



Growth

PMTA

PMThoresenAsia

Annual Report 2017

PM Thoresen Asia Holdings Public Company Limited

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Key Figures

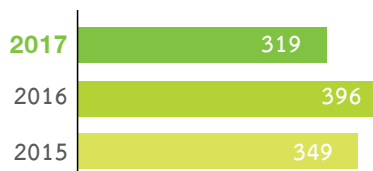
Revenue

Baht 2,877 million



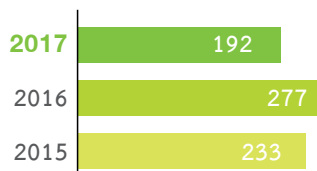
EBITDA

Baht 319 million

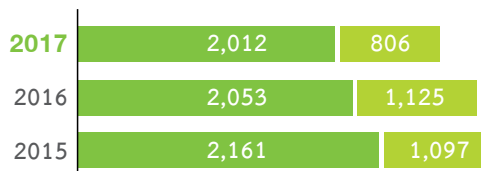


Net Profit

Baht 192 million



Revenue from Sales Breakdown



■ Domestic sales (Vietnam)
■ Export sales

(million Baht)

■ Group Financial Summary

For the Year Ended 31 December 2015, 2016 and 2017

Statement of comprehensive income :	For the year (in million Baht)		
	2015	2016	2017
Revenue from sales	3,258.5	3,177.7	2,818.1
Revenue from factory area leasing services	49.1	55.2	55.0
Cost of sales of goods	2,748.6	2,567.1	2,293.3
Cost of rendering of services	25.0	40.6	48.5
Selling expenses	154.2	204.1	192.1
Administrative expenses	94.1	92.3	102.5
Profit for the year	233.0	277.0	191.8
Basic earnings per share (in Baht)	2.36	2.74	1.89
Statement of financial position (at end of year) :			
Cash and cash equivalents	297.2	473.5	307.1
Inventories	724.7	465.2	730.2
Plant and equipment	642.6	622.0	629.6
Total assets	1,961.6	2,012.1	2,006.7
Short-term borrowings from financial institutions	93.3	-	106.1
Total liabilities	423.1	323.5	440.0
Issued and paid up share capital	1,012.0	1,012.0	1,012.0
Total shareholders equity	1,538.5	1,688.6	1,566.7
Other financial data :			
Net cash generated from (used in) operating activities	205.3	435.9	(12.2)
Net cash generated from (used in) investing activities	(166.5)	(53.5)	(151.0)
Net cash generated from (used in) financing activities	(1.4)	(207.2)	(3.2)
Financial ratios :			
Return on Equity (%)	17%	17%	12%
Return on Total Asset (%)	16%	17%	12%
Net profit margin (%)	7%	9%	7%
Interest Bearing Debt to Equity (Times)	0.1	-	0.1
Net Interest Bearing Debt to Equity (Times)	(0.1)	(0.3)	(0.1)
Historical EPS and Dividend Payment			
Earning per Share (Baht)	2.36	2.74	1.89
Dividend per Share (Baht)	1.12	1.17	1.00 ⁽¹⁾
Number of Shares (million) ⁽²⁾	101.20	101.20	101.20

⁽¹⁾ It is subject to the approval of 2018 Annual General Meeting of Shareholders on 23 April 2018

⁽²⁾ As end of period

■ Message from Chairman and Managing Director



Mr. Chalermchai Mahagitsiri
Chairman of the Board
of Directors (Left)

Mr. Sigmund Stromme
Managing Director (Right)

"PMTA determines to further develop and improve the quality of our products and services in order to retain customers trust towards the Company. We believe that the experiences and determination of our managements and employees will lead the Company towards the sustainable growth."

Key Development during the Past Year

PM Thoresen Asia Holdings Public Company Limited was successfully listed in the Stock Exchange of Thailand since 2015. PMTA was the second security of Thailand that listed in the form of Holding Company which had main business in foreign country. Baconco Company Limited ("Baconco") is the core company which its primary operation is chemical fertilizers and agrochemical products' manufacturer in Vietnam.

In 2017, PMTA is able to maintain a strong performance despite of challenges from

both domestic and international economic situations. This year, domestic sales volume grew 6%. Therefore, PMTA delivers a strong operating result with total revenue of Baht 2,876.9 million with a net profit of Baht 191.8 million.

In August 2017, Vietnam government authority has imposed temporary safeguard duties on DAP and MAP fertilizers that are imported to Vietnam leading to the rapidly price increase of DAP and MAP.

However, Baconco has already imported sufficient amount of DAP to cover the

needs during the period that the safeguard is implemented therefore, the affect from the safeguard duties is limited. Moreover, the demand of fertilizer in Philippine market is reduced from 2016.

For our factory area leasing business, the demand of the high quality warehouse has continued to grow. In the fourth quarter of 2017, the construction of an additional factory area has been completed. Therefore, Baconco's factory area for leasing increase to 66,420 square meters and they are fully occupied.

Business Trend and Direction in 2018

According to the Food and Agriculture Organization of the United Nations (FAO), the global fertilizer demand is forecasted to expand to 194.4 million metric tons. While International Fertilizer Association (IFA) anticipates that in the next five years the global fertilizer industry will face a period of moderate growth and South Asia, East Asia and Latin America will account for almost three quarters of increased fertilizer demand. Also, in relative terms, Africa, Eastern Europe and Central Asia are seen as the fastest growing markets.

Considering these trends, PMTA strongly believes in the potential of growth in the agrochemical 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.

Social Responsibility is Our Goal

While PMTA operates the business with commitment to growth, the Company has never neglected to fulfill social responsibility. Baconco's management retained their effort on energy saving and regulatory compliance. Moreover, Baconco is able to maintain its high operation efficiency in environmental production management to meet and exceed the requirement of the Vietnamese authority. PMTA has always remembered to return to the society. In 2017, Baconco which is our core subsidiary, together with the local official has supported to build 10 houses for the poor families in Tay Ninh province in Vietnam. We believe this is not only the opportunity for us to give back to the society by giving the opportunity for the disadvantaged but it also boosts morale of the employees and implant a sense of sharing within the employees which is the key to human resource development.

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



Mr. Chalermchai Mahagitsiri

Chairman of the Board of Directors



Mr. Sigmund Stromme

Managing Director

■ Important Changes and Developments



April 1995

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

December 2006

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

June 2008

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

July 2009

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

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

February 2011

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



June 2013

- 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 billion to accommodate the IPOs of its capital-increase shares and for other actions it may require to do prior to the listing in the SET.

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 started in February 2015.

May 2015

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

December 2017

- Baconco completed the construction of the additional factory area and the total factory area has been increased to 66,420 square meters.



■ Board of Directors and Executive Officers



Mr. Chalermchai Mahagitsiri

- Chairman of the Board of Directors
- Chairman of Executive Committee



Mrs. Suvimol Mahagitsiri

- Director



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

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



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

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



Mr. Somporn Chitphentom

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



Mr. Rapee Moungnont

- Independent Director
- Member of Audit Committee



Mr. Jitender Pal Verma

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



Mr. Sigmund Stromme

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

Mr. Chalermchai Mahagitsiri (Age 39)

- Chairman of the Board of Directors
- Chairman of Executive Committee

Date of first appointment :

6 January 2014

(%) of shareholding as of 31 December 2017 :

7.87

Education

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

Training / Certification

- Digital Edge Fusion (DEF), class 1/2017, Sripatum University
- Academy of Business Creativity (ABC), class 4/2016, Sripatum University
- Capital Market Academy Leadership Program, class 17/2013, Capital Market Academy
- Director Certification Program (DCP), class 53/2005, Thai Institute of Directors Association
- Director Accreditation Program (DAP), class 30/2004, Thai Institute of Directors Association

Working Experience

Listed companies

- 2014-present : Chairman of the Board of Directors and Chairman of Executive Committee, PM Thoresen Asia Holdings Public Company Limited
- Jan. 2012-present : President & Chief Executive Officer, Thoresen Thai Agencies Public Company Limited
- Jun. 2012-present : Chief Executive Officer and Executive Vice Chairman, Mermaid Maritime Public Company Limited
- Jun. 2012-present : Vice Chairman, Unique Mining Services Public Company Limited
- Sep. 2011-present : Director, Posco - Thainox Public Company Limited
- Apr. 2011-present : Director, Thai Film Industries Public Company Limited
- 2009-2011 : Director and Vice Chairman, Posco - Thainox Public Company Limited

Non-listed companies

- Jul. 2017-present : Director, Thoresen Shipping (Thailand) Company Limited
- Nov. 2016-present : Director, Mermaid Subsea Services Saudi Arabia Company Limited
- Oct. 2016-present : Director, PMT Property Company Limited
- Sep. 2016-present : Director, Laser Game Asia Company Limited
- Sep. 2016-present : Director, TTA Suez Company Limited
- 2016-present : Director, Natural Bev Company Limited
- Feb. 2015-present : Director, Sino Grandness Food Industry Group Limited
- Oct. 2014-present : Director, Mermaid Subsea Services LLC
- Sep. 2014-present : Director, Mermaid International Venture
- Aug. 2014-present : Director, Premo Shipping Public Company Limited
- Apr. 2014-present : Director, Thoresen Shipping FZE
- Apr. 2014-present : Director, Mermaid Maritime Mauritius Limited

Mar. 2014-present	: Director, Chidlom Marine Services & Supplies Limited
Feb. 2014-present	: Director, GAC Thoresen Logistics Limited
Feb. 2014-present	: Director, PH Macaron Company Limited
Jan. 2014-present	: Director, Athene Holdings Limited
Jan. 2014-present	: Director, Thoresen & Company (Bangkok) Limited
Jan. 2014-present	: Director, Fearnleys (Thailand) Limited
Nov. 2013-present	: Director, Baconco Company Limited
Nov. 2013-present	: Director, Thoresen (Indochina) S.A.
Jun. 2013-present	: Director, MTR-1 Limited
Feb. 2013-present	: Director, PM Quality Food and Beverage Company Limited
2013-present	: Director, PM Thoresen Asia (Singapore) Pte. Ltd.
2013-present	: Director, Thoresen Shipping Singapore Pte. Ltd.
2013-present	: Director, Mermaid Drilling Limited
2013-present	: Director, Asia Offshore Dilling Limited
2013-present	: Director, Asia Offshore Rig 1 Limited
2013-present	: Director, Asia Offshore Rig 2 Limited
2013-present	: Director, Asia Offshore Rig 3 Limited
2013-present	: Director, Mermaid Subsea Services (Thailand) Limited
2008-present	: Director, Four One One (Fun) Company Limited
2012-present	: Director, MTR-2 Limited
2012-present	: Director, Mermaid Subsea Services (International) Limited
2012-present	: Director, MTR-1 (Singapore) Pte. Ltd.
2012-present	: Director, Coffee Gallery Company Limited
Jul. 2012-present	: Director, Soleado Holdings Company Limited
2011-present	: Director, Phaholyothin Garden Company Limited
2011-present	: Director, Mountain Creek Development Company Limited
2011-present	: Director, M Creek Land Company Limited
2010-present	: Executive Director, Sak Chaisidhi Company Limited
2010-Jul. 2014	: Executive Director, LYNN Phillips Asset Company Limited
2008-present	: Chief Executive Officer, Four One One Entertainment Company Limited
2005-present	: Chief Executive Officer, PM Group Company Limited
2005-present	: Director, PM Corp Company Limited
2002-present	: Director, Lakewood Kitchen Company Limited
2002-present	: Director, ACME Camps Company Limited
1998-present	: Managing Director, Lakewood Country Club Company Limited
1998-present	: Director, Lakewood Land Company Limited
Present	: Director, Quality Coffee Products Company Limited

Relation among family with other directors and executives :

Son of Mrs. Suvimol Mahagitsiri

**Mrs. Suvimol Mahagitsiri
(Age 71)**

- Director

**Date of first
appointment :**

25 April 2016

**(%) of shareholding as of
31 December 2017 :**

0.56

Education

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

Training / Certification

- Role of the Chairman Program (RCP), class 16/2007, Thai Institution of Directors Association
- Director Accreditation Program (DAP), class 26/2004, Thai Institution of Directors Association

Working Experience

Listed companies

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

Non-listed companies

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

Relation among family with other directors and executives :

Mother of Mr. Chalermchai Mahagitsiri

Pol. Lt. Gen. Prakard Satamarn (Age 75)

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

Date of first appointment :

25 January 2017

(%) of shareholding as of 31 December 2017 :

None

Education

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

Training / Certification

- Director Accreditation Program (DAP), class 45/2005, Thai Institute of Directors Association
- Advanced Management Program, class 1, National Defense College
- National Defense Course, class 37, National Defense College
- International Police Program, USA

Working Experience

Listed companies

2017-present : Independent Director, Chairman of Audit Committee and Member of Nomination and Remuneration Committee, PM Thoresen Asia Holdings Public Company Limited

Non-listed companies

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

Relation among family with other directors and executives :

None

Assoc. Prof. Dr. Sathit Parniangtong (Age 64)

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

Date of first appointment :

6 January 2014

(%) of shareholding as of 31 December 2017 :

None

Education

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

Training / Certification

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

Working Experience

Listed companies

- 2014-present : Independent Director, Member of Audit Committee and Chairman of Nomination and Remuneration Committee, PM Thoresen Asia Holdings Public Company Limited
- 2010-present : Independent Director, Member of Audit Committee and Chairman of Nomination and Remuneration Committee, Patum Rice Mill and Granary Public Company Limited

Non-listed companies

- 2001-present : Associate Professor, Part Time Faculty, Faculty of Commerce and Accountancy, Thammasat University and Sasin Graduate Institute of Business Administration of Chulalongkorn University
- 2001-2015 : Executive Director, Head of General Management & Strategy Department, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- 2002-2003 : Director of Management Project-Collaboration with Michael E. Porfer : Creating the Foundations for Higher Productivity of Thailand, Officer of the Nation 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. Somporn Chitphentom
(Age 56)**

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

Date of first appointment :

29 January 2015

(%) of shareholding as of 31 December 2017 :

None

Education

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

Training / Certification

- Director Certification Program (DCP), class 178/2013, Thai Institute of Directors Association
- 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

Working Experience**Listed companies**

- | | |
|--------------|---|
| 2015-present | : Director, Member of Executive Committee and Member of Nomination and Remuneration Committee, PM Thoresen Asia Holdings Public Company Limited |
| 2015 | : Executive Vice President, Corporate Finance and Accounting, Throresen Thai Agencies 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, Thoresen Thai Agencies Public Company Limited |

Non-listed companies

- | | |
|----------------|---|
| 2015-Jul. 2017 | : Secretary-general, National Savings Fund |
| 2013-2015 | : Director, UMS Distribution Company Limited |
| 2013-2015 | : Director, UMS Lighter Company Limited |
| 2013-2015 | : Director, UMS Plate Energy Company Limited |
| 2013-2015 | : Director, UMS Port Services Company Limited |
| 2013-2015 | : Director, PM Group Company Limited |
| 2009-2013 | : Senior Executive Vice President, Export - Import Bank of Thailand |

Relation among family with other directors and executives :

None

**Mr. Rapee Moungnont
(Age 52)**

- Independent Director
- Member of Audit Committee

**Date of first
appointment :**

25 April 2016

**(%) of shareholding as of
31 December 2017 :**

None

Education

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

Training / Certification

- Certified Management Consultant (CMC), Institute of Management Consultants Association of Thailand (IMCT)
- Capital Market Academy Leadership Program, Capital Market Academy
- Director Certification Program (DCP), class 80/2006, Thai Institute of Directors
- Economic and Fiscal Management, King Prajadhipok's Institute
- Financial Executive Development Program - FINEX 15, The Thai Institute of Banking and Finance Association
- ICO's International Executive Training Program in Development Banking Madrid # 1

Working Experience

Listed companies

2016-present : Independent Director and Member of Audit Committee,
PM Thoresen Asia Holdings Public Company Limited

Non-listed companies

2010-present : Director, Rajamangala University of Technology Rattanakosin
2009 : Director & Acting President, Thai Credit Guarantee Corporation (TCG)
2005-2009 : Audit Committee, Thai Credit Guarantee Corporation (TCG)
2005-2009 : President of The Employee Welfare Committee, Thai Credit Guarantee Corporation (TCG)
2008 : President, Thailand Privilege Card Company Limited
2005-2008 : Director & Acting President, Thailand Privilege Card Company Limited
2005-2008 : Director & Executive Committee, Thailand Privilege Card Company Limited
Executive Vice President, The Institution of Management Consultants Association of Thailand (IMCT)
2005 : Deputy Director General, The Office of SMEs Promotion (OSMEP) (responsibility to venture capital & OTOP)
2004 : Executive Vice President, Small and Medium Enterprise Development Bank of Thailand (SME BANK)
2002-2003 : Vice President of Venture Capital 2 Department Small and Medium Enterprise Development Bank of Thailand (SME BANK)
2000-present : Guest Speaker,
- Thammasat University
- Chulalongkorn University
- National Institute of Development Administration (NIDA)
- King Mongkut's University of Technology Thonburi
- Ramkhamhaeng University
- Mahidol University
- Burapha University

Relation among family with other directors and executives :

None

**Mr. Jitender Pal Verma
(Age 53)**

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

Date of first appointment :

15 May 2017

(%) of shareholding as of 31 December 2017 :

None

Education

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

Training / Certification

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

Working Experience

Listed companies

- May 2017-present : Director, Member of Executive Committee and Member of Nomination and Remuneration Committee PM Thoresen Asia Holdings Public Company Limited
- Apr. 2015-present : Senior Executive Vice President and Group CFO Thoresen Thai Agencies Public Company Limited
- Aug. 2005-Oct. 2011 : CFO and Acting Managing Director, Thainox Stainless Public Company Limited

Non-listed companies

- Nov. 2017-present : Director, Thoresen Indochina S.A.
- Jul. 2017-present : Director, Thoresen Shipping (Thailand) Company Limited
- May 2017-present : Director, Baconco Company Limited
- May 2017-present : Director, Mermaid Drilling (Malaysia) Sdn. Bhd.
- Feb. 2017-present : Director, PH Capital Company Limited
- Jan. 2017-present : Director, MTR-2 Company Limited
- Jan. 2017-present : Director, MTR-1 Company Limited
- Jan. 2017-present : Director, MTR-1 (Singapore) Pte. Ltd.
- Jan. 2017-present : Director, Mermaid Drilling (Singapore) Pte. Ltd.
- Jan. 2017-present : Director, Seascope Surveys Pte. Ltd.
- Jan. 2017-present : Director, Mermaid Subsea Services LLC
- Nov. 2016-present : Director, Mermaid Subsea Services Saudi Arabia Company Limited
- Nov. 2016-present : Director, Mermaid Subsea Services (Thailand) Limited
- Oct. 2016-present : Director, Mermaid Subsea Services (International) Limited
- Oct. 2016-present : Director, PMT Property Company Limited
- Oct. 2016-present : Non-Executive Director, Mermaid Maritime Public Limited Company
- Sep. 2016-present : Director, Petrolift Inc.
- Feb. 2016-present : Director, Thoresen & Company (Bangkok) Limited
- Feb. 2016-present : Director, Chidlom Marine Services & Supplies Limited
- Jan. 2016-present : Director, Gulf Agency Company (Thailand) Limited
- Jan. 2016-present : Director, GAC Thoresen Logistics Limited
- Jan. 2016-present : Director, Fearnleys (Thailand) Limited
- Dec. 2015-present : Director, Mermaid Drilling Limited
- Jun. 2015-present : Board's Member, Soleado Holdings Pte. Ltd.
- Jun. 2015-present : Board's Member, Thoresen Shipping FZE

Relation among family with other directors and executives :

None

**Mr. Sigmund Stromme
(Age 61)**

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

**Date of first
appointment :**

6 January 2014

**(%) of shareholding as of
31 December 2017 :**

0.019

Education

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

Training / Certification

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

Working Experience

Listed companies

- 2014-present : Director, Member of Executive Committee, Member of Nomination and Remuneration Committee and Managing Director, PM Thoresen Asia Holdings Public Company Limited
- Aug. 2016-present : Executive Vice President - Agro & Logistics, Thoresen Thai Agencies Public Company Limited
- 2015-Aug. 2016 : Executive Vice President - Shipping & Logistics, Thoresen Thai Agencies Public Company Limited

Non-listed companies

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

Relation among family with other directors and executives :

None

**Mr. Pornthep Lertvorratham
(Age 48)**

- Chief Financial Officer

**Date of first
appointment :**

1 June 2016

**(%) of shareholding as of
31 December 2017 :**

0.16

Education

- Master degree, Emporia State University, USA
- Bachelor of Economics, Chulalongkorn University

Working Experience**Listed companies**

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

Non-listed companies

- Mar. 2011-Apr. 2012 : Vice President, PM Group Company Limited
- Feb. 2005-Feb. 2011 : Vice President, Advance Company Limited
- May 2003-Jan. 2005 : Assistant Managing Director, IR Beautina Company Limited
- Nov. 2000-Apr. 2003 : Deputy to the Director, Asia Capital Alliance Company Limited

Relation among family with other directors and executives :

None

**Ms. Sawaree Sawaddeejan
(Age 30)**

- Manager, Accounting and Finance

**Date of first
appointment :**

10 March 2014

**(%) of shareholding as of
31 December 2017 :**

None

Education

- Bachelor of Accounting, Srinakharinwirot University

Working Experience**Listed companies**

- 2014-present : Manager, Accounting and Finance, PM Thoresen Asia Holdings Public Company Limited

Non-listed companies

- 2008-2014 : Senior Audit Assistant, Ernst and Young Corporate Services Limited

Relation among family with other directors and executives :

None

Business Review and Outlook

Company Background

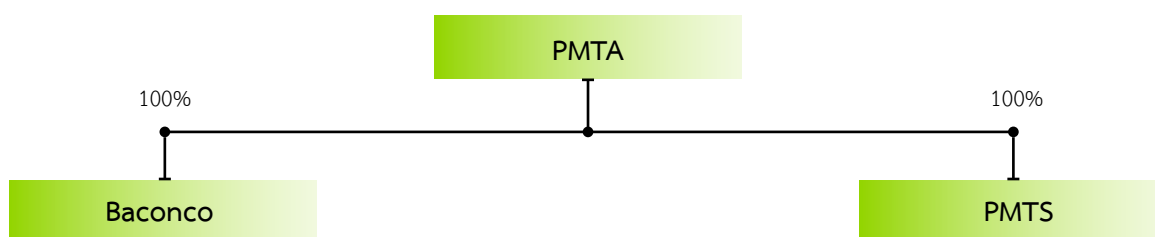
PM Thoresen Asia Holdings Public Company Limited (“PMTA” or “the Company”) was established on 7 June 2013 and was traded in the Stock Exchange of Thailand since 6 May 2015.

PMTA is a subsidiary of Thoresen Thai Agencies Public Company Limited (“TTA”). PMTA is a holding company that

has a policy to invest in well-performed companies of which business is related to the Company’s business in order to reinforce the strength of its core business through investment. The Company however may invest in any other business considered appropriate. The Company currently owns 100 % of

Baconco Company Limited (“Baconco”) that operates the agrochemical business and factory area 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 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.

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

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

A. Nature of Products or Services

1. Fertilizer

The essential ingredients in chemical fertilizers are nitrogen (N), phosphate (P_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 94.4%, 93.1% and 87.2% of Baconco's total sales revenues as end of 31 December 2015, 2016 and 2017,

respectively. Baconco also produced more than 95 formulas of NPK Compound Fertilizer for coffee, rice, rubber, vegetables and various other crops.

1.2 Other Fertilizers

The Other Fertilizers segment includes single fertilizer which contains a single nutrient; and compound fertilizer composing of at least two nutrients. The fertilizers are widely used due to the flexibility they offer end users to mix as desired. As end of 31 December 2015, 2016 and 2017, other fertilizer products accounted for 1.3%, 1.8% and 7.1% 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 4.3%, 5.1% and 5.7% of Baconco's total sales revenues as end of 31 December 2015, 2016 and 2017 respectively.

2.1 Pesticides

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

2.2 Foliar

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

3. Factory Area Leasing Service

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

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

B. Marketing and Competition

Baconco has started distributing fertilizers in Vietnam under the STORK trademark since 1995 before officially registering it ten years later. Baconco's strategy is to directly capture wholesalers who are direct customers while complementing demands of end-users. Because of Baconco's superior products and strong brand image, it has become one of the leaders in Vietnam's agrochemical. Baconco is 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 the Company'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.

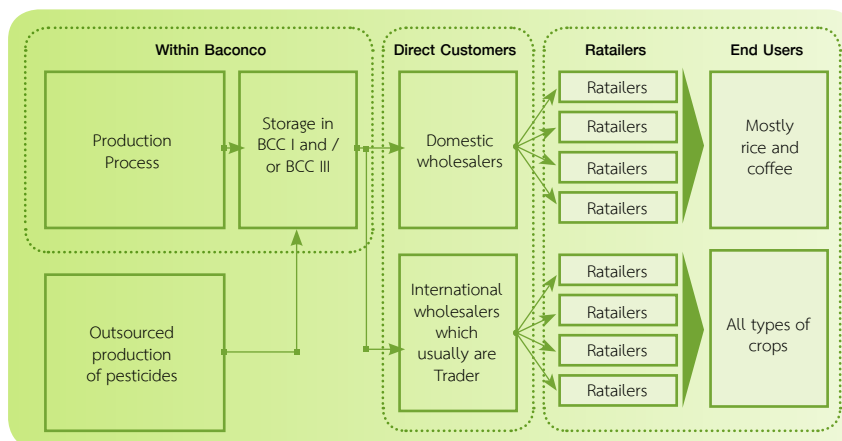
In Vietnam, Baconco's direct and major customers for NPK Compound Fertilizers, Single Fertilizers, Compound Fertilizers, Foliar and Pesticides are wholesalers who distribute products to retailers and end users. In the export markets, Baconco's direct customers for NPK Compound Fertilizers, Single Fertilizers, 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 there to also provide Baconco's product knowledge and introduce other products. In 2017, Baconco held more than 1,800 small meetings with farmers (more than 90,000 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 2017, 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 2017. Moreover, as an incentive, the Company rewards its top 15 customers who have generated the highest sales with overseas trips every two years.

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 63 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 54 persons while nine 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. As a result, export values are Baht 1,097.2 million in FY2015 Baht 1,125.0 million in FY2016 and Baht 805.6 million in FY2017.

Export is 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 2017		For the year ended 31 December 2016		For the year ended 31 December 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales in Vietnam	2,012.5	71.4	2,052.7	64.6	2,161.3	66.3
Revenue from sales other country	805.6	28.6	1,125.0	35.4	1,097.2	33.7
Total revenue	2,818.1	100.0	3,177.7	100.0	3,258.5	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 2,161.3 million FY2015 to Baht 2,052.7 million in FY 2016 and Baht 2,012.5 million in FY2017; or an equivalent of 66.3%, 64.6% and 71.4% of Baconco's total sales revenue respectively. The bulk blended NPK Fertilizer 20-20-15 was Baconco's best seller in the Vietnamese market

Export Market

For the year 2015, 2016 and 2017, the export sales revenue totaled Baht 1,097.2 million, Baht 1,125.0 million, and Baht 806.5 million and respectively.

The table below lists top 10 of the export countries of Baconco in FY 2017.

No.	Country	Revenue (million Baht)	% ^{/1}
1	Philippines	202.0	25.07
2	Madagascar	184.2	22.86
3	Thailand	119.1	14.78
4	Cameroon	66.7	8.28
5	Cambodia	53.6	6.65
6	Indonesia	46.4	5.76
7	Ivory Coast	26.8	3.33
8	Uganda	13.7	1.70
9	Lebanon	13.0	1.61
10	Angola	6.6	0.82
11	Others	73.5	9.12
	Total	805.6	100.00

Note: ^{/1} Percentage of total sales revenue

NPK Compound Fertilizer 14-14-14 is the best selling product of the export market of FY 2017 since it was sold at 14,800 metric tons which is equivalent to 23% of the total sales volumes. In conclusion, the export volume for 2017 was 65,349 metric tons. Moreover, foliar was distributed in some export market like Cambodia, Cameroon, and Madagascar.

4. Industry Overview and Competition

Global Fertilizer Market

According to the report on World Fertilizer Trends and Outlook to 2020 by the Food and Agriculture Organization of the United Nations, total fertilizer nutrient consumption is estimated at 190.8 million metric tons in 2017 and is forecasted to reach 201.6 million metric tons by the end of 2020. Asia is the largest consumer of fertilizer in the world 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 2018.

Supply / Demand of Fertilizers	Macronutrients (Thousand Metric Tons)		
	Nitrogen	Phosphate	Potash
World			
Surplus / -Deficit ^{1/}	17,404	4,193	6,701
Supply	132,780	44,662	41,596
Demand	115,376	40,469	34,895
America			
Surplus / -Deficit ^{1/}	4,460	6,456	-865
Supply	8,424	7,981	-100
Demand	3,964	1,525	765
Americas			
Surplus / -Deficit ^{1/}	-4,748	-3,428	3,419
Supply	19,020	8,404	15,548
Demand	23,768	11,832	12,129
Asia			
Surplus / -Deficit ^{1/}	6,452	1,576	-9,043
Supply	75,945	24,052	8,034
Demand	69,493	22,476	17,077
Europe			
Surplus / -Deficit ^{1/}	12,514	119	-8,584
Supply	28,804	3,764	4,778
Demand	16,290	3,645	13,362
Oceania			
Surplus / -Deficit ^{1/}	-1,274	-531	13,582
Supply	587	460	18,121
Demand	1,861	991	4,539

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.

Source: World Fertilizer Trends and Outlook to 2020, Food and Agriculture Organization of the United Nations

Vietnam's Fertilizer Industry

Although there is the challenging from the weather conditions, Vietnam's fertilizer industry 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 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	450,000
	General Materials Biochemistry Fertilizer JSC	NPK	360,000
	Japan Vietnam Fertilizer Company ("JVf")	NPK	350,000

Source : Estimated by Baconco

Baconco's Strengths

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

Comprehensive Agrochemical Product Producer

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

customer needs and effectively adapt to market changes.

Ability to Speedily Launch and Develop New Products

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

Strong Distribution Network Fostered by Customer Relationship

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

Proximity to Logistics Channels

Baconco's BCC 1 is adjacent to the Baria Port, the Phu My I Industrial Park's main port, which adds competitive advantage to Baconco both in terms of cost controlling and servicing. Its location next to the port enables Baconco to reduce logistics costs of transporting raw materials and finished products. Moreover, the proximity provides Baconco an ability to deliver on-time logistic service. Timeliness is critical because Baconco distributes fertilizer locally and

internationally. Aside from competitions in pricing and quality, service is also critical for retaining existing and attracting new customers especially when orders are made in large bulk during their harvest seasons.

Partnership with Leading Logistics Firms

The well-established relationship with the leading logistic company benefits Baconco's fertilizer and factory area 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 34% of the total sales revenues in FY 2017. The steady growth of Baconco's sale revenues reflects its marketing ability not only in Vietnam but also in various countries.

Streamline Operations Through a Low-Inventory System

Thanks to Baconco's experienced management who foresees financial risk from inventory due to the industry's cyclical nature, the firm opts for a low-inventory policy aimed to naturally hedge an exchange risk incurred from volatility between the Vietnamese Dong versus other currencies as well as raw and finished product price volatility. Since fertilizer is a commodity good and is highly volatile due to global market

conditions, Baconco's policy is to have the least amount of inventory as possible to enable the company to become flexible and to quickly adjust both production costs and product prices so that Baconco can effectively control profit margins.

Risk management through market expansion

The agrochemical industry in Vietnam is volatile. Market conditions and demands depend on several factors such as rainfall, humidity levels and temperature. After the Company's invested in Baconco in 2009 and the new management was appointed, it changed a strategy to better manage risks. Baconco has focused more at export to reduce concentration risk in Vietnam while this is also a natural hedging strategy against exchange rate volatility between Vietnamese Dong and US Dollar incurred through raw material imports for fertilizer production since Baconco's exports are also carried out in US Dollar. Baconco's export sales revenues totaled Baht 1,097.2 million, Baht 1,125.0 million and Baht 805.6 million; or 33.7%, 35.4% and 28.6% of the total sales revenues in FY2015 FY2016 and FY2017 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 49.1 million to Baht 55.2 million and Baht 55.0 million in 2015, 2016 and 2017, respectively.

C. Procurement of Products and Services

1. Procurement of Raw Materials

Fertilizer Products

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

Baconco has a network of 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 2017, the Company's top 10 suppliers supplied approximately 67% 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 2017, approximately 74% of total raw materials were imported while the remaining 26% were sourced locally. Baconco needs to import a lot of raw materials due to their different quality.

Pesticides

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

2. Production Plant and Warehousing Facilities

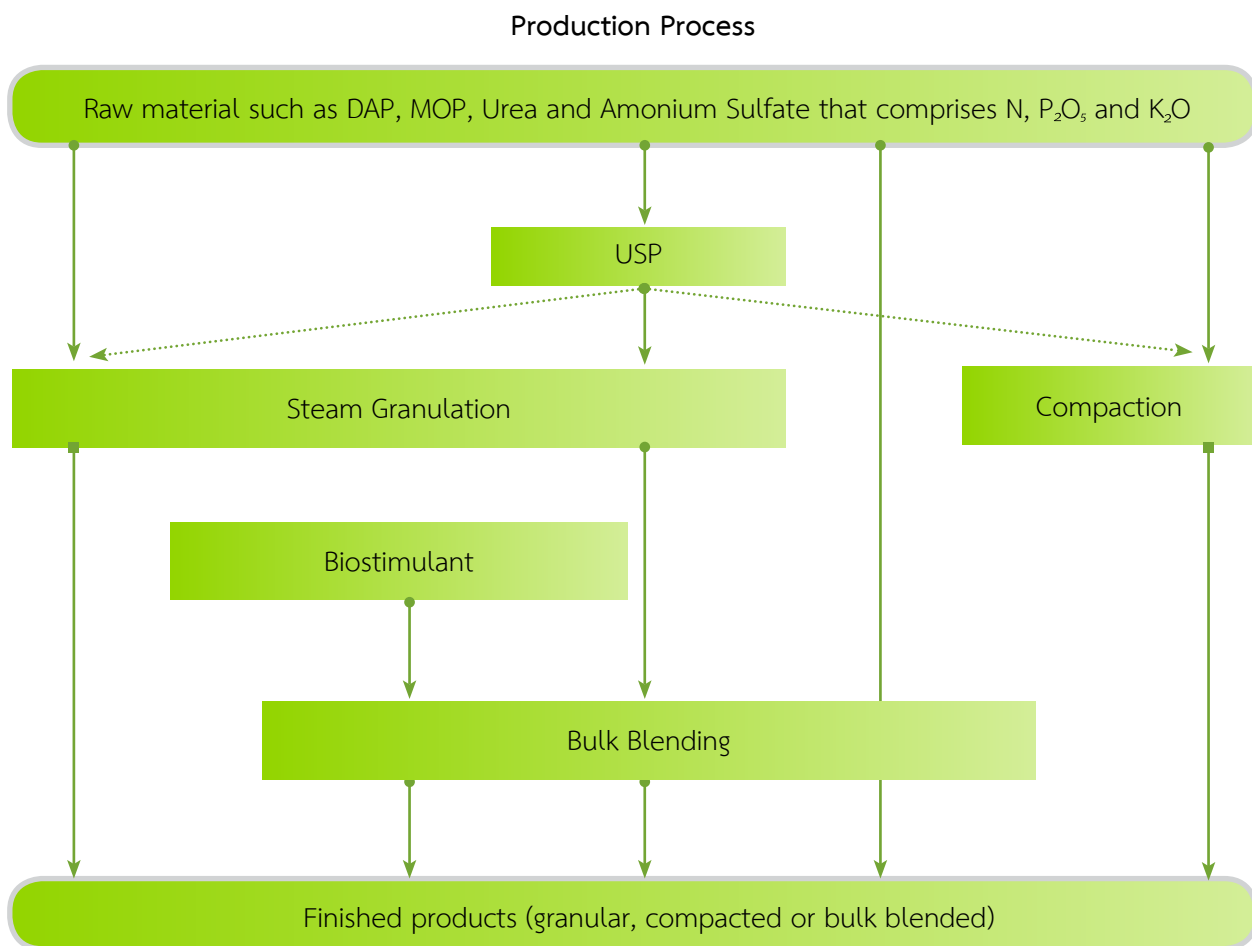
Baconco's production plant and storage facilities are strategically located in a close proximity to port, land transportation, markets and raw material suppliers.

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	BCC 5B.3	BCC5C
Date of Operation:	Apr. 2010	Feb. 2012	Mar. 2013 & Jan 2014	Mar. 2015	Jun. 2016	Dec. 2017	Dec. 2017
Storage Area:	2,000 sq. m.	2,000 sq. m.	27,000 sq. m.	11,300 sq. m.	8,200 sq. m.	9,920 sq.m.	10,000 sq.m.
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. 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 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	110	40	35
Phosphorus	28	6	1.86
Chemical Oxygen Demand (proxy in measuring organic compounds)	1,200	150	84

Note : ^{/1} An average release as of December 2017.

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	2.15
Sulfur Dioxide (SO ₂)	5	0.06
Nitrogen Dioxide (NO ₂)	5	0.05
Carbon Monoxide (CO)	20	3.73

Note : ^{/1} An average release as of December 2017.

Besides, from 2018 onwards all the emissions will be monitored 24 hours by automated and certified probing system.

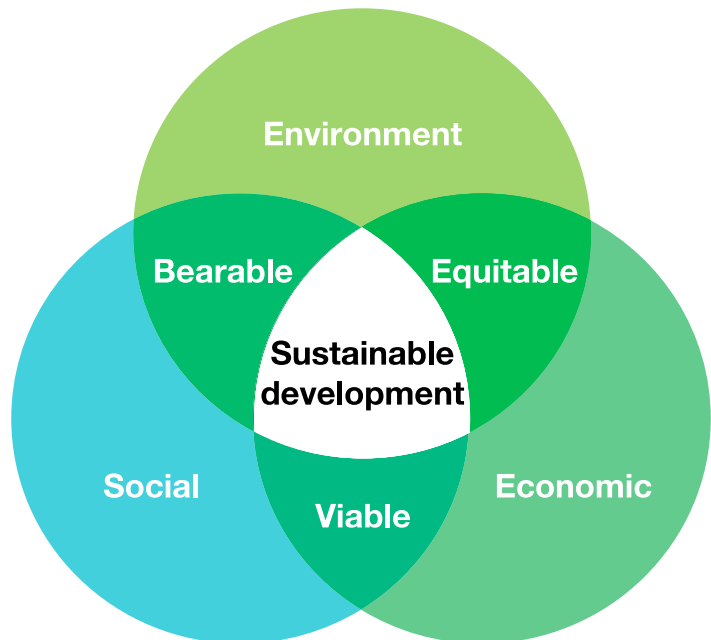
The following table sets forth Baconco's noise level

Production	Noise level (Decibel)	
	Maximum level by the Phu My Industrial Estate	Baconco's level /1
Steam Granulation	85	78.3
Compaction	85	78.0
Bulk Blending	85	72.5
USP production	85	69.7

Note : ^{/1} An average release as of December 2017.

■ 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.



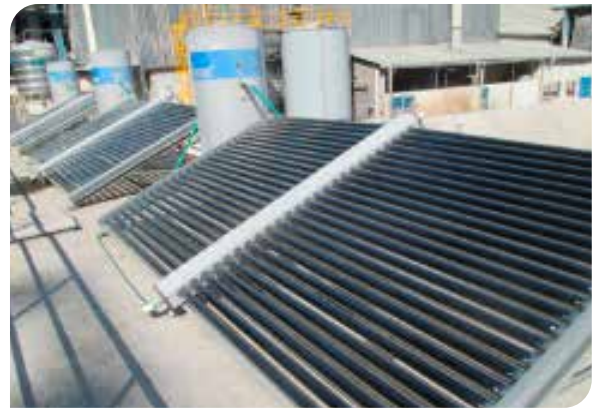
"PMTA and its subsidiaries are determined to uphold their status as corporate citizens in all aspects of their activities. We operate our business ethically and with good corporate governance for the optimal benefits of a society and an environment for sustainable development."

We 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 address 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 and individual activities that contribute to society focusing especially on donations, volunteering and education. In 2017, Baconco, our core subsidiary, together with the local official has supported to build 10 houses for the poor families in Tay Ninh province in Vietnam.

Environment:

We had developed the environmental protection and management practices with the aim to minimise waste and maximise efficiencies which Baconco is able to maintain its high operation efficiency in environmental protection management to meet and exceed the Phu My I Industrial Park's requirements.

"We had developed the environmental protection and management practices with the aim to minimise waste and maximise efficiencies which Baconco is able to maintain its high operation efficiency in environmental protection management to meet and exceed the Phu My I Industrial Park's requirements."



■ Corporate Governance Report

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

The Company’s Board of Directors and executives shall adhere to the principles of the business operation with determination and honesty. 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.

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:

I. Rights of Shareholders

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

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

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

In FY 2017, PMTA held the Annual General Meeting of the Shareholders (the “2017 AGM”) on 24 April 2017 at 1:30 P.M., at Lotus room, Queen Sirikit National Convention Center, No. 60 New Ratchadaphisek Road, Klongtoey District, Bangkok 10110.

Procedures for the shareholders’ meeting were as follows:

(i) Procedures prior to the meeting

In FY 2017, at the Company’s Board of Directors meeting held on 24 February 2017 resolved to call the 2017 AGM on 24 April 2017 at 1:30 P.M., at Lotus room, Queen Sirikit National Convention Center, No. 60 New Ratchadaphisek Road, Klongtoey District, Bangkok 10110.

The meeting venue was easily accessible through public transportation systems and convenient for shareholders to travel to the place of the meeting. The Company informed the shareholders of the date, time, place, and meeting agendas together with the rationales and opinion of the Board on each agenda via SET's ELCID on the same day on which the Board resolved to call the shareholders' meeting on 24 February 2017.

The Company provided opportunity to shareholders to ensure sufficient time to scrutinize meeting notice or request additional information ahead of the meetings. The notice and relevant documents to the 2017 AGM were sent to shareholders and the SET on 8 April 2017, which was at least fourteen days prior to the meeting. Going forward, the Company made best efforts to send all meeting notices to shareholders more than fourteen days prior to the meeting as per the SET's best practices. The notice was also made available on PMTA's website in advance so that shareholders had sufficient time to study the information to make their decisions. Each agenda included the opinion of the Board.

The Company encourages all shareholders including institutional investors to attend the Company's shareholders' meetings. Apart from direct mailings, the Company notified its shareholders via SET's ELCID that the notice of 2017 AGM and relevant documents were available to download on the Company's website at <http://www.pmthoresenasia.com> from 23 March 2017.

The Company also advertises the shareholders' meeting notice in at least one Thai language and one English language in a daily newspaper for three consecutive days no later than three days prior to the shareholders' meeting date. The notice of the 2017 AGM was advertised on 10-12 April 2017.

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

(ii) Date of shareholders' meeting

At the date of shareholders' meeting, the Company facilitated registration by separating lines between shareholders and proxy holders. The Company used a bar code system to register meeting attendees and to count votes. Envelopes were made readily available for shareholders to mail their proxy forms.

(iii) During the meeting

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

In the 2017 AGM which held on 24 April 2017, the Chairman asked for two shareholders to bear witness to the vote counting, to ensure the meeting was transparent and complied with applicable laws.

The Company has been rated "Good" from the Corporate Governance Report of Thai Listed Companies. Also, the Company was rated Excellent for the quality of the arrangement of 2017 AGM that was held on 24 April 2017.

(iv) Procedures following the meeting

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

The Company prepared and submitted the minutes of 2017 AGM to the SET and the Department of Business Development, Ministry of Commerce within the required timeframe. The minutes were also posted on PMTA's website.

II. Equitable treatment of Shareholders

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

1. The Company delivers the meeting notice together with other materials and information to shareholders in advance within the timeframe required by laws, notifications or related regulations, to allow shareholders adequate time to review the matters with completion before the meeting.
2. In order to reserve the rights and facilitate shareholders who cannot be present at the meeting, the Company delivers the proxy form, enclosed with the meeting notice, clearly detailing all documents and evidence needed for proxy. This allows shareholders to grant proxy to other person or an independent director of the Company as a proxy who can attend the meeting and cast vote on their behalf. The Company will have at least one (1) independent director as a proxy for attending the meeting and casting vote. In this regard, the Company will inform the name list of such independent directors in the meeting notice.

3. To enable all shareholders to gain equal access to the Company's information, the Company provides additional channels of notifying news for shareholders through the Company's website, in addition to notification via the SET's 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.

III. Role of Stakeholders

The Company gives priority to the rights of all stakeholder groups, regardless of being internal stakeholders such as shareholders and employees, or external stakeholders such as clients, partners, competitors, the society and surrounded community. The Company stipulates compliance based on ethics and code of business conduct, which set guidelines for Best Practices of the Company's

Business Operation, Best Practices for Directors, Best Practices for Executives and Best Practices for Employees to encourage all directors, executives and employees in the Company perform their duties with full responsibilities, prudence and honesty, and to avoid any conducts that might fall under conflict of interest.

3.1 Stakeholder Rights

(A) Shareholder

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

(B) Employees

The Company regards employees as the Company's one of the most valuable resources. The Company, thus, employs skillful and experienced employees in accordance to the Company's strategic plan and operation plan. It aims to retain employees in the long run. It promotes the work-life balance among employees. The Company provides employees with

suitable compensation and in line with that of the same industry. The Company has the employee compensation policy which in line with the operation of the Company in short term and long term. The short-term policy includes salary and annual reward, determined by results of the employee performance and the Company's financial performance. The long-term policy includes provident fund for employees to establish the stability for living and to serve as an assurance to secure employees' life after the termination of employment or after their retirement. Besides, the Company also provides employees with benefits in other forms, including life insurance, personal medical insurance, maternity leave and annual holiday.

(C) Competitors

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

(D) Creditors

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

(E) Business Partners

The Company sets criteria for choosing a business partner or a service provider, by considering partners' business strategy that are consistent with that of the

Company, in terms of competitiveness, business continuity, protection and treatment of clients, and risk management approaches.

(F) Clients

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

(G) Responsibility to the Community, Society and Environment

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

3.2 Anti-Corruption Efforts

The Company conducts business with strong ethics and responsibility for all concerned parties as a guideline for anti-corruption practices. In this regard, the Company is considering on implementing the Anti-Corruption Policy as a guideline for anti-corruption practices.

3.3 Anti-Corruption and Anti-Bribery

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

No director, manager, employee, and their family members should accept or receive a gift or entertainment if it (i) is

not consistent with customary business practices, (ii) is extravagant in value, (iii) can be construed as a kickback, bribe, or payoff in violation of any laws, and (iv) violates any other laws or regulations.

3.4 Whistle-Blowing Policy and Whistle-Blower Protective Measures

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

3.5 Contact Channels for Stakeholders

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

IV. Information Disclosure and Transparency

The Board of Directors is committed to overseeing the organization's conformity to laws, compliances and regulations related to information disclosure. The Company shall reveal information, both financial and general information, with completion, accuracy and transparency so that all concerned parties can gain access to the information equitably. Such information is disclosed to shareholders and the public via SET's 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 2017, 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.pnthoresenasia.com>), press releases.

V. Responsibilities of the Board

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

The Board of Directors shall perform its duties in compliance with laws, objectives, the Articles of Association and shareholders' resolution with integrity and prudence in protecting the benefits of shareholders and all stakeholders as a whole in short and long term. To ensure that the Company's business operation is geared

towards creating maximum value to shareholders and stakeholders, the Board will ensure the implementation of vision, mission, goal, policies, direction, plans and annual budget of the Company. The Board will express their views to build the overall understanding of the business before considering. The Board will then monitor all business management to ensure alignment with the goal, adhering to the guidelines of the SET and SEC.

Performance Evaluation of the Board and Sub-Committees

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

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

In 2017, 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:5

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 2017, results of the Board performance assessment as a whole gain "Very Good" level and self-assessment gain "Excellent" level.

Self Assessment of Sub-Committee members on an individual basis

Sub-Committees namely, Audit Committee and Nomination and Remuneration Committee, conducted a formal evaluation of its own performance for the year that ended on 31 December 2017. 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 2017, 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"> • Capital Market Academy Leadership Program, class 17/2013, Capital Market Academy • Directors Certification Program (DCP), class 53/2005, Thai Institute of Directors Association • Directors Accreditation Program (DAP), class 30/2004, Thai Institute of Directors Association
2.	Mrs. Suvimol Mahagitsiri	<ul style="list-style-type: none"> • Role of the Chairman Program (RCP), class 16/2007, Thai Institution of Directors Association • Director Accreditation Program (DAP), class 26/2004, Thai Institution of Directors Association
3.	Pol. Lt. Gen. Prakard Satamarn	<ul style="list-style-type: none"> • Directors Certification Program (DCP), class 45/2005 Thai Institute of Directors Association
4.	Assoc. Prof. Dr. Sathit Parniangtong	<ul style="list-style-type: none"> • Advanced Audit Committee Program (AACP), class 13/2013, Thai Institute of Directors Association • Director Accreditation Program (DCP), class 128/2010, Thai Institute of Directors Association
5.	Mr. Somporn Chitphentom	<ul style="list-style-type: none"> • Director Certification Program (DCP), class 178/2013, Thai Institute of Directors Association
6.	Mr. Rapee Moungnont	<ul style="list-style-type: none"> • Director Certification Program (DCP), class 80/2006, Thai Institute of Directors
7.	Mr. Jitender Pal Verma	<ul style="list-style-type: none"> • Diploma Examination, class 49/2016, Thai Institute of Directors Association • The Board's Role in Mergers and Acquisition (M&A), class 1/2011, Thai Institute of Directors Association • Director Certification Program (DCP), class 78/2006, Thai Institute of Directors Association
8.	Mr. Sigmund Stromme	<ul style="list-style-type: none"> • Director Certification Program (DCP), class 182/2013 Thai Institute of Directors Association

■ 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 Company consistently oversees and manages overall risks in business line which is in accordance with the Company'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 Company 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.

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



Key Risks and Mitigation Strategies

The significant risks, which directly related to the Company and are considers that it could affect the Company's operation are as following:

Strategic Risk

Strategic risk may impact the Company's strategies and also affect the 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 74% imported from foreign sources. With Baconco strategic policies of low inventory and just-in-time purchase of raw materials, it may be exposed to a higher probability of raw material shortage when global supply is tight. This could also lead to a probability of delivery delays to customers.

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

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

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

External Environment Risk

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

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

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

Financial Risk

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

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

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 Company has the effective risk management process that can mitigate business risks to the acceptable level.

■ Audit Committee Report

To the Shareholders

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

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

In 2017, the Audit Committee held a total of five meetings. The following is a summary of opinions and key activities undertaken by the Audit Committee:

1. Review of Financial Statements

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

In addition, the meeting between the Audit Committee and auditors without the presence of management was held to make independent discussion on important issues which may arise including the problems or difficulties in performing their duties as well as to hear whether there was any suspicious information. In 2017, the external auditors did not discover any material misstatements or indications of suspicious incidents. The Audit Committee realized that the Company has a proper financial reporting process to disclose its financial information, in which the financial statements were free from material misstatement and prepared in accordance with Thai Financial Reporting Standards.

2. Internal Control

The Audit Committee approved the audit plan for 2017 and reviewed the Internal Audit Department's independence, resource sufficiency and also evaluated the performance of Internal Auditor. The Audit Committee evaluated management control systems, financial control systems and compliance control systems, based on guidelines from the office of the Securities and Exchange Commission. Internal auditors have also followed up on the results of the aforesaid review and audit which the results of the audit and the recommendations were discussed with the related staff and management prior to report to the Audit Committee in every quarter.

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

3. Regulatory Compliance

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

4. Whistle blowing

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

5. Appointment of the external auditors

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

After careful consideration, the Audit Committee has recommended to re-appoint KPMG Phoomchai Audit Ltd. as external auditors to the Board of Directors before seeking approval at the Shareholders' Meeting for the appointment of Mr. Veerachai Ratanajratkul, Certified Public Accountant Registration No. 4323 and/or; Mr. Watchara Pattarapitak, Certified Public Accountant Registration No. 6669 and/or; Mr. Banthit Tangpakorn, Certified Public Accountant Registration No. 8509 all of KPMG Phoomchai Audit Ltd., as the external auditors of the Company for the year ended 31 December 2018 with the audit fees for PMTA and the Group companies amounting to Baht 1.88 million and Baht 2.68 million, respectively.

6. The Audit Committee Self-Assessments

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

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

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

Pol. Lt. Gen.



(Prakard Satamarn)

Chairman of Audit Committee

■ 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”

The Board of Directors (“the Board”)

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

The Audit Committee (“the AC”)

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

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

The Internal Audit Department (“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 AC and the Board. The AC monitors resolution of any identified control issues through to a satisfactory conclusion and reduction risk level to be acceptant level. In addition, regular reports are made to the AC and the Board by management, internal audit and compliance functions covering in particular business, financial, operational controls and compliance.

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

1. Control Environment

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

PMTA clearly defines, encourages and promotes a good working environment by setting policy and planning, executing, controlling and monitoring all business activities.

PMTA adheres to its business philosophies and ethics through the actions and behavior to support the functioning of the internal control system. The Codes of Conduct have also been developed as guidelines for directors, management and employees.

The Board and management at all levels demonstrate through their directives, actions, and behavior the important of integrity and ethical values. All stakeholders are treated with fairness and respect and in such a way that adheres to good corporate governance principles.

There is an organizational chart that clearly defines the lines of management authority and responsibility according to a suitable organizational structure, business size and operations.

2. Risk Assessment and Management

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

In addition, the Board of TTA group appointed the Risk Management Committee who responsible for with the review of the risk management policy framework and structure, and with the provision of recommendations on risk management that agree with strategic business directions and business plan, while supervising, monitoring and reviewing key outcomes of risk management reporting to ensure their alignment with standards and prevailing circumstances.

3. Control Activities

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

4. Information and Communication

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

5. Monitoring

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

During the year 2017, the Company arranged the meeting for Audit Committee and audit attend non-management meeting with the auditor at least once a year following SET's regulations.

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

At Board Meeting No. 1/2018, held on 26 February 2018 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 2017, concluded that there was no material deficiency in the Company's accounting and financial control system.

Financial Highlights

	For the year ended		
	31 December 2017	31 December 2016	31 December 2015
(in million Baht)			
Statement of comprehensive income:			
Revenue from Sales	2,818.1	3,177.7	3,258.5
Revenue from factory area leasing services	55.0	55.2	49.1
Cost of sales	2,293.3	2,567.1	2,748.6
Cost of providing services	48.5	40.6	25.0
Selling expenses	192.1	204.1	154.2
Administrative expenses	102.5	92.3	94.1
Net profit	191.8	277.0	233.0
<i>Basic earning per share (in Baht)</i>	<i>1.89</i>	<i>2.74</i>	<i>2.36</i>
Statement of financial position (at end of year):			
Cash and cash equivalents	307.1	473.5	297.2
Inventories	730.2	465.2	724.7
Plant and equipment	629.6	622.0	642.6
Total assets	2,006.7	2,012.1	1,961.6
Short-term loans from financial institutions	106.1	-	93.3
Total liabilities	440.0	323.5	423.1
Issued and paid up share capital	1,012.0	1,012.0	1,012.0
Total equity	1,566.7	1,688.6	1,538.5
Other financial data:			
Net cash generated from (used in) operating activities	(12.2)	435.9	205.3
Net cash generated from (used in) investing activities	(151.0)	(53.5)	(166.5)
Net cash generated from (used in) financing activities	(3.2)	(207.2)	(1.4)
Financial ratios:			
Return on Equity (%)	12%	17%	17%
Return on Total Asset (%)	12%	17%	16%
Net profit margin (%)	7%	9%	7%
Interest Bearing Debt to Equity (Times)	0.1	-	0.1
Net Interest Bearing Debt to Equity (Times)	(0.1)	(0.3)	(0.1)

Income Structure

	For the year ended					
	31 December 2017		31 December 2016		31 December 2015	
		%		%		%
	(in million)					
Group of Business						
Manufacture of fertilizer and crop care products	2,818.1	98.0	3,177.7	98.1	3,258.5	98.4
Factory area leasing services	55.0	1.9	55.2	1.7	49.1	1.5
Other operating income	3.8	0.1	5.5	0.2	3.3	0.1
Total	2,876.9	100.0	3,238.4	100.0	3,310.9	100.0

Management Discussion and Analysis

2017 Highlight

- With active sales and marketing, domestic volume grew 6%. However, declining of export volume caused 10% decrease in total sales volume
- Operating margin (spread) improved from 28% to 29% YoY
- The profit at operation level in USD decreased 12% YoY, while PMTA reported net profit of THB 191.8 million decreasing 31% YoY. Strengthen of Baht currency throughout 2017 resulted in lower performance in Thai Baht after currency translation comparing to previous year and foreign exchange gain/(losses).

Overview

Heavy and prolonged rainfall exceeding the average and flood in 4Q/2017 delay Winter-spring rice crop while many farmers gave up the season. Ministry of Agriculture and Rural Development of Vietnam reported about 4.4% decreased in rice plantation in Southern localities and the areas of maize, sweet potato and soya fell by 15.6%, 34.0% and 29.8%, respectively, over the same period last year. Such severe weather condition affected the performance of PMTA in 4Q/17. However, with our continued active marketing effort throughout year, the management was still able to make 6% growth YoY in domestic sales volume.

Strengthen of Baht currency from Baht 35.65 per US dollar to Baht 32.50 per US dollar in 2017 depressed overall performance in Thai Baht comparing YoY. The sales revenue in 2017 was Baht 2,818.1 million or 11% decrease YoY due mainly to the decrease in export volume. Gross margin (spread) improved from 28% in 2016 to 29% in 2017. EBITDA decrease 20% from Baht 396.4 million in 2016 to Baht 318.5 million in 2017. As a result, PMTA reported net profit of Baht 191.8 million or about 7% of sales revenue.

Table 1: Performance Summary

in Million Baht	FY16	FY17	% YoY	4Q/16	3Q/17	4Q/17	% YoY	% QoQ
Sales Revenue	3,177.7	2,818.1	-11%	954.0	735.1	753.3	-21%	2%
Gross Profit*	897.2	816.4	-9%	300.0	215.2	228.9	-24%	6%
Gross Margin (%)	28%	29%		31%	29%	30%		
EBITDA	396.4	318.5	-20%	150.2	85.6	94.5	-37%	10%
EBITDA Margin (%)	12%	11%		16%	12%	13%		
Net Profit	277.0	191.8	-31%	110.9	56.9	58.6	-47%	3%
Net Profit Margin (%)	9%	7%		12%	8%	8%		
Basic earnings per share (in Baht)	2.74	1.89	-31%	1.10	0.56	0.58	-47%	3%

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



Fertilizer and Factory Area Leasing Business

Heavy and prolonged rainfall during Winter-spring season became our challenge to sustain our domestic volume, instead of expanding in 4Q/17. Domestic volume in 4Q/17 was 31,760 tons or about the same at 3Q/17. For the full year, PMTA was still able to grow its domestic volume from 114,777 tons in 2016 to 121,845 tons in 2017 or 6% increase YoY from increasing single fertilizer sales while NPK volume remain about the same level YoY. On the other hand, our export

volume decreased 29% YoY from 92,187 tons to 65,349 tons in 2017 due mainly to the lower demand of Fertilizer in Philippines during this period. As a result, total sales volume was 189,194 tons decreasing 10% YoY. Domestic sales was accounting for 65% of total sales increasing from 56% in previous year. The pesticide sales revenue in Dong Vietnam increased 7% YoY from the increase in sales of foliar products, although volume decreased.

Table 2: Sales Volume

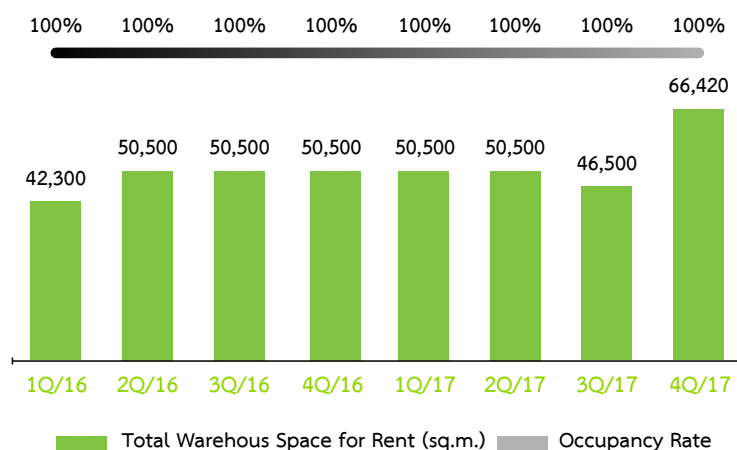
Unit: Tons	FY16	FY17	% YoY	4Q/16	3Q/17	4Q/17	% YoY	% QoQ
Fertilizer NPK	202,633	173,429	-14%	60,649	40,007	46,176	-24%	15%
Single fertilizer	4,332	13,765	218%	1,449	6,053	3,114	115%	-49%
Pesticide	2,364	2,000	-15%	717	534	578	-19%	8%
Total	209,329	189,194	-10%	62,815	46,595	49,869	-21%	7%

Table 3: Sales Volume Breakdown (exclude Pesticide)

Unit: Tons	FY16	FY17	% YoY	4Q/16	3Q/17	4Q/17	% YoY	% QoQ
Domestic	114,777	121,845	6%	34,823	31,943	31,760	-9%	-1%
Export	92,187	65,394	-29%	27,275	14,177	17,531	-36%	24%
Total	206,964	187,194	-10%	62,098	46,060	49,290	-21%	7%

Our factory area for leasing increased to 66,420 sq.m. as we completed our 2 new building Baconco5-B and 5-C (capacity of 20,000 sq.m.) in 4Q/17. The factory area for rent has been fully utilized and the service income from factory area leasing business and other income was Baht 58.8 million in 2017 increased 3% YoY.

Factory Area for Leasing & Occupancy Rate



Consolidated Performance

Table 4: Income Statement

in Million Baht	FY16	FY17	% YoY	4Q/16	3Q/17	4Q/17	% YoY	% QoQ
Sales Revenue	3,177.7	2,818.1	-11%	954.0	735.1	753.3	-21%	2%
Raw Material Costs	(2,280.5)	(2,001.7)	-12%	(654.0)	(519.9)	(524.4)	-20%	1%
Gross Profit*	897.2	816.4	-9%	300.0	215.2	228.9	-24%	6%
Service & Other Income	57.0	58.8	3%	16.6	16.1	14.9	-10%	-8%
Operating Cost	(244.3)	(252.4)	3%	(73.6)	(68.4)	(66.4)	-10%	-3%
Cost of providing services	(19.8)	(27.0)	36%	(6.2)	(7.3)	(6.9)	12%	-5%
SG&A	(293.8)	(277.3)	-6%	(86.6)	(70.0)	(76.0)	-12%	9%
EBITDA	396.4	318.5	-20%	150.2	85.6	94.5	-37%	10%
Depreciation & Amortization	(65.8)	(63.5)	-4%	(16.5)	(15.9)	(16.0)	-3%	1%
EBIT	330.6	255.1	-23%	133.7	69.7	78.5	-41%	13%
Financial Cost	(5.8)	(2.2)	-61%	(0.3)	(0.9)	(0.9)	263%	-1%
Gain/(Loss) from Foreign Exchange	3.6	(14.5)	-499%	7.3	(1.8)	(2.6)	-136%	44%
Profit before income tax	328.5	238.4	-27%	140.8	67.0	74.6	-47%	12%
Income Tax Expense	(51.5)	(46.6)	-9%	(29.9)	(10.1)	(16.3)	-46%	62%
Net Profit	277.0	191.8	-31%	110.9	56.9	58.6	-47%	3%

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

Strengthen of Baht currency adversely affect overall performance of PMTA when translating into Thai Baht comparing YoY. Our sales revenue to drop 11% YoY from Baht 3,177.7 million to Baht 2,818.1 million due mainly to the decrease in export volume and lower selling price because of decreasing in raw material price. Gross margin improve slightly from 28% in 2016 to 29% in 2017 because of improve in margin for both domestic and export NPK fertilizers sold during this period. Gross profit was Baht 816.4 million decreased 9% YoY. Company expenses (including operating

cost and SG&A) decreased slightly from Baht 538.1 million to Baht 529.7 million while EBITDA decreased to Baht 318.5 million or 20% decrease YoY. Depreciation and amortization decreased 4% YoY to Baht 63.5 million in 2017, and PMTA booked realized and unrealized loss on exchange rate of Baht 14.5 million in 2017.

Consequently, PMTA reported the consolidated financial statements for 2017 with net profit of Baht 191.8 million, decreasing from Baht 277.0 million in 2016

Financial Position

As of 31 December 2017, total assets was Baht 2,006.7 million. Cash and cash equivalent decreased 35% to Baht 307.1 million, while other current assets increased 17% to Baht 1,061.9 million at the end of 2017 due mainly from higher inventories of Baht 730.2 million. Trade account receivable decreased 30% to Baht 277.9 million at the end of 2017. Our property, plant and equipment remained about the same as previous year or Baht 629.6 million as of 31 December 2017.

Total liabilities as of 31 December 2017 were at Baht 439.9 million, increased Baht 116.4 million from the increase in short-term loans from financial institution and trade account payable. As of 31 December 2017, PMTA reported total shareholders' equity of Baht 1,566.7 million or decrease 7% YoY from Baht 1,688.6 million at the end of 2016, due mainly to the decrease in currency translation adjustment.

Financial Position	As of 31 Dec. 2016	As of 31 Dec. 2017
Asset	2,012.1	2,006.7
Cash and Cash Equivalent	473.5	307.1
Other Current Assets	907.0	1,061.9
Property, Plant and Equipment	622.0	629.6
Other Non Current Assets	9.6	8.1
Liabilities and Equity	2,012.1	2,006.7
Interest Bearing Debt	-	106.1
Other Liabilities	323.5	333.9
Shareholder's Equity	1,688.6	1,566.7



Financial Ratios

Key Financial Ratio	2016	2017
Current Ratio	4.4	3.2
EBITDA to Sales Revenue (%)	12%	11%
Net Profit to Sales Revenue (%)	9%	7%
Return on Total Asset (%)	17%	12%
Return on Equity (%)	17%	12%
Interest Bearing Debt to Equity (Times)	-	0.1
Net Interest Bearing Debt to Equity (Times)	(0.3)	(0.1)
Net Interest Bearing Debt to EBITDA (Times)	(1.2)	(0.6)

Cash Flows

As of 31 December 2017, PMTA had net cash out flow from operating activities of Baht 12.2 million due mainly to the increase in inventories of Baht 344.9 million. Net cash used in investing activities was at Baht 150.9 million from the construction of 20,000 sq.m warehouses and with the purchase of equipment for fertilizer production. Moreover, net cash used in financing activities was at Baht 3.2 million. Therefore, net decrease in cash and cash equivalents was equal to Baht 166.3 million. Together with cash and cash equivalents as at 1 January 2017 and effect of exchange rate changes on balances held in foreign currencies, PMTA's cash and cash equivalents as of 31 December 2017 was at Baht 307.1 million.

Note:

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

■ Statement of the Board of Directors' 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 2017 have been audited by KPMG Phoomchai Audit Limited, the Company's Auditor which the Board of Directors provided information and documents to enable the Auditor to examine and express his opinion in conformity with generally accepted auditing standards.

The Board of Directors agreed that the overall internal control system of the Company was satisfactory and ensured that the consolidated and the separate financial statements for the year ended 31 December 2017 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

■ Consolidated and Company Financial Statements

Independent Auditor's Report

To the Shareholders of PM Thoresen Asia Holdings Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of PM Thoresen Asia Holdings Public Company Limited and its subsidiaries (the "Group") and of PM Thoresen Asia Holdings Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2017, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Taxation	
Refer to Notes 14 and 24 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
Since the major operation of the Group is in Vietnam and the Group's income tax provision is subject to tax jurisdiction of Vietnam. As a consequence, the Group's current and deferred tax balances are sensitive to changes in regulations in this jurisdiction and judgments used in recognising assets and liabilities of current and deferred tax, this is focus area in my audit.	<p>My audit procedures included involving KPMG tax specialist in Vietnam, who has knowledge of the Vietnam taxes and has experience in its application to assist me in evaluating the judgments and methodologies used by the management, in particular those relating to allocation of taxable income to respective promotional privileges and deductibility of certain expenses.</p> <p>In addition, I also assessed the adequacy of the disclosure in accordance with the Thai Financial Reporting Standards.</p>

Other Information

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

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

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

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

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

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

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

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

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

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

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion;

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Pornthip Rimdusit)
Certified Public Accountant
Registration No. 5565

KPMG Phoomchai Audit Ltd.
Bangkok
26 February 2018

Statement of financial position

PM Thoresen Asia Holdings Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2017	2016	2017	2016
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	307,148,466	473,473,089	15,553,993	19,329,074
Trade accounts receivable	6	277,958,696	396,498,413	-	-
Other amounts due from related parties	4	25	25	193,177,061	183,605,302
Other receivables		17,656,759	30,906,785	-	-
Short-term loan to a subsidiary	4	-	-	117,637,823	129,013,538
Inventories	7	730,153,292	465,184,664	-	-
Other current assets		36,078,372	14,489,179	1,369,937	884,975
Total current assets		1,368,995,610	1,380,552,155	327,738,814	332,832,889
Non-current assets					
Investments in subsidiaries	8	-	-	905,064,206	905,064,206
Plant and equipment	9	629,575,213	621,979,997	295,064	335,871
Intangible assets		36,996	70,057	-	-
Prepayments for land use rights		1,089	111,530	-	-
Deferred tax assets	10	8,099,863	9,371,427	-	-
Total non-current assets		637,713,161	631,533,011	905,359,270	905,400,077
Total assets		2,006,708,771	2,012,085,166	1,233,098,084	1,238,232,966

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		31 December	
		2017	2016	2017	2016
<i>(in Baht)</i>					
Current liabilities					
Short-term borrowings from					
a financial institution	11	106,127,694	-	-	-
Trade accounts payable	12	218,354,609	197,351,477	12,268,702	13,275,327
Advances from customers		6,295,414	1,154,885	-	-
Current income tax payable		14,065,486	29,282,121	-	-
Other current liabilities	13	85,717,120	85,199,172	1,874,238	1,858,361
Total current liabilities		430,560,323	312,987,655	14,142,940	15,133,688
Non-current liabilities					
Provision for employee benefit	14	9,415,092	10,524,279	1,638,687	816,727
Total non-current liabilities		9,415,092	10,524,279	1,638,687	816,727
Total liabilities		439,975,415	323,511,934	15,781,627	15,950,415
Shareholders' equity					
Share capital	15				
Authorized share capital		1,012,000,000	1,012,000,000	1,012,000,000	1,012,000,000
Issued and paid-up share capital		1,012,000,000	1,012,000,000	1,012,000,000	1,012,000,000
Share premium					
Share premium on ordinary shares	15	60,384,380	60,384,380	60,384,380	60,384,380
Retained earnings					
Appropriated					
Legal reserves	16	35,336,000	29,638,000	35,336,000	29,638,000
Unappropriated		456,521,485	389,378,282	109,596,077	120,260,171
Other components of shareholders' equity		2,491,491	197,172,570	-	-
Total shareholders' equity		1,566,733,356	1,688,573,232	1,217,316,457	1,222,282,551
Total liabilities and shareholders' equity		2,006,708,771	2,012,085,166	1,233,098,084	1,238,232,966

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 financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
<i>(in Baht)</i>					
Revenues					
Revenues from sales of goods		2,818,074,591	3,177,740,309	-	-
Revenues from factory area					
leasing services	4	55,011,876	55,164,352	-	-
Total revenues	17	2,873,086,467	3,232,904,661	-	-
Cost					
Cost of sales of goods	7	2,293,320,056	2,567,106,914	-	-
Cost of rendering of services		48,457,126	40,624,966	-	-
Total costs	19	2,341,777,182	2,607,731,880	-	-
Gross profit		531,309,285	625,172,781	-	-
Other income	18	3,831,357	5,474,017	154,425,518	140,992,478
Profit before expenses		535,140,642	630,646,798	154,425,518	140,992,478
Selling expenses	19	192,055,163	204,060,168	-	-
Administrative expenses	19	102,517,686	92,333,832	40,478,475	22,111,247
Total expenses		294,572,849	296,394,000	40,478,475	22,111,247
Profit before finance cost and income tax expenses		240,567,793	334,252,798	113,947,043	118,881,231
Finance cost		2,217,016	5,754,980	-	-
Profit before income tax expenses		238,350,777	328,497,818	113,947,043	118,881,231
Tax expenses	20	46,596,437	51,469,174	-	-
Profit for the year		191,754,340	277,028,644	113,947,043	118,881,231

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 financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
<i>(in Baht)</i>					
Other comprehensive income (expense)					
<i>Component of other comprehensive income that will not be reclassified to profit or loss</i>					
Loss on remeasurements of define benefit plan	14	(509,137)	-	(509,137)	-
Total items that will not be reclassified to profit or loss		(509,137)	-	(509,137)	-
<i>Component of other comprehensive income that will be reclassified to profit or loss</i>					
Exchange difference on translating financial statements		(194,681,079)	(13,591,101)	-	-
Total items that will be reclassified to profit or loss		(194,681,079)	(13,591,101)	-	-
Other comprehensive income (expense) for the year		(195,190,216)	(13,591,101)	(509,137)	-
Total comprehensive income (expense) for the year		(3,435,876)	263,437,543	113,437,906	118,881,231
Basic earnings per share <i>(in Baht)</i>	21	1.89	2.74	1.13	1.17

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

	Consolidated financial statements						
	Retained earnings		Other components of shareholders' equity				Total shareholders' equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserves	Unappropriated	Difference arising from combination of entities under common control	Translation financial statements	
Note							
(in Baht)							
Year ended 31 December 2016							
Balance at 1 January 2016	1,012,000,000	60,384,380	23,693,000	231,638,524	359,606,167	(148,842,496)	210,763,671
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	-	-	-	(113,343,886)	-	-	-
Total distributions to owners of the Company				(113,343,886)			
Comprehensive income (expense) for the year							
Profit or loss	-	-	-	277,028,644	-	-	277,028,644
Other comprehensive income (expense)	-	-	-	-	-	(13,591,101)	(13,591,101)
Total comprehensive income (expense) for the year				277,028,644		(13,591,101)	263,437,543
Transfer to legal reserves	-	-	5,945,000	(5,945,000)	-	-	-
Balance at 31 December 2016	1,012,000,000	60,384,380	29,638,000	389,378,282	359,606,167	(162,433,597)	197,172,570
Year ended 31 December 2017							
Balance at 1 January 2017	1,012,000,000	60,384,380	29,638,000	389,378,282	359,606,167	(162,433,597)	197,172,570
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	-	-	-	(118,404,000)	-	-	-
Total distributions to owners of the Company				(118,404,000)			
Comprehensive income (expense) for the year							
Profit or loss	-	-	-	191,754,340	-	-	191,754,340
Other comprehensive income (expense)	-	-	-	(509,137)	-	(194,681,079)	(195,190,216)
Total comprehensive income (expense) for the year				191,245,203		(194,681,079)	(3,435,876)
Transfer to legal reserves	-	-	5,698,000	(5,698,000)	-	-	-
Balance at 31 December 2017	1,012,000,000	60,384,380	35,336,000	456,521,485	359,606,167	(357,114,676)	2,491,491

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	Issued and paid-up share capital	Share premium on ordinary shares	Separate financial statements			Total shareholders' equity
				Legal reserves	Retained earnings	Unappropriated	
<i>(in Baht)</i>							
Year ended 31 December 2016							
Balance at 1 January 2016		1,012,000,000	60,384,380	23,693,000	120,667,826		1,216,745,206
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	22	-	-	-	(113,343,886)		(113,343,886)
Total distributions to owners of the Company					(113,343,886)		(113,343,886)
Comprehensive income for the year							
Profit or loss		-	-	-	118,881,231		118,881,231
Total comprehensive income for the year					118,881,231		118,881,231
Transfer to legal reserves	16	-	-	5,945,000	(5,945,000)		-
Balance at 31 December 2016		1,012,000,000	60,384,380	29,638,000	120,260,171		1,222,282,551
Year ended 31 December 2017							
Balance at 1 January 2017		1,012,000,000	60,384,380	29,638,000	120,260,171		1,222,282,551
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	22	-	-	-	(118,404,000)		(118,404,000)
Total distributions to owners of the Company					(118,404,000)		(118,404,000)
Comprehensive income for the year							
Profit or loss		-	-	-	113,947,043		113,947,043
Other comprehensive income (expense)		-	-	-	(509,137)		(509,137)
Total comprehensive income for the year					113,437,906		113,437,906
Transfer to legal reserves	16	-	-	5,698,000	(5,698,000)		-
Balance at 31 December 2017		1,012,000,000	60,384,380	35,336,000	109,596,077		1,217,316,457

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	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	191,754,340	277,028,644	113,947,043	118,881,231
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation	63,458,058	65,801,884	100,031	84,658
Amortisation on intangible assets	26,040	27,776	-	-
Amortisation on prepayments				
of land use rights	105,187	665,056	-	-
Reversal of allowance for doubtful accounts	-	(558,694)	-	-
Reversal of allowance for decline in value				
of inventories	(1,602,362)	(387,735)	-	-
Tax expense	46,596,437	51,469,174	-	-
Dividend income from a subsidiary	-	-	(150,623,813)	(136,946,118)
Finance costs	2,217,016	5,754,980	-	-
Gain on disposals of plant				
and equipment	(380,362)	(206,585)	-	-
Unrealised loss on exchange	11,309,210	956,961	11,375,716	956,961
Realised loss on exchange	3,230,333	530,921	6,664,521	-
Provision for employee benefit	511,700	1,723,468	312,823	500,257
Interest income	(3,450,995)	(1,067,569)	(3,801,705)	(4,022,839)
	<u>313,774,602</u>	<u>401,738,281</u>	<u>(22,025,384)</u>	<u>(20,545,850)</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	70,381,325	(141,521,858)	-	-
Other amounts due from related parties	-	6,267	4,018,412	338,538
Other receivables	10,057,155	(21,201,704)	-	-
Inventories	(344,909,591)	259,910,041	-	-
Other current assets	(21,891,230)	18,245,589	63,264	209,719
Trade accounts payable	44,582,420	(40,803,579)	(1,006,624)	66,244
Advances from customers	5,662,382	(34,291)	-	-
Provisions for employee benefit paid	(967,844)	(1,477,779)	-	-
Other current liabilities	11,254,362	32,123,972	15,876	57,161
Exchange difference on translation				
of financial statements	(36,062,586)	(16,121,722)	-	-
Net cash generated from (used in) operating	<u>51,880,995</u>	<u>490,863,217</u>	<u>(18,934,456)</u>	<u>(19,874,188)</u>

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	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	(in Baht)			
Finance cost paid	(2,217,016)	(5,895,881)	-	-
Income tax paid	(61,847,258)	(49,053,242)	(548,226)	(642,362)
Net cash from (used in) operating activities	(12,183,279)	435,914,094	(19,482,682)	(20,516,550)
<i>Cash flows from investing activities</i>				
Acquisition of plant and equipment	(154,797,641)	(54,807,557)	(59,225)	(87,978)
Proceeds from sale of plant and equipment	380,362	206,585	-	-
Dividend received	-	-	130,281,597	130,176,000
Interest received	3,450,995	1,067,569	3,889,229	4,474,646
Net cash from (used in) investing activities	(150,966,284)	(53,533,403)	134,111,601	134,562,668
<i>Cash flows from financing activities</i>				
Proceeds from short-term borrowings				
from a financial institution	246,213,863	437,902,141	-	-
Repayment of short-term borrowings				
from a financial institution	(131,005,142)	(531,714,501)	-	-
Dividend paid to owners of the Company	(118,404,000)	(113,343,886)	(118,404,000)	(113,343,886)
Net cash used in financing activities	(3,195,279)	(207,156,246)	(118,404,000)	(113,343,886)
Net increase (decrease) in cash and cash				
equivalents, before effect of exchange rates	(166,344,842)	175,224,445	(3,775,081)	702,232
Effect of exchange rates changes on cash and				
cash equivalents	20,219	1,033,532	-	-
Net increase (decrease) in cash and cash equivalents	(166,324,623)	176,257,977	(3,775,081)	702,232
Cash and cash equivalents beginning of period	473,473,089	297,215,112	19,329,074	18,626,842
Cash and cash equivalents at ending of period	307,148,466	473,473,089	15,553,993	19,329,074
<i>Non-cash transaction</i>				
Dividend receivable	-	-	150,623,813	136,946,118
Interest receivable	-	-	920,236	984,957

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

■ Notes to the financial statements

For the year ended 31 December 2017

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 2018.

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.

The immediate and ultimate parent company during the financial year 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 2017 and 2016 are given in note 8.

(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 new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2017. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements.

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

(b) *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 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 judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates, and assumptions that affect the application of 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 judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes

Note 10 Deferred tax

Note 14 Measurement of provision for defined benefit

Measurement of fair values

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

The Group 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 chief financial officer.

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 Company Audit Committee.

When measuring the fair value of an asset or a liability, the Group 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 recognises the 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 note 23 financial instruments.

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 (together referred to as the “Group”).

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 loss are eliminated in the same way as unrealised gain 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 receivables

Trade and other receivables 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 measured 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.

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

Subsequent costs

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

Depreciation

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

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

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

No depreciation is provided on construction in progress.

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

(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. The payments of rights to use have been made in advance for more than 5 years and amortisation on a straight-line basis over the period.

(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 payables

Trade and other payables 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.

Defined benefit plans

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

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

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

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

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

Other long-term employee benefits

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

Short-term employee benefits

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

(n) Provisions

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

(o) 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.

(p) Finance costs

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

(q) 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.

(r) Earnings per share

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

(s) 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 subsidiaries are described in note 8. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Thoresen Thai Agencies Public Company Limited	Thailand	Immediate and ultimate parent of the Company

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

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

Transactions

Sales and rendering of service
Interest income
Purchase of raw material
Receiving of services
Administrative expenses
Dividend

Pricing policies

In line with market
Market linked rate
Cost plus a fixed margin
In line with market
Actual cost
Right to receive dividends

Significant transactions for the year ended 31 December 2017 and 2016 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Parent				
Administrative expenses	1,260	1,092	1,260	1,092
Dividend paid	81,126	76,339	81,126	76,339
Subsidiary				
Dividend income	-	-	150,624	136,946
Interest income	-	-	3,673	3,851
Other related parties				
Revenues from factory area				
leasing services	53,617	55,164	-	-
Receiving of services	155,196	156,227	-	-
Administrative expenses	5,252	6,154	68	205
Key management personnel				
Wages and salaries	33,894	35,398	2,332	2,447
Others	12,656	14,124	-	-
Total key management personnel compensation	<u>46,550</u>	<u>49,522</u>	<u>2,332</u>	<u>2,447</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 2017 and 2016 with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Other related parties	5,682	5,680	-	-
Other amounts due from related parties				
<i>Other receivables</i>				
Subsidiaries	-	-	42,553	46,659
<i>Dividend receivable</i>				
Subsidiary	-	-	150,624	136,946
Total	-	-	193,177	183,605

At the Board of Directors' meeting of Baconco Co., Limited ("Baconco") held on 30 December 2017, the Board approved the dividend appropriation of VND 105,343,000,000 (*Equivalent to Baht 150.6 million or USD 4.6 million*) to the Company. The dividend will be paid in March 2018.

At the Board of Directors' meeting of Baconco Co., Limited ("Baconco") held on 30 December 2016, the Board approved the dividend appropriation of VND 85,591,323,813 (*Equivalent to Baht 136.9 million or USD 3.8 million*) to the Company. The dividend was paid in May 2017.

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			

Short-term loan to

Subsidiary	-	-	117,638	129,014
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The Company granted an unsecured short-term loan to a subsidiary, PM Thoresen Asia (Singapore) Pte. Ltd. ("PMTS") to support PMTS's working capital, which bears fixed interest at the rate of 3% per annum with repayment term within 1 year. As at 31 December 2017, the loan amounted to USD 3.6 million, equivalent to Baht 117.6 million (*2016: USD 3.6 million, equivalent to Baht 129.0 million*). Currently, the Company and PMTS agreed to extend the loan repayment to be on 21 August 2018.

Movements of short-term loan to a subsidiary during the year ended 31 December 2016 and 2017 are as follows:

	Separate financial statements
	<i>(in thousand Baht)</i>
<i>Short-term loan to a subsidiary</i>	
At 1 January 2016	129,970
Unrealised losses on exchange	(956)
At 31 December 2016 and 1 January 2017	129,014
Unrealised losses on exchange	(11,376)
At 31 December 2017	117,638

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Trade accounts payable</i>				
Parent	330	274	330	274
Subsidiaries	-	-	11,497	12,601
Other related parties	13,869	9,197	-	18
Total	14,199	9,471	11,827	12,893
<i>Other current liabilities</i>				
Accrued employee benefits				
Key management personnel	10,039	12,783	56	56

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cash on hand	234	270	5	5
Cash at banks	278,914	409,203	15,549	19,324
Fixed deposits	28,000	64,000	-	-
Total	307,148	473,473	15,554	19,329

6 Trade accounts receivable

	Note	Consolidated financial statements	
		2017	2016
		<i>(in thousand Baht)</i>	
Related parties	4	5,682	5,680
Other parties		272,277	390,818
Total		277,959	396,498
Reversal of allowance for doubtful accounts for the year		-	(559)

Aging analyses for trade accounts receivable were as follows:

	Note	Consolidated financial statements	
		2017	2016
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms	4	5,682	5,680
Other parties			
Within credit terms		234,272	341,857
Overdue:			
Less than 3 months		38,005	48,495
3-6 months		-	466
		272,277	390,818
Total		277,959	396,498

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

7 Inventories

	Consolidated financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Finished goods	149,877	66,031
Merchandises	55,032	24,676
Raw materials	412,420	242,339
Tools and supplies	55,834	50,284
Goods in transit	56,990	83,686
Total	730,153	467,016
Less allowance for decline in value of inventories	-	(1,831)
Net	730,153	465,185

For the year ended 31 December

Inventories recognised as an expense in

‘cost of sales of goods’:

- Cost	2,294,922	2,567,495
- Reversal of write-down	(1,602)	(388)
Net	2,293,320	2,567,107

As at 31 December 2017, inventories with carrying amount of VND 203.1 billion, equivalent to Baht 284.3 million (2016: VND 191.8 billion, equivalent to Baht 306.8 million), were pledged as security for the loan facility from a financial institution in Vietnam of VND 300 billion, equivalent to Baht 420 million (2016: VND 300 billion, equivalent to Baht 480 million).

8 Investments in subsidiaries

	Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
At the beginning and the end of the financial year	905,064	905,064

During the year ended 31 December 2017, there was no acquisition or disposal of investment in subsidiaries.

Investments in subsidiaries as at 31 December 2017 and 2016 and dividend income from those investments for the year then ended, were as follows:

Name of subsidiaries	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital	Cost (Note 1(b))	Dividend income	
			2017	2016			2017	2016
<i>(in thousand Baht)</i>								
Direct subsidiaries								
Baconco Co., Limited	Fertiliser production and factory area leasing	Vietnam	100	100	VND 377,072 million	904,049	150,624	136,946
PM Thoresen Asia (Singapore) Pte. Limited	General trading	Singapore	100	100	SGD 40,000	1,015	-	-
Total						905,064		

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

9 Plant and equipment

		Consolidated financial statements					Total
		Buildings and building improvement	Machinery and equipment	Motor vehicles	Office equipment	Assets under construction	
		<i>(in thousand Baht)</i>					
Cost							
At 1 January 2016		597,450	378,713	56,519	4,055	33,150	1,069,887
Additions		610	10,336	8,340	299	25,591	45,176
Disposals and write-off		-	(8,310)	(374)	-	-	(8,684)
Transfer		44,000	-	-	-	(44,000)	-
At 31 December 2016 and 1 January 2017		642,060	380,739	64,485	4,354	14,741	1,106,379
Additions		1,854	16,209	17,031	292	119,411	154,797
Disposals and write-off		-	(6,086)	(3,223)	(79)	-	(9,388)
Transfer		106,006	18,402	-	-	(124,408)	-
Translation adjustments		(80,354)	(48,255)	(8,981)	(497)	(9,744)	(147,831)
At 31 December 2017		669,566	361,009	69,312	4,070	-	1,103,957

Consolidated financial statements

	Buildings and building improvement	Machinery and equipment	Motor vehicles	Office equipment	Assets under construction	Total
<i>(in thousand Baht)</i>						
Accumulated depreciation						
At 1 January 2016	(162,039)	(237,917)	(24,072)	(3,252)	-	(427,280)
Depreciation charge for the year	(31,160)	(25,703)	(8,622)	(317)	-	(65,802)
Disposals and write-off	-	8,309	374	-	-	8,683
At 31 December 2016 and 1 January 2017	(193,199)	(255,311)	(32,320)	(3,569)	-	(484,399)
Depreciation charge for the year	(30,509)	(23,125)	(9,553)	(271)	-	(63,458)
Disposals and write-off	-	6,086	3,223	79	-	9,388
Translation adjustments	26,158	33,044	4,450	435	-	64,087
At 31 December 2017	(197,550)	(239,306)	(34,200)	(3,326)	-	(474,382)
Net book value						
At 31 December 2016	448,861	125,428	32,165	785	14,741	621,980
At 31 December 2017	472,016	121,703	35,112	744	-	629,575

	Separate financial statements		
	Buildings improvement	Office equipment	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2016	-	386	386
Additions	18	70	88
At 31 December 2016 and 1 January 2017	18	456	474
Additions	-	59	59
At 31 December 2017	18	515	533
Accumulated depreciation			
At 1 January 2016	-	(53)	(53)
Depreciation charge for the year	(1)	(84)	(85)
At 31 December 2016 and 1 January 2017	(1)	(137)	(138)
Depreciation charge for the year	(1)	(99)	(100)
At 31 December 2017	(2)	(236)	(238)
Net book value			
At 31 December 2016	17	319	336
At 31 December 2017	16	279	295

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2017 amounted to Baht 180.9 million (2016: Baht 183.1 million).

As at 31 December 2017, plant and equipment with original cost of VND 127.7 billion, equivalent to Baht 178.8 million (2016: VND 127.7 billion, equivalent to Baht 204.4 million) are pledged against credit facilities of VND 300 billion, equivalent to Baht 420 million (2016: VND 300 billion, equivalent to Baht 480 million) from a financial institution in Vietnam.

10 Deferred tax

Movements in total deferred tax assets during the year were as follows:

	At 1 January 2017	Consolidated financial statements		At 31 December 2017
		(Charged) / credited to profit or loss	Exchange differences	
<i>(in thousand Baht)</i>				
Deferred tax assets				
Accrued rebate expenses	6,407	1,129	(1,001)	6,535
Accrued promotion expense	1,826	(578)	(44)	1,204
Other	1,138	(777)	-	361
Total	9,371	(226)	(1,045)	8,100

	At 1 January 2016	Consolidated financial statements		At 31 December 2016
		(Charged) / credited to profit or loss		
<i>(in thousand Baht)</i>				
Deferred tax assets				
Accrued rebate expenses	-	6,407		6,407
Accrued promotion expense	-	1,826		1,826
Other	-	1,138		1,138
Total	-	9,371		9,371

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
Deductible temporary differences	480	309	480	309
Tax losses	17,701	11,578	13,809	6,558
Total	18,181	11,887	14,289	6,867

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. Tax losses for PMTS do not expire under Singapore current tax legislations. Tax losses can carry out for 5 years under Thai tax legislations.

11 Short-term borrowings from a financial institution

As at 31 December 2017, short-term borrowings from a financial institution in Vietnam amounting to USD 3.3 million, equivalent to Baht 106.1 million (2016: Nil) represented a loan bearing interest at the rate of 2.80% per annum that mature in March 2018.

Plant and equipment with original cost of VND 127.7 billion, equivalent to Baht 178.8 million (2016: VND 127.7 billion, equivalent to Baht 204.4 million), inventories of VND 203.1 billion, equivalent to Baht 284.3 million (2016: VND 191.8 billion, equivalent to Baht 306.8 million) pledged against credit facilities of VND 300 billion, equivalent to Baht 420 million (2016: VND 300 billion, equivalent to Baht 480 million).

12 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Related parties	4	14,199	9,471	11,827	12,893
Other parties		204,156	187,880	442	382
Total		218,355	197,351	12,269	13,275

13 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
Accrued rebate expenses	39,373	41,722	-	-
Accrued employee benefits	24,363	27,519	764	729
Accrued promotion expense	8,026	11,893	-	-
Others	13,955	4,065	1,110	1,129
Total	85,717	85,199	1,874	1,858

14 Provision for employee benefit

Provision for employee benefit 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.

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	
	2017	2016
	<i>(in thousands Baht)</i>	

Statement of financial position

obligations for:

Post-employment benefits

Legal Severance Pay	1,524	678
Other long-term employee benefits	115	139
Total	1,639	817

Statement of comprehensive income:

Recognised in profit or loss:

Post-employment benefits

Legal Severance Pay	266	459
Other long-term employee benefits	47	42
Total	313	501

	Separate financial statements	
	2017	2016
	<i>(in thousands Baht)</i>	
Recognised in other comprehensive		
income:		
Actuarial loss recognised in during the year	509	-
Cumulative actuarial losses recognised	509	-

Defined benefit plan

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	
	2017	2016
	<i>(in thousands Baht)</i>	
At 1 January	817	316
Include in profit or loss:		
Current service cost	290	478
Interest on obligation	23	23
	<u>313</u>	<u>501</u>
Include in other comprehensive income:		
Actuarial loss	509	-
At 31 December	<u>1,639</u>	<u>817</u>

Actuarial losses recognised in other comprehensive income arising from:

	Separate financial statements	
	2017	2016
	(in thousands Baht)	
Demographic assumptions	62	-
Financial assumptions	7	-
Experience adjustment	440	-
Total	509	-

Actuarial assumptions

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

	Separate financial statements	
	2017	2016
	(%)	
Discount rate	3.08	3.64
Future salary growth	6.00	6.00
Mortality rate	105 of TMO2017	100 of TMO2008
Turnover rate	1.91 - 22.92	0 - 26

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 2017		
Discount rate (1% movement)	(149)	174
Future salary growth (1% movement)	148	(129)
Defined benefit obligation 31 December 2016		
Discount rate (1% movement)	(38)	42
Future salary growth (1% movement)	29	(26)

15 Share capital

	Par value per share <i>(in Baht)</i>	Consolidated and Separate financial statements			
		2017		2016	
		Number	Amount	Number	Amount
<i>(in thousand shares / thousand Baht)</i>					
Authorised					
At the beginning of the financial year					
- ordinary shares	10	101,200	1,012,000	101,200	1,012,000
At the end of the financial year					
- ordinary shares		<u>101,200</u>	<u>1,012,000</u>	<u>101,200</u>	<u>1,012,000</u>
Issued and paid-up					
At the beginning of the financial year					
- ordinary shares	10	101,200	1,012,000	101,200	1,012,000
At the end of the financial year					
- ordinary shares		<u>101,200</u>	<u>1,012,000</u>	<u>101,200</u>	<u>1,012,000</u>

Share premium

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

16 Reserves

Reserves comprise:

*Appropriations of profit and/or retained earnings***Legal reserve**

	Consolidated and Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Beginning balance of the financial year	29,638	23,693
Appropriation during the year	5,698	5,945
Ending balance of the financial year	35,336	29,638

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.

Difference arising from common control transaction

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

17 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	
	2017	2016	2017	2016	2017	2016
<i>For the year ended 31 December</i>						
Revenue from external customers and a related party	2,818,074	3,177,740	55,012	55,165	2,873,086	3,232,905
Reportable segment profit before tax expense	301,956	370,318	6,555	14,539	308,511	384,857
Reportable segment assets as at the end of the financial year	1,558,475	1,572,628	400,610	330,602	1,959,085	1,903,230

(in thousand Baht)

Reconciliation of reportable segment profit or loss and assets

<i>For the year ended 31 December</i>	Consolidated financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Profit or loss		
Total reportable segment profit	308,511	384,857
Unallocated amounts	(70,160)	(56,359)
Total profit before income tax	238,351	328,498

<i>As at 31 December</i>	Consolidated financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Assets		
Total reportable segment assets	1,959,085	1,903,230
Unallocated amounts	47,624	108,855
Total assets	2,006,709	2,012,085

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.

<i>For the year ended 31 December</i>	Consolidated financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Revenue from sales		
Vietnam	2,012,517	2,052,773
Other countries	805,557	1,124,967
Total	2,818,074	3,177,740

Major customer

Revenues from a customer of the Group's manufacture of fertilizer and crop care products segments represents approximately Baht 165.5 million (2016: Baht 357.4 million) of the Group's total revenues.

18 Other income

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Dividend income	4	-	-	150,624	136,946
Interest income		3,451	1,068	3,802	4,023
Gains on exchange rate		-	3,633	-	-
Other		380	773	-	23
Total		3,831	5,474	154,426	140,992

19 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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Expenses included in cost of sales				
and services				
Raw materials and consumables used	2,001,672	2,280,513	-	-
Cost of merchandise goods sold	110,628	104,744	-	-
Personnel expenses	107,987	97,525	-	-
Depreciation and amortisation expenses	60,833	63,198	-	-
Production overhead	60,657	61,752	-	-
Total	2,341,777	2,607,732	-	-
Expenses included in selling				
expenses				
Transportation and travelling expenses	93,877	107,248	-	-
Personnel expenses	41,768	38,073	-	-
Marketing expenses	32,171	38,254	-	-
Depreciation and amortization expenses	1,593	1,283	-	-
Others	22,646	19,202	-	-
Total	192,055	204,060	-	-
Expenses included in				
administrative expenses				
Personnel expenses	65,048	66,226	12,881	11,037
Losses on exchange rate	14,484	-	21,085	2,977
Rental expenses	5,655	8,973	1,471	2,503
Travelling expenses	3,029	2,226	491	614
Professional fees	2,779	2,958	1,881	1,863
Depreciation and amortisation expenses	1,163	2,014	100	85
Others	10,360	9,937	2,569	3,032
Total	102,518	92,334	40,478	22,111

20 Tax expenses

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<i>Current tax expense</i>					
Current year		46,370	59,746	-	-
Under provided in prior year		-	1,094	-	-
		<u>46,370</u>	<u>60,840</u>	<u>-</u>	<u>-</u>
<i>Deferred tax expense</i>					
	10				
Movements in temporary differences		226	(9,371)	-	-
Total		<u>46,596</u>	<u>51,469</u>	<u>-</u>	<u>-</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
	2017		2016	
	Tax rate (%)	(in thousand Baht)	Tax rate (%)	(in thousand Baht)
Profit before income tax expense		<u>238,351</u>		<u>328,498</u>
Income tax using the Thai corporation tax rate	20	47,670	20	65,699
Effect of different tax rates in foreign jurisdictions		(13,041)		(12,408)
Expenses not deductible for tax purposes		3,644		3,786
Recognition of previously unrecognised temporary differences		-		(6,724)
Current year losses and temporary differences for which no deferred tax assets was recognised		6,193		1,090
Under provided in prior year		-		1,094
Others		2,130		(1,068)
Total	<u>20</u>	<u>46,596</u>	<u>16</u>	<u>51,469</u>

	Separate financial statements			
	2017		2016	
	Tax rate (%)	(in thousand Baht)	Tax rate (%)	(in thousand Baht)
Profit before income taxes		113,947		118,881
Income tax using the Thai corporation tax rate	20	22,789	20	23,776
Income not subject to tax		(30,124)		(27,389)
Expenses not deductible for tax purposes		12		35
Current year losses and temporary differences for which no deferred tax assets was recognised		7,323		3,578
Total	-	-	-	-

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

Applicable tax rates in Vietnam

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

21 Basic earnings per share

The calculations of basic earnings per share for the year ended 31 December 2017 and 2016 are based on the net profit for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year.

	Consolidated financial statements	Separate financial statements
<i>For the year ended 31 December 2017</i>		
<i>(in thousand Baht / thousand shares)</i>		
Net profit for the year attributable to ordinary shareholders of the Company (Basic)	<u>191,754</u>	<u>113,947</u>
Number of ordinary shares outstanding	<u>101,200</u>	<u>101,200</u>
Basic earnings per share <i>(in Baht)</i>	<u>1.89</u>	<u>1.13</u>
<i>For the year ended 31 December 2016</i>		
Net profit for the year attributable to ordinary shareholders of the Company (Basic)	<u>277,029</u>	<u>118,881</u>
Number of ordinary shares outstanding	<u>101,200</u>	<u>101,200</u>
Basic earnings per share <i>(in Baht)</i>	<u>2.74</u>	<u>1.17</u>

22 Dividends

At the Annual General Meeting of the shareholders of the Company held on 24 April 2017, the shareholders approved the appropriation of annual dividend of Baht 1.17 per share amounting to Baht 118.4 million, which the Company paid to the shareholders in May 2017.

At the Annual General Meeting of the shareholders of the Company held on 25 April 2016, the shareholders approved the appropriation of annual dividend of Baht 1.12 per share amounting to Baht 113.3 million, which the Company paid to the shareholders in May 2016.

23 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) *Interest rate risk*

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

(d) *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	
		2017	2016
		<i>(in thousand Baht)</i>	
Financial assets			
Cash and cash equivalents		141,807	147,993
Trade and other receivables		47,332	106,546
		189,139	254,539
Financial liabilities			
Short-term borrowings from a financial institution		(106,128)	-
Trade accounts payable		(107,355)	(145,692)
		(213,483)	(145,692)
Currency exposure		(24,344)	108,847
		Separate financial statements	
	Note	2017	2016
		<i>(in thousand Baht)</i>	
Financial assets			
Other amount due from related parties	4	193,177	183,605
Short-term loan to a subsidiary	4	117,638	129,014
		310,815	312,619
Financial liabilities			
Trade accounts payable		(11,497)	(12,540)
		(11,497)	(12,540)
Currency exposure		299,318	300,079

(e) 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.

(f) 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.

(g) 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 2017 and 2016, the carrying amount of the Group's financial instruments does not materially differ from their aggregate fair value.

24 Commitments

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Capital commitments				
Approved but not provided				
for: Factory construction	18,672	47,624	-	-
Contracted but not provided				
for: Factory construction	154	52,482	-	-
Total	18,826	100,106	-	-
Non-cancellable operating lease commitments				
Within one year	14,078	19,226	1,154	1,490
After one year but within five years	47,543	59,893	690	1,821
After five years	242,769	291,987	-	-
Total	304,390	371,106	1,844	3,311

25 Contingent liabilities

As at 31 December 2017, the Group gave a guarantee regarding its own obligations to third party suppliers in the normal course of business for the purchase of raw materials of USD 23 million, equivalent to Baht 751.7 million (2016: USD 19 million, equivalent to Baht 680.8 million).

26 Event after the reporting period

At the Board of Directors meeting of the Company held on 26 February 2018, the Board of Directors approve to propose the appropriation of dividend of the year ended 31 December 2017 of Baht 1.00 per share, amounting to Baht 101.2 million to the Annual General Meeting of shareholders which will be held in April 2018.

■ Related Party Transactions

For the year ended 31 December 2017 and 31 December 2016

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 (Baht Thousand)		Pricing policy
			For the year ended		
			31 December 2017	31 December 2016	
1. Thoresen Thai Agencies Public Company Limited (“TTA”)	TTA is a major shareholder of PMTA holding 68.52% (2016: 67.20%) stake of total issued shares of PMTA. PMTA and TTA have two common directors being Mr. Chalermchai Mahagitsiri and Mr. Jitender Pal Verma and common management being Mr. Sigmund Stromme.	Rental space expenses and administrative support.	1,260	1,092	Price and condition is in line with market
		Trade account payable	330	274	
		Dividend paid	81,126	76,339	Per shareholders approved
2. Thoresen (Indochina) S.A. (“TI”)	TI is a joint venture which 50.00% of shares (2016: 50.00%) held by TTA and 10.00% (2016: 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.	56,182	70,963	Price and trading conditions are in line with those which TI charged to other customers.
		Trade account payable	5,261	2,770	

Related company	Relationship	Description of transactions	Amount (Baht Thousand)		Pricing policy
			For the year ended		
			31 December 2017	31 December 2016	
3. Thoresen -Vinama Agencies Company Limited (“TVA”)	TVA holds 49.00% stake in TI (2016: 49.00%). PMTA and TVA have a common director being Mr. Sigmund Stromme.	Transportation fee for Baconco	36,793	21,358	Price and trading conditions are in line with those which TVA charged to other customers. 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 account payable	606	-	
		Rental income for factory area leasing service ^{/1}	53,617	55,164	
		Trade accounts receivable	5,682	5,680	
4. Thoresen -Vinama Logistics Company Limited (“TVL”)	TVL holds 100.00% stake in TVA (2016: 100.00%). PMTA and TVL have a common director being Mr. Sigmund Stromme.	Transportation services to Baconco	46,794	47,819	Price and trading conditions are in line with those which TVL charged to other customers.
		Trade account payable	5,643	5,579	
5. Baria Joint Stock Company of Services for Import Export of Agro - forestry Products and Fertilizer (“Baria”)	Soleado holds 20.00% stake in Baria (2016: 20.00%). PMTA and Baria have two common directors being Mr. Chalermchai Mahagitsiri and Mr. Sigmund Stromme.	Services related to port for Baconco	15,427	16,087	Price and trading conditions are in line with those which Baria charged to other customers.
		Advance expense for Baria	5,184	5,948	
		Trade accounts payable	2,199	668	
6. Thoresen & Company (Bangkok) Limited (“TCB”)	TTA holds 100.00% stake in TCB (2016: 100.00%). PMTA and TCB have three common directors being Mr. Chalermchai Mahagitsiri, Mr. Sigmund Stromme and Mr. Jitender Pal Verma.	Utilities charge	68	205	It is charged as actual cost.
		Trade accounts payable	-	18	

Note: ^{/1} 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.

■ Dividend Policy

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

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

■ Remuneration of Auditors

Audit Fee

For the year ended 31 December 2017

Unit : Baht

Company	Audit Fee for KPMG	Audit fee for other auditing firms	Total Fee (by company)
PM Thoresen Asia Holdings PLC.	1,809,135	-	1,809,135
PMTA's Subsidiaries	661,650	122,886	784,536
Total Audit Fee (by auditing firm)	2,470,785	122,886	2,593,671

Non-Audit Service Fees

For the year ended 31 December 2017

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 PLC.	-	-	-
PMTA's Subsidiaries	191,603	-	191,603
Total Non-Audit Service Fees (by auditing firm)	191,603	-	191,603

Note: Non-audit service fees for the year ended 31 December 2017 were primarily relating to tax filling and tax advice.

■ Management Structure

Board of Directors of PM Thoresen Asia Holdings Public Company Limited

1. Composition of the Board

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

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

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

Hereby, the Board of Directors has defined the policy stipulating that Chairman and Managing Director must not be the same individual, to clearly set their separate responsibilities between defining the governing policies and day-to-day management. The Company has clearly separated the roles and responsibilities of the Board of Directors and executives, with a well-balanced authority in operating the business. The Board of Directors is responsible for defining policies and overseeing the executives' operations at policy level. Concurrently, the executives are responsible for managing the Company's tasks in all areas to be in line with the stipulated policies. The Board comprises of eight (8) directors, having Ms. Pemiga Chuangcham as the Company Secretary. The Board of Directors as of 31 December 2017 comprises as follow:

No.	Name	Position
1.	Mr. Chalermchai Mahagitsiri	Chairman of the Board and Chairman of Executive Committee
2.	Mrs. Suvimol Mahagitsiri	Director
3.	Pol. Lt. Gen. Prakard Satamarn	Independent Director, Chairman of Audit Committee and 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. Somporn Chitphentom	Director, Member of Nomination and Remuneration Committee and Member of Executive Committee
6.	Mr. Rapee Mounghont	Independent Director and Member of Audit Committee
7.	Mr. Jitender Pal Verma	Director, Member of Nomination and Remuneration Committee and Member of Executive Committee
8.	Mr. Sigmund Stromme	Director, Member of Nomination and Remuneration Committee, Member of Executive Committee and Managing Director

2. 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. Somporn Chitphentom, Mr. Jitender Pal Verma and Mr. Sigmund Stromme, two of which shall jointly sign with the Company seal affixed.

3. 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.

4. Remuneration of Directors

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

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

Remuneration Policy for the Directors

The Company has defined the remuneration policy of the directors, consisting of a monthly fee, an attendance fee and an annual reward (to be paid corresponded to the Company's goal achievement), taking into consideration the suitability, tasks, duties and assigned responsibilities. The remuneration of directors must be competitive to other listed companies in the Stock Exchange of Thailand, operating in the similar type and size of the business. In addition, it must be sufficiently suitable to retain and attract the directors to efficiently perform their duties for the Company to achieve its business goal. The remuneration process must be transparent, enabling to create trust among shareholders in defining the remuneration. The Company appoints the Nomination and Remuneration Committee to consider and present the suitable amount of remuneration to the Board of Directors to obtain prior consent before presenting to the shareholders' meetings for approval.

Remuneration Policy for the Managing Director

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

5. 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.

6. 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.

7. 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.

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

No.	Name	Number of Shares as of 31 December 2017	Number of Shares as of 31 December 2016
1.	Mr. Chalermchai Mahagitsiri	7,961,505 shares	7,961,505 shares
2.	Mrs. Suvimol Mahagitsiri	563,321 shares	563,321 shares
3.	Pol. Lt. Gen. Prakard Satamarn	-	-
4.	Assoc. Prof. Dr. Sathit Parniangtong	-	-
5.	Mr. Somporn Chitphentom	-	-
6.	Mr. Rapee Moungnont	-	-
7.	Mr. Jitender Pal Verma	-	-
8.	Mr. Sigmund Stromme	20,000 shares	-

9. 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 Mr. Pornthep Lertvorratham as the secretary to the Audit Committee. As of 31 December 2017, the Audit Committee comprises as follow:

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

9.1 Duties and Responsibilities of the Audit Committee

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.
 - 2.1. Reviewing the activities and organizational structure of the internal audit function and ensure no unjustified restrictions or limitations are made.
 - 2.2. Determining an internal audit unit's independence.
 - 2.3. Considering and approving on the appointment, removal, transfer, or dismissal Internal Auditor.
 - 2.4. Considering audit reports and recommendations presented by internal auditor and monitoring the implementation of the recommendations.
 - 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.
 - 2.6. Evaluating the performance of Internal Audit Manager with Managing Director.
 - 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.
 - 2.8. Review and approve the Internal Audit Charter, Policies and Procedures manual and reassess the adequacy on regular basis.
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.
 - 2.1. Reviewing the activities and organizational structure of the internal audit function and ensure no unjustified restrictions or limitations are made.
 - 2.2. Determining an internal audit unit's independence.
 - 2.3. Considering and approving on the appointment, removal, transfer, or dismissal Internal Auditor.
 - 2.4. Considering audit reports and recommendations presented by internal auditor and monitoring the implementation of the recommendations.
 - 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.
 - 2.6. Evaluating the performance of Internal Audit Manager with Managing Director.
 - 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.
 - 2.8. Review and approve the Internal Audit Charter, Policies and Procedures manual and reassess the adequacy on regular basis.
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.
 - 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.
 - 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.
 - 4.3. Making recommendations to the Board regarding the reappointment of the external auditors.
 - 4.4. Considering audit reports and recommendations presented by the external auditors and monitoring the implementation of the recommendations.
 - 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.
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.
 - 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.
 - 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.
 - 4.3. Making recommendations to the Board regarding the reappointment of the external auditors.
 - 4.4. Considering audit reports and recommendations presented by the external auditors and monitoring the implementation of the recommendations.
 - 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.
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 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.

10. 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 2017, the Nomination and Remuneration Committee comprises as follow:

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

10.1 Duties and Responsibilities of the Nomination and Remuneration Committee

- 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;
- 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;
- 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.
 - 16.1 The level of remuneration should be appropriate to attract, retain, and motivate directors and executives needed to run the Company successfully.
 - 16.2 The pay and employment conditions are competitive within the industry and in comparable companies.

11. 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 2017, the Executive Committee comprises as follow:

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

12. Meetings of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee in 2017

The Company has defined the Board meeting criteria as follow:

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

Details of meeting attendance of the Board of Directors and sub-committees, including the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee as of the fiscal year ended 31 December 2017 are as follow:

No.	Name	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
1.	Mr. Chalermchai Mahagitsiri	6/6	-	-	1/1
2.	Mrs. Suvimol Mahagitsiri	6/6	-	-	-
3.	Pol. Lt. Gen. Prakard Satamarn ^{/1}	4/5	5/5	-	-
4.	Assoc. Prof. Dr. Sathit Parniangtong	6/6	5/5	1/1	-
5.	Mr. Somporn Chitphentom	5/6	-	1/1	1/1
6.	Mr. Rapee Moungnont	6/6	5/5	-	-
7.	Mr. Jitender Pal Verma ^{/2}	3/3	-	-	-
8.	Mr. Sigmund Stromme	6/6	-	1/1	1/1

Note ^{/1} Pol. Lt. Gen. Prakard Satamarn has been appointed as a director since 25 January 2017.

^{/2} Mr. Jitender Pal Verma has been appointed as a director since 15 May 2017.

13. Governing the Business of its Subsidiary Company

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

14. Company Secretary

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

- 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 2017	Education/ Training	Professional Experiences	
			Period	Company
Ms. Pemiga Chuangcham (32 years)	-	- Master degree in Business Administration, Chulalongkorn University	2014-present	Company Secretary, PM Thoresen Asia Holdings Public Company Limited
		- Bachelor of Arts (Economics), International Program, Thammasat University		
		- Company Secretary Program (CSP) class 54/2013 Thai Institutions of Directors	2007-2013	Compliance officer, Ratchaburi Electricity Generating Holding Public Company Limited
		- Certification business law program, Thammasat University		

15. The Board of Directors of Main Subsidiary

15.1 Baconco Co., Ltd.

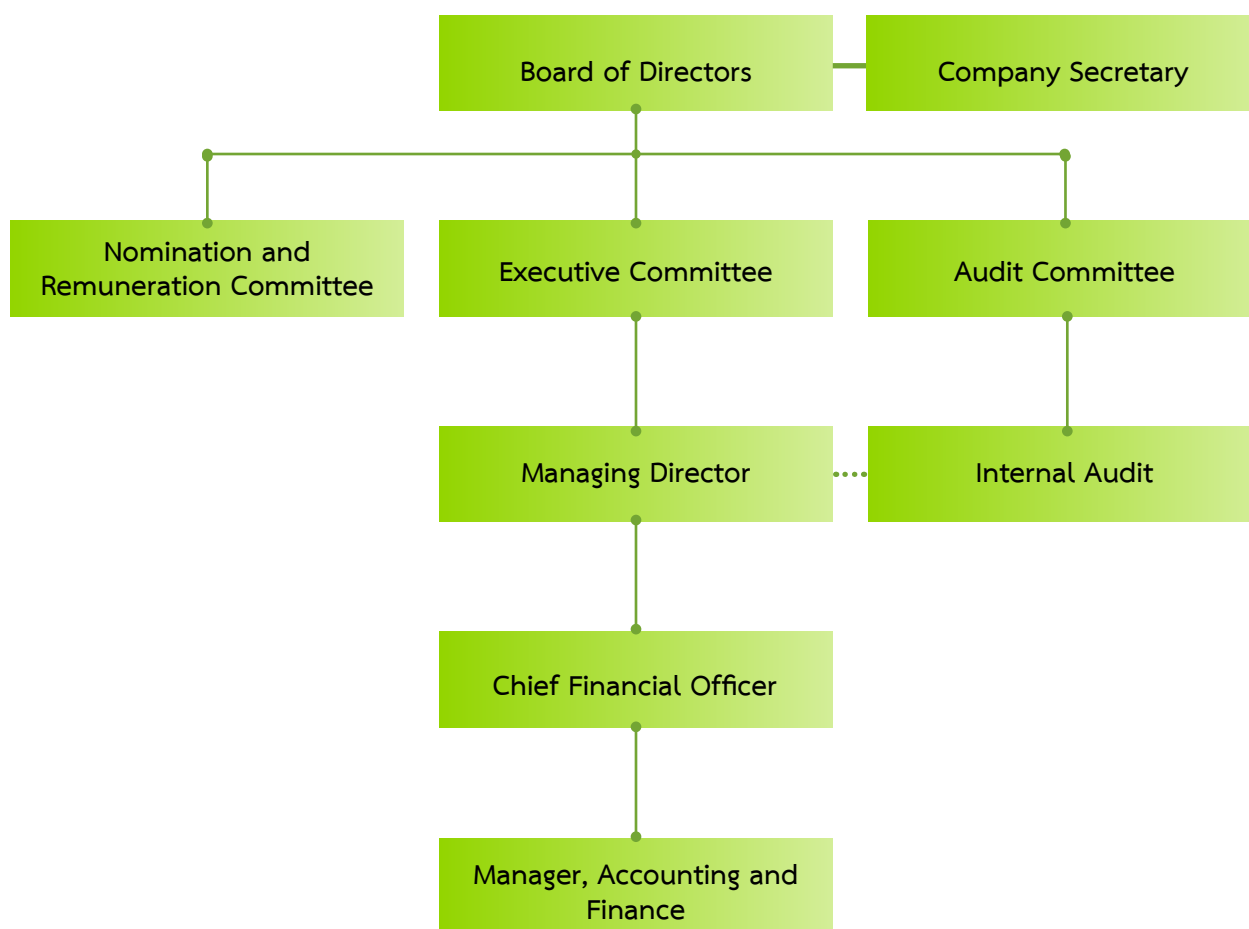
	Name	Position	Attendance of Board Meetings (1 Jan-31 Dec 17)
1.	Mr. Sigmund Stromme	Chairman	5/5
2.	Mr. Chalermchai Mahagitsiri	Director	5/5
3.	Mr. Jitender Pal Verma	Director	2/2

15.2 PM Thoresen Asia (Singapore) Pte. Ltd.

	Name	Position	Attendance of Board Meetings (1 Jan-31 Dec 17)
1.	Mr. Chalermchai Mahagitsiri	Director	1/1
2.	Mr. Sigmund Stromme	Director and Managing Director	1/1
3.	Mr. Lee Wai Hsiung	Director	1/1

16. Organization Chart

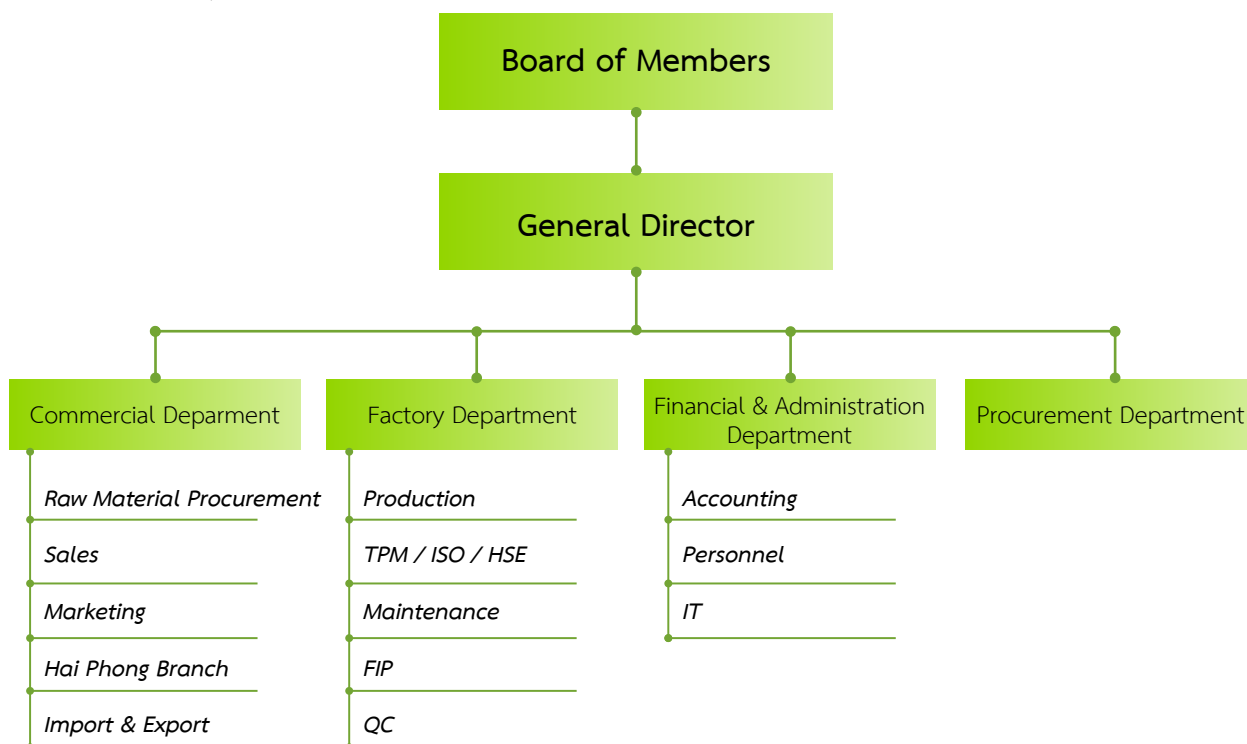
16.1 PM Thoresen Asia Holdings Public Company Limited



No.	Name	Position
1.	Mr. Chalermchai Mahagitsiri	Chairman of the Board and Chairman of Executive Committee
2.	Mrs. Suvimol Mahagitsiri	Director
3.	Pol. Lt. Gen. Prakard Satamarn	Independent Director, Chairman of Audit Committee and 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. Somporn Chitphentom	Director, Member of Nomination and Remuneration Committee and Member of Executive Committee
6.	Mr. Rapee Moungnont	Independent Director and Member of Audit Committee
7.	Mr. Jitender Pal Verma	Director, Member of Nomination and Remuneration Committee and Member of Executive Committee
8.	Mr. Sigmund Stromme	Director, Member of Nomination and Remuneration Committee, Member of Executive Committee and Managing Director
9.	Mr. Pornthep Lertvorratham	Chief Financial Officer
10.	Ms. Sawaree Sawaddejan	Manager, Account and Finance

17. Board of Directors of the Susidiaries

17.1 Baconco Co., Ltd.



Note : TPM is an abbreviation of Total Productivity Maintenance
 HSE is an abbreviation of Health and Safety
 FIP is an abbreviation of Finished Product

	Name	Position
1.	Mr. Sigmund Stromme	Chairman
2.	Mr. Chalermchai Mahagitsiri	Director
3.	Mr. Jitender Pal Verma	Director
4.	Mr. Pierre Siquet	General Director
5.	Mr. Antoine Sauvage	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

17.2 PM Thoresen Asia (Singapore) Pte. Ltd.

	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. Antoine Sauvage	Commercial Director

18. Remuneration of Directors and Executives

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

Monetary Remuneration

The 2017 Annual General Meeting of the Shareholders held on 24 April 2017 has approved the amount of remuneration for the directors and board committees in year 2017 not exceeding Baht 5 (five) million and approved to authorize the Board of Directors to determine the allocation of remuneration to directors and members of sub-committee as deemed appropriate.

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

	Name	Position	Remuneration (Baht) (1 Jan – 31 Dec 17)
1.	Mr. Chalermchai Mahagitsiri ^{/1}	Chairman of the Board of Directors and Chairman of Executive Committee	-
2.	Mrs. Suvimol Mahagitsiri	Director	285,600
3.	Pol. Lt. Gen. Prakard Satamarn	Independent Director, Chairman of Audit Committee and Member of Nomination and Remuneration Committee	349,593.55
4.	Assoc. Prof. Dr. Sathit Parniangtong	Independent Director, Member of Audit Committee and Chairman of Nomination and Remuneration Committee	385,700
5.	Mr. Somporn Chitphentom	Director, Member of Nomination and Remuneration Committee and Member of Executive Committee	299,600
6.	Mr. Rapee Moungnont	Director and Member of Audit Committee	373,100
7.	Mr. Jitender Pal Verma ^{/2}	Director, Member of Nomination and Remuneration Committee and Member of Executive Committee	-
8.	Mr. Sigmund Stromme ^{/3}	Director, Member of Nomination and Remuneration Committee, Member of Executive Committee and Managing Director	-
9.	Mr. Chia Wan Huat Joseph ^{/4}	Director, Member of Nomination and Remuneration Committee, Member of Executive Committee	38,003.23

Note ^{/1 /2 /3} The representative directors of Thoresen Thai Agencies Public Company Limited do not receive the remuneration.

^{/4} Mr. Chia Wan Huat Joseph resigned from the director of the Company with effect from 15 May 2017

Remuneration for Executives is as follow:

	1 Jan - 31 Dec 17	
	Numbers	Remuneration (Million Baht)
1. Salary and bonus	3	4.64
2. Other compensation (provident fund)	3	0.3
Total	3	4.94

18.2 Remuneration of Directors and Executives of Main Subsidiary

18.2.1 Baconco Co., Ltd.

(1) 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 2017 including salary and bonus is accounted for 12.4 million Baht in total.

18.2.2 PM Thoresen Asia (Singapore) Pte. Ltd.

(1) 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 2017 including salary and bonus is accounted for 31.8 million Baht in total.

18.3 Remuneration of employees of PM Thoresen Asia Holdings Public Company Limited

Apart from three (3) executives, namely Mr. Sigmund Stromme, Managing Director, Mr. Pornthep Lertvorratham, Chief Financial Officer and Ms. Sawaree Sawaddeejan, Manager, Accounting and Finance the Company has four (4) employees.

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

	1 Jan - 31 Dec 17	
	Numbers	Remuneration (Million Baht)
1. Salary and bonus	4	4.16
2. Other compensation (provident fund)	4	0.3
Total	4	4.46

Shareholding Structure

The top 20 shareholders as of the record date on 14 March 2018.

No.	Shareholders	Number of share	%
1.	Thoresen Thai Agencies Public Company Limited	69,338,498	68.52
2.	Mr. Chalermchai Mahagitsiri	7,961,505	7.87
3.	Ms. Ausana Mahagitsiri	1,532,231	1.51
4.	Mr. Sophon Wiseranee	1,000,000	0.99
5.	Mr. Samreng Manunphon	1,000,000	0.99
6.	Mr. Taratorn Wongprasart	650,000	0.64
7.	Ms. Kuncharos Ngamsupasil	650,000	0.64
8.	Mr. Wuttipong Wongpattarakul	650,000	0.64
9.	Ms. Anongporn Chitsamreng	650,000	0.64
10.	Mr. Chaiyos Khemassathien	650,000	0.64
11.	Mrs. Wansiri Dangprasert	650,000	0.64
12.	Mr. Teeramet Patcharasurasi	650,000	0.64
13.	Mr. Somchai Vasupongsorn	650,000	0.64
14.	Mr. Chanchai Kissaneepailoon	650,000	0.64
15.	Mr. Chatri Bunnag	563,321	0.56
16.	Mr. Patkorn Wongsawan	450,000	0.44
17.	Mr. Piya Kittitheerapornchai	571,700	0.56
18.	Mrs. Suvimol Mahagitsiri	442,717	0.44
19.	Mrs. Supaporn Chansereewittaya	550,000	0.54
20.	Mr. Pisit Sottipanchai	548,400	0.54
Total number of share held by top 20 shareholders		90,215,655	89.15
Other shareholders		10,984,345	10.85
Total fully-paid up capital as of 14 March 2018		101,200,000	100.00

Share Distribution

The share distribution as of the record date on 14 March 2018.

Share distribution by			
Nationality	Number of shareholders	Number of shares	%
Thai	2,517	101,139,027	99.94
Foreign	14	60,973	0.06
Total of shareholders	2,531	101,200,000	100.00

■ Company Investments

Investments in other companies exceeding 10% of other companies' shares as of 31 December 2017 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 (17th Floor) 12 Tan Trao Street, Tan Phu Ward District 7, Ho Chi Minh City, Vietnam	Charter capital is VND 377,072,638,790			100	-
2	PM Thoresen Asia (Singapore) Pte. Ltd. 3 Church Street #22-06 Samsung Hub, Singapore (049483)	Ordinary	40,000	40,000	100	SGD 1

■ Corporate Information

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, a company that operate the agrochemical and factory area leasing business 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.
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. The Stock Exchange of Thailand Building 93 14th Floor, 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	: Ms. Pornthip Rimdusit Certified Public Accountant Registration No. 5565 KPMG Phoomchai Audit Ltd. 195 South Sathorn Road Yannawa, Sathorn, Bangkok 10120, Thailand Telephone: +66 (0) 2677-2000 Facsimile: +66 (0) 2677-2222



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