings Limited
- 2014 – present : Director, Thoresen & Company (Bangkok) Limited
- 2014 – present : Director, Fearnleys (Thailand) Limited
- 2013 – present : Director, Thoresen Shipping Singapore Pte. Ltd.
- 2013 – present : Director, Baconco Company Limited
- 2013 – present : Director, Thoresen (Indochina) S.A.
- 2012 – present : Director, Soleado Holdings Pte. Ltd.
- 2013 – present : Director, Mermaid Drilling Limited
- 2013 – present : Director, Asia Offshore Drilling Limited
- 2013 – present : Director, Mermaid Subsea Services (Thailand) Ltd. (formerly, Mermaid Offshore Services Ltd.)
- 2014 – present : Director, Mermaid Maritime Mauritius Ltd.
- 2014 – present : Director, MTR-4 (Singapore) Pte. Ltd.
- 2014 – present : Director, Mermaid MTN Pte. Ltd. (formerly MTR-5 (Singapore) Pte. Ltd.)
- 2012 – present : Chief Executive Officer, Four One One Entertainment Co., Ltd.
- 2005 – present : Chief Executive Officer, PM Group Company Limited
- 1998 – present : Managing Director, Lakewood Country Club Co., Ltd.
- 1998 – present : Director, Lakewood Land Co., Ltd.
- present : Director, Quality Coffee Products Co., Ltd.

Relation among family with other directors and executives : None

**Mr. Chia Wan Huat Joseph
(Age 56)**

Director/
Member of Executive Committee/
Member of Nomination and
Remuneration Committee

Date of first appointment

: 6 January 2014¹

**(%) of shareholding as of
31 December 2015**

: 1 share

Education

- Master's Degree (EMBA), Sasin Graduate School of Business, Chulalongkorn University in a joint program with Kellogg Graduate of Management of Northwestern University, USA

Training/ Certification

- Director Certification Program (DCP), Thai Institute of Directors Association, Class 165/2012

Professional experience

- 2013 - 2014 : Director, PM Thoresen Asia Holdings Company Limited
- 2012 - present : Director, Member of Executive Committee, Chairman of Risk Management Committee and Member of Investment Committee, Thoresen Thai Agencies Public Company Limited
- 2012 - present : Director and Member of Executive Committee, Mermaid Maritime Public Company Limited
- 2012 - present : Director and Member of Executive Committee, Unique Mining Services Public Company Limited
- 2012 - present : Senior Executive Vice President, PM Group Company Limited
- 2005 - 2011 : Senior Executive Vice President, Structured Finance Group, Advance Finance Plc.

Relation among family with other directors and executives : None**Mr. Somboonkiat
Kasemsuwan
(Age 70)**

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

Date of first appointment

: 6 January 2014¹

**(%) of shareholding as of
31 December 2015**

: None

Education

- B.S. Degree in Electrical Engineering, North Carolina State University, USA
- Professional Degree in Electrical Engineering, North Carolina State University, USA

Training/ Certification

- Directors Certification Program (DCP), Thai Institute of Directors Association, Class 96/2007

Professional experience

- 2013 - 2014 : Director, PM Thoresen Asia Holdings Company Limited
- 2014 - present : Director, Advance Finance Plc.
- 2002 - 2012 : Chairman, Mohmee Co., Ltd.
- 2006 - 2011 : Vice Chairman, The Transport Co., Ltd.

Relation among family with other directors and executives : None

Assoc. Prof. Dr. Sathit Parniangtong (Age 62)

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

Date of first appointment

: 6 January 2014¹

(%) of shareholding as of 31 December 2015

: None

Education

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

Training/ Certification

- Directors Certification Program (DCP),
Thai Institute of Directors Association (IOD), class 128/2010
- Advanced Audit Committee Program (AACP),
Thai Institute of Directors Association (IOD), class 13/2013

Professional experience

- 2013 - 2014 : PM Thoresen Asia Holdings Company Limited
- 2001 – present : Associate Professor, Part Time Faculty
- Faculty of Commerce and Accountancy,
Thammasat University
 - Sasin Graduate Institute of Business Administration of
Chulalongkorn University
- 2010 – present : Director, Patum Rice mill and Granary Public Company Limited
- 2002 - 2003 : Director of Management Project - Collaboration with
Michael E. Porter : Creating the Foundations for Higher
Productivity of Thailand - Office of the National Economic and
Social Development Board (NESDB)
- 1989 - 2000 : Executives, Booz Allen & Hamilton, AT Kearney,
Leading consulting firms located in Washington DC, USA.
- 1989 - 1997 : Adjunct Professor, George Washington University,
Washington DC, USA
- 1985 - 1989 : Adjunct Professor, University of Texas, Austin, USA
- 1982 - 1989 : Executives, Baxter - multinational consumer manufacturer,
American Airlines-transportation firm,
located in Illinois and Texas

Relation among family with other directors and executives : None



Mr. Arild Haugan (Age 53)

Independent Director and Member of
Audit Committee

Date of first appointment

: 6 January 2014¹

(%) of shareholding as of 31 December 2015

: None

Education

- Master of International Management,
Thunderbird School of Global Management, U.S.A.
- Bachelor of Business Administration, University of San Francisco, U.S.A.

Training/ Certification

- Directors Certification Program (DCP),
Thai Institute of Directors Association Class 182/22013

Professional experience

- 2013 - 2014 : Director, PM Thoresen Asia Holdings Company Limited
- 2010 - 2015 : Director, Avilion Limited, Hong Kong
- 2001 - present : Honorary Consul, Royal Norwegian Consulate,
Ho Chi Minh City, Vietnam
- 2007 - 2010 : Commercial Director – Asia, Yara International

Relation among family with other directors and executives : None

**Mr. Somporn
Chitphentom
(Age 54)**

Director/
Member of Executive Committee/
Member of Nomination and
Remuneration Committee

Date of first appointment

: 29 January 2015

**(%) of shareholding as of
31 December 2015**

: None

Education

- Master in Public Policies, Harvard University, USA
- Bachelor of Science in Business Administration, Boston University, USA

Training/ Certification

- Director Certification Program (DCP),
Thai Institute of Directors Association, Class 178/2013
- Executive Finance Management Program,
Fiscal Policy Research Institute Foundation, Ministry of Finance
- Good Governance for Directors and High Level Executives,
King Prajadhipok's Institute
- The Asia Pacific Bankers Congress
- Central Bank Policies and Operations in the Money and
Foreign Exchange Markets

Professional experience

- 2015 - present : Secretary - general of National Savings Fund
- 2015 : Executive Vice President, Corporate Finance and Accounting,
Throresen Thai Agencies Public Company Limited
- 2015 - present : Director, Member of Executive Committee and Member of
Nomination and Remuneration Committee,
PM Thoresen Asia Holdings Public Company Limited
- 2014 - 2015 : Acting Chief Executive Officer and Executive Vice President,
Finance and Accounting, Unique Mining Services
Public Company Limited
- 2013 - 2015 : Executive Vice President, Corporate Strategy,
Throresen Thai Agencies Public Company Limited
- 2013 - 2015 : Director, Unique Mining Services Public Company Limited
- 2013 - 2015 : Senior Executive Vice President, PM Group Company Limited
- 2013 - 2015 : Senior Executive Vice President,
Export - Import Bank of Thailand

**Relation among family with other directors and
executives** : None

**Mr. Sigmund Stromme
(Age 59)**

Director/
Member of Executive Committee/
Member of Nomination and
Remuneration Committee/
Managing Director

Date of first appointment

: 6 January 2014¹

**(%) of shareholding as of
31 December 2015**

: None

Education

- Master in Computer Science Finance/ Administration, Norway

Training/ Certification

- Director Certification Program (DCP),
Thai Institute of Directors Association, Class 182/2013

Professional experience

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

**Relation among family with other directors and
executives** : None**Ms. Sawaree Sawaddejan
(Age 28)**

Manager, Accounting and Finance

Date of appointment

: 10 March 2014

**(%) of shareholding as of
31 December 2015**

: None

Education

- Bachelor of Accounting, Srinakharinwirot University

Professional experience

- 2014 - present : Manager, Accounting and Finance,
PM Thoresen Asia Holdings Public Company Limited
- 2008 - 2014 : Senior Audit Assistant,
Ernst and Young Corporate Services Limited

**Relation among family with other directors and
executives**: None

Note

¹ Term of the directors started since the date that the Extraordinary General Meeting of Shareholders of PM Thoresen Asia Holdings PLC. has approved the conversion into the Public Limited Company and resolved the appointment of the Board of Directors.

6. Business Review and Outlook

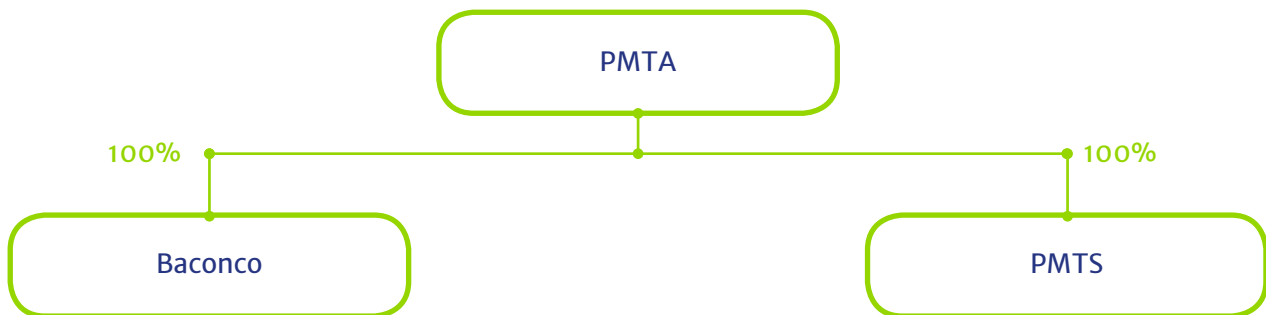
Company Background

PM Thoresen Asia Holdings Public Company Limited (“PMTA” or the Company) was incorporated on 7 June 2013 and was converted into a public limited company on 4 February 2014 in order to prepare for the listing application in the Stock Exchange of Thailand (“SET”) and PMTA was listed in the SET on 6 May 2015.

PMTA is a subsidiary of Thoresen Thai Agencies Public Company Limited (“TTA”) and 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 leasing 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.

Shareholding Structure



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 compound fertilizers and single fertilizers with a total production capacity of approximately 450,000 metric tons per year which has been increased from 2013 at 100,000 metric tons as a result of the opening of the expansion project of granulation unit in order to capture higher demand from customers which was commercially operated on February 2015 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 (P₂O₅) and potash (K₂O).



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

To expand customer base and to 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 leasing area service to generate recurring incomes and to diversify risk into other businesses. As a result, aside from the agrochemical business, Baconco has three facilities in the Phu My 1 Industrial Park for rent with a total factory area of 42,300 square meters.



Nature of Products and Services

1. Fertilizer

The essential ingredients in chemical fertilizers are nitrogen (N), phosphate (P_2O_5) which provides phosphorus (P), and potash (K_2O) 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_2O_5) which provides phosphorus (P), and potash (K_2O) 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 94.5% and 94.4% of Baconco's total sales revenues as end of 31 December 2014 and 2015, respectively. The firm 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 2014 and 2015, other fertilizer products accounted for 1.1% and 1.3% 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 4.4% and 4.3% of Baconco's total sales revenues as end of 31 December 2014 and 2015, respectively.

3. Factory Area Leasing Service



Phu My I Industrial Park in Southern Vietnam



Baconco is located in the Phu My I Industrial Park adjacent to its port by the Thi Vai River

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

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 is why foliar are commonly used with fruits and vegetables for higher and better productivity.

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 leasing service to industries to generate recurring incomes and to also diversify its business risk to maintain sustainable growth.

To respond to customer's storage demands prior to shipping, Baconco provided factory areas in three factories scattered within the Phu My I Industrial Park for leasing. In addition Baconco further have 8,200 sq.m. under construction which will opening on February 2016, Yet, restricted by a regulation on foreign limit governing shares held by foreign investors, Baconco, which is a 100% foreign owned single member limited liability company, is prohibited from conducting any commercial activity of its own by leasing directly to retail customers. In earlier 2010, Baconco decided to sign an agreement to lease space to Thoresen Vinama Agencies Co., Ltd. ("TVA"), a holder of logistics business license who can also lease warehousing space to retailers under Vietnam's relevant laws and regulations subject to pricing and other conditions.

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).

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 business even though Vietnam's fertilizer markets are subsidized through Vietnam's state-owned enterprises (SOEs) who have been major players in this industry and despite price speculations which is natural for this commodity. Baconco is also a leading manufacturer of chemical fertilizer, having 25% market share in the high-quality NPK Compound fertilizer market and 9% market share in the overall NPK compound fertilizer market.

After TTA's acquisition of Baconco in 2009, Baconco's new 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.



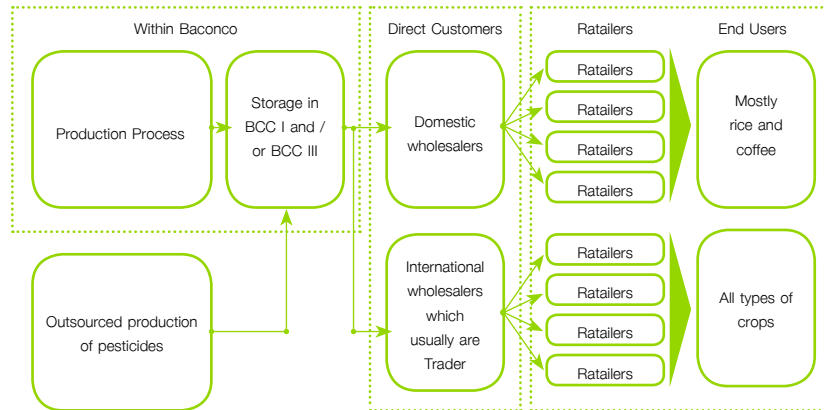
Marketing Strategy

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 theretoalso provide Baconco’s product knowledge and introduce other products. In 2015, Baconco held more than 1,100 small meetings with farmers (more than 78,000 farmers attended) throughout Vietnam. 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. In 2015, Baconco held approximately 20 seminars for retailers. Baconco also organizes seminars for local wholesalers to strengthen the relationship with wholesalers who are direct customers. Two such seminars were held in 2015. Moreover, as an incentive, the Company rewards its top 20 customers who have generated the highest sales with overseas trips every two years.

For export market, Baconco does not focus at marketing campaigns as much as it does for the local one since most export customers are acquired through networking and existing relationship. Baconco attends global fertilizer conferences from time to time including annual conferences held by the International Fertilizer Industry Association (“IFA”) and conferences focused at African market held by Argus FMB, a research and reporting agency on international fertilizer markets.

3. Distribution Channels

Agrochemical business



Baconco directly sells its products to wholesalers in Vietnam who re-distribute them to end users. For domestic markets, Baconco has sales and marketing teams consisting of 61 salespersons covering sales areas defined by different crops. Thanks to 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. To elaborate, Baconco’s salespersons covering southern Vietnam are 44 persons while only seven cover 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. Baconco has a network of over 5,000 retailers in Vietnam.

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 has a network of more than 300 wholesale customers in and outside Vietnam. Baconco’s STORK fertilizers have been sold in Vietnam since 1995 and the trademark was officially registered in 2005. Due to volatility in the fertilizer market, Baconco has adjusted its sales structure to increase exports and to lessen dependence on the Vietnamese market. As a result, export values continued to grow from Baht 1,057.8 million in FY2014 to Baht 1,097.2 million in FY2015. Increasing export values is also a strategy to naturally hedge exchange rates between the Vietnamese Dong and the US Dollar resulted from imports of raw materials for fertilizer production.

The following table features sales revenues categorized by markets.

	For the year ended 31 December 2015		For the year ended 31 December 2014	
	Million Baht	%	Million Baht	%
Revenue from sales in Vietnam	2,161.3	66.3	2,030.2	65.7
Revenue from sales in other country	1,097.2	33.7	1,057.8	34.3
Total revenue	3,258.5	100.0	3,088.0	100.0

Domestic Market

Although Baconco's main strategy to expand customer base and increase sales channels overseas, but domestic sales revenues continuous increased from Baht 2,030.2 million in FY2014 to Baht 2,161.3 million FY2015; or an equivalent of 65.7% and 66.3% of Baconco's total sales revenue respectively. The bulk blended NPK Compound Fertilizer 20-20-15 was Baconco's best seller in the Vietnamese market where 61,759 metric tons of the fertilizer were sold which accounted for 31.5% of the total sales volumes in 2015.

The table below lists top 7 of the export countries of Baconco in FY 2015.

No.	Country	Quantity (metric tons)	Revenue (Million Baht)	% ¹
1	Philippines	36,100	448.5	13.8
2	Angola	11,400	161.7	5.0
3	Zambia	10,000	123.6	3.8
4	Madagascar	6,545	97.9	3.0
5	Cameroon	5,107	84.5	2.6
6	Cambodia	2,729	43.6	1.3
7	Lebanon	2,150	29.9	0.9
	Others	5,659	107.5	3.2
	Total	79,690	1,097.2	33.7

Note: ¹ Percentage of total sales revenue

Export Market

For the year 2014 and 2015 Export sales revenue totaled Baht 1,057.8 and Baht 1,097.2 respectively.

NPK Compound Fertilizer 14-14-14 is the best selling product of the export market of FY 2015 since it was sold at 36,000 metric tons which is equivalent to 18.4% of the total sales volumes. In conclusion, the export volume for 2015 was 79,690 metric tons, similar to that of 2014. Moreover, foliar was distributed in some export market like Cambodia, Cameroon, and Ghana. And in the end of 2015, Baconco just started to introduce foliar in Thailand.

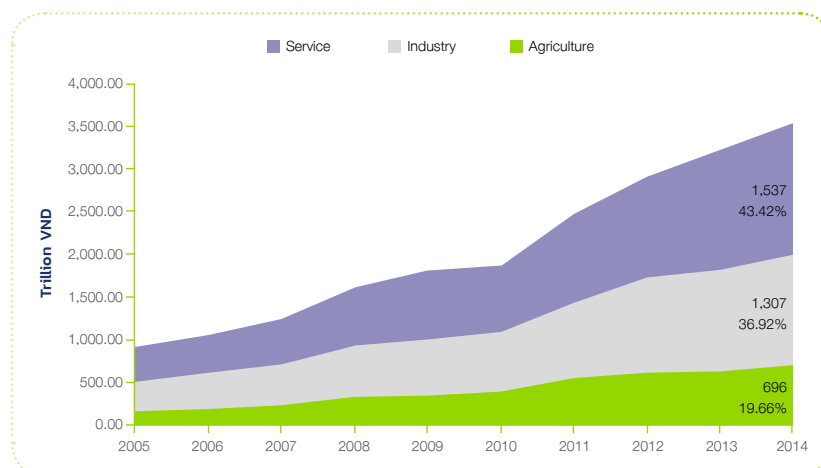
4. Industry Overview and Competition

As Baconco is located and operates business in Vietnam, its financial position and performance is correlated to the country's economic and agribusiness conditions. According to the General Statistics Office of Vietnam's data between 2010-2014, Vietnam's Gross Domestic Product (GDP) gradually rose with an average GDP growth of 4.9%. If classified by industrial sectors, Vietnam's overall economy can be categorized into three major engines, namely Agriculture, Forestry and Fishery; Industrial and Construction; and Service which accounted in 2014 for 19.66%, 36.92% and 43.42% of its GDP, respectively.



Despite the emergence of high-income industrial sectors following Vietnam's economic liberalization policy, its agricultural and agrochemical sectors continue to drive the country due to rapid increase of population while cultivation areas remain limited. Based on the World Bank's data in 2014, the country boasted a population of 90.73 million. The General Statistics Office of Vietnam foresees the country's population to surpass 100 million in 2025. Based on the statistics office's data, cultivation areas in Vietnam have not increased significantly. That is why high-quality, highly-effective fertilizers are increasingly in demand.

The graphic below shows values and growth of Vietnam's GDP classified by sectors.



Source: General Statistics Office of Vietnam

Global Fertilizer Market

According to the report on World Fertilizer Trends and Outlook to 2018 by the Food and Agriculture Organization of the United Nations, total fertilizer nutrient consumption is estimated at 183.2 million metric tons in 2013 and is forecasted to reach 200.5 million metric tons by the end of 2018. Asia is the largest consumer of fertilizer in the world. Asian markets account for 58.5% of the total market and most of which are consumptions from East and South Asia.

The table below depicts supplies and demands of the world's fertilizer industry classified by macronutrients in each geographic area in 2016.

Supply/ Demand of Fertilizers	Macronutrients (Thousand Metric Tons)		
	Nitrogen	Phosphate	Potash
Asia			
Surplus / -Deficit ^{/1}	-2,866	-977	-8,302
Supply	91,388	25,181	9,125
Demand	94,254	26,158	17,427
America			
Surplus / -Deficit ^{/1}	-3,484	-2,671	6,678
Supply	26,188	10,471	19,719
Demand	29,672	13,142	13,041
Europe			
Surplus / -Deficit ^{/1}	14,069	1,313	13,044
Supply	37,727	4,652	18,130
Demand	23,658	3,339	5,086
Africa			
Surplus / -Deficit ^{/1}	4,116	6,785	-758
Supply	8,713	8,703	0
Demand	4,597	1,918	758
Oceania			
Surplus / -Deficit ^{/1}	-1,091	-330	-369
Supply	1,768	480	0
Demand	2,859	810	369
Total ^{/2}			
Surplus / -Deficit ^{/1}	10,744	4,120	10,293
Supply	165,784	49,487	46,974
Demand	155,040	45,367	36,681

Note: ^{/1} 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.

^{/2} Calculated from total sum of each continent

Source: World Fertilizer Trends and Outlook to 2018, Food and Agriculture Organization of the United Nations



Vietnam's Fertilizer Industry

Although there is the challenging in the economic environment, Vietnam's fertilizer industry has still outperformed. This is driven by a stable and constant fertilizer demand since more than 60% of the population work in the agricultural sector, the arable land increases at 1% annually and food demand rises at a higher growth than that of the population. As a result of the significance of the agricultural sector to Vietnam's economy, the Vietnamese government utilizes two SOEs, namely Vietnam National Chemical Group ("Vinachem") and Vietnam Oil and Gas Group ("PetroVietnam" or "PVN"), to influence the market.

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

Group	Company	Product	Productivity (Metric Tons per Year)
Vinachem	Ninh Binh 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
	Binh Dien Fertilizer Company ("Binh Dien")	NPK	500,000
	Can Tho Fertilizer & Chemical JSC	NPK	more than 200,000
	Ha Bac Urea Company Ltd	Urea	190,000
	Ninh Binh Urea Company	Urea	560,000
DAP 1 Company	DAP	330,000	
PVN	PetroVietnam Fertilizer and Chemical JSC	Urea	800,000
	Ca Mau Fertilizer Plant	Urea	800,000
Others	Five Star International Group	NPK	300,000
		Fertilizer Complex	n/a
		Specialized Fertilizer	n/a
	Baconco	NPK	350,000
	General Materials Biochemistry Fertilizer JSC	NPK	360,000
Japan Vietnam Fertilizer Company ("JVF")	NPK	350,000	

Source: Baconco



Baconco's Strengths

One of Market Leader Brands

Baconco's products are high-quality and widely recognized by the market, making the firm a top-tier market leader in the production and distribution of fertilizers reflecting through its 9% market share in NPK compound fertilizer and 25% market share in high-quality NPK compound fertilizer.

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 is 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 is 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.

Another factor facilitating Baconco's growth is the speed in which the Company can respond and introduce new products to the market. With manufacturing capacity of 450,000 metric tons a year and the packaging facility of 550,000 metric tons a year that runs 24/7, Baconco can speedily launch new formula fertilizers.

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 I 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 leasing 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, leading it to command 33.7% of the total sales revenues in FY 2015. 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 TTA 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 totaled Baht 1,057.8 million and Baht 1,097.2 million; or 34.3% and 33.7% of the total sales revenues in FY2014 and FY2015 respectively. The new management also sees new business opportunities from factory area leasing service. Not only will this generate recurring income for Baconco, but it also helps stabilizing the Company's performance. Incomes from the factory area leasing service business have steadily increased. Baconco's revenues from the business went up from Baht 32.2 million to Baht 49.1 million in 2014 and 2015, respectively.

Capable directors and the management

Baconco's highly-experienced directors and executives is one of the factors for its success. Mr. Sigmund Stromme, Chairman, has more than 20 years of experiences working in Vietnam. He also chairs the Nordic Chamber of Commerce and therefore has an excellent relationship with Vietnamese suppliers.

Mr. Pierre Siquet, General Director, has been working with Baconco since 2011 following more than 15 years of his presence in Vietnam which makes him deeply knowledgeable about doing business in the country. Mr. Didier Pinguet, Deputy General Director and Commercial Director, has worked in the agrochemical industry for more than 26 years and is well-versed both in the local and global agrochemical businesses. His experience also gives him an extensive network of customers which benefits Baconco's operation. There are also, Mr. Ho Ngoc Chau, Financial and Administration Director and Mr. Nguyen Dang Cat, Plant Director has worked for more than a decade with Baconco. Each has extensive knowledge of Baconco, Vietnam's agrochemical business and its fertilizer industry.

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 more than 20 raw material suppliers in and outside of Vietnam such as in Canada, China, Philippine, Taiwan or Egypt 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. For FY ending 31 December 2015, the Company's top 10 suppliers supplied approximately 70% of its total raw material inputs. 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 2015, approximately 65% of total raw materials were imported while the remaining 35% 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

At present, Baconco has one factory producing fertilizers and three storage facilities. The Company's foliar fertilizer production facility is located in Baconco III. Both production plant and storage facilities are strategically located in a close proximity to port, land transportation, markets and raw material suppliers.



Detail of the Storage Facility

Facility:	Baconco 1	Baconco 3	Baconco 5		
Name:	BCC I	BCC III	BCC 5A	BCC 5B.1	BCC 5B.2
Date of Operation:	Apr. 2010	Feb. 2012	Mar. 2013 & Jan 2014	Mar. 2015	Feb. 2016
Factory Space:	2,000 sq. m.	6,000 sq. m.	26,800 sq. m.	11,300 sq. m.	8,200 sq. m.
Storage:	Fertilizers and raw materials		Products and services of the third party		

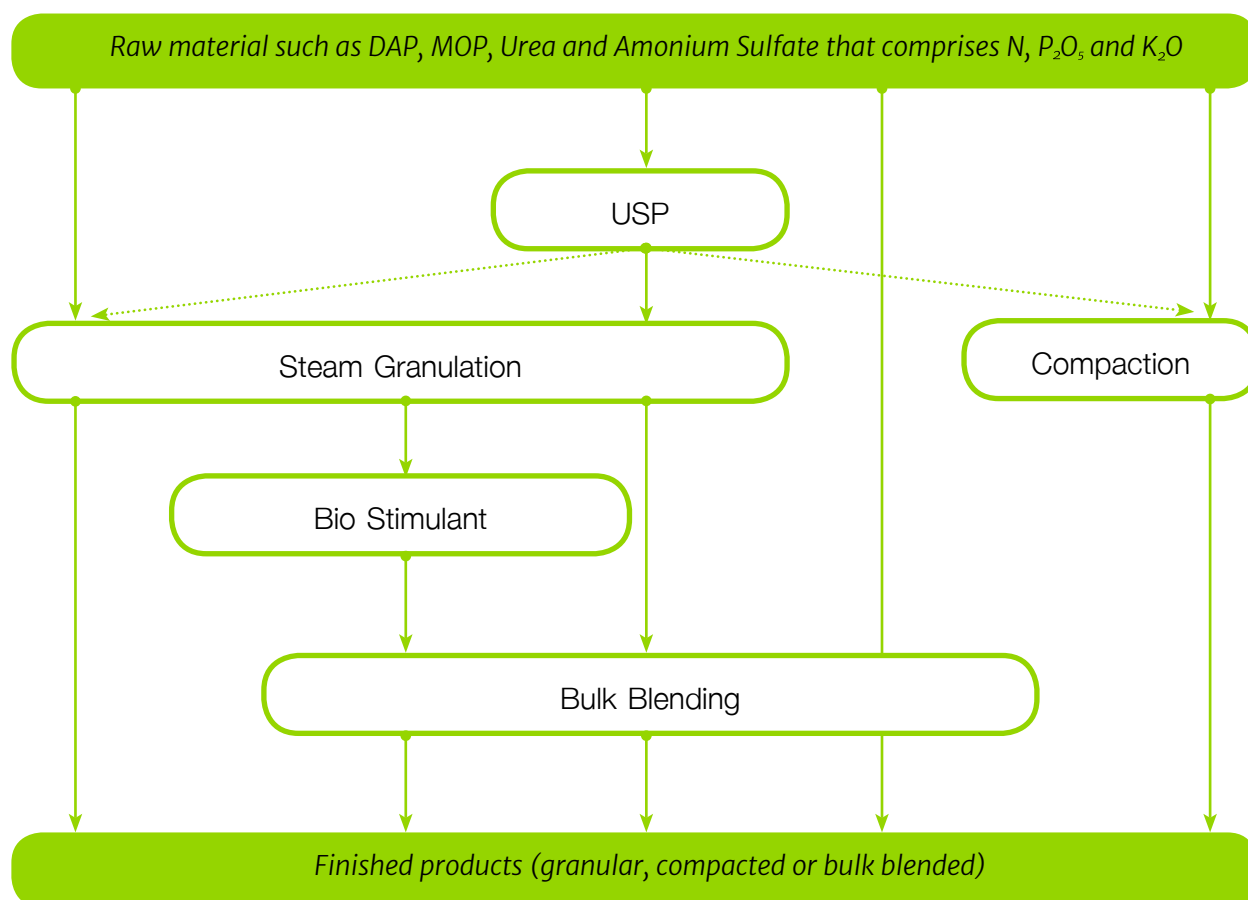
3. Production

At present, Baconco has a production capacity of 450,000 metric tons of fertilizers per year that increased from 350,000 metric tons per year as a result of the new granulation unit which the commercial production has already started since February

2015. 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. Baconco’s utilization rates were 49% and 39% in 2014 and 2015, respectively. The utilization rates are significantly lower

than the maximized capacity rate due largely to a cyclical nature of the fertilizer industry both in Vietnam and abroad. In recent years, the management decided instead to focus more at export markets. This has led to an improvement of its off-peak production capacity, making Baconco’s year-round production much more effective.

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.



Bulk Blending



Granulation Line



Packaging



Granular Fertilizer Dryer

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.

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 ^{/1}
Nitrogen	60	40	26
Phosphorus	28	6	0.91
Chemical Oxygen Demand (proxy in measuring organic compounds)	1,200	150	46

Note: ^{/1}An average release as of December 2015.



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 ¹
Dust	6	2.09
Sulfur Dioxide (SO ₂)	5	0.07
Nitrogen Dioxide (NO ₂)	5	0.04
Carbon Monoxide (CO)	20	5.18

Note: ¹An average release as of December 2015.

The following table sets forth Baconco's noise level

Production	Noise level (Decibel)	
	Maximum level by the Phu My Industrial Estate	Baconco's level ¹
Steam Granulation	90	80.9
Compaction	90	79.2
Bulk Blending	90	78.2
USP production	90	74.6

Note: ¹An average release as of December 2015.



7. Corporate Social Responsibility

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: ||

- **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.

- **Human rights and employee well-being:**

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

- **Social Contributions:**

We encourage and support our staffs to involve themselves in team/ individual activities that contribute to society focusing especially on donations, volunteering and education. Our activities during 2015 are as follows:



Baconco, our subsidiary, joined the Norwegian Football Association in organizing the Fun Football Festival for over 2,000 youths from 15 social Centers in Phu Loc District, Thua Thien Hue, Vietnam.

PMTA also joined Thoresen Thai Agencies Public Company Limited's "Agriculture for School Lunch" project, sponsoring Ban Nongyai Phattana School in Satakien district, Nakhon Ratchasima to run sustainable agricultural works with seeds, ducks, fishes, mushrooms and water management system. With this sponsorship, the school can stand on their feet for preparing student meals as well as generating their own incomes from these agricultural products in the long term.

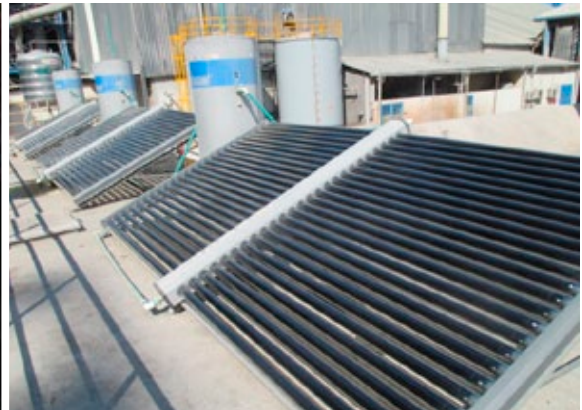
• **Environment:**

We had developed the environmental protection and management practices with the aim to minimise waste and maximise efficiencies.

In 2015, Baconco, our subsidiary, has been awarded with the Certificate of Achievement from Ba Ria Vung Tau Power Company in recognizing its effort on energy saving and regulatory compliance. This is a result from its management' efforts over the past 5 years to implement and enforce the following energy efficiency schemes to its manufacturing: Solar heating system for boiler and inverter for some pumps and ventilators was installed at the factory. High voltage lamps were also

replaced by compact and LED lamps as well as the leakage of air conditioner's compressor were fixed. The equipment was operated in order of priority and in accordance with the working hour along with optimizing working condition of equipment step by step. Another notable effort included making energy audit, setting up energy management system as well as doing report of energy saving and effectiveness annually.

Moreover, 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.



8. Corporate Governance Report

PM Thoresen Asia Holdings Public Company Limited (“PMTA” or the Company) highlighted the importance of good corporate governance as it helps boosting 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. The Company defines the vision, policy, and best practices for all directors, executives and employees to comply with while performing their duties. 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 (“SET”).

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 defines the policy to support the compliance with the Corporate Governance Principles in five (5) modes as follow:

• 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:

1. Shareholders’ Meetings

- 1.1 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.
- 1.2 The Company shall facilitate all shareholders with equitable treatment during their attendance. The Company will schedule suitable date, time and meeting place, taking into consideration the convenience of their commute.

- 1.3 The Company will deliver the notice of the shareholders’ meetings together with enclosed documents or information of the meeting agenda, sufficiently to allow shareholders to consider on the matters. Details of the meetings are submitted in advance before the shareholders’ meetings take place, during the period as specified by relevant law, announcement or regulations. This enables the shareholders to review the information with completion. The Company also discloses the meeting notice and meeting agenda on the Company’s website in advance. The Company has assigned Thailand Securities Depository Co., Ltd., the Company’s registrar, to deliver the meeting notice and other materials to shareholders.

- 1.4 In the case that shareholders are unable to attend the meeting by themselves, the Company allow them to give their proxy to independent directors or any other persons to attend the meeting, by using the proxy form attached with the meeting notice.

2. Procedures at the Shareholders’ Meetings

- 2.1 Shareholders’ Meetings will be conducted in compliance with law and regulations of the Company. The meeting agenda shall be run though in the specified order. No significant change is made. No agenda is added, if not necessary, especially on matters significant to shareholders that require adequate time to review before making decisions. The Company provides equal opportunities for all shareholders to ask question, express their views and make suggestions.



- 2.2 The Company encourages all directors and relevant executives to attend the Shareholders' Meetings so that they can give answers to all inquiries from shareholders.
- 2.3 The Company provides adequate staff and applies advanced technology in running the meeting to allow fast flow with accuracy and auditability.
- 2.4 The Company clarifies the regulations used in conducting the meeting as well as the criteria and procedures of voting and vote counting. Besides, the meeting is conducted in a suitable time period.
- 2.5 The Company uses ballots for voting in each agenda, enabling all counts to be audited and made reference of.

3. Minutes of Meeting and Resolution Disclosure

- 3.1 The Company prepares the minutes of meeting with accuracy and completion, and records all points of discussion and key opinions to include in the minutes, to allow shareholders to review on the matters. The minutes of meetings must be completed in 14 days from the date of the shareholders' meeting. The minutes will then be submitted to the SET or related offices within the required timeframe after the meeting. The minutes are also posted on the Company's website so that shareholders can consider the matters.
- 3.2 The Company will disclose the resolutions of the shareholders' meetings via the the SET's ELCID within the same day of the shareholders' meetings or as late as by 9.00 A.M. of the following working day. The resolutions are also posted on the Company's website.

Hereby, the Company will organize the 2016 Annual General Meeting of shareholders ("2016 AGM") on 25 April 2016 at Lotus Room, Queen Sirikit National Convention Center. For the 2016 AGM, the Company will deliver the meeting notice together with the agenda and other materials in advance at least 14 days before the meeting. The Company publishes the notice of each meeting in at least one Thai language and one English language in a daily newspaper for three (3) consecutive days no later than three (3) days prior to each AGM.

In addition, the Company announced the notice of the 2016 AGM to the SET on 16 March 2016 and will post the notice and details of the 2016 AGM on the Company's website at www.pmtthoresenasia.com.

On the day of the 2016 AGM the Company will facilitate shareholders by arranging rows separately for shareholders and proxy. The barcode system will be utilized during the registration and vote counting. Besides, envelops have been enclosed so that shareholders can return their proxy form via post.

• 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 ELCID. 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.

• 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.

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. In 2015, day-off has been added on employees' birthday to allow them to spend the time with their family.

(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.

2. Anti-Corruption Efforts

The Company conducts business with strong ethics and responsibility for all concerned parties as a guideline for

anti-corruption practices. In this regard, the Company is considering on implementing the Anti-Corruption Policy as a guideline for anti-corruption practices.

3. Anti-Corruption and Anti-Bribery

The Company encourages all employees to conform to the laws, as a practice set in the TTA 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.

4. Whistle-Blowing Policy and Whistle-Blower Protective Measures

The Company is currently constricting 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.

5. Contact Channels for Stakeholders

The Company is constructing the channels of reporting directly to the Audit Committee through the Company's website at <http://www.pmthoresenasia.com>. The grievance will be forwarded to the Audit

Committee to report to the Board of Directors in the quarterly meeting.

• 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 ELCID 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 2015, 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 ELCID, the Company's website (<http://www.pmthoresenasia.com>), press releases.

• 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.

Self- Assessment of Board Members on both as a whole and an individual basis

In 2015, 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 2015, results of the Board performance assessment as a whole gain "Very Good" level, with an average score of 88.99% and self-assessment gain "Excellent" level, with an average score of 93.51%. The Board of Directors discusses on the evaluation results and improvement and also requests all sub-committees to provide recommendation on efficiency improvement of the Board.

Self Assessment of Sub-Committee members on both as a whole and an individual basis

Sub-Committees namely, Audit Committee and Nomination and Remuneration Committee, conducted a formal evaluation of its own performance for the year that ended on 31 December 2015. 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 2015, the assessment results for both as a whole and an individual basis of the Audit Committee were "Excellent" and the results of the Nomination and Remuneration 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. Chalermchai Mahagitsiri	<ul style="list-style-type: none"> Directors Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 53/2005 Directors Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 30/2004 Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 17/2013
2.	Mr. Chia Wan Huat Joseph	<ul style="list-style-type: none"> Directors Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 165/2012
3.	Mr. Somboonkiat Kasemsuwan	<ul style="list-style-type: none"> Director Accreditation Program (DCP), Thai Institute of Directors Association (IOD), Class 96/2007
4.	Assoc. Prof. Dr. Sathit Parniangtong	<ul style="list-style-type: none"> Director Accreditation Program (DCP), Thai Institute of Directors Association (IOD), Class 128/2010 Advanced Audit Committee Program (AACP), Thai Institute of Directors Association (IOD), Class 13/2013
5.	Mr. Arild Haugan	<ul style="list-style-type: none"> Director Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 182/2013
6.	Mr. Somporn Chitphentom	<ul style="list-style-type: none"> Director Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 178/2013
7.	Mr. Sigmund Stromme	<ul style="list-style-type: none"> Director Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 182/2013



9. Risk Factors

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 Audit Committee, on behalf of the Board of Directors, also 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.

However, the Board of Directors has planned to set up the Company's risk management committee to conduct main responsibilities in:

- Determine risk management structure
- Consider and approve risk management policies, strategies, framework and plans
- Review and monitor the group's risk
- Report risk and mitigation plan to the Board of Directors

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 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 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 PMTA considers that it could affect the group's operation 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 volatiled 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 arised 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 80% 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 Financial 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.

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.

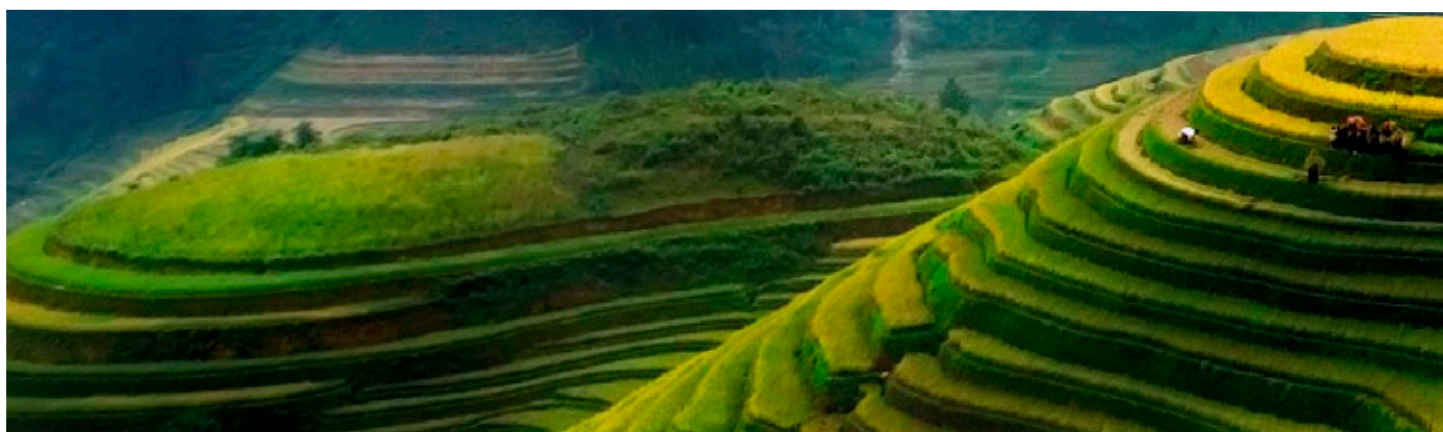
Therefore, Baconco has adjusted strategy to be appropriate to manage risk from exchange rate and the impact on the business. At the present, Baconco opts instead to pursue the natural hedging strategy by modifying the structure of its revenues and raw material costs. The group has closely monitored exchange 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

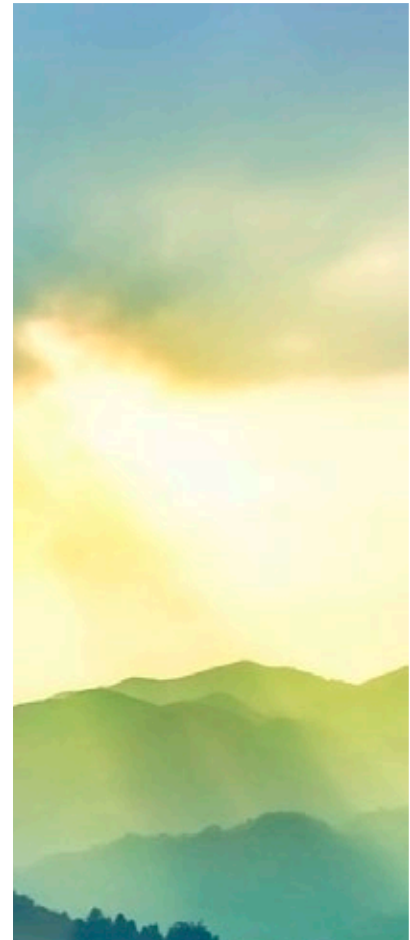
The Vietnamese government establishes specific standards for fertilizer formulas in order to protect consumers and penalties are enforced if products are not manufactured based on tested specifications. Baconco imports raw materials from reliable foreign and domestic suppliers and already has the reputation 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.

Risk management is an integral part of the strategic, project and operational decision-making process at all levels of the group. Assigned owners are required to continually monitor, review and report their risks for which they bear responsibility. The management is responsible to present key risks to the group annually and have general responses strategies for managing risks. Consequently, it is deemed that the group has the effective risk management process that can mitigate business risks to the acceptable level.



10. Audit Committee Report

To the Shareholders

The Audit Committee (“the Committee”) consists of three independent directors and non-executive directors namely Mr. Somboonkiat Kasemsuwan (the Chairman), Assoc. Prof. Sathit Parniangtong, Ph.D., and Mr. Arild Haugan. All the Committee’s members have adequate qualifications and discharge their 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.

In 2015, the Committee held four meetings, and the Committee attendances records are shown as the following table.

No.	Audit Committee	Position	No. of Meeting Attendance/ No. of Meeting
1	Mr. Somboonkiat Kasemsuwan	Chair of Audit Committee	3/4
2	Assoc. Prof. Sathit Parniangtong, Ph. D.	Member of Audit Committee	4/4
3	Mr. Arild Haugan	Member of Audit Committee	3/4

The key responsibilities of the Committee are to assist the Board in fulfilling its oversight responsibilities in relation to, financial reporting, the effectiveness of the system of risk management and internal control, compliance with relevant legal and regulatory requirements, monitoring the qualifications, expertise, resources and independence of both the internal and external auditors, and assessing the auditor’s performance and effectiveness. The Committee keeps the Board informed of the Committee’s activities and recommendations. Where the Committee is not satisfied with, or considered action or improvement are required concerning any aspect of risk management and internal control, financial reporting, or audit - related activities, it promptly reports these concerns to the Board. The Committee’s significant activities have been summarized below.

1. Review of Financial Statements

The Committee has reviewed and discussed with the external auditor and management responsible for preparing the financial report in relation with significant information for the Company’s and consolidated financial statements, including changes in significant accounting policy, significant related party transaction, significant acquisition and disposal of the Company’s asset, accuracy and adequacy of information disclosure, significant unusual and estimated transaction, if any, for the benefit of investors or users

of such statements before submitted to the Board of Directors for approval. In carrying out the review, the Committee considered 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 Committee held meetings with the external auditors without the presence of the Company’s management so as to freely discuss 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 indicating potential fraud following Section 89/25 of the Securities and Exchange Act B.E.2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551. In 2015, the external auditors did not discover any material misstatements or indications of suspicious incidents. The Committee is of the opinion 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 Committee approved the audit plan for 2015 as well as reviewed the Internal Audit Department’s independence, resource sufficiency and also evaluated the performance of Internal Auditor. The 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 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 Committee held meeting with the Compliance Department to review the Company's compliance with the laws and regulations. The Internal Auditors have also reviewed the connected transactions or transactions that may lead to conflicts of interests ensuring that the occurred transactions 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 Committee and subsequently the Board of Directors. The Committee also ensures that transactions are transparent, reasonable, fair, without

conflict of interest, in all material respects, and for the highest benefit of the Company. The 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.Whistleblowing

The 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 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 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 Mrs. Siripen Sukcharoenyingyong, Certified Public Accountant Registration No. 3636; and/or Mr. Banthit Tangpakorn, Certified Public Accountant Registration No. 8509; and/or Mr. Veerachai Ratanajratkul, Certified Public Accountant Registration No. 4323; and/or Miss. Pornthip Rimdusit, Certified Public Accountant Registration No. 5565; all of KPMG Phoomchai Audit Ltd., as the external auditors of the Company for the year ended 31 December 2016 with the audit fees

for PMTA and the Group companies amounting to Baht 1.81 million and Baht 2.58 million, respectively.

The Audit Committee Self-Assessments

The 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 conduct as a benchmarked against guidelines from the Securities and Exchange Commission and concluded that it was excellent and effective.

In summary, the 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

Mr. Somboonkiat Kasemsuwan
Chairman of Audit Committee

11. Internal Control and Risk Management

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

Internal Control

The Company designed and followed the internal control system adequately in order to minimize key risks potentially harmful to the company's operations, and once control deficiencies are detected, they will continuously be improved to suit the current and future businesses as well as to comply with related laws and regulations.

The Board of Directors

("the Board") is ultimately responsible for PMTA's effective system of internal controls and risk management to safeguard the Company's assets and all stakeholders' interests, and it discharges its duties in this area by:

- Determining the nature and extent of the significant risks it is willing to accept in achieving the Company's strategic objectives (the Board's risk appetite); and
- Ensuring that management implements effective systems of risk identification, assessment and mitigation.

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 their 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

("IAD") is an independent department that functional reports directly to the AC and administratively reports to Managing Director. The IAD assists the AC and the Board by performing regular assessments and evaluations on PMTA's key internal controls system.

IAD 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 the AC and the Board. The AC monitors resolution of any identified control issues through to a satisfactory conclusion. 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.
- The Company has implemented a Whistleblower Policy for reporting fraud, errors and misrepresentation or false statements made by the executives. Whistleblower reports are periodically reviewed by the Audit Committee.

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.

PMTA consistently recognizes the importance of risk assessment and risk management which is instrument to alert on the potential harmful to the Company. The policies, guidelines and risk management plans are reviewed continuously. 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. Risk management structure is set up properly. Risk management plan is determined from the potential risk factors on the business, goals and the Company's operations of both in internal and external factors. Potential risk assessment may also contribute to the goal of managing risk by applying various appropriate control methods. Moreover, appropriate monitoring and reporting in risk management prevailing are in place and timely prior to report to the Board of Directors. The Company has set the risk management policy as follows;

- Determine the vision and mission
- Establish clear business objectives at the group level. These objectives have to be reviewed in annually basis
- Determine the level of risk appetite
- Identify, assess and gather risk profiles. Mitigation/ action plans have to be developed and monitored for key risks identification to control and manage the exposures. Risk profiles have to be reviewed in a quarterly basis
- Identify key risks of business group respective areas of responsibility and ensure that controls are instituted to manage these risks. Effectiveness of these controls have to be regularly monitored and reviewed to ensure their relevance, validity and robustness
- Give consideration to the balance of risks and rewards/ opportunities in all business decisions (including but no limited to investments/divestment, acquisitions and projects.)
- Ensure awareness and compliance with all applicable laws, rules, regulations and policies within respective areas of responsibilities
- Review key risks as a result of any change in internal and external factors e.g. additional product line and/or economic/political changes
- Proactively anticipate and manage risks including any potential hazard in line with the Company's risk tolerance
- Identify and regularly measure key risk indicators and take appropriate action to reduce risk exposure
- Embed risk management into existing practices and/or business processes and create risk awareness culture.

3. Control Activities

PMTA focuses on efficient control activities and appropriate for the business circumstances and activities of the Co. These control activities are implemented through regulation, policy and working procedures. They are also reviewed and improved continuously. 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

Information technology has been developed to ensure efficient business operations. PMTA recognizes the importance of accuracy, reliability, and prompt information for decision-making. It also has an effective information security system, including a contingency plan to protect the information system when there are serious incidents that may cause system failure. Furthermore, PMTA deploys an audit trail system that can track back and review historical data. Besides, PMTA has complied the Computer Offense Act and computer traffic data as requires by the Ministry of Information and Communications Technology. PMTA also has invested in an effective communication system, including internal and external channels. The internal communication manages through various channels. Documents for the shareholders' meetings and the Board's meetings have been delivered ahead of the meetings and contain sufficient information for the shareholders or the Board to make decisions in appropriated time.

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 IAD throughout the period.

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.

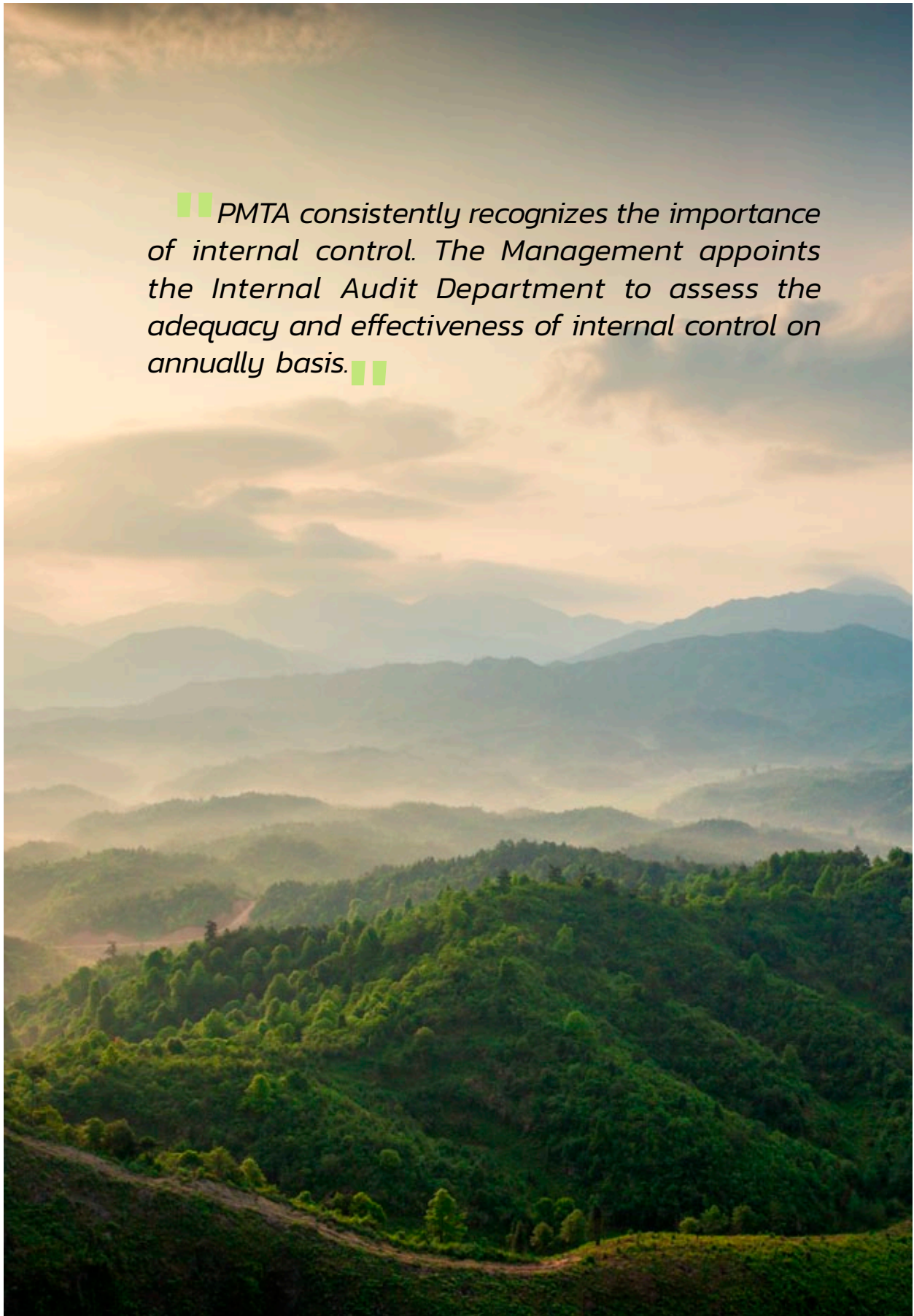
At Board Meeting No. 1/2016, held on 26 February 2016 with the Audit Committee present, the Board assessed the above five components of the Company's internal control systems. The Board concluded that the Company's internal control systems were found to be adequate and effective, with no material deficiency.

KPMG Phoomchai Audit Ltd., the Company's external auditors, who concluded the audit of the financial statements for year ended on 31 December 2015, concluded that there was no material deficiency in the Company's accounting and financial control system.





■ ■ *PMTA consistently recognizes the importance of internal control. The Management appoints the Internal Audit Department to assess the adequacy and effectiveness of internal control on annually basis.* ■ ■



12. Financial Highlights



	Year ended 31 December 2015	Three-month period ended 31 December 2014	Year ended 30 September 2014
	(in million Baht)		
Statement of comprehensive income:			
Revenue from sales	3,258.5	589.0	3,192.0
Revenue from factory area leasing services	49.1	9.6	29.3
Cost of sales	2,748.6	482.8	2,580.0
Cost of providing services	25.0	4.5	16.8
Selling expenses	154.2	31.7	173.3
Administrative expenses	94.1	21.1	75.7
Net profit	233.0	55.3	302.4
<i>Basic earnings per share (in Baht)</i>	<i>2.36</i>	<i>0.59</i>	<i>3.85</i>
Statement of financial position (at end of year):			
Cash and cash equivalents	297.2	259.8	521.6
Inventories	724.7	504.1	360.4
Plant and equipment	642.6	521.0	489.1
Total assets	1,961.6	1,612.9	1,564.8
Short-term loans from financial institutions	93.3	219.3	-
Total liabilities	423.1	448.5	203.5
Issued and paid up share capital	1,012.0	931.0	931.0
Total equity	1,538.5	1,164.4	1,361.3
Other financial data:			
Net cash generated from (used in) operating activities	205.3	(128.9)	531.7
Net cash generated from (used in) investing activities	(166.5)	(9.2)	(1,057.2)
Net cash generated from (used in) financing activities	(1.4)	(123.0)	930.0
Financial ratios:			
Return on equity (%)	17%	24%*	25%
Return on total asset (%)	16%	23%*	27%
Net profit margin (%)	7%	9%	9%
Interest bearing debt to equity (times)	0.1	0.2	-
Net interest bearing debt to equity (times)	(0.1)	(0.0)	(0.4)

Remark * Annualized from January – December 2014 performance.

13. Income Structure



	Year ended 31 December 2015		Three-month period ended 31 December 2014		Year ended 30 September 2014	
		%		%		%
<i>(in million Baht)</i>						
Group of Business						
Manufacture of fertiliser and crop care products	3,258.5	98.4	589.0	96.4	3,192.0	98.9
Factory area leasing services	49.1	1.5	9.6	1.6	29.3	0.9
Other operating income	3.3	0.1	12.1	2.0	6.2	0.2
Total	3,310.9	100.0	610.7	100.0	3,227.5	100.0

14. Management Discussion and Analysis

FY2015 Highlight

- Fertilizer sales revenue rose by Baht 170.5 million or increased 6% YoY
- Domestic sales remained strong despite of drought condition within the region
- Completion of new granulation unit (100,000 tons capacity) to support growth in export market
- Expansion of factory area for leasing from 31,000 sq. m. with additional 11,300 sq. m. to 42,300 sq. m., and further 8,200 sq. m. (named Baconco 5B Phase 2) under construction opening early 2016, achieved 100% occupancy rate while the demand from current customers still keep rising

Change of the Accounting Period

PMTA has changed the accounting period starting from 1 October to 30 September of next year to the period starting 1 January to 31 December of every year. The financial statements for the period ended 31 December 2014 have been prepared under this new accounting period, presented from 1 October 2014 to 31 December 2014. However, for the benefit of users in comparing and analyzing the financial information, PMTA has prepared unaudited consolidated statements of comprehensive income for the twelve-month period ended 31 December 2014 in comparison with year 2015, and hereby prepared management's discussion and analysis.

Overview

Year 2015 was another profitable year of PMTA ending with the net profit of Baht 233 million. Several key developments were accomplished during the year driven by the company's considerable effort. These include the completion of its new granulation unit to support future growth especially for export market, expanding more factory area for leasing, and introduction of new product. However, compared to year 2014, the overall performance of PMTA in 2015 was also challenged by global climate change with Southeast Asian countries facing significant drought from the prolong of El-Nino creating difficult situation with highertemperature than normal andno rain for plantation. This inevitably contribute negative impact on the demand of fertilizer.

PMTA continued to achieve higher sales revenue to Baht 3,258.5 million in 2015 or increased 6% YoY from Baht 3,088 million in 2014, supporting by its strong brand, diverse product choices, and effective marketing campaigns despite the challenging year. One of the factors underpinning the sales was the new product launched with Solvay in September 2015, which was significantly attributable to the increase in sales volume of single fertilizer. However, the rising of material cost has reduced the gross profit to Baht 786.2 million. Therefore, PMTA reported a net profit of Baht 233 million (Baht 2.36 per share) in 2015, reducing 18% YoY from Baht 283 million (Baht 3.04 per share).

Performance Summary

in Million Baht	FY15	FY14	% YoY	4Q/15	3Q/15	4Q/14	% YoY	% QoQ
Sales Revenue	3,258.5	3,088.0	6%	904.8	802.3	589.0	54%	13%
Gross Profit	786.2	817.2	-4%	232.7	185.7	163.9	42%	25%
Gross Margin (%)	24%	26%		26%	23%	28%		
EBITDA	348.6	375.0	-7%	111.0	75.4	70.2	58%	47%
EBITDA Margin (%)	11%	12%		12%	9%	12%		
Net Profit	233.0	283.0	-18%	75.6	49.1	55.3	37%	54%
Net Profit Margin (%)	7%	9%		8%	6%	9%		
Basic earnings per share (in Baht)	2.36	3.04	-22%	0.75	0.48	0.59	27%	57%

Significant Events in 2015

- 27 March 2015, grand opening of new granulation unit (100,000 tons capacity) and factory area for leasing named Baconco 5B Phase 1 (11,300 sq. m.)
- 6 May 2015, first trading day of PMTA stock
- Right Ratio: 37 TTA shares : 1 PMTA share (100% Pre-emptive right to TTA shareholders)
- IPO Price: 18 Baht per share
- Underwriter: CIMB Securities (Thailand) Co., Ltd.
- September 2015, launch of new product with Solvay



Fertilizer and Factory Area Leasing Business

Amidst the difficulties in planting due to the long lasting of El-Nino in the central region of Vietnam, agriculture industry has faced the great barrier in order to generate the agricultural products. This effectively caused lower demand of fertilizer in the market. Despite the tough situation in the industry, the company finally reached the level of sales volume same as last year. In 2015, sales volume of fertilizer is 198,541 tons, an increase of 1% YoY from 196,986 tons. The growth in sales volume was hindered by limited opportunities for exporting to African countries as well as the drought problem in many Southeast Asian countries.

The demand for factory area leasing remained very high, with increasing demand from current customers. Therefore, the utilization rate of the company's factory area for leasing in 2015 achieved 100%. Thus, service income from factory area leasing business jumped from Baht 32.1 million to Baht 49.1 million or rose 53% YoY. Besides, PMTA is in the process of building Baconco5B Phase 2 (capacity of 8,200 sq. m.) to support growing demand. The new phase is scheduled to be completed in 1Q/16.

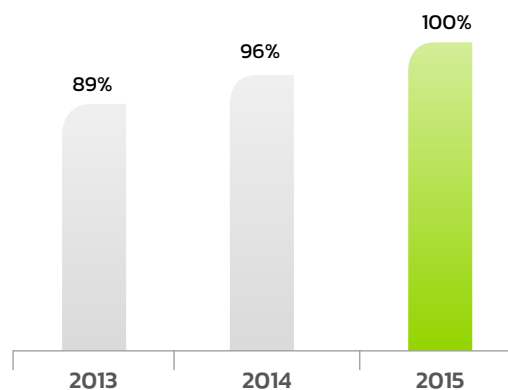
Fertilizer Sales Volume

Unit: Tons	FY15	FY14	% YoY	4Q/15	3Q/15	4Q/14	% YoY	% QoQ
Fertilizer NPK	193,075	191,743	1%	48,733	46,013	34,243	42%	6%
Single fertilizer	3,224	2,642	22%	2,549	553	201	1170%	361%
Pesticide	2,242	2,601	-14%	587	546	790	-26%	7%
Total	198,541	196,986	1%	51,869	47,112	35,235	47%	10%

Sales Volume Breakdown

Unit: Tons	FY15	FY14	% YoY	4Q/15	3Q/15	4Q/14	% YoY	% QoQ
Domestic	118,851	117,432	1%	32,673	26,620	23,453	39%	23%
Export	79,690	79,554	0%	19,196	20,492	11,781	63%	-6%
Total	198,541	196,986	1%	51,869	47,112	35,235	47%	10%

Chart: Occupancy Rate of Factory Area for Leasing 2013-2015



Source: Baconco

Consolidated Performance

Income Statement

in Million Baht	FY15	FY14	% YoY	4Q/15	3Q/15	4Q/14	% YoY	% QoQ
Sales Revenue	3,258.5	3,088.0	6%	904.8	802.3	589.0	54%	13%
Raw Material Costs	(2,472.3)	(2,270.8)	9%	(672.1)	(616.6)	(425.0)	58%	9%
Gross Profit	786.2	817.2	-4%	232.7	185.7	163.9	42%	25%
Service & Other Income	52.4	36.6	43%	13.4	14.4	11.1	20%	-7%
Operating Cost	(236.0)	(207.3)	14%	(67.7)	(63.7)	(50.7)	33%	6%
Cost of providing services	(10.5)	(5.4)	95%	(4.0)	(2.4)	(1.6)	151%	66%
SG&A	(243.6)	(266.1)	-8%	(63.3)	(58.6)	(52.6)	20%	8%
EBITDA	348.6	375.0	-7%	111.0	75.4	70.2	58%	47%
Depreciation & Amortization	(57.2)	(40.8)	40%	(16.2)	(15.2)	(10.2)	60%	7%
EBIT	291.4	334.2	-13%	94.8	60.3	60.0	58%	57%
Financial Cost	(6.3)	(0.9)	593%	(1.3)	(1.0)	(0.6)	105%	23%
Gain/(Loss) from Foreign Exchange	(2.4)	13.3	-118%	(1.1)	0.9	10.6	-110%	-216%
Profit before income tax	282.6	346.6	-18%	92.4	60.2	70.0	32%	54%
Income Tax Expense	(49.6)	(63.6)	-22%	(16.9)	(11.1)	(14.6)	15%	52%
Net Profit	233.0	283.0	-18%	75.6	49.1	55.3	37%	54%

In 2015, fertilizer sales revenue rose 6% YoY from Baht 3,088 million to Baht 3,258.5 million, contributed mainly from increasing of revenue per ton sales from 15,676 Baht per ton to 16,412 Baht per ton or increased 5% YoY, while the volume of fertilizer sales increased only 1% YoY from 196,986 tons to 198,541 tons. On the other hand, cost of raw material rose 9% YoY from Baht 2,270.8 million to 2,472.3 million, resulting in raw material cost per ton increased from 11,528 Baht per ton to 12,452 Baht per ton or increased 8% YoY. The higher growth rate of raw material cost than that of fertilizer sales revenue diminished the gross margin in 2015 to 24%

compared with 26% in 2014. In order to support the farmers, on 8 December 2014 Vietnamese government issued a decree cancelling the 5 % VAT on sales of all types of fertilizers effective from 1 January 2015.

Service and other incomes dramatically increased 43% YoY to Baht 52.4 million from Baht 36.6 million in 2014. The majority source of service and other incomes was from factory area leasing. With 100% occupancy rate of current factory area for leasing and growing demand for rental space, the new factory area for leasing named 5B Phase 2 is now under construction.

Operating cost increased 14% YoY from Baht 207.3 million in 2014 to Baht 236 million in 2015 because the additional of the new capacity was not fully utilized. While the SG&A, due to effective cost control reduced from Baht 266.1 million in 2014 to Baht 243.6 million in 2015 or decreased 8% YoY.

Therefore, EBITDA was at Baht 348.6 million in 2015 reducing from Baht 375 million in 2014 or decreasing 7% YoY. As a result, EBITDA margin dropped from 12% to 11% in 2015. Depreciation and amortization significantly grew 40% YoY from Baht 40.8 million to Baht 57.2 million in 2015, from the new granulation unit installed.



Resultantly, PMTA reported the consolidated financial statements for the year 2015 with net profit of Baht 233 million (Baht 2.36 per share), decreased 18% YoY from Baht 283 million (Baht 3.04 per share) in 2014

Statement of Financial Position

in Million Baht	31 December 2015	31 December 2014
Asset	1,961.6	1,612.9
Cash and Cash Equivalent	297.2	259.8
Other Current Assets	1,020.9	830.1
Plant and Equipment	642.6	521.0
Other Non Current Assets	0.9	2.1
Liabilities and Equity	1,961.6	1,612.9
Interest Bearing Debt	93.3	219.3
Other Liabilities	329.9	229.2
Shareholder's Equity	1,538.5	1,164.4

At the end of 2015, the company had total asset of Baht 1,961.6 million, increased 22% YoY from 31 December 2014. The increasing of total assets came from current assets of Baht 228.2 million and Baht 120.5 million from non-current assets. For the current asset side, mainly increased from trade account receivable and inventories. For the non-current assets, the increasing was mainly due to plant and equipment from new granulation unit and additional factory area for leasing.

Total liabilities at 31 December 2015 was at Baht 423.1 million which decreased by Baht 25.4 million, or declined 6% YoY from end of 2014. Short-term loans from financial institutions significantly decreased by Baht 126 million, reduced 57% YoY from loan repayment, while trade accounts payable grow by Baht 78.8 million or increased 49% YoY.

As of 31 December 2015, PMTA reported total shareholders' equity of Baht 1,538.5 million or rose 32% YoY from Baht 1,164.4 million at the end of 2014, due to profit generated during the period.

Statement of Cash Flows

For the statement of cash flows, at the end of 2015, net cash from operating activities was Baht 205.3 million. Net cash used in investing activities was Baht 166.6 million, the large amount was for purchases of plant and equipment. Moreover, net cash used in financing activities was Baht 1.4 million. Therefore, net increase in cash and cash equivalents was equal to Baht 37.4 million. Together with cash and cash equivalents as at 1 January 2015 and effect of exchange rate changes on balances held in foreign currencies, Baht 297.2 million was the amount of cash and cash equivalents at 31 December 2015.

Financial Ratio

Key Financial Ratio	2015	2014
Current Ratio	3.2	2.5
EBITDA to Sales Revenue (%)	11%	12%
Net Profit to Sales Revenue (%)	7%	9%
Return on Total Asset (%)	16%	23%
Return on Equity (%)	17%	24%
Interest Bearing Debt to Equity (Times)	0.1	0.2
Net Interest Bearing Debt to Equity (Times)	(0.1)	(0.0)
Net Interest Bearing Debt to EBITDA (Times)	(0.6)	(0.1)

15. Statement of the Board of Directors' Responsibilities for 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 2015 have been audited by KPMG Phoomchai Audit Ltd, 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 2015 were prepared in conformity with Thai Financial Reporting Standards and in compliance with law and all relevant regulations.

Mr. Chalermchai Mahagitsiri

Chairman of the Board of Directors

Mr. Sigmund Stromme

Managing Director

16. Consolidated and Separate Financial Statements



Independent Auditor' Report

To the Shareholders of PM Thoresen Asia Holdings Public Company Limited

I have audited the accompanying 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 2015, 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.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the 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 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other matter

I draw attention to the following; the Group changed its financial year end from 30 September to 31 December. Consequently, the corresponding information presented for the three-month period ended 31 December 2014 is not comparable with the twelve-month period ended 31 December 2015. Supplementary information which consists of an unaudited consolidated statement of comprehensive income for the twelve-month period ended 31 December 2014 is presented in note 30. I have not audited the supplementary information and do not express any opinion on that information



(Banthit Tangpakorn)

Certified Public Accountant

Registration No. 8509

KPMG Phoomchai Audit Ltd.

Bangkok

26 February 2016



STATEMENT OF FINANCIAL POSITION

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	297,215,112	259,805,428	18,626,842	34,345,236
Trade accounts receivable	4, 6	254,417,861	131,888,938	-	-
Other amounts due from related parties	4	6,292	7,251,885	177,625,529	38,586,856
Other receivables	7	9,705,081	43,295,477	-	-
Short-term loan to a subsidiary	4	-	-	129,970,499	-
Inventories	8	724,706,970	504,090,249	-	-
Other current assets	9	32,092,407	143,578,750	452,333	5,724,023
Total current assets		1,318,143,723	1,089,910,727	326,675,203	78,656,115
Non-current assets					
Investments in subsidiaries	10	-	-	905,064,206	905,064,206
Plant and equipment	11	642,607,040	520,970,586	332,551	-
Intangible assets	12	97,833	125,609	-	-
Prepayments for land use rights	13	776,586	1,930,801	-	-
Total non-current assets		643,481,459	523,026,996	905,396,757	905,064,206
Total assets		1,961,625,182	1,612,937,723	1,232,071,960	983,720,321

The accompanying notes are an integral part of these 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 2015	31 December 2014	31 December 2015	31 December 2014
<i>(in Baht)</i>					
Current liabilities					
Short-term loans from					
financial institutions	15	93,281,440	219,328,715	-	-
Trade accounts payable	16	238,577,846	159,728,442	13,209,083	12,144,595
Advances from customers		1,189,176	1,274,541	-	-
Accrued income taxes		16,852,399	18,807,770	-	4,540,398
Other current liabilities	17	62,966,156	39,590,631	1,801,201	10,126,257
Total current liabilities		412,867,017	438,730,099	15,010,284	26,811,250
Non-current liabilities					
Employee benefit obligations		10,278,590	9,773,445	316,470	170,865
Total non-current liabilities		10,278,590	9,773,445	316,470	170,865
Total liabilities		423,145,607	448,503,544	15,326,754	26,982,115
Equity					
Share capital	19				
Authorised		1,012,000,000	1,012,000,000	1,012,000,000	1,012,000,000
Issued and paid up		1,012,000,000	931,000,000	1,012,000,000	931,000,000
Additional paid in capital					
Premium on ordinary shares	19	60,384,380	-	60,384,380	-
Retained earnings					
Appropriated - Legal reserves	20	23,693,000	17,761,000	23,693,000	17,761,000
Unappropriated		231,638,524	4,579,982	120,667,826	7,977,206
Other components of equity		210,763,671	211,093,197	-	-
Total equity		1,538,479,575	1,164,434,179	1,216,745,206	956,738,206
Total liabilities and equity		1,961,625,182	1,612,937,723	1,232,071,960	983,720,321

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



STATEMENT OF COMPREHENSIVE INCOME

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year	For the three-month	For the year	For the three-month
		ended	period ended	ended	period ended
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014
<i>(in Baht)</i>					
Revenue					
Revenue from sales	21	3,258,512,680	588,964,714	-	-
Revenue from factory area					
leasing services	21	49,113,120	9,614,220	-	-
Total revenue		3,307,625,800	598,578,934	-	-
Cost					
Cost of sales		2,748,652,604	482,778,125	-	-
Cost of providing services		24,982,537	4,475,827	-	-
Total cost	23	2,773,635,141	487,253,952	-	-
Gross profit		533,990,659	111,324,982	-	-
Other operating income	22	3,322,716	12,081,422	135,279,833	9,515,536
Profit before expenses		537,313,375	123,406,404	135,279,833	9,515,536
Selling expenses	23	154,227,593	31,702,998	-	-
Administrative expenses	23	94,148,260	21,107,937	16,657,213	3,069,586
Total expenses		248,375,853	52,810,935	16,657,213	3,069,586
Profit before finance cost and					
income tax expense		288,937,522	70,595,469	118,622,620	6,445,950
Finance cost		6,345,614	623,880	-	-
Profit before income tax expense		282,591,908	69,971,589	118,622,620	6,445,950
Income tax expense	24	49,601,366	14,634,638	-	1,258,976
Net profit for the year/ period		232,990,542	55,336,951	118,622,620	5,186,974

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

STATEMENT OF COMPREHENSIVE INCOME

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	For the year	For the three-month	For the year	For the three-month
	ended	period ended	ended	period ended
	31 December	31 December	31 December	31 December
Note	2015	2014	2015	2014

(in Baht)

Other comprehensive income (loss)

Item that are or may be reclassified to profit or loss

Exchange difference on

currency translation	(329,526)	76,441,928	-	-
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Other comprehensive income (loss)

for the year/ period	(329,526)	76,441,928	-	-
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Total comprehensive income (loss)

for the year/ period	232,661,016	131,778,879	118,622,620	5,186,974
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Basic earnings per share (in Baht)	26	2.36	0.59	1.20	0.06
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The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements							Total equity
		Retained earnings			Other components of equity				
		Issued and paid-up share capital	Share premium	Legal reserves	Unappropriated	Difference arising from combination of entities under common control	Currency translation differences	Total other components of equity	
<i>(in Baht)</i>									
Three-month period ended 31 December 2014									
Balance as at 1 October 2014		981,000,000	-	17,500,000	278,147,031	359,606,167	(224,954,698)	134,651,269	1,361,298,300
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
Dividends to owners of the Company		-	-	-	(328,643,000)	-	-	-	(328,643,000)
Total distributions to owners of the Company		-	-	-	(328,643,000)	-	-	-	(328,643,000)
Comprehensive income (loss) for the period									
Net profit for the period		-	-	-	55,336,951	-	-	-	55,336,951
Other comprehensive income (loss) for the period		-	-	-	-	-	76,441,928	76,441,928	76,441,928
Total comprehensive income (loss) for the period		-	-	-	55,336,951	-	76,441,928	76,441,928	131,778,879
Transfer to legal reserves	20	-	-	261,000	(261,000)	-	-	-	-
Balance as at 31 December 2014		981,000,000	-	17,761,000	4,579,982	359,606,167	(148,512,970)	211,093,197	1,164,434,179
Year ended 31 December 2015									
Balance as at 1 January 2015		831,000,000	-	17,761,000	4,579,982	359,606,167	(148,512,970)	211,093,197	1,164,434,179
Transactions with owners, recorded directly in equity									
<i>Contributions by owners of the Company</i>									
Issue of ordinary shares	19	81,000,000	64,800,000	-	-	-	-	-	145,800,000
Transaction costs from issue of ordinary shares	19	-	(4,415,620)	-	-	-	-	-	(4,415,620)
Total contributions by owners of the Company		81,000,000	60,384,380	-	-	-	-	-	141,384,380
Comprehensive income (loss) for the year									
Net profit for the year		-	-	-	232,990,542	-	-	-	232,990,542
Other comprehensive income (loss) for the year		-	-	-	-	-	(329,526)	(329,526)	(329,526)
Total comprehensive income (loss) for the year		-	-	-	232,990,542	-	(329,526)	(329,526)	232,661,016
Transfer to legal reserves	20	-	-	5,832,000	(5,832,000)	-	-	-	-
Balance as at 31 December 2015		1,012,000,000	60,384,380	23,693,000	231,638,524	359,606,167	(148,842,496)	210,763,671	1,538,475,575

The accompanying notes are an integral part of these 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 capital	Share premium	Legal reserves	Retained earnings	
<i>(in Baht)</i>						
Three-month period ended 31 December 2014						
Balance as at 1 October 2014		931,000,000	-	17,500,000	331,694,232	1,260,194,232
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company		-	-	-	(328,643,000)	(328,643,000)
Total distributions to owners of the Company		-	-	-	(328,643,000)	(328,643,000)
Comprehensive income (loss) for the period						
Net profit for the period		-	-	-	5,186,974	5,186,974
Total comprehensive income (loss) for the period					5,186,974	5,186,974
Transfer to legal reserves	20	-	-	261,000	(261,000)	-
Balance as at 31 December 2014		931,000,000	-	17,761,000	7,977,206	956,738,206
Year ended 31 December 2015						
Balance as at 1 January 2015		931,000,000	-	17,761,000	7,977,206	956,738,206
Transactions with owners, recorded directly in equity						
<i>Contributions by owners of the Company</i>						
Issue of ordinary shares	19	81,000,000	64,800,000	-	-	145,800,000
Transaction costs from issue of ordinary shares	19	-	(4,415,620)	-	-	(4,415,620)
Total contributions by owners of the Company		81,000,000	60,384,380	-	-	141,384,380
Comprehensive income (loss) for the year						
Net profit for the year		-	-	-	118,622,620	118,622,620
Total comprehensive income (loss) for the year					118,622,620	118,622,620
Transfer to legal reserves	20	-	-	5,932,000	(5,932,000)	-
Balance as at 31 December 2015		1,012,000,000	60,384,380	23,693,000	120,667,826	1,216,745,206

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



STATEMENT OF CASH FLOWS

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year	For the three-month	For the year	For the three-month
		ended	period ended	ended	period ended
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014
<i>(in Baht)</i>					
Cash flows from operating activities					
Net profit for the year/period		232,990,542	55,336,951	118,622,620	5,186,974
<i>Adjustments for:</i>					
Depreciation	11	57,160,758	10,152,424	53,150	-
Amortisation on intangible assets	12	27,053	6,510	-	-
Amortisation on prepayments					
of land use rights	13	1,124,157	270,519	-	-
Allowance (reversal) for decline					
in value of inventories	8	1,782,589	(1,019,599)	-	-
Income tax expense	24	49,601,366	14,634,638	-	1,258,976
Dividend income from a subsidiary	4	-	-	(130,176,000)	-
Finance costs		6,345,614	623,880	-	-
Net gains on disposals of plant					
and equipment, and intangible assets		(387,490)	(269,598)	-	-
Unrealised gains on exchange					
rates from loans		(2,035,876)	-	(1,952,996)	-
Realised losses on exchange					
rates from loans		15,644,529	-	-	-
Provision for employee benefit obligations		505,145	170,865	145,605	170,865
Interest income		(1,626,081)	-	(1,868,120)	-
		<u>361,132,306</u>	<u>79,906,590</u>	<u>(15,175,741)</u>	<u>6,616,815</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(122,414,625)	1,014,638	-	-
Other amounts due from related parties		7,245,593	22,725,817	(7,425,910)	(23,779,456)

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

STATEMENT OF CASH FLOWS

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	For the year	For the three-month	For the year	For the three-month
	ended	period ended	ended	period ended
	31 December	31 December	31 December	31 December
Note	2015	2014	2015	2014
	<i>(in Baht)</i>			
Other receivables	33,590,396	(27,882,472)	-	-
Inventories	(222,399,310)	(110,822,035)	-	-
Other current assets	111,480,292	(81,118,710)	5,265,639	(116,209)
Trade accounts payable	68,636,040	69,429,246	1,064,487	320,655
Advances from customers	(85,366)	(9,189,951)	-	-
Other current liabilities	16,622,311	(69,450,697)	(8,367,856)	(339,958)
Exchange difference on translation of financial statements	9,056,773	17,762,061	-	-
Cash generated from (used in)				
operating activities	262,864,410	(107,625,513)	(24,639,381)	(17,298,153)
Finance cost paid	(6,322,337)	(519,201)	-	-
Income tax paid	(51,211,966)	(20,743,127)	(4,491,546)	-
Net cash generated from (used in)				
operating activities	205,330,107	(128,887,841)	(29,130,927)	(17,298,153)
Cash flows from investing activities				
Purchase of plant and equipment	(168,572,053)	(9,436,185)	(385,700)	-
Proceeds from disposals of plant and equipment	387,490	269,598	-	-
Payment for short-term loan to a subsidiary	-	-	(128,017,503)	-
Dividend received from a subsidiary	-	-	-	321,745,428
Interest received	1,626,081	-	431,356	-
Net cash generated from (used in)				
investing activities	(166,558,482)	(9,166,587)	(127,971,847)	321,745,428

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



STATEMENT OF CASH FLOWS

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year	For the three-month	For the year	For the three-month
		ended	period ended	ended	period ended
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014
(in Baht)					
Cash flows from financing activities					
Proceeds from issue of ordinary shares	19	145,800,000	-	145,800,000	-
Transaction costs from issue of ordinary shares	19	(4,415,620)	-	(4,415,620)	-
Proceeds from short-term loans from financial institutions		527,328,474	205,620,670	-	-
Repayments of short-term loans from financial institutions		(670,098,488)	-	-	-
Dividend paid to owners of the Company		-	(328,643,000)	-	(328,643,000)
Net cash generated from (used in) financing activities		(1,385,634)	(123,022,330)	141,384,380	(328,643,000)
Net increase (decrease) in cash and cash equivalents					
		37,385,991	(261,076,758)	(15,718,394)	(24,195,725)
Cash and cash equivalents as at 1 January/ 1 October		259,805,428	521,609,128	34,345,236	58,540,961
Effect of exchange rate changes on balances held in foreign currencies		23,693	(726,942)	-	-
Cash and cash equivalents as at 31 December	5	297,215,112	259,805,428	18,626,842	34,345,236
Non-cash transactions					
Unpaid liabilities from purchase of plant and equipments		5,825,587	-	-	-
Dividend receivable	4	-	-	130,176,000	-
Interest receivable	4	-	-	1,436,736	-

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

NOTES TO THE FINANCIAL STATEMENTS

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and 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 26 February 2016.

1 General information and business restructuring

(a) General information

PM Thoresen Asia Holdings Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 26/26-27 Orakarn Building, 8th Floor, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330.

The Company was listed on the Stock Exchange of Thailand on 6 May 2015.

On 4 February 2014, the Company completed its conversion to a public company and registered with the Ministry of Commerce to change the Company’s name from “PM Thoresen Asia Holdings Limited” to “PM Thoresen Asia Holdings Public Company Limited”.

The immediate and ultimate parent company during the 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 maintain factory area for rent.

Details of the Company’s subsidiaries as at 31 December 2015 and 2014 are given in note 10.

(b) Business restructuring

The Company was incorporated on 7 June 2013 and acquired the entire share capital of Baconco Co., Limited (“Baconco”) and PM Thoresen Asia Singapore Pte. Limited (“PMTS”) (Formerly “Atlantis Offshore Construction Pte. Limited”) on 1 October 2013 and 12 November 2013 (“acquisition dates”), respectively, from Soleado Holdings Pte. Limited (“Soleado”) for a cash consideration of USD 28.88 million (equivalent to approximately Baht 904 million). The Company, Baconco, PMTS and Soleado were all under the common control of the ultimate controlling shareholder, Thoresen Thai Agencies Public Company Limited (“TTA”) before and after the acquisition dates.

As the same ultimate controlling shareholder controlled both Baconco and PMTS before and after the acquisition dates, and that control was not transitory, the consolidated financial statements have been prepared on the basis of a business combination involving entities and businesses under common control. Accordingly, the acquisitions of

Baconco and PMTS have been accounted for in a manner similar to a pooling of interests method and assets and liabilities acquired have been recognised at their carrying amount. Similarly, currency translation differences in other components of equity have been recognized at their carrying amounts and will not be unrecognized until the Company's interest in Baconco and PMTS are disposed of.

On the respective acquisition dates, the total combined values of net assets of Baconco and PMTS, excluding currency translation differences recognised by the Company at their carrying amounts, of Baht 1,264 million were recorded as "Difference arising from business combination under common control". This was recognised in the consolidated statements of changes in equity as a separate component of equity. The cash consideration paid to Soleado of USD 28.88 million (equivalent to Baht 904 million) was deducted from this difference on the respective acquisition dates of Baconco and PMTS.

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 ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group's/Company's operations and effective for annual accounting periods beginning on or after 1 January 2015:

TFRS	Topic
TFRS 10	Consolidated Financial Statements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair Value Measurement
TAS 19 (revised 2014)	Employee Benefits

These changes have no material effects on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those revised TFRS that are relevant to the Group's/Company's operations are disclosed in note 29.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.



(c) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency because it is the currency in which funds from financing activities are generated. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 14	Deferred tax
Note 18	Measurement of defined benefit obligations

Measurement of fair values

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

The Group/Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group/Company Audit Committee.

When measuring the fair value of an asset or a liability, the Group/Company uses market observable data as far as possible. 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 (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (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/Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in notes 25 financial instruments.

(e) *Change in accounting period*

At the Extraordinary General Meeting of Shareholders of the Company held on 18 September 2014, the shareholders approved to change the Company's accounting period from beginning on 1 October and ending on 30 September to beginning on 1 January and ending on 31 December. The Company has completed the registration with the Department of Business Development, Ministry of Commerce and already obtained an approval from the Department of Revenue for this change which has an effect on the Company's first change of accounting period to commence on 1 October 2014 and end on 31 December 2014. As a consequence, the financial reporting period ending on 31 December 2014 comprised a period of three months only. As such, the amounts presented in the Statement of comprehensive income and the Statement of cash flow as comparative are not directly comparable.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries.



Acquisitions of entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity. Any cash paid for the acquisition is recognised directly in equity.

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.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

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 in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) 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 presented as currency translation differences in other components of equity until disposal of the investment.

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.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts (if any).

The allowance for doubtful accounts is assessed primarily through analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.



(e) 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 includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

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.

(f) Investments in subsidiaries

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

(g) Plant and equipment

Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. 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 and depreciated as separate items (major components) of plant and equipment.

Gains and losses 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 net within profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

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	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.

(h) *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 (if any).

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.

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 for the current and comparative periods are as follows:

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

(i) Prepayments for land use rights

Prepayments for land use rights are stated at cost less accumulated amortisation. Amortisation is recognised in profit or loss on a straight-line basis over 20 years in accordance with the terms indicated in the land use right contract.

(j) Impairment

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.

Calculation of recoverable amount

The recoverable amount of non-financial assets is the greater of the assets' 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.

Reversals of impairment

Impairment losses recognised in prior periods in respect of 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.

(k) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

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

Other long-term employee benefits

The Group's/Company'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 recognized in profit or loss in the period in which they arise.

Baconco's net obligation in respect of long-term employee benefits relate 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.

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/Company 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.



(o) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade and special discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Dividend income

Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(q) Finance costs

Finance costs mainly comprise interest expense on borrowings and are recognised in profit or loss as it accrues.

(r) 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: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

differences relating to investments in subsidiaries and joint ventures 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. 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.

(s) *Earnings per share*

The Group and the Company presents basic and diluted 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, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(t) *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 the Company's and PM Thoresen Asia (Singapore) Pte.Ltd.'s results.



4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties, except for subsidiaries described in notes 10, are as follows:

Name of entities	Country of incorporation/ nationality	Type of business	Nature of relationships
Thoresen Thai Agencies Public Company Limited	Thailand	Holding company	Immediate and ultimate parent of the Company
Soleado Holdings Pte. Limited ("Soleado")	Singapore	Holding company	Related party, common shareholder and some common directors
Thoresen Vinama Co., Limited ("Thoresen Vinama")	Vietnam	Shipping agency services	Related party, a common director
Thoresen (Indochina) S.A.	Panama	Shipping agency services	Related party, some common shareholder and directors
Thoresen-Vinama Logistics Company Limited	Vietnam	Logistic services	Related party, a common director
Baria Serece	Vietnam	Port operations	Related party, some common shareholder and directors
Thoresen&Company (Bangkok) Limited	Thailand	Ship management	Related party, a common director
Thoresen Shipping and Logistics Ltd.	Thailand	Shipping agency services	Related party, common directors

Name of entities	Country of incorporation/ nationality	Type of business	Nature of relationships
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 particular types of transactions are explained further below:

Transactions	Pricing policies
Sales and rendering of service	In line with market
Purchase of raw material	Cost plus a fixed margin
Receiving of services	In line with market
Administrative expenses	Actual cost
Purchase of equipment	Cost plus margin

Significant transactions for the year/period that ended on 31 December 2015 and 2014 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2015	For the three- month period ended 31 December 2014	For the year ended 31 December 2015	For the three-month period ended 31 December 2014

(in thousand Baht)

Parent

Administrative expenses	918	194	918	194
Dividend paid	-	328,643	-	328,643
Purchase of equipment	45	-	45	-

Subsidiary

Dividend income	-	-	130,176	-
Interest income	-	-	1,437	-



	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2015	For the three- month period ended 31 December 2014	For the year ended 31 December 2015	For the three-month period ended 31 December 2014
Other related parties				
Other income	5	-	5	-
Sales and rendering of services	49,113	9,614	-	-
Receiving of services	156,816	29,416	-	-
Administrative expenses	6,214	1,590	76	-
Purchase of equipment	418	-	-	-
Key management personnel				
Wages and salaries	34,960	7,926	3,799	935
Others	15,735	3,691	-	-
Total key management personnel compensation	<u>50,695</u>	<u>11,617</u>	<u>3,799</u>	<u>935</u>

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 2015 and 2014 with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
- Related parties	5,105	4,644	-	-
Other amount due from related parties				
- Parent	6	-	6	-
Dividend receivable				
- Subsidiary	-	-	130,176	-
Other receivables				
- Subsidiaries	-	-	47,444	38,587
- Other related parties	-	7,252	-	-
Total	6	7,252	177,626	38,587
Short-term loan to				
- Subsidiary	-	-	129,970	-

At the Board of Members' meeting of Baconco held on 30 December 2015, the Board approved the dividend appropriation of VND 81,360,000,000 (equivalent to Baht 130.2 million) to the Company.

The Company

On 21 August 2015, the Company granted an unsecured short-term loan to a subsidiary, PM Thoresen Asia (Singapore) Pte. Ltd. ("PMTS") to support PMTS's working capital. The facility amounted to USD 3.6 million, which bears fixed interest at the rate of 3% per annum with repayment term within 1 year.

Movements of short-term loan to a subsidiary during the year ended 31 December 2015 are as follow:



	Separate financial statements
	<i>(in thousand Baht)</i>
Short-term loan to a subsidiary	
At 1 January 2015	-
Increase	128,017
Unrealised gains on exchange rate	1,953
At 31 December 2015	129,970

	Consolidated financial statements		Separate financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Trade accounts payable				
- Parent	274	206	274	206
- Subsidiaries	-	-	12,689	11,590
- Other related parties	6,755	3,657	16	-
Total	7,029	3,863	12,979	11,796
 Other current liabilities				
Accrued employee benefits				
- Key management personnel	13,934	3,190	-	78

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Cash on hand	193	219	5	4
Cash at banks	297,022	259,586	18,622	34,341
Total	297,215	259,805	18,627	34,345

6 Trade accounts receivable

Consolidated financial statements			
	<i>Note</i>	31 December 2015	31 December 2014
<i>(in thousand Baht)</i>			
Related parties	4	5,105	4,644
Other parties		249,872	127,804
Total		254,977	132,448
Less allowance for doubtful accounts		(559)	(559)
Net		254,418	131,889

Aging analyses for trade accounts receivable were as follows:

Consolidated financial statements			
	<i>Note</i>	31 December 2015	31 December 2014
<i>(in thousand Baht)</i>			
Related parties			
Within credit terms	4	5,105	4,644
Other parties			
Within credit terms		209,659	118,260
Overdue:			
Less than 3 months		40,213	9,544
		249,872	127,804
Less allowance for doubtful accounts		(559)	(559)
Net		249,313	127,245
Total		254,418	131,889

The normal credit term granted by the Group ranges from 10 days to 90 days.



7 Other receivables

	Consolidated financial statements	
	31 December 2015	31 December 2014
	<i>(in thousand Baht)</i>	
Advance to suppliers	6,530	39,448
Advance to employee	1,463	1,385
Others	1,712	2,462
Total	9,705	43,295

8 Inventories

	Consolidated financial statements	
	31 December 2015	31 December 2014
	<i>(in thousand Baht)</i>	
Finished goods	134,750	146,117
Merchandises	44,781	40,087
Raw materials	458,995	262,479
Tools and supplies	52,434	43,934
Goods in transit	35,966	11,909
Total	726,926	504,526
<i>Less allowance for decline in value of inventories</i>	<i>(2,219)</i>	<i>(436)</i>
Net	724,707	504,090

	Consolidated financial statements	
	For the year ended	For the three-month period ended
	31 December 2015	31 December 2014
	<i>(in thousand Baht)</i>	
Inventories recognised as an expense in 'cost of sales of goods':		
- Cost	2,560,016	451,729
- Write-down to net realisable value	1,783	-
- Reversal of write-down	-	(1,020)
Net	2,561,799	450,709

As at 31 December 2015, inventories with carrying amount of VND 204.6 billion, equivalent to Baht 327.4 million (2014: VND 221.7 billion, equivalent to Baht 354.7 million), were pledged as security for the loan facility from a bank of VND 270 billion, equivalent to Baht 432 million (2014: VND 270 billion, equivalent to Baht 432 million).

9 Other current assets

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Short-term deposits	21,501	85,376	200	-
Value added tax refundable	1,184	43,663	-	-
Prepaid expenses	9,155	14,416	-	5,600
Others	252	124	252	124
Total	32,092	143,579	452	5,724

As at 31 December 2014, prepaid expenses in separate financial statements of Baht 5.6 million represent professional service expenses incurred for the purpose of potential public initial offering of the Company. This amount was offset with share premium when the successful completion of the public initial offering of the Company, during 2015.

As at 31 December 2015, short-term deposits included in the consolidated financial statements of VND 12.9 billion, equivalent to Baht 20.7 million (2014 : VND 53 billion, equivalent to Baht 84.8 million) are pledged against letters of credit of VND 42.4 billion, equivalent to Baht 67.8 million and credit facility of USD 7 million, equivalent to Baht 252.6 million (2014 : VND 107.9 billion, equivalent to Baht 172.6 million, and USD 7 million, equivalent to Baht 230.3 million) from banks.

10 Investments in subsidiaries

	Separate	
	financial statements	
	31 December 2015	31 December 2014
	<i>(in thousand Baht)</i>	
At the beginning and the end of the financial year/period	905,064	905,064

Investments in subsidiaries as at 31 December 2015 and 2014 and dividend income from those investments for the year/period then ended, were as follows:

Name of subsidiaries	Type of business	Country of incorporation	Ownership interest (%)		Paid-up	Cost/ Carrying amounts (Note 1(b))	Dividend income	
			31 December 2015	31 December 2014			For the year ended 31 December 2015	For the three-month period ended 31 December 2014
<i>(in thousand Baht)</i>								
Direct subsidiaries								
Baconco Co., Limited	Fertiliser production and factory area leasing	Vietnam	100	100	958,402	904,049	130,176	-
PM Thoresen Asia (Singapore) Pte. Limited	General trading	Singapore	100	100	1,015	1,015	-	-

For details of business restructuring, please refer to Note 1 (b).



11 Plant and equipment

		Consolidated financial statements					
		Buildings	Machinery and equipment	Motor vehicles	Office equipment	Assets under construction	Total
		<i>(in thousand Baht)</i>					
Cost							
At 1 October 2014		422,521	262,575	38,752	3,658	108,784	836,290
Additions		-	2,029	4,962	48	2,397	9,436
Disposals and write-off		-	(4,008)	-	(326)	-	(4,334)
Translation adjustments		28,168	17,373	2,914	225	7,412	56,092
At 31 December 2014 and 1 January 2015		450,689	277,969	46,628	3,605	118,593	897,484
Additions		7,043	11,655	12,688	450	142,562	174,398
Disposals and write-off		-	(4,746)	(2,881)	-	-	(7,627)
Transfer		137,282	87,963	-	-	(225,245)	-
Translation adjustments		2,436	5,872	84	-	(2,760)	5,632
At 31 December 2015		597,450	378,713	56,519	4,055	33,150	1,069,887

	Consolidated financial statements					Total
	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Assets under construction	
	<i>(in thousand Baht)</i>					
Accumulated depreciation						
At 1 October 2014	(122,166)	(204,571)	(17,403)	(3,024)	-	(347,164)
Depreciation charge for the period	(5,281)	(3,383)	(1,421)	(67)	-	(10,152)
Disposals and write-off	-	4,008	-	326	-	4,334
Translation adjustments	(8,496)	(13,596)	(1,255)	(184)	-	(23,531)
At 31 December 2014 and 1 January 2015	(135,943)	(217,542)	(20,079)	(2,949)	-	(376,513)
Depreciation charge for the year	(25,469)	(24,604)	(6,791)	(297)	-	(57,161)
Disposals and write-off	-	4,746	2,881	-	-	7,627
Translation adjustments	(627)	(517)	(83)	(6)	-	(1,233)
At 31 December 2015	(162,039)	(237,917)	(24,072)	(3,252)	-	(427,280)
Net book value						
At 31 December 2014	314,746	60,427	26,549	656	118,593	520,971
At 31 December 2015	435,411	140,796	32,447	803	33,150	642,607

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2015 amounted to Baht 165.3 million (2014: Baht 159.2 million).

As at 31 December 2015, plant and equipment with original cost of VND 176.6 billion, equivalent to Baht 282.5 million (2014: VND 154.3 billion, equivalent to Baht 246.9 million) are pledged against credit facilities of VND 270 billion and USD 7 million, equivalent to a total of Baht 684.6 million (2014: VND 270 billion and USD 7 million, equivalent to a total of Baht 662.3 million) from banks.



12 Intangible assets

Consolidated financial statements		
	31 December 2015	31 December 2014
Computer software <i>(in thousand Baht)</i>		
Cost		
At the beginning of the financial year/period	2,884	2,892
Disposals and write-off	-	(188)
Translation adjustments	-	180
At the end of the financial year/period	2,884	2,884
Accumulated amortisation		
At the beginning of the financial year/period	(2,758)	(2,768)
Amortisation	(27)	(6)
Disposals and write-off	-	188
Translation adjustments	(1)	(172)
At the end of the financial year/period	(2,786)	(2,758)
Net book value		
At the end of the financial year/period	98	126

The amortisation of computer software is included in administrative expenses.

13 Prepayments for land use rights

Consolidated financial statements		
	31 December 2015	31 December 2014
Land use rights <i>(in thousand Baht)</i>		
Cost		
At the beginning of the financial year/period	20,470	19,191
Translation adjustments	-	1,279
At the end of the financial year/period	20,470	20,470



		Consolidated	
		financial statements	
		31 December	31 December
		2015	2014
		Land use rights	
		<i>(in thousand Baht)</i>	
Accumulated amortisation			
At the beginning of the financial year/period		(18,539)	(17,110)
Amortisation		(1,124)	(271)
Translation adjustments		(30)	(1,158)
At the end of the financial year/period		(19,693)	(18,539)
Net book value			
At the end of the financial year/period		777	1,931

The amortisation of land use rights is included in cost of sales.

14 Deferred tax

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Deductible temporary differences	6,841	2,101	117	86
Tax losses	7,209	2,196	3,170	-
Total	14,050	4,297	3,287	86

Deferred tax assets have not been recognised in respect of the tax losses because it is not probable that future taxable profit will be available against which they can be utilised. Deferred tax assets have not been recognised in respect of deductible temporary differences because it is management's view that deferred tax assets arising from these items are not material to these financial statements. Tax losses and deductible temporary differences for Singapore entity do not expire under Singapore current tax legislations.

15 Short-term loans from financial institutions

As at 31 December 2015, short-term loan from a financial institution amounting to USD 2.6 million, equivalent to Baht 93.3 million (2014: USD 6.4 million, equivalent to Baht 219.3 million) represented a loan bearing interest at the rate of 2.65%-3.50% per annum (2014: 2.65%-3.75%), under a credit facilities of VND 270 billion and USD 7 million, equivalent to Baht 684.6 million (2014: VND 270 billion and USD 7 million, equivalent to Baht 662.3 million), that would mature in March and May 2016 (2014: March and May 2015) respectively. Plant and equipment with original cost of VND 176.6 billion, equivalent to Baht 282.5 million (2014: VND 154.3 billion, equivalent to Baht 246.9 million), Inventories of VND 204.6 billion, equivalent to Baht 327.4 million (2014: VND 221.7 billion, equivalent to baht 354.7 million) and other current assets of VND 8.7 billion, equivalent to Baht 13.9 million (2014: VND 32.7 billion, equivalent to Baht 52.3 million) are pledged as collateral for the credit facilities.

16 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
		<i>(in thousand Baht)</i>			
Related parties	4	7,029	3,863	12,979	11,796
Other parties		231,549	155,865	230	349
Total		238,578	159,728	13,209	12,145

17 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	<i>(in thousand Baht)</i>			
Accrued rebate expenses	32,303	21,246	-	-
Accrued professional fees	1,602	10,262	1,104	9,796
Accrued employee benefits	27,356	4,801	270	258
Others	1,705	3,282	427	72
Total	62,966	39,591	1,801	10,126

18 Employee benefit obligations

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



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. The contribution to be paid by each party is calculated at 1% of the lower of the employees’ basic salary and 20 times the general minimum salary level as specified by the Government from time to time.

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.

The Company

	Separate financial statements	
	2015	2014
	<i>(in thousands Baht)</i>	

Statement of financial position

obligations for:

Post-employment benefits

Legal Severance Pay	219	101
Other long-term employee benefits	97	70
Total	316	171

Separate financial statements	
For the year ended 31 December 2015	For the three-month period ended 31 December 2014

(in thousands Baht)

Statement of comprehensive income:

Recognised in profit or loss:

Post-employment benefits		
Legal Severance Pay	118	23
Other long-term employee benefits	27	6
Total	145	29

Post-employment benefits

The Company operate a defined benefit pension 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 longevity risk, currency risk, interest rate risk and market (investment) risk.

Movement in the present value of the defined benefit obligations.

Separate financial statements	
2015	2014

(in thousands Baht)

Defined benefit obligations at 1 January/ 1 October	171	161
Include in profit or loss:		
Current service cost	139	28
Interest on obligation	6	1
	145	29
Other		
Benefit paid	-	(19)
Defined benefit obligations at 31 December	316	171



Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Separate financial statements	
	2015	2014
Discount rate	3.64%	3.64%
Future salary growth	6.00%	6.00%

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

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.

	Separate financial statements <i>(in thousands Baht)</i>	
	Increase	Decrease
Defined benefit obligation 31 December 2015		
Discount rate (1% movement)	(29)	32
Future salary growth (1% movement)	21	(19)

19 Share capital

	Consolidated and Separate financial statements				
	Par value per share <i>(in Baht)</i>	31 December 2015		31 December 2014	
		Number	Baht	Number	Baht
		<i>(in thousand shares / thousand Baht)</i>			
Authorised					
At the beginning of the financial year/period					
- ordinary shares	10	101,200	1,012,000	101,200	1,012,000
At the end of the financial year/period					
- ordinary shares		101,200	1,012,000	101,200	1,012,000
Issued and paid-up					
At the beginning of the financial year/period					
- ordinary shares	10	93,100	931,000	93,100	931,000
Issue of new shares	10	8,100	81,000	-	-
At the end of the financial year/period					
- ordinary shares		101,200	1,012,000	93,100	931,000

Issued and paid-up of ordinary share

On 24 April 2015, the Company received payment of Baht 145.8 million for the additional ordinary shares, of which Baht 64.8 million represented share premium for the 8.1 million additional issued and paid-up ordinary shares and also registered with the Ministry of Commerce at the same date. The additional shares 8.1 million along with the existing shares 93.1 million, were listed on the Stock Exchange of Thailand in May 2015. The total qualifying costs incurred for the listing transaction, Baht 4.4 million related to the additional issued and paid-up ordinary shares has been net-off with the share premium of these ordinary shares for a total share premium balance of Baht 60.4 million as at 31 December 2015. Share premium is not available for dividend distribution.

20 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

**Legal reserve**

	Consolidated and Separate financial statements	
	31 December 2015	31 December 2014
	<i>(in thousand Baht)</i>	
Beginning balance of the financial year/period	17,761	17,500
Appropriation during the year/period	5,932	261
Ending balance of the financial year/period	23,693	17,761

Section 116 of the Public Companies Act B.E. 2535 Section 116 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**Currency translation differences**

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

21 Segment information

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker ("CODM") reviews internal management reports on at least a quarterly basis. 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 leasing services

Information regarding the results of each reportable segment is included below. 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

	Consolidated financial statements					
	Manufacture of fertiliser and crop care products		Factory area leasing services		Total	
	For the year ended 31 December 2015	For the three-month period ended 31 December 2014	For the year ended 31 December 2015	For the three-month period ended 31 December 2014	For the year ended 31 December 2015	For the three-month period ended 31 December 2014
Revenue from external customers and a related party	3,258,513	588,965	49,113	9,614	3,307,626	598,579
Reportable segment profits before income taxes	305,819	66,959	24,130	5,138	329,949	72,097
Reportable segment assets as at the end of the financial year/period	1,490,537	1,316,758	307,406	198,357	1,797,943	1,515,115

(in thousand Baht)

**Reconciliation of reportable segment profit or loss and assets**

	Consolidated financial statements	
	For the year ended 31 December 2015	For the three-month period ended 31 December 2014
	<i>(in thousand Baht)</i>	
	Profit or loss	

Total reportable segment profit	329,949	72,097
Unallocated amounts	(47,357)	(2,125)
Total profit before income tax	282,592	69,972

As at 31 December	Consolidated financial statement	
	2015	2014
<i>(in thousand Baht)</i>		
Assets		

Total reportable segment assets	1,797,943	1,515,115
Unallocated amounts	163,682	97,823
Total assets	1,961,625	1,612,938

Geographical information

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.

		Consolidated	
		financial statements	
		For the year	For the three-month
		ended	period ended
		31 December	31 December
		2015	2014

(in thousand Baht)

Revenue from sales

Vietnam	2,161,276	417,032
Other countries	1,097,237	171,933
Total	3,258,513	588,965

Major customer

Revenues from a customer of the Group's manufacture of fertilizer and crop care products segments represents approximately Baht 84.8 million (*For the three-month period ended 31 December 2014: Baht 61.3 million*) of the Group's total revenues.

22 Other operating income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year	For the	For the year	For the
		ended	three-month	ended	three-month
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014

(in thousand Baht)

Dividend income	4	-	-	130,176	-
Interest income		1,626	1,221	1,868	131
Gains on exchange rate		-	10,591	3,231	9,385
Other		1,697	269	5	-
Total		3,323	12,081	135,280	9,516



23 Expenses by nature

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	For the year	For the	For the year	For the
	ended	three-month	ended	three-month
	31 December	period ended	31 December	period ended
	2015	31 December	2015	31 December
	2015	2014	2015	2014

(in thousand Baht)

Expenses included in cost of sales and services

Raw materials and consumables used	2,472,281	425,020	-	-
Cost of merchandise goods sold	87,735	26,709	-	-
Personnel expenses	94,503	17,406	-	-
Depreciation and amortisation expenses	54,811	9,905	-	-
Production overhead	64,305	9,234	-	-
Others	-	(1,020)	-	-
Total	2,773,635	487,254	-	-

Expenses included in selling expenses

Personnel expenses	32,530	6,643	-	-
Depreciation and amortisation expenses	1,219	259	-	-
Marketing expenses	15,491	3,433	-	-
Transportation and travelling expenses	86,872	18,340	-	-
Others	18,116	3,028	-	-
Total	154,228	31,703	-	-

		Consolidated		Separate	
		financial statements		financial statements	
		For the	For the	For the	For the
		three-month	three-month	three-month	three-month
		period ended	period ended	period ended	period ended
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014

(in thousand Baht)

Expenses included in

administrative expenses

Personnel expenses	63,274	15,521	7,750	2,037
Depreciation and amortisation expenses	2,282	266	53	-
Professional fees	3,687	969	2,476	684
Rental expenses	7,643	1,901	1,555	133
Travelling expenses	5,008	647	1,575	38
Losses on exchange rate	2,447	-	-	-
Others	9,808	1,804	3,248	178
Total	94,149	21,108	16,657	3,070



24 Income tax expenses

Income tax recognised in profit or loss

	Consolidated		Separate	
	financial statements		financial statements	
	For the year	For the	For the year	For the
	ended	three-month	ended	three-month
	31 December	period ended	31 December	period ended
	2015	31 December	2015	31 December
	2015	2014	2015	2014

(in thousand Baht)

Current tax expense

Current year/period	49,601	14,635	-	1,259
Total	49,601	14,635	-	1,259

Reconciliation of effective tax rate

	Consolidated financial statements				
	Tax	For the year		For the three-month	
		rate	ended	rate	period ended
	(%)	31 December	rate	31 December	
	2015	2014		2014	
	(in thousand		(in thousand		
	Baht)		Baht)		
Profit before income tax expense		282,592		69,972	
Income tax using the Thai corporation					
tax rate	20	56,518	20	13,994	
Effect of different tax rates in foreign					
jurisdictions		(13,977)		(1,653)	
Expenses not deductible for tax purposes		3,100		2,364	
Current year losses for which no deferred tax assets					
was recognised		3,170		-	
Over provided in prior year		(94)		-	
Others		884		(70)	
Total	18	49,601	21	14,635	

Separate financial statements				
	For the year ended 31 December 2015		For the three-month period ended 31 December 2014	
	Tax rate (%)	(in thousand Baht)	Tax rate (%)	(in thousand Baht)
Profit before income taxes		118,623		6,446
Income tax using the Thai corporation tax rate	20	23,724	20	1,289
Income not subject to tax		(26,035)		-
Expenses not deductible for tax purposes		120		40
Current year losses for which no deferred tax assets was recognised		3,170		-
Over provided in prior year		(94)		-
Others		(885)		(70)
Total	-	-	20	1,259

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period begins on or after 1 January 2016.

The Group/Company has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

25 Financial instruments

(a) Financial risk management

The Group's activities expose it to market risks (including foreign currency risk, credit risk and liquidity risk). The Group's overall risk management strategy seeks to minimize adverse effect of these risks on the Group's financial performance.



(b) 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 employed capital, which the Group defines as result from earnings before interest expense and taxes divided by total amounts of interest-bearing debts and shareholders' equity, and also monitors the level of dividends to shareholders.

(c) Foreign currency risk

A substantial part of the assets and liabilities of the Group are recognised in VND, the functional currency of Baconco. These assets and liabilities are translated into THB for presentation purposes. The translation into THB does not imply that the assets and liabilities recognised in VND can be recovered or settled in the future at exchange rates similar to the exchange rate prevailing at the current reporting date.

The Group's business is exposed to the foreign currency risk as significant purchases are denominated in USD. The Group manages this risk by balancing imports and exports, and expanding export market to increase the supply of foreign currencies.

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

Consolidated financial statements		
	31 December 2015	31 December 2014
<i>(in thousand Baht)</i>		
Financial assets		
Cash and bank deposits	174,609	73,700
Trade and other receivables	65,484	125,966
Others	20,738	32,489
	260,831	232,155
Financial liabilities		
Short-term loans from financial institutions	(93,281)	(219,329)
Trade accounts payables	(184,423)	(128,595)
Accrued expenses	(14,079)	(3,346)
	(291,783)	(351,270)
Currency exposure	(30,952)	(119,115)

Separate financial statements			
		31 December	31 December
	<i>Note</i>	2015	2014
<i>(in thousand Baht)</i>			
Financial assets			
Other amount due from related parties	4	47,444	38,587
Short-term loan to a subsidiary	4	129,970	-
		177,414	38,587
Financial liabilities			
Trade accounts payables		(12,689)	(11,590)
		(12,689)	(11,590)
Currency exposure		164,725	26,997

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

Consolidated financial statements			
		31 December	31 December
		2015	2014
<i>(in thousand Baht)</i>			
Financial assets			
Cash and bank deposits		103,979	151,756
Trade and other receivables		188,934	13,029
		292,913	164,785
Financial liabilities			
Trade accounts payables		(53,450)	(33,642)
		(53,450)	(33,642)
Currency exposure		239,463	131,143

Separate financial statements			
		31 December	31 December
	<i>Note</i>	2015	2014
<i>(in thousand Baht)</i>			
Financial assets			
Other amount due from related parties	4	130,176	-
		130,176	-
Currency exposure		130,176	-



(d) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets the Group adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

Credit risk for each individual customer is limited by applying the credit limit which is approved by the Commercial Director. The billing process of customer and the level of credit risk is controlled continuously by accountant in charge of receivables and reported to the General Director.

(e) 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.

(f) Fair values of financial assets and liabilities

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 2015 and 2014, the carrying amount of the Group/Company's financial instruments does not materially differ from their aggregate fair value.

26 Basic earnings per share

The calculations of basic earnings per share for the year ended 31 December 2015 and for the three-month period ended 31 December 2014 are based on the net profit for the year/period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year/period.

	Consolidated financial statements	Separate financial statements
<i>For the year ended on</i>		
<i>31 December 2015</i>		
<i>(in thousand Baht / thousand shares)</i>		
Net profit for the year attributable to ordinary shareholders of the Company	232,991	118,623
Number of ordinary shares outstanding at 1 January	93,100	93,100
Effect of shares issued on 24 April 2015	5,592	5,592
Weighted average number of ordinary shares outstanding during the year	98,692	98,692
Basic earnings per share (in Baht)	2.36	1.20

	Consolidated financial statements	Separate financial statements
<i>For the three-month period ended on</i>		
<i>31 December 2014</i>		
<i>(in thousand Baht / thousand shares)</i>		
Net profit for the period attributable to ordinary shareholders of the Company	55,337	5,187
Number of ordinary shares outstanding	93,100	93,100
Basic earnings per share (in Baht)	0.59	0.06



27 Commitments

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014

(in thousand Baht)

Capital commitments

Contracted but not provided

for:

- Factory construction	8,352	76,404	-	-
Total	8,352	76,404	-	-

Non-cancellable operating

lease commitments

Within one year	15,082	11,272	2,090	527
After one year but within five years	46,568	39,560	3,287	688
After five years	188,394	171,328	-	-
Total	250,044	222,160	5,377	1,215

Other commitments

Letter of credit for normal

course of business

	67,787	172,590	-	-
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28 Contingent liabilities

As at 31 December 2015, a subsidiary of the Group gave a guarantee regarding the Group obligations to third party suppliers in the normal course of business for the purchase of raw materials of USD 19 million, equivalent to Baht 685.7 million (2014 : USD 11 million, equivalent to Baht 362.6 million).

29 Thai Financial Reporting Standards ("TFRS") not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TSIC 15 (revised 2015)	Operating Leases – Incentives	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016

The Group has made a preliminary assessment of the potential initial impact on the consolidated financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.



30 Supplementary information (Unaudited)

As per note 2 (e), Change of the Group's accounting period, the consolidated financial statements for the twelve-month period ended 31 December 2015 have been first prepared and presented for the period from 1 January 2015 to 31 December 2015 in accordance with the required format of the financial statements presentation. For the benefit of users in comparing and analyzing the financial information, the Group has prepared supplementary information in the form of unaudited consolidated statements of comprehensive income for the twelve-month period ended 31 December 2014, as detailed below:

	Consolidated statements of comprehensive income	
	2015	2014 <i>(Unaudited)</i>
	<i>(in thousand Baht)</i>	
Revenue		
Revenue from sales	3,258,513	3,087,998
Revenue from factory area leasing services	49,113	32,107
Total revenues	3,307,626	3,120,105
Cost		
Cost of sales	2,748,653	2,505,636
Cost of providing services	24,982	17,635
Total cost	2,773,635	2,523,271
Gross profit	533,991	596,834
Other operating income	3,323	17,781
Profit before expenses	537,314	614,615
Selling expenses	154,228	178,656
Administrative expenses	94,148	88,426
Total expenses	248,376	267,082

Consolidated statements of comprehensive income		
	2015	2014
	<i>(Unaudited)</i>	
	<i>(in thousand Baht)</i>	
Profit before finance cost and income tax expense	288,938	347,533
Finance cost	6,346	916
Profit before income tax expense	282,592	346,617
Income tax expense	49,601	63,631
Net profit for the year	232,991	282,986
Other comprehensive income (loss)		
Item that are or may be classified to profit or loss		
Exchange difference on currency translation	(330)	(1,953)
Other comprehensive income (loss) for the year	(330)	(1,953)
Total comprehensive income (loss) for the year	232,661	281,033
Basic earnings per share <i>(in Baht)</i>	2.36	3.04

17. Related Party Transactions



For the three-month period ended 31 December 2014 and for the year ended 31 December 2015

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:

Related company	Relationship	Description of transactions	Amount (Thousand Baht)		Pricing policy
			For the year ended 31 December 2015	For the three - month period ended 31 December 2014	
1. Thoresen Thai Agencies Public Company Limited ("TTA")	TTA is a major shareholder of PMTA holding 67.20% (2014: 99.99%) stake of total issued shares of PMTA. PMTA and TTA have two common directors being Mr. Chalermchai Mahagitsiri and Mr. Chia Wan Huat Joseph and common management being Mr. Sigmund Stromme.	Rental space expenses and administrative support.	918	194	Price and condition is in line with market
		Trade account payable	274	206	
		Purchase office equipments	45	-	Cost plus margin
2. Thoresen (Indochina) S.A. ("TI")	TI is a joint venture which 50.00% of shares (2014: 50.00%) held by TTA and 10.00% (2014: 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.	66,147	9,181	Price and trading conditions are in line with those which TI charged to other customers.
3. Thoresen - Vinama Agencies Company Limited ("TVA")	TI holds 49.00% stake in TVA (2014: 49.00%). PMTA and TVA have a common director being Mr. Sigmund Stromme.	Transportation fee for Baconco	30,946	8,019	Price and trading conditions are in line with those which TVA charged to other customers.
		Rental income for factory area leasing service ^{/1}	49,113	9,614	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	5,105	4,644	

Related company	Relationship	Description of transactions	Amount (Thousand Baht)		Pricing policy
			For the year ended 31 December 2015	For the three - month period ended 31 December 2014	
4. Thoresen - Vinama Logistics Company Limited ("TVL")	TVA holds 100.00% stake in TVL (2014: 100.00%). PMTA and TVL have a common director being Mr. Sigmund Stromme.	Transportation services to Baconco	39,910	8,178	Price and trading conditions are in line with those which TVL charged to other customers.
		Trade account payable	5,086	3,287	
5. Baria Joint Stock Company of Services for Import Export of Agro - forestry Products and Fertilizer ("Baria Serece")	Soleado holds 20.00% stake in Baria Serece (2014: 20.00%). PMTA and Baria have two common directors being Mr. Chalermchai Mahagitsiri and Mr. Sigmund Stromme.	Services related to port for Baconco	19,813	4,038	Price and trading conditions are in line with those which Baria charged to Serece other customers.
		Advance expense for Baria	6,138	1,590	
		Trade accounts payable	1,485	207	
6. Thoresen & Company (Bangkok) Limited ("TCB")	TTA holds 100.00% stake in TCB (2014: 100.00%). PMTA and TCB have three common directors being Mr. Chalermchai Mahagitsiri, Mr. Sigmund Stromme and Mr. Chia Wan Huat Joseph.	Utilities charge	76	-	It is charged as actual cost.
		Trade accounts payable	16	-	
7. Thoresen Shipping and Logistics Limited ("TSL")	TTA holds 49.00% stake in TCB (2014: 49.00%). PMTA and TSL have two common directors being Mr. Sigmund Stromme and Mr. Chia Wan Huat Joseph	Other income	5	-	Price and condition is in line with market.

Note: ⁴¹ Factory area leasing business is not a core business of Baconco. However, but 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.

18. Dividend Policy



The Company has a policy to pay no less than 25 percent 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.

19. Remuneration of Auditors



Audit Fee

For the year ended 31 December 2015

Unit : Baht

Company	Audit fee for KPMG	Audit fee for other auditing firms	Total Fee (by company)
PM Thoresen Asia Holdings Public Company Limited	1,764,000	-	1,764,000
PMTA's Subsidiaries	688,116	137,443	825,559
Total Audit Fee (by auditing firm)	2,452,116	137,443	2,589,559

Non-Audit Service Fees

For the year ended 31 December 2015

Unit : Baht

Company	Non-Audit Service Fees for KPMG	Non-Audit Service Fees for other auditing firms	Total Fee (by company)
PM Thoresen Asia Holdings Public Company Limited	-	-	-
PMTA's Subsidiaries	248,867	-	248,867
Total Non-Audit Service Fees (by auditing firm)	248,867	-	248,867

Note: Non-audit service fees for the year ended 31 December 2015 were primarily relating to tax filling and tax advice.

20. Management Structure

Board of Directors of PM Thoresen Asia Holdings Public Company Limited

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 seven (7) directors, out of which three (3) members are executive directors and four (4) members are non-executive directors. Within the Board, 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 Chief Executive Officer 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 seven (7) directors, having Ms. Pemiga Chuangcham as the Company Secretary. The Board of Directors as of 31 December 2015 comprises as follow:

No.	Name	Position
1.	Mr. Chalermchai Mahagitsiri	Chairman of the Board/ Chairman of Executive Committee
2.	Mr. Chia Wan Huat Joseph	Director/ Member of Executive Committee/ Member of Nomination and Remuneration Committee
3.	Mr. Somboonkiat Kasemsuwan	Independent Director/ Chairman of Audit Committee/ Member of Nomination and Remuneration Committee
4.	Assoc. Prof. Dr. Sathit Parniangtong	Independent Director/ Member of Audit Committee/ Chairman of Nomination and Remuneration Committee
5.	Mr. Arild Haugan	Independent Director/ Member of Audit Committee
6.	Mr. Somporn Chitphentom ¹	Director/ Executive Director/ Member of Nomination and Remuneration Committee
7.	Mr. Sigmund Stromme	Director/ Executive Director/ Member of Nomination and Remuneration Committee/ Managing Director

Note ¹ Mr. Somporn Chitphentom became a Board member on 29 January 2015 to replace Mr. Krailuck Asawachatroj who resigned from the Board of Directors on 20 January 2015.

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. Chia Wan Huat Joseph, Mr. Somporn Chitphentom 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 follows:

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, travelling expenses (only for foreigner directors residing outside Thailand) 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 must 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 as of 31 December 2015	Number of Shares as of 31 December 2014
1.	Mr. Chalermchai Mahagitsiri	7,961,505 shares ^{/1}	1 share
2.	Mr. Chia Wan Huat Joseph	1 share	1 share
3.	Mr. Somboonkiat Kasemsuwan	-	-
4.	Assoc. Prof. Dr. Sathit Parniangtong	-	-
5.	Mr. Arild Haugan	-	-
6.	Mr. Somporn Chitphentom	-	-
7.	Mr. Sigmund Stromme	-	-

Note ^{/1} Mr. Chalermchai Mahagitsiri had pre-emptive rights of PMTA shares in proportion from his TTA shares.





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. 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. The Audit Committee consists of three (3) members, having Ms. Chulaporn Rattapong as the secretary to the Audit Committee. As of 31 December 2015, the Audit Committee comprises as follows:

No.	Name	Position
1	Mr. Somboonkiat Kasemsuwan	Chairman of Audit Committee
2	Assoc. Prof. Dr. Sathit Parniangtong	Member of Audit Committee
3	Mr. Arild Haugan	Member of Audit Committee

Duties and Responsibilities of the Audit Committee

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|---|---|--|
| <p>1. Reviewing the accuracy, sufficiency, credibility, and objectivity of the financial reporting process by coordinating with the external auditors and executives are responsible for preparing the quarterly and yearly financial reports, including resolve any disagreement between the executives and external auditors regarding the financial reporting or limitation in scope of work.</p> <p>2. Reviewing the appropriateness and effectiveness of internal control systems and internal audit functions by coordinating with the external auditors and internal auditor, ensuring the adequacy of the internal control systems and internal audit functions as followings.</p> <p>2.1 Reviewing the activities and organizational structure of the internal audit function and ensure no unjustified restrictions or limitations are made.</p> <p>2.2 Determining an internal audit unit's independence.</p> <p>2.3 Considering and approving on the appointment, removal, transfer, or dismissal Internal Auditor.</p> <p>2.4 Considering audit reports and recommendations presented by internal auditor and monitoring</p> | <p>the implementation of the recommendations.</p> <p>2.5 Reviewing the adequacy of the Company's risk management and ensuring that risk management complies with the guidelines of the relevant authorities and our internal policies.</p> <p>2.6 Evaluating the performance of Internal Audit Manager with Chief Executive Officer.</p> <p>2.7 Approving audit plan, budget, number of staffs and staffs training plan of Internal Audit Department to ensure that the audit scope covers finance and operations and to monitor the performance as per the audit plan.</p> <p>2.8 Review and approve the Internal Audit Charter, Policies and Procedures manual and reassess the adequacy on regular basis.</p> <p>3. Reviewing the Company's business operations, ensuring that they comply with the law on securities and exchange, the Exchange's regulations and the laws relating to the Company's business.</p> <p>4. Considering, selecting and nominating an independent person to be the Company's auditor, including the reviewing auditing fee and the following main activities i.e.</p> | <p>4.1 Reviewing the performance of the external auditors by taking into account the auditor's credibility, the adequacy of resources, audit engagements, and experience of its staff assigned to audit the Company's accounts.</p> <p>4.2 Reviewing the external auditors' proposed audit scope and approach and ensure no unjustified and restrictions or limitations have been placed on the scope.</p> <p>4.3 Making recommendations to the Board regarding the reappointment of the external auditors.</p> <p>4.4 Considering audit reports and recommendations presented by the external auditors and monitoring the implementation of the recommendations.</p> <p>4.5 During the year, the Audit Committee meets with the external auditors and Internal Auditor separately without any management in attendance at least once a year.</p> <p>5. Considering the Company's business operations including the connected transactions and ensuring that there is no conflict of interest, taking into consideration transactions between PM Thoresen Asia Holdings Plc. and subsidiaries or related parties in order to assure the effectiveness of</p> |
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the system for monitoring compliance with laws and regulations and to be reasonable for the highest benefit of the Company.

6. Preparing and disclosing in the Company's annual report, an Audit Committee's report which must be signed by the Audit Committee's chairman and consist of at least the following information :

6.1 an opinion on the accuracy, completeness and creditability of the Company's financial report,

6.2 an opinion on the adequacy of the Company's internal control system,

6.3 an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,

6.4 an opinion on the suitability of an auditor. The Company has a policy to safeguard the independence of the external auditors by limiting non-audit services to define audit-related and tax services. The selection of the external auditor shall be reviewed every 3-5 years,

6.5 an opinion on the transactions that may lead to conflicts of interests,

6.6 the number of the Audit Committee meetings, and the attendance of such meetings by each committee member,

6.7 an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and

6.8 other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board.

7. Performing any other act as assigned by the Board, with the approval of the Audit Committee.

8. Reporting Audit Committee's activities at every Board's quarterly meeting.

9. Reviewing the summary and fraud's evidences of employees or executives which result in the damage to the Company and proposes the reviewed report by the Audit Committee to the Board for consideration.

10. Reviewing Audit Committee's performance on annual basis.

11. Reviewing and reassessing the adequacy of this Charter periodically and recommending any proposed changes to the Board for approval.

The Nomination and Remuneration Committee

Chairman of the Nomination and Remuneration Committee is an independent director. 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 Nomination and Remuneration Committee comprises of five (5) members, having Ms. Pemiga Chuangcham as the Secretary to the Nomination and Remuneration Committee. As of 31 December 2015, the Nomination and Remuneration Committee comprises as follows:

No.	Name	Position
1	Assoc. Prof. Dr. Sathit Parniangtong	Chairman of Nomination and Remuneration Committee
2	Mr. Somboonkiat Kasemsuwan	Member of Nomination and Remuneration Committee
3	Mr. Chia Wan Huat Joseph	Member of Nomination and Remuneration Committee
4	Mr. Somporn Chitphentom	Member of Nomination and Remuneration Committee
5	Mr. Sigmund Stromme	Member of Nomination and Remuneration Committee

Duties and Responsibilities of the Nomination and Remuneration Committee

1. Determine the process and criteria for the selection and qualification of candidates nominated in accordance with the structure, size, and composition of the Board of Directors as the Board of Directors prescribes;

2. Review and make recommendations to the Board of Directors on all candidates nominated (whether by the Board of Directors, shareholders, or otherwise) for appointment to the Board of Directors, taking into account the candidate's track record, age, knowledge, experience, capabilities, the number of previously held board positions, and other relevant factors;



3. Identify and make recommendations to the Board of Directors as to the Directors who are to retire by rotation and to be put forward for re-election at each annual general meeting of the Company, having regard to the Directors' contribution and performance (such as their attendance, preparedness, participation and candour), including, if applicable, as independent Directors;
4. Assess annually whether or not a Director is independent or a new independent director meets the requirements prescribed by laws or relevant regulations;
5. Ensure that, in connection with the re-election of Directors at annual general meetings of the Company, sufficient information is provided to the shareholders so as to enable them to make an informed decision;
6. Identify and nominate candidates for the approval of the Board of Directors to fill vacancies in the Board of Directors and sub-committee as and when they arise;
7. Review all candidates nominated for appointment as the Company's chairman, or managing director;
8. Recommend to the Board of Directors a policy for the selection of the Chairman, develop a succession plan according to such policy, and review annually both the succession plan for the Chairman and the chief executive officer's succession plan proposed by management;
9. At least once every financial year, review (and thereafter, make recommendations to the Board of Directors regarding) the Board of Directors structure, size, composition and core competencies, taking into account the balance between executive and non-executive Directors and between independent and non-independent Directors, and having regard at all times to the principles of corporate governance;
10. Procure that at least one-third (1/3) of the Board of Directors shall comprise of independent Directors or such other minimum proportion and criteria as prescribed by laws or relevant regulations;
11. Propose, for approval by the Board of Directors, objective performance criteria (that allows comparison with the Company's industry peers) to evaluate the effectiveness of the Board of Directors as a whole. Once approved by the Board of Directors, the performance criteria shall not be changed without proper justification from the Board of Directors;

The Chairman of the Board of Directors, in consultation with the Committee, will act on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board of Directors or seek the resignation of Directors;
12. Support a channel for minor shareholders to propose a candidate to be a director of the Company;
13. Recommend and propose for the Board of Directors approval a framework of remuneration and determine the specific remuneration package, including annual/ special bonuses, fees and any other type and form of remuneration for:
 - 13.1 Members of The Board of Directors for further approval by shareholders
 - 13.2 Members of any special committee established by the Board of Directors;
14. Recommend and propose for the Board of Directors approval a framework of remuneration and determine the specific remuneration package, including annual/special bonuses, salaries and any other type or form of remuneration for:
 - 14.1 Managing Director
 - 14.2 Management Committee members (if any), one level below the Managing Director
15. Conduct the annual performance evaluation and report the results to the Board of Directors for acknowledgement, of the following:
 - 15.1 Managing Director
 - 15.2 Management Committee members (if any), one level below the Managing Director
16. Consider the Company's annual remuneration budget, and propose to the Board of Directors for final approval;
17. Continue to follow and evaluate the remunerations for directors and executives by taking into account the following factors and keeping the Board of Directors informed of the Committee's activities at the next Board of Directors meeting.
 - 17.1 The level of remuneration should be appropriate to attract, retain, and motivate directors and executives needed to run the Company successfully.
 - 17.2 The pay and employment conditions are competitive within the industry and in comparable companies.

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 four (4) members, having Ms. Pemiga Chuangcham as the secretary to the Executive Committee. As of 31 December 2015, the Executive Committee comprises as follows:

No.	Name	Position
1.	Mr. Chalermchai Mahagitsiri	Chairman of Executive Committee
2.	Mr. Sigmund Stromme	Member of Executive Committee
3.	Mr. Chia Wan Huat Joseph	Member of Executive Committee
4.	Mr. Somporn Chitphentom	Member of Executive Committee

Meetings of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee in 2015

The Company has defined the Board meeting criteria as follows:

- 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.
- 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.

- 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.
 - 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.
 - The Company shall promote all directors to attend at least 75% of all Board meetings held during the year.
 - 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.
- Details of meeting attendance of the Board of Directors and subcommittees, including the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee as of the fiscal year ended 31 December 2015 (1 January - 31 December 2015) are as follows:

No.	Name	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
1.	Mr. Chalermchai Mahagitsiri	5/6	-	-	3/3
2.	Mr. Chia Wan Huat Joseph	6/6	-	-	-
3.	Mr. Somboonkiat Kasemsuwan	5/6	3/4	1/1	-
4.	Assoc. Prof. Dr. Sathit Parniangtong	6/6	4/4	1/1	-
5.	Mr. Arild Haugan	4/6	3/4	-	-
6.	Mr. Somporn Chitphentom ¹	5/5	-	-	2/2
7.	Mr. Sigmund Stromme	6/6	-	1/1	1/3

Note ¹ Mr. Somporn Chitphentom became a Board member on 29 January 2015 to replace Mr. Krailuck Asawachatroj who resigned from the Board of Directors on 20 January 2015



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 disregarded.

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 follows:

- 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;
- To arrange meetings of shareholders and the Board in accordance with applicable laws and regulations and the Company's Articles of Association;
- To prepare minutes of shareholders and Board meetings and to monitor execution of such resolutions on a regular basis;

- To ensure that all public information disclosure is in accordance with laws and the SET's and SEC's regulations;
- To facilitate the Board's activities, including director orientation; and
- 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 December 2015	Education/Training	Professional Experiences	
			Period	Company
Ms. Pemiga Chuangcham (30 years) Company Secretary (2013 - present)	-	<ul style="list-style-type: none"> Master degree in Business Administration, Chulalongkorn University Bachelor of Arts (Economics), International Program, Thammasat University Company Secretary Program (CSP) class 54/2013 Thai Institutions of Directors Certification business law program, Thammasat University 	2013 - present 2007 - 2013	Company Secretary, PM Thoresen Asia Holdings Public Company Limited Compliance officer, Ratchaburi Electricity Generating Holding Public Company Limited

The Board of Directors of Main Subsidiary

Baconco Co., Ltd.

No.	Name	Position	Attendance of Board Meetings (1 Jan – 31 Dec 15)
1.	Mr. Sigmund Stromme	Chairman	5/5
2.	Mr. Chalermchai Mahagitsiri	Director	5/5
3.	Mr. Chia Wan Huat Joseph ¹	Director	4/4

Note ¹ Mr. Chia Wan Huat Joseph became a Board member on 29 January 2015 to replace Mr. Krailuck Asawachatroj who resigned from the Board of Directors on 20 January 2015.

PM Thoresen Asia (Singapore) Pte. Ltd.

No.	Name	Position	Attendance of Board Meetings (1 Jan – 31 Dec 15)
1.	Mr. Chalermchai Mahagitsiri	Director	4/4
2.	Mr. Sigmund Stromme	Director and Managing Director	4/4
3.	Mr. Lee Wei Hsiung	Director	4/4



Organization Chart

PM Thoresen Asia Holdings Public Company Limited

As of 31 December 2015

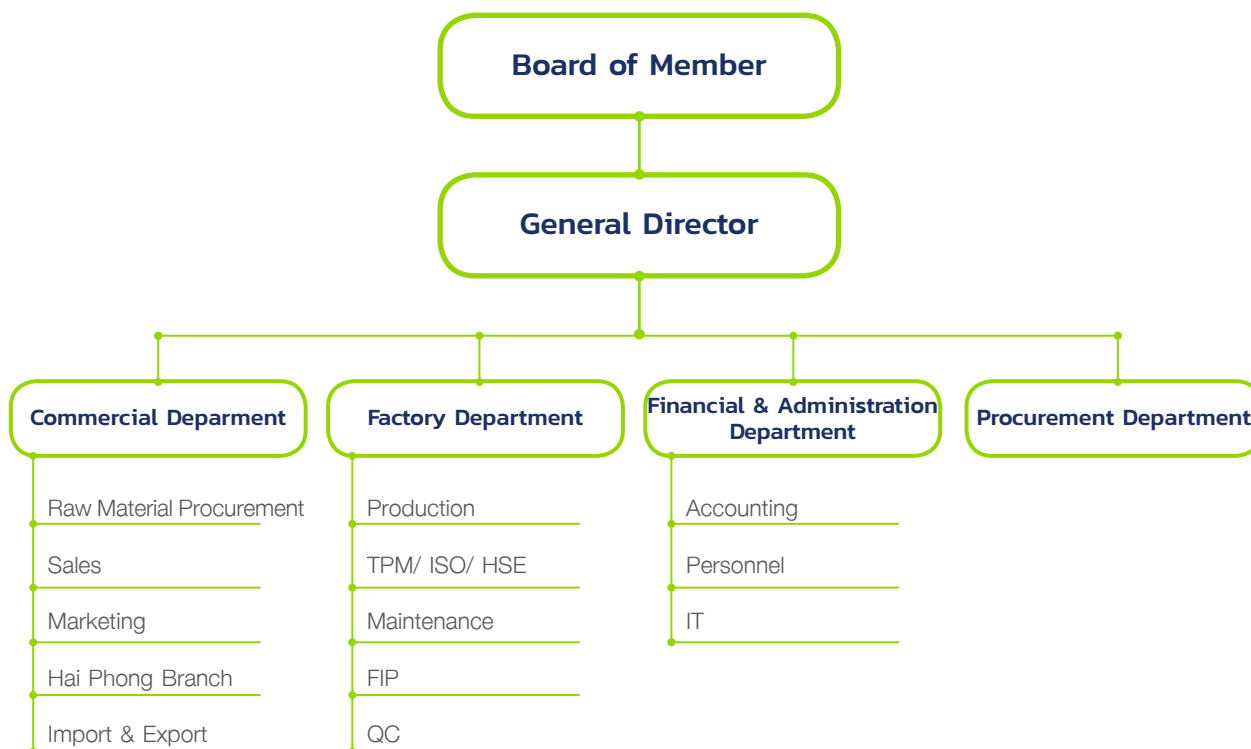


No.	Name	Position
1.	Mr. Chalermchai Mahagitsiri	Chairman/ Chairman of Executive Committee
2.	Mr. Chia Wan Huat Joseph	Director/ Member of Executive Committee/ Member of Nomination and Remuneration Committee
3.	Mr. Somboonkiat Kasemsuwan	Independent Director/ Chairman of Audit Committee/ Member of Nomination and Remuneration Committee
4.	Assoc. Prof. Dr. Sathit Parniangtong	Independent Director/ Member of Audit Committee/ Chairman of Nomination and Remuneration Committee
5.	Mr. Arild Haugan	Independent Director/ Member of Audit Committee
6.	Mr. Somporn Chitphentom ¹	Director/ Executive Director/ Member of Nomination and Remuneration Committee
7.	Mr. Sigmund Stromme	Director/ Executive Director/ Member of Nomination and Remuneration Committee/ Managing Director
8.	Ms. Sawaree Sawaddeejan	Manager, Accounting and Finance

Note¹ Mr. Somporn Chitphentom became a Board member on 29 January 2015 to replace Mr. Krailuck Asawachatroj who resigned from the Board of Directors on 20 January 2015.

Baconco Co., Ltd.

As of 31 December 2015



Note: TPM is an abbreviation of Total Productivity Maintenance

HSE is an abbreviation of Health and Safety

FIP is an abbreviation of Finished Product

No.	Name	Position
1.	Mr. Sigmund Stromme	Chairman
2.	Mr. Chalermchai Mahagitsiri	Director
3.	Mr. Chia Wan Huat Joseph ¹	Director
4.	Mr. Pierre Siquet	General Director
5.	Mr. Didier Pinguet	Deputy General Director and Commercial Director
6.	Mr. Ho Ngoc Chau	Financial and Administrative Director
7.	Mr. Nguyen Dang Cat	Plant Manager
8.	Mr. Ngo Xuan Giang	Hai Phong Office Manager

Note ¹ Mr. Chia Wan Huat Joseph became a Board member on 29 January 2015 to replace Mr. Krailuck Asawachatroj who resigned from the Board of Directors on 20 January 2015.



PM Thoresen Asia (Singapore) Pte. Ltd.

As of 31 December 2015

No.	Name	Position
1.	Mr. Chalermchai Mahagitsiri	Director
2.	Mr. Sigmund Stromme	Director and Managing Director
3.	Mr. Lee Wai Hsiung	Director
4.	Mr. Pierre Siquet	Commercial Director
5.	Mr. Didier Pinguet	Commercial Director

Remuneration of Directors and Executives

Remuneration of Directors and Executives of PM Thoresen Asia Holdings Public Company Limited

Monetary Remuneration

The AGM No. 2/2015 on 13 March 2015 approved the remuneration of sub-committees as follows :

1) Chairman

	Chairman of Board of Directors	Chairman of Audit Committee	Chairman of Executive Committee	Chairman of Nomination and Remuneration Committee
Monthly fee	55,000 Baht	-	-	-
Attendance fee	23,000 Baht per each meeting	30,000 Baht per each meeting	30,000 Baht per each meeting	18,000 Baht per each meeting

2) Directors

	Member of Board of Directors	Member of Audit Committee	Member of Executive Committee	Member of Nomination and Remuneration Committee
Monthly fee	24,000 Baht	-	-	-
Attendance fee	20,000 Baht per each meeting	25,000 Baht per each meeting	25,000 Baht per each meeting	15,000 Baht per each meeting

3) Travel allowance for foreign director(s)

- For a trip from Asia to Thailand at the amount of USD 500 per day
- For a trip from Europe/USA or other continent to Thailand at the amount of USD 1,000 per day

Monetary remuneration for directors through a monthly fee and an attendance fee is as follow:

Name	Position	Remuneration (Baht) (1 Jan – 31 Dec 15)
1. Mr. Chalermchai Mahagitsiri	Chairman of the Board of Directors/ Chairman of Executive Committee	795,000
2. Mr. Chia Wan Huat Joseph	Director/ Executive Director/ Member of Nomination and Remuneration Committee	476,000
3. Mr. Somboonkiat Kasemsuwan	Independent Director/ Chairman of Audit Committee/ Member of Nomination and Remuneration Committee	476,000
4. Assoc. Prof. Dr. Sathit Parniangtong	Independent Director/ Member of Audit Committee/ Chairman of Nomination and Remuneration Committee	504,000
5. Mr. Arild Haugan	Independent Director/ Member of Audit Committee	426,000
6. Mr. Somporn Chitphentom ^{/1}	Director/ Executive Director/ Member of Nomination and Remuneration Committee	416,000
7. Mr. Sigmund Stromme	Director/ Executive Director/ Member of Nomination and Remuneration Committee	-
8. Mr. Krailuck Asawachatroj ^{/2}	Director/ Executive Director/ Member of Nomination and Remuneration Committee	51,429

Note ^{/1/2}Mr. Somporn Chitphentom became a Board member on 29 January 2015 to replace Mr. Krailuck Asawachatroj who resigned from the Board of Directors on 20 January 2015

Remuneration for Executives is as follows :

	1 Jan - 31 Dec 15	
	Numbers	Remuneration (Baht)
1. Salary and bonus	2	1,396,680
2. Other compensation (provident fund)	2	55,768
Total		1,452,448



Remuneration of Directors and Executives of Main Subsidiary

Baconco Co., Ltd.

Monetary Remuneration

- a) No monetary remuneration is paid to the directors of Baconco Co., Ltd.
- b) Remuneration for the executives in the fiscal year ended 31 December 2015 (1 January – 31 December 2015) including salary and bonus is accounted for Baht 11.90 million in total.

PM Thoresen Asia (Singapore) Pte. Ltd.

Monetary Remuneration

- a) No monetary remuneration is paid to the directors of PM Thoresen Asia (Singapore) Pte. Ltd.
- b) Remuneration for the executives in the fiscal year ended 31 December 2015 (1 January – 31 December 2015) including salary and bonus is accounted for Bah 34.99 million t in total.

Remuneration of employees of PM Thoresen Asia Holdings Public Company Limited

Apart from two (2) executives, namely Mr. Sigmund Stromme, Managing Director, and Ms. Sawaree Sawaddeejan, Manager, Accounting and Finance the Company has three (3) employees.

Remuneration for employees (excluding directors and executives) is as follows :

	1 Jan - 31 Dec 15	
	Numbers	Remuneration (Baht)
1. Salary and bonus	3	2,299,400
2. Other compensation (provident fund)	3	147,224
Total		2,446,624

21. Shareholding Structure



The top 20 shareholders as of the share registration book on 5 February 2016.

No.	Shareholders	Number of share	%
1.	Thoresen Thai Agencies Public Company Limited	68,121,698	67.31
2.	Mr. Chalermchai Mahagitsiri	7,961,505	7.87
3.	Ms. Ausana Mahagitsiri	1,532,231	1.51
4.	Mr. Nattapong Panrattanamongkol	1,000,000	0.99
5.	Mr. Wasun Anurakwongsri	886,700	0.88
6.	Mr. Pitsanuratt Piyabunsit	778,900	0.77
7.	Mr. Tanon Rungthanakiat	650,000	0.64
8.	Mr. Taratorn Wongprasart	650,000	0.64
9.	Ms. Kuncharos Ngamsupasil	650,000	0.64
10.	Mr. Wuttipong Wongpattarakul	650,000	0.64
11.	Ms. Anongporn Chitsamreng	650,000	0.64
12.	Mr. Chaiyos Khemassathien	650,000	0.64
13.	Mrs. Wansiri Dangprasert	650,000	0.64
14.	Mr. Teeramet Patcharasurasit	650,000	0.64
15.	Mr. Somchai Vasupongsorn	650,000	0.64
16.	Mr. Chanchai Kissaneepaiboon	650,000	0.64
17.	Mr. Chattri Bunnag	650,000	0.64
18.	Mr. Patkorn Wongsawan	650,000	0.64
19.	Mrs. Suvimol Mahagitsiri	563,321	0.56
20.	Mr. Samreng Manunphon	460,000	0.45
Total number of share held by top 20 shareholders		89,104,355	88.05
Other shareholders		12,095,645	11.95
Total fully-paid up capital as of 5 February 2016		101,200,000	100.00

Share Distribution

The share distribution as of the share registration book on 5 February 2016.

Share distribution by Nationality	Number of shareholders	Number of shares	%
Thai	3,372	101,168,427	99.97
Foreign	12	31,573	0.03
Total of shareholders	3,384	101,200,000	100.00

22. Company Investments



Investments in other companies exceeding 10% of other companies' shares as of 31 December 2015 are as follows :

No.	Name of company	Type of share	No. of issued shares	No. of invested shares	% of holding	Par value
1	Baconco Company Limited Petroland Tower (17 th 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

23. Corporate Information

As of 31 December 2015

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

Reference Persons

Regulator	: Securities and Exchange Commission, Thailand 333/3 Viphavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand Telephone: +66 (0) 2695-9999 Facsimile: +66 (0) 2695-9660 Email: info@sec.or.th Website: http://www.sec.or.th
Regulator	: The Stock Exchange of Thailand 93 Ratchadaphisek Road, Dindaeng Bangkok 10400, Thailand 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



Securities Registrar of Ordinary Shares and Warrants	: Thailand Securities Depository Co., Ltd. Ratchadaphisek Road, Dindaeng Bangkok 10400, Thailand 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/tsd
Auditor	: Mr. Banthit Tangpakorn Certified Public Accountant Registration No. 8509 KPMG Phoomchai Audit Ltd. 195 South Sathorn Road Yannawa, Sathorn, Bangkok 10120, Thailand Telephone: +66 (0) 2677-2000 Facsimile: +66 (0) 2677-2222

growth.



PMTA

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