



Thoresen Thai Agencies
Public Company Limited

TTA

ANNUAL REPORT 2016

**DIRECTING
THE FUTURE**

TTA VISION

**TO BE
THE MOST
TRUSTED**

**ASIAN
INVESTMENT
GROUP**

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TTA CORE VALUES

Commitment

Integrity

Team Spirit

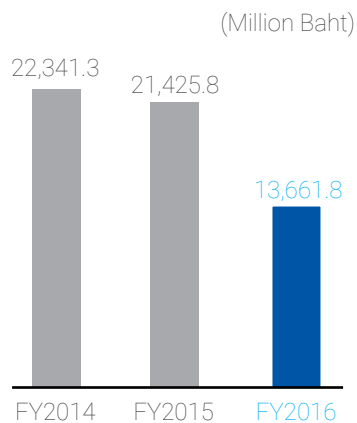
Excellence

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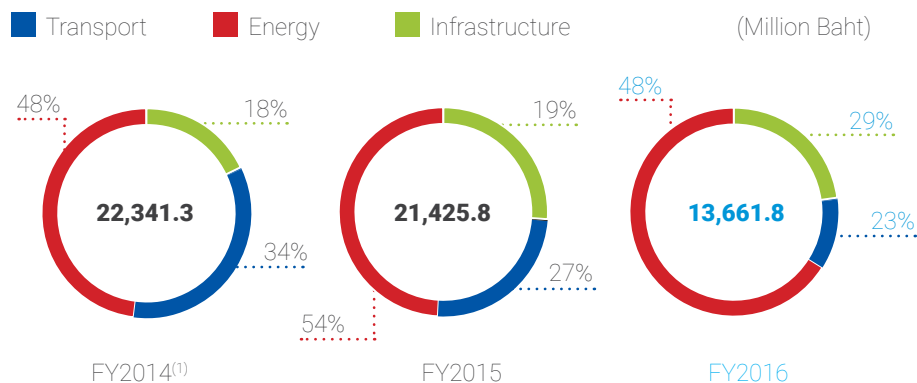
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Group Financial Summary

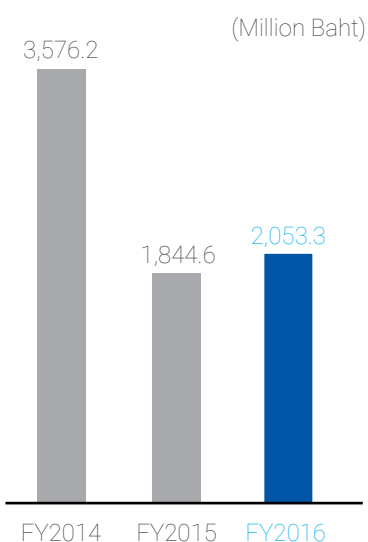
Revenues



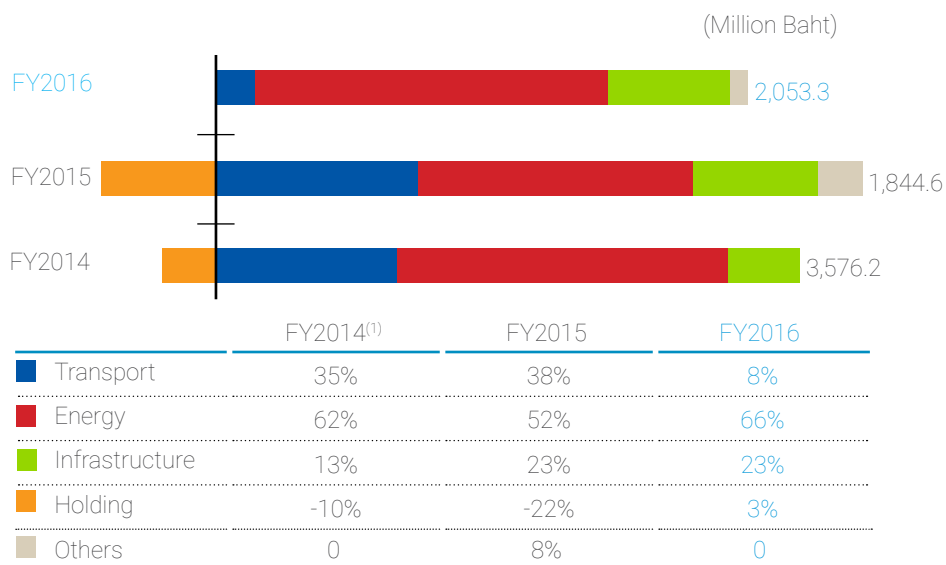
Revenue Breakdown



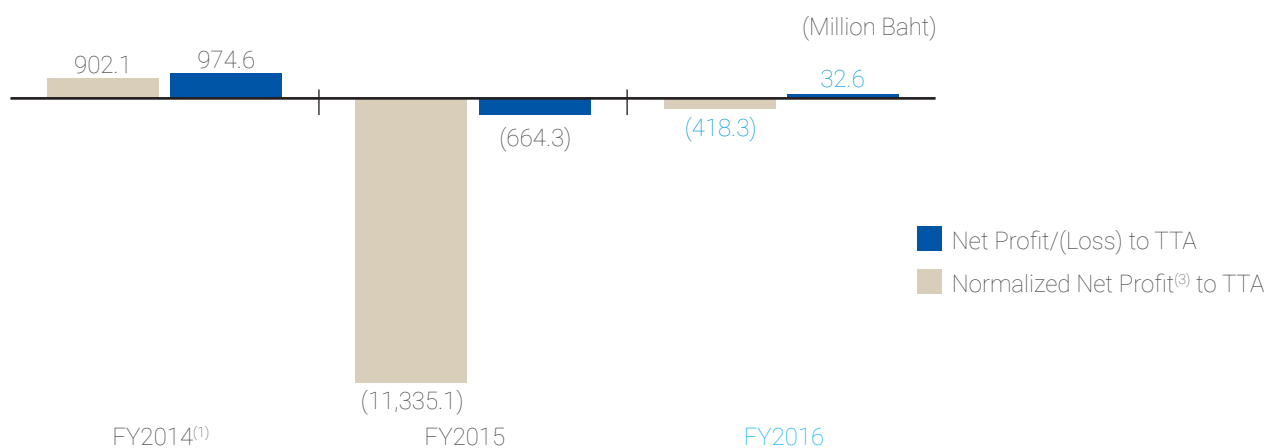
EBITDA⁽²⁾



EBITDA⁽²⁾ Breakdown



Net Profit and Normalized Net Profit



Statement of Financial Position

(Million: Baht)

	2014 ⁽¹⁾	2015	2016
Total Assets	51,679	45,346	41,620
Cash and Cash Equivalents and Short-term Investment	8,280	13,423	10,671
Current Assets	7,128	7,387	5,453
Property, Plant, and Equipment	27,261	18,387	18,415
Non-Current Assets	9,010	6,149	7,081
Total Liabilities	19,433	18,358	15,125
Interest Bearing Debt	14,979	14,401	12,165
Other Liabilities	4,454	3,957	2,961
Total Equity	32,246	26,988	26,495

Key Financial Ratio

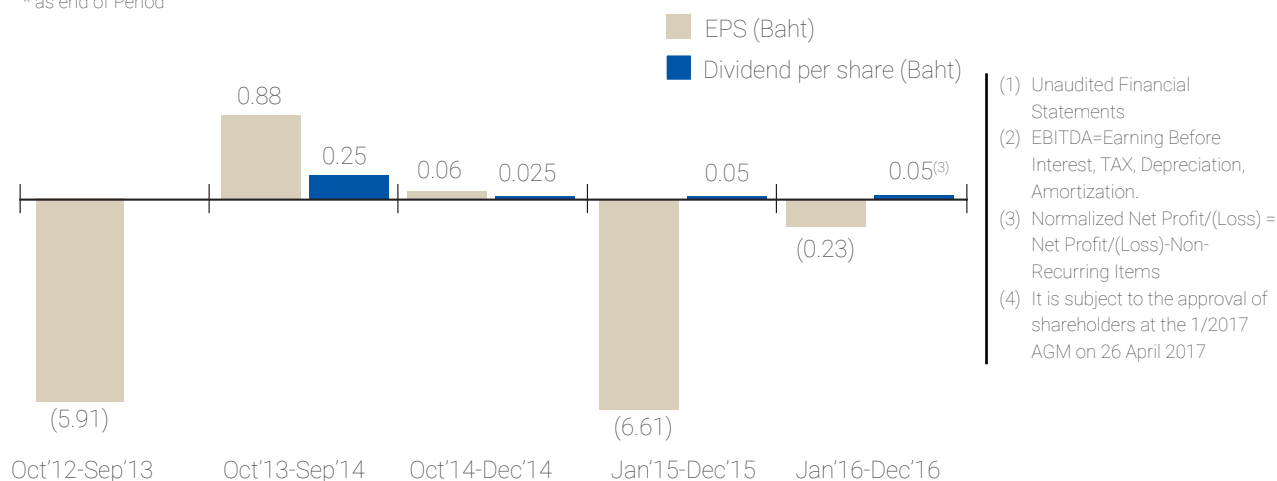
Financial Ratios	2014 ⁽¹⁾	2015	2016	2014 ^{(1)*}	2015*	2016*
Current Ratio (Times)	1.69	1.91	2.04	1.69	1.91	2.04
EBITDA to Revenue (%)	16.0%	8.6%	15.0%	16.0%	8.6%	15.0%
Net Profit to Revenue (%)	4.0%	-52.9%	-3.1%	4.4%	-3.1%	0.2%
Return on Total Assets (%)	4.3%	-29.4%	0.8%	3.5%	-0.3%	1.1%
Return on Equity (%)	4.1%	-49.4%	-2.0%	4.5%	-2.9%	0.2%
Interest Bearing Debt to Equity (Times)	0.46	0.53	0.46	0.46	0.53	0.46
Net Interest Bearing Debt to Equity (Times)	0.21	0.04	0.06	0.21	0.04	0.06
Net Interest Bearing Debt to EBITDA (Times)	1.87	0.53	0.73	1.87	0.53	0.73

*Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items

Historical EPS and Dividend Payment

	Oct'12-Sep'13	Oct'13-Sep'14	Oct'14-Dec'14	Jan'15 - Dec'15	Jan'16 - Dec'16
Earning per Share (Baht)	-5.91	0.88	0.06	-6.61	-0.23
Dividend per Share (Baht)	-	0.25	0.025	0.05	0.05 ⁽⁴⁾
Number of Shares (million)*	992	1,293	1,301	1,822	1,822

* as end of Period



“ **DIVERSIFICATION**
and **INNOVATION**
are the **KEYS**
to the **FUTURE.** ”

Prayudh Mahagitsiri
Honorary Chairman



MESSAGES FROM CHAIRMAN & CEO



Prasert Bunsumpun
Chairman of the Board of Directors

Chalermchai Mahagitsiri
President and Chief Executive Officer

Dear Shareholders,

Overcoming Difficult Times

In 2016, we have faced many challenges arising from the lowest BDI index in 30 years, an oversupplied shipping market, a further slide in oil and other commodity prices and a prolonged drought in Vietnam.

TTA's core businesses including dry bulk shipping, offshore services for oil and gas industry, coal and fertilizer production are not immune to these global trends. In response, there has been a relentless focus on cost reduction measures and group reorganization for cost efficiency in 2016.

The Group's management teams have strived to mitigate any negative effects and to maintain a healthy financial position. These efforts have helped the Group weather the storm.

Due to significantly impacted by the continued turbulence in the global economy, consolidated revenue for TTA in 2016 was Baht 13.7 billion, a decrease of 36% year-on-year, while consolidated EBITDA increased 11% over the same period to Baht 2 billion. Consolidated normalized net profit stood at Baht 32.6 million, excluding a one-off adjustment relating to an impairment charge as a result of vessel sales in the shipping business and a non-recurring loss mainly from the provision of non-refundable tax and disposals of fixed assets, and a net loss of Baht 418.3 million. Net loss per share (Earnings per share) was reduced from Baht 6.61 to Baht 0.23, representing a 97% improvement.

We have successfully focused on maintaining a strong balance sheet. Our consolidated cash and cash equivalents and short term investments position as per financial statements as at December 31, 2016 was approximately Baht 10.7 billion.

Business Unit Updates

Our Transport Group has faced strong headwinds during most part of the year, due to a reduction in Chinese industrial growth and slower economic growth in the US and OECD countries. Baltic dry bulk freight market indices continued to decline in early 2016 to new record lows for all bulk carrier types in February. The market didn't begin to turn the corner into a positive upwards trend until the final few months of 2016. Overall, the BDI index declined 6% from the year 2015 at 718 to average at 673 in 2016.

In a market where many shipping companies around the world have recorded significant losses and some have been pushed into bankruptcy, Thoresen Shipping Group bucked the trend and achieved a positive EBITDA of Baht 87.1 million. Its fleet utilization rate remains high at 99.4%. Furthermore the Company's TCE (Time charter equivalent) rate was at USD 5,155 per day, a healthy 10% under the adjusted market average of USD 5,746 per day. Revenue in our dry bulk shipping business decreased by 45% to Baht 3.17 billion.

In addition, in the prevailing dry bulk shipping conditions, older vessels become less competitive and less able to meet operating costs.

In response, the management team made the strategic decision to improve the fleet efficiency by selling four cargo vessels. This is part of the Company's overall fleet renewal program. During February 2017, Thoresen Shipping agreed to purchase a vessel with an average size of 54,170 DWT.

In offshore services, sentiment continued to be clouded by overcapacity in the global rig fleet amidst a sharp decline in utilization. The management team has been effective in navigating this period by taking a cautious approach and not losing sight of managing risks more effectively.

The cancellation of the construction of tender assist drilling rigs "MTR-3" and "MTR-4", the reduction in number of dormant subsidiaries as well as the adjustment of its rates to retain its market share in strategic subsea inspection appear to be of a strategic imperative to boost financial efficiency.

All the above efforts, Mermaid has continued to successfully build on its expertise and strong relationships with reputable clients in the Middle East & Far East, extending three-year drilling contract for its all three jack-up rigs owned by the associate Asia Offshore Drilling Limited.

At the end of 2016, Mermaid reported positive earnings driven by higher average vessel day rates of major DSV vessels and effective cost reduction measures that were implemented. Therefore, Mermaid managed to deliver solid results, with total revenue of Baht 6.53 billion with net profit of Baht 605 million and attributable net profit to TTA of Baht 349.8 million. In addition, Mermaid reported a 40% year-on-year increase in EBITDA which reached Baht 1.36 billion and net profit of Baht 605 million (Baht 349.8 million attributable to TTA). Mermaid still maintained strong net cash flow from operations of approximately Baht 1,742 million, cash and cash equivalents and short term investment totaling Baht 3,502 million.

Our Infrastructure Group was once again buoyed by a record performance from PM Thoresen Asia Holdings Plc. ("PMTA" – parent of Baconco Co., Ltd.). PMTA delivered revenues of Baht 3.17 billion (a slight decrease of 2.0% year on year), partly as a result of a 5% increase in sales volume. This was driven in part by a 15% growth in export volumes, helped in particular by exports to Africa and the Philippines.

Revenue from factory area leasing business was Baht 55.1 million, representing a 12% increase year on year. The business maintained a 100% occupancy rate of the factory area for leasing. Supported by effective management and growing demand, PMTA is planning to expand its factory area leasing business in 2017.

In 2016, PMTA reported net profit growth by 19% year over year to Baht 277 million and attributable net profit to TTA of Baht 188 million.

Our coal supply chain management, Unique Mining Services Plc. ("UMS") continued its cost reduction program which enable to reduce SG&A by 31% compared to the previous year. Therefore, EBITDA in 2016 increased to Baht 24 million, contributing to an 85% year-on-year. However, total revenue decreased 16% as sale volume reduced by 14%, mainly due to lower volume in the 0-5 mm coal (which reduced 40% year on year). Accordingly, UMS reported a net loss of Baht 57.6 million and attributable net losses to TTA of Baht 51.8 million.

Streamlining TTA's existing portfolio

In an age of rapid change, moving in the right direction is critical. We must keep a clear head to meet new challenges and seize new opportunities.

TTA management team has taken an important step in streamlining the group's shipping business by divesting its holdings in affiliated ship agency Thoresen Shipping and Logistics Ltd ("TSL") to Naxco and in the process of liquidating or striking off numerous dormant subsidiaries, including: Mermaid Drilling (Malaysia) Sdn. Bhd., Seascope Surveys (Thailand) Ltd., MTR-2 (Singapore) Pte.Ltd. and Mermaid MTN Pte. Ltd.

Besides strengthening the Group's core businesses, our management team meet regularly to explore opportunities to expand either by acquiring acquired a 30% stake in Laser Game Asia Ltd. ("LGA") via a share subscription of newly issued shares. In addition, TTA also signed a contract with SUEZ Environnement South East Asia Limited ("SUEZ Environnement") to establish a new joint venture – TTA SUEZ Company Limited ("TTA SUEZ"). The partnership will contribute to the development of water and wastewater projects in Thailand by bringing in SUEZ Environnement's resource management solutions that have a proven record of success around the world. These strategic business moves position TTA well as it seeks to drive forward a sustainable future for shareholders.

Looking more broadly than specific individual opportunities, the government's policy to commence investment in infrastructure projects worth nearly Baht 1.8 trillion in 2017 means a major boost for the country's logistics system and in turn for property businesses. To capitalize on the opportunities this will create in property, TTA has incorporated PMT Property Co., Ltd. The business model can range from real estate development to joint-ventures with other developers, to buying existing projects for ongoing management.

“In an age of rapid change,
moving in the right direction is critical.
We must keep a clear head to meet
new challenges and seize new opportunities.”

Directing our Future

According to many analysts, the global economy is likely to continue its slow recovery in 2017 against a backdrop of increased uncertainty. Due to the unpredictability of financial markets and unexpected geopolitical developments in Europe and North America, it is possible that growing protectionism and a slowing of growing global trade are the main stress factors for global economic development in the short to medium term.

Nevertheless, we remain optimistic about the outlook for the coming year in dry bulk shipping and sub-sea services.

There is an expectation for an improved equilibrium within the shipping industry, in terms of vessel supply and shipping demand over the next few years, although the exact timing of such improvement remains yet to be determined.

The impact of the extended oil price downturn has had long-term effects in a number of areas including capital allocation and people during a two-year downturn in oil and gas industry. However, most oil and gas companies are generally optimistic and expect to see an increase in capital expenditure in 2017 from upstream to downstream which should boost prospects for Mermaid.

That said, without clear signs of recovery in sight, we plan to invest with caution, maintain a tight grasp on risk management. At the same time, we will continue to

streamline our operational efficiency by maintaining an unwavering focus on cost controls and to drive efficiencies in order to maintain our strong financial position.

As an investment holding company, we aim to maximize shareholder value by striving for continuous and sustainable growth. Moving forward, we must explore and exploit innovative new areas of diversification and synergistic expansion. We plan to keep our fingers firmly on the pulse of the market, remain agile and leverage our strengths and competitive advantages to weather this difficult period.

We believe that our financial framework can support our business development plans while maintaining safe and reliable operational performance.

Our diversified portfolio of businesses put us in a strong position to handle the volatility of the shipping, offshore, energy and fertilizer markets during the years ahead. We are prepared to respond to the slow recovery as we move into 2017.

The Board of Directors would like to express its sincere gratitude to all our shareholders, domestic and overseas, for their continued support, especially during the challenges witnessed over the last two years. The Board pledges its full commitment to striving for sustainable growth.

Sincerely yours,



Prasert Bunsumpun

Chairman of the Board of Directors



Chalermchai Mahagitsiri

President and Chief Executive Officer

► IMPORTANT CHANGES AND DEVELOPMENTS

.....2012

- TTA acquired one second-hand dry bulk vessel. The restructuring of dry bulk shipping business was completed, as eight Thai flagged vessels were transferred to Thoresen Shipping Singapore Pte. Ltd. ("TSS").
- TTA's convertible bonds matured on 24 September 2012.

.....2013

- TSS acquired three dry bulk vessels, one second-hand and two newbuild vessels. Asia Offshore Drilling Limited ("AOD") took delivery of three newbuild jack-up rigs.
- TTA established Thoresen Shipping Denmark APS as a commercial office based in Copenhagen, Denmark to serve its European client base.
- TTA raised Baht 3,964 million by way of a rights issue in combination with warrants to purchase ordinary shares of TTA No. 3 ("TTA-W3") to pursue its business growth.
- Mermaid Maritime Plc. ("Mermaid") raised SGD 175.78 million by way of a rights issue to pursue its business growth.

.....2014

- TSS acquired six second-hand dry bulk vessels.
- Premo Shipping Plc., a 99.99% owned subsidiary of TTA, was established as a result of an amalgamation of 45 Thai dormant shipping companies to increase operating efficiencies both in terms of revenue and cost management.
- PM Thoresen Asia Holdings Plc. ("PMTA"), a TTA's wholly owned holding company investing in 100% of Baconco Co., Ltd. ("Baconco"), was established on 7 June 2013 and was converted to a public company limited on 4 February 2014.
- TTA disposed the investment in PT Perusahaan Pelayaran Equinox ("Equinox"), Indonesia, a 49% stake owned by TTA, on 29 January 2014.
- TTA raised Baht 4,174 million by way of a rights issue in combination with warrants to purchase ordinary shares of TTA No. 4 ("TTA-W4") to pursue its business growth.

DIRECTING
THE
FUTURE

2015 2016

- Soleado Holdings Pte. Ltd. ("Soleado") acquired a 9% stake in Sino Grandness Food Industry Group Limited ("Sino Grandness"), a leading canned food and fruit beverage producer and distributor in the People's Republic of China and its securities are listed on the Stock Exchange of Singapore ("SGX").
- The Company changed its accounting period from 1 October to 30 September of each year to 1 January to 31 December of each year according to the approval by the Company's shareholders at the Annual General Meeting of Shareholders on 30 January 2014. The first new accounting period ended 31 December 2014 commenced from 1 October 2014 to 31 December 2014. The first twelve months accounting period commenced from 1 January 2015 to 31 December 2015.
- TTA raised Baht 7,286 million by way of a rights issue in combination with warrants to purchase ordinary shares of TTA No. 5 ("TTA-W5") for business expansion and debt repayment.
- PMTA, a 67.2% owned subsidiary of TTA, the holding company for Vietnam producer/supplier of chemical fertilizers and agrochemical products, Baconco was listed on the Stock Exchange of Thailand ("SET") on 6 May 2015.
- TTA issued senior unsecured domestic debentures of Baht 2.0 billion to refinance existing loans and increase working capital.
- Mermaid and PTT Exploration and Production Public Company Limited ("PTTEP") signed a Memorandum of Understanding on 27 October 2015 for cooperation of research and development of autonomous underwater vehicles ("AUV") with the objective to empower the innovative capability of Thai people to develop full functional AUV for petroleum exploration and production activities.
- Baconco secured exclusive distributorship of the highly innovative and powerful "N-Protect" urea fertilizer products from global chemical production leader, Solvay (Belgium). The product can accelerate plant growths and reduce urea fertilizer use by as much as 20%, in Vietnam, Laos, Cambodia and some African countries.
- TTA wholly-owned subsidiary, Soleado invested in a USD 20 million convertible loan issued by Sino Grandness.
- TTA divested its 49% stake in Thoresen Shipping and Logistics Ltd. ("TSL") for Baht 28 million on 13 July 2016.
- TTA invested in a 30% stake in Laser Game Asia Co., Ltd. ("LGA") through wholly-owned Asia Coating Services Ltd. ("ACS"), been part of TTA strategy to seek new sustainable growth business and start-up companies with high commercial success outcome.
- TTA strategically established a joint venture company, TTA SUEZ Company Limited ("TTA SUEZ") with global water and waste management company, Suez Environnement South East Asia Limited ("Suez Environnement") to seek sustainable project contracts in drinking water and waste water services for public and private markets in Thailand.
- Baconco received a Certificate of Compliment from Ba Ria Vung Tau Power Company to recognize Baconco success on energy saving and regulation compliance.
- The total owned fleet as of 31 December 2016 consisted of 20 dry bulk vessels, seven offshore vessels, two tender drilling rigs, and three jack-up rigs (33.76% owned by Mermaid). Additionally, approximately 7.3 full-time equivalent dry bulk vessels for FY2016 were chartered in to meet client demand during the year.

▶▶ BOARD OF DIRECTORS



1



2



3



4



5

Biography of the Board of Directors appears in the section "Details of the Board of Directors and Executives".

1

Mr. Prasert Bunsumpun

(Age 64)

Chairman of the Board of Director/
Chairman of Executive Committee

Date of first appointment :
31 January 2012

(%) of shareholding as of
30 December 2016 : 0.01

2

Mr. Chalermchai Mahagitsiri

(Age 38)

President and Chief Executive Officer/
Member of Executive Committee/
Chairman of Investment Committee

Date of first appointment :
31 January 2012

(%) of shareholding as of
30 December 2016 : 22.02
(included his shares held under
custodian account)

3

Mr. Jean Paul Thevenin

(Age 76)

Director/Member of Executive
Committee/Member of Investment
Committee

Date of first appointment :
30 January 2014

(%) of shareholding as of
30 December 2016 :
Own : None
Spouse : 0.0006
Total : 0.0006

4

Mr. Chia Wan Huat Joseph

(Age 57)

Director/ Member of Executive
Committee/ Chairman of Risk
Management Committee/Member
of Investment Committee

Date of first appointment :
31 January 2012

(%) of shareholding as of
30 December 2016 : None

5

Ms. Ausana Mahagitsiri

(Age 36)

Director/ Member of Nomination
and Remuneration Committee/
Member of Corporate
Governance Committee

Date of first appointment :
31 January 2012

(%) of shareholding as of
30 December 2016 : 3.88



6



7



8



9



10



11

6

Mr. Somboonkiat Kasemsuwan
(Age 71)

Independent Director/
Chairman of Audit Committee

Date of first appointment :
14 November 2016

(%) of shareholding as of
30 December 2016 : None

7

Mr. Santi Bangor
(Age 71)

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

Date of first appointment :
31 January 2012

(%) of shareholding as of
30 December 2016 : None

8

Mr. Cherdpong Siriwit
(Age 70)

Independent Director/Member
of Audit Committee/Member of Risk
Management Committee

Date of first appointment :
30 January 2013

(%) of shareholding as of
30 December 2016 : None

9

**Mohammed Bin Rashed Bin
Ahmad Bin Muftah Al Nasseri**
(Age 46)

Independent Director/Member of
Nomination and Remuneration
Committee

Date of first appointment :
30 January 2013

(%) of shareholding as of
30 December 2016 : None

10

Mr. Chitrapongse Kwangsukstith
(Age 67)

Independent Director

Date of first appointment :
13 May 2015

(%) of shareholding as of
30 December 2016 : None

11

Mr. Kamolsut Dabbaransi
(Age 39)

Director

Date of first appointment :
27 April 2016

(%) of shareholding as of
30 December 2016 :
Own : None
Spouse : 3.88
Total : 3.88

EXECUTIVE OFFICERS



1



2



3



4



5

Biography of the Executive Officers appears in the section "Details of the Board of Directors and Executives".

1
Mr. Chalermchai Mahagitsiri
(Age 38)

President and Chief Executive Officer/
Member of Executive Committee
Chairman of Investment Committee

Date of first appointment as Executive:
31 January 2012

(%) of shareholding as of 30 December
2016 : 22.02
(included his shares held under
custodian account)

2
Mr. Kamolsut Dabbaransi
(Age 39)

Director/ Senior Executive Vice
President, Head of Food & Beverage

Date of first appointment as Executive:
1 August 2015

(%) of shareholding as of 30 December
2016
Own : None
Spouse : 3.88
Total : 3.88

3
Mr. Jitender Pal Verma
(Age 52)

Senior Executive Vice President
and Group CFO/Member of Executive
Committee/Member of Risk
Management Committee/Member
of Investment Committee

Date of appointment as Executive :
13 May 2015
(Date of joining TTA : 22 April 2015)

(%) of shareholding as of 30 December
2016 : 0.0027
(shares held under Thai NVDR)

4
Mr. Sigmund Stromme
(Age 60)

Executive Vice President - Agro and
Logistics

Date of first appointment as Executive:
6 May 2015

(%) of shareholding as of 30 December
2016 : 0.0079

5
Mr. Ng Kit Wei, David
(Age 39)

Executive Vice President, Investment,
Corporate Strategy and Risk
Management

Date of first appointment as Executive:
20 January 2015

(%) of shareholding as of 30 December
2016 : None

► CORPORATE STRUCTURE

As of 31 December 2016



► CORPORATE SECTION

THORESEN THAI AGENCIES PLC. ("TTA")

COMPANY OVERVIEW

Established in 1904, Thoresen Thai Agencies Public Company Limited ("TTA" or the "Company") has grown from its humble beginnings as a shipping service company to now a strategic investment holding company listed on the Stock Exchange of Thailand (the "SET"). A member of SET100 indices, TTA operates businesses across three primary groups - Transport, Energy, and Infrastructure with global presence throughout Asia, the Middle East, Europe and Africa.

TTA started dry bulk shipping services in 1985. Its marine interest subsequently expanded when TTA acquired an offshore oil and gas service company, Mermaid Marine Services Ltd., to penetrate the offshore oil and gas services industry. The offshore oil and gas specialist was subsequently renamed and listed in 2007 on the Singapore Stock Exchange as Mermaid Maritime Public Company Limited ("Mermaid"). TTA diversified beyond the marine sector in 2009 when it first acquired a large stake in Unique Mining Services Public Company Limited ("UMS"). This was subsequently supplemented with acquisition of Vietnamese fertilizer company, Baconco Co., Ltd., which TTA has since unlocked value through a successful listing of PM Thoresen Asia Holdings Company Limited ("PMTA") in 2015, and other infrastructure companies for the group to form a new business under Infrastructure. Apart from providing shareholders new source of growth, the investments were also to allow TTA to reduce exposure to the highly cyclical marine business and diversify its earnings. These kick-off TTA long term move to become a more diversified investment holding group.

TTA went through a major change in 2011 with the emergence of a new major shareholder under the Mahagitsiri family. The new leadership under Mr. Chalermchai Mahagitsiri reassessed TTA position and made conscientious changes to lay new foundations and build new platform for growth. Initial priority was to solidify its financial position and enhance existing core business performance. TTA successfully

raised approximately Baht 8.1 billion capitals via two rounds of rights offering to achieve its objective, while Mermaid underwent a SGD 176 million rights issuance and private placement to bolster its balance sheet.

TTA articulated its new vision and mission in 2014 where the Company aspires "To be the most Trusted Asian Investment Group". While TTA remains committed to its existing business, TTA wants to expand further by looking for new sustainable and resilient growth business to create value for shareholders. The new strategic initiative began late 2014 with TTA entry into the food and beverage sector via acquisition of a stake in Sino Grandness Food Industry Group Limited ("Sino Grandness"), a leading Chinese producer of canned fruits and vegetables and loquat juice company listed on the Singapore Stock Exchange (the "SGX"). To beef up its war chest, TTA had another round of capital raising in 2015 through a Baht 7,286 million rights offering.

Notwithstanding 2016 been a very challenging year given depressed shipping and oil services markets, TTA remains focused to diversify and expand. TTA strategically established a partnership with global water and waste management company, Suez Environnement South East Asia Limited ("Suez Environnement") to penetrate sustainable drinking water and waste water services business in Thailand.

VISION & BUSINESS STRATEGY

Our vision is "To be the most Trusted Asian Investment Group", and be a leader in the business by responsibly operating and excelling in sustainable businesses and delivering long-term value and growth. With the objective to ultimately deliver enhanced experience for our stakeholders, we are committed to ensure both sustainable and superior financials and business franchise/reputation for our business and make each business profitable.



We are focused on our multi-business model and core competencies. While we will seek for opportunities in close adjacencies, we will continue to sharpen execution of our businesses through constant improvements to optimize productivity and efficiencies. The tough market conditions facing the businesses we operate present huge challenge and we will intensify efforts to recalibrate the core business particularly for shipping and offshore services for oil and gas through operational restructuring and cost structure improvement. We will look to further strengthen the competitive position of our existing portfolio companies to sustain and enhance performance.

Coming years will be a period of strategic transformation as TTA looks to consolidate and diversify from existing core business. With a war chest, TTA is seeking new business growth engine targeting more defensive, resilient and high barrier to entry business focused on Thailand and Indochina region. With the aim to generate more stable earnings and cashflows, TTA has earmarked three attractive sectors for expansion, logistics/warehouse, consumer and water infrastructure. TTA will be rigorous and be financially disciplined with huge emphasis on growth, returns and value creation in merger and acquisition or business expansion. TTA will also pursue partnerships for new business to develop organically.

As an investment holding company, TTA success ultimately depends on its ability to prudently and effectively manage its investments and businesses through different industry cycles, and sustain value by managing for the long-term. TTA will be forward looking and have talented people and strong capabilities, right solutions and innovation and robust governance and discipline across all our business.

TTA will be a more diversified conglomerate with bottom line and shareholder value focus.

BUSINESS PORTFOLIO

With the ultimate goal to create and sustain value for shareholders, TTA is focused on managing and enhancing the value of its overall business portfolio. Been a holding company, the Group has a diversified business portfolio across three primary business groups under Transport, Energy and Infrastructure. The initial investment into a leading Chinese beverage player, Sino Grandness late 2014 accelerated the Group's expansion into the food and beverage business last year, and the Group set up a new Food and Beverage strategic business unit under PM Food & Beverage Ltd. Still in its early day, TTA has ambitions to expand the business. Key business portfolio as at end December 2016 comprise the following three primary business groups and the companies within the group.

TRANSPORT

- Thoresen Shipping Singapore Pte. Ltd. (100%)

Dry bulk shipping services

ENERGY

- Mermaid Maritime Public Company Limited (58.22%)

Subsea engineering and oil and gas offshore services

INFRASTRUCTURE

- PM Thoresen Asia Holdings Public Company Limited (68.52%)

Holding company

- Baconco Co., Ltd. (100%)
(indirectly held through PM Thoresen Asia Holdings Public Company Limited)

Leading Vietnamese fertilizer producer & factory area leasing service provider

- Unique Mining Services Public Company Limited (90.11%)

Thailand coal logistic services

Contributing approximately 98.28% of revenues in 2016, TTA has four major operating subsidiaries comprising Thoresen Shipping Singapore Pte. Ltd. ("Thoresen Shipping"), Mermaid Maritime Public Company Limited ("Mermaid"), PM Thoresen Asia Holdings Public Company Limited ("PMTA") and Unique Mining Services Public Company Limited ("UMS").



► DRY BULK SHIPPING

THORESEN SHIPPING

BUSINESS REVIEW

The TTA dry bulk shipping business trades under the brand name Thoresen Shipping and is an internationally acclaimed participant in the global freight markets with roots going back over 110 years.

Thoresen Shipping provides deep sea transportation services to customers from all corners of the world, hauling a wide range of dry bulk and break bulk commodities such as mineral ore, coal, agriculture products, construction materials and steel products.

Our fleet services our clients' requirements in the spot market, under time charters and through contracts of affreightment ("COA"). In addition to our own vessels, we engage in freight trading activities using our owned tonnage as well as a fleet of chartered-in vessels from the market.

The combined fleet is commercially managed by Thoresen's experienced and professional teams based in Singapore and Thailand.

Thoresen vessels, and those we charter in, are fitted with cranes which enable self-loading and selfdischarging of cargoes in ports with limited or no shore based infrastructure. By being able to call in these hard-to-reach ports, often in emerging markets - we can charge a premium for shipping services that is not available to larger, more conventional bulk carriers.

There is plenty of competition as the global fleet has grown at a fast pace over the last 5 years. Our competitive advantage now comes more from the efficiency of our operation and the skill of our people than from the vessels themselves.

We continue to work on our processes and find incremental improvements in the way we work, during 2016.

Major developments:

- Further reductions in administration costs to levels some 45 percent lower than 2 years ago
- Improved operational efficiencies
- Focus onbook management and market risk
- Refocusing on in-house Commercial management of our fleet
- Realigning our ship owning and freight trading activities



The dry bulk shipping market endured another very challenging year in 2016 as the Baltic Dry Index for Supramax averaged just USD 6,236 per day, the lowest annual average since the index was created in 2005. The main factor, for lower freight levels, has been the expanding global fleet of dry bulk vessels, as new building orders placed in the last few years are delivered to ship owners.

This continues to present a unique challenge to the whole dry bulk shipping industry, and Thoresen Shipping has taken steps to ensure that we are a low cost sustainable ship owning and operating business.

Thoresen Shipping's in-house ship management and crewing department delivers ship operational expenses at levels some 25 percent less than industrial averages.

Commercially we have a strong client base of key customers who look to Thoresen Shipping for freight to conclude commodity sales in the spot and forward markets.

We have sophisticated voyage management and risk measuring and reporting software that allows for careful control of the bottom line.

A: Product and Services

Fleet Structure and Commercial Services

At the end of 2016 Thoresen Shipping owns 20 vessels: 4 Handymax and 16 Supramax vessels with a total carrying capacity of 1.05 million deadweight tons. The average age of the remaining vessels in the fleet will be 11.63 years and average DWT is 52,555 tons.

During 2016 we sold 3 units: sister ships Thor Wind and Thor Wave, plus Thor Energy. These ships are of an older design less suited for our customers' needs. Rather than face further investment in these vessels with dry dock and compliance with new environmental regulations, these vessels were committed for recycling. Sales were timed to benefit as much as possible from seasonal upturns in the steel scrap markets.

We have been able to improve the earnings on our remaining handymax vessels as we reduced our capacity in this sector to being more in line with the more specialized business suited for these ships.



Thoresen Dry Bulk Fleet Structure

1) Fleet Structure

Number of Vessels				
Type of Vessels	Owned Vessels	Chartered-in	Newbuild Vessels on Order	Total
		No. of Vessels Equivalent		
Handymax	4	1	-	5
Supramax	16	6	-	22
TOTAL	20	7	-	27

2) Simple Average Age

Simple Average Age of Vessels				
Type of Vessels	Owned Vessels	Chartered-in Vessels	Newbuild Vessels on Order	Total
Handymax	18.06	12.86	-	14.75
Supramax	10.02	6.12	-	6.85
TOTAL	11.63	6.74	-	7.75

3) Bulk Carriers FY 2016

BULK CARRIERS						
Vessel Name	Original Delivery Date	DWT	Age	Design	Classification	
1 Thor Endeavour	11/04/1995	42,529	21.74	Open Hatch / Box Shape	Bulk (Box)	NKK
2 Thor Enterprise	28/07/1995	42,529	21.44	Open Hatch / Box Shape	Bulk (Box)	DNV
3 Thor Harmony	21/03/2002	47,111	14.79	Open Hatch / Box Shape	Bulk (Box)	DNV
4 Thor Horizon	01/10/2002	47,111	14.26	Open Hatch / Box Shape	Bulk (Box)	BV
5 Thor Achiever	22/07/2010	57,015	6.99	Standard	Bulk > 40,000 dwt	BV
6 Thor Integrity	02/04/2001	52,375	15.76	Standard	Bulk > 40,000 dwt	BV
7 Thor Independence	20/12/2010	52,407	15.19	Standard	Tess - 52	NKK
8 Thor Infinity	21/12/2010	52,383	14.92	Standard	Tess - 52	NKK
9 Thor Insuvi	02/07/2012	52,489	11.13	Standard	Tess - 52	NKK
10 Thor Friendship	13/01/2010	54,123	6.97	Semi-Open / Box Shape	Oshima - 53	NKK
11 Thor Fortune	15/06/2011	54,123	5.55	Semi-Open / Box Shape	Oshima - 53	NKK
12 Thor Fearless	06/06/2013	54,881	11.15	Open Hatch / Box Shape	Oshima - 53	NKK
13 Thor Brave	15/11/2012	53,506	4.13	Open Hatch / Box Shape	Vinashin	DNV
14 Thor Breeze	20/08/2013	53,506	3.37	Open Hatch / Box Shape	Vinashin	DNV
15 Thor Mercury	20/01/2014	55,862	11.23	Standard	Bulk > 40,000 dwt	ABS
16 Thor Magnhild	19/02/2014	56,023	10.52	Standard	Bulk > 40,000 dwt	NKK
17 Thor Maximus	23/05/2014	55,695	11.24	Standard	Oshima - 53	Korean Classed
18 Thor Menelaus	03/06/2014	55,710	10.36	Standard	Oshima - 53	Korean Classed
19 Thor Madoc	13/06/2014	55,695	11.47	Standard	Oshima - 53	Korean Classed
20 Thor Monadic	07/07/2014	56,026	10.33	Standard	Bulk > 40,000 dwt	NKK
TOTAL THORESEN FLEET	1,051,099	DWT				

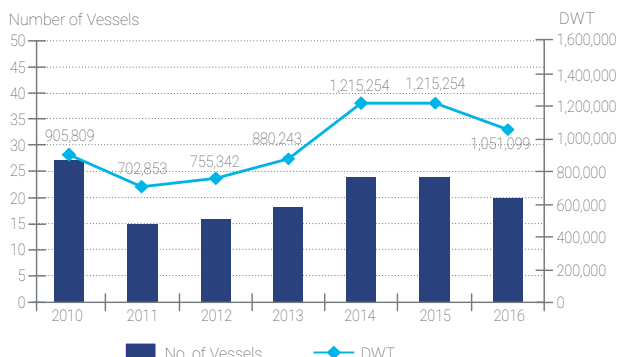
ABS : Amercian Bureau of Shipping

BV : Bureau Veritas

DNV : Det Norske Veritas

NKK : Nippon Kaiji Kyokai

Source : TTA

Chart: Thoresen Fleet 2010-2016


Source : TTA

Commercial Services

Over the last three years freight markets have trended down with slower China growth and increased number of dry bulk vessels. Though we have reached a turning point in 2016, and we now enter an improving phase in the cycle, our traditional risk management practices have been tested. With credible companies unwilling to employ vessels on fixed forward contracts, Thoresen's fleet has been more and more exposed to spot market earnings. Commodities are increasingly traded on a spot basis and so forward cargo contracts are also less evident in the market. We have the commercial team and client base that ensures continual employment for the fleet, but earnings have followed the market trend.

We spread our geographic risk by keeping vessels distributed between the different markets, Atlantic, Indian and Pacific Oceans. Where possible we position vessels to target seasonal grain harvests, where an increase in the number of shipments leads to an increase in freight levels.

B: Marketing and Competition

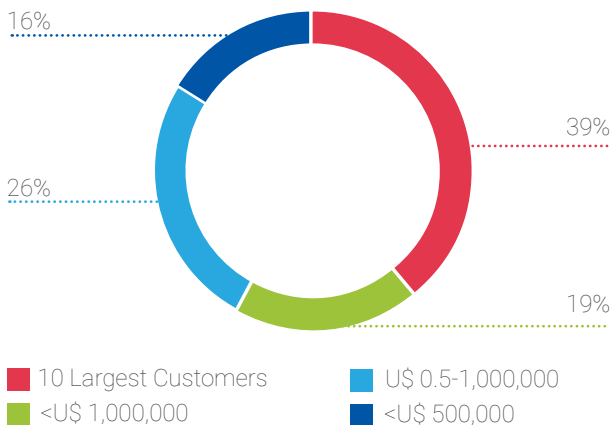
I. Cargo Operations and Customer Focus, Competitive Advantage

Cargo Operations and Customer Focus

Thoresen Shipping continues to grow its business direct with cargo customers. We have brought renewed focus to our marketing strategy and work closely with key clients to continue to provide them with the freight they need both for spot sales and forward contracts. This requires a good understanding of the freight and bunker markets.

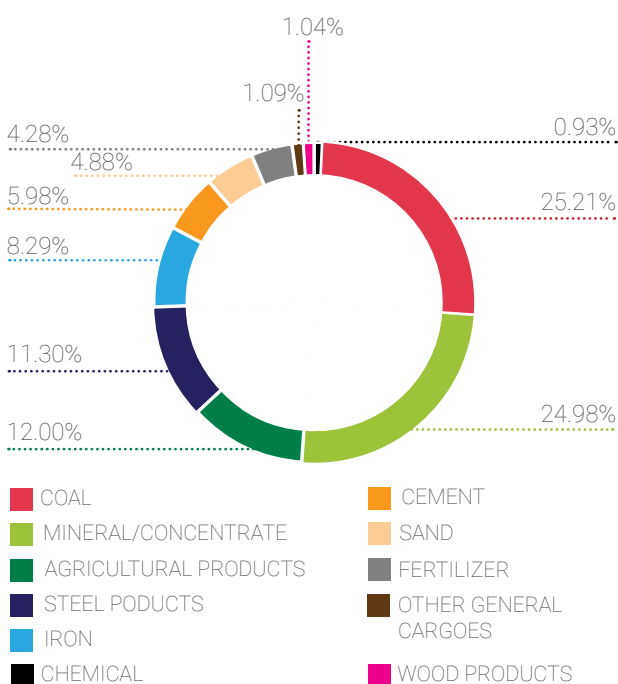
By bringing focus to both customers and their regional needs we have built a strong reputation in Indian and Pacific Oceans.

We are successfully working to re-establish our presence in more specialized trades such as the carriage of coated line pipe. Thoresen Shipping has both the necessary vessel type and operational expertise to provide freight for this niche segment.

Chart: FY 2016 Freight Revenues (by Client Size)


Source : TTA

Thoresen carried 10.13 million tons of cargo during 2016 divided roughly 70/30 between major bulks such as coal, mineral/concentrate and agricultural products, and minor bulk such as steels, fertilizer, cement and sand.

Chart: FY 2016 Cargoes


Source : TTA

Competitive Advantage

Thoresen continues to be a fully integrated dry bulk shipping company. The majority of our competitors rely on outsourced services such as crewing, technical management, insurance and procurement but at Thoresen this is all performed in-house.

Our extensive network of experienced vessel crews and officers and our Bangkok based Marine Operations Department all contribute to ensuring we operate with one of the lowest daily vessel expenses in the industry.

Our low operating expenses in turn enable us to remain competitive when bidding and pitching for business with customers, when many of our competitors simply cannot afford to trade.

The strong vertical integration of all our departments including crewing, technical, chartering, commercial operations, finance and risk also resonates well with our industrial clients. They know that shipping cargoes with Thoresen ensures efficiency, professional conduct and the flexibility they need to successfully support their cargo operations.

With further focus on efficiency gains, strong communication and a diversified portfolio of both vessels and cargo positions, we believe Thoresen is among the strongest contenders to weather the slump in the global shipping markets.

The Dry Bulk Shipping Market

During 2016 the market has remained fundamentally oversupplied with ships, and levels for much of the year have barely covered most owners' operating costs, yet alone financial costs.

However, after reaching all-time lows in the first quarter the market downturn has not been as drastic as was anticipated end of 2015. Two key reasons for this were again the actions taken by China.

Monetary and fiscal stimulus in Q1 supported new infrastructure projects and the local real estate market during the year.

And secondly, the decision taken to reduce domestic coal production in Q2, lead to much improved coal imports for Q3 and Q4 as Chinese buyers were forced to source from abroad, particularly coal from Indonesia and Australia. This coal movement was supported by steady iron ore demand as China built stocks on rising prices and pre winter stockpiling.

While Chinese volumes have the most profound effect on the freight markets, some smaller importing nations are showing very solid import growth particularly for coal and construction materials, notably into Bangladesh and Vietnam. Bangladeshi companies have been very active buyers of second hand supramax bulk carriers during 2016, which suggests this demand growth is expected to continue in the coming years.

High levels of dry bulk ship recycling in first half 2016 slowed during the second half of the year as buyers filled their requirements with non-dry bulk tonnage and dry bulk Owners were able to achieve slightly better earnings. Price of scrap steel has though ticked up in the latter stages of 2016 which should assist more Owners to choose recycling and eventually help reduce the overcapacity in the market.

Minor bulks cargoes such as fertilisers, non-ferrous ores, construction materials, that are almost solely carried on handysize and supramax vessels have shown growth during the year. There has also been an increase in grain volumes, another segment where supramax tonnage is employed.

Asset prices have also improved. From Q1, historical low values have increased by region 30 percent by the year end for better Japanese built units. Prices are historically still very low, and ships values are expected to improve further during 2017 on anticipated market recovery going into 2018.

II. Industry and Market Outlook

While in 2016 demand has surprised many in the industry on the upside, levels have still been suppressed because of excessive ship capacity.

Major market forces are now in play to reverse this trend. Buyers of ships have not been able to complete finance and have failed to take final delivery of the unit. Shipyards have been forced to accept distressed levels to resell and many have failed to obtain any forward orders. Short of new orders, advance payments and so working capital, shipyards have reduced capacity, closed and gone bankrupt.

Banks that have traditionally provided asset backed finance for ship purchases have in recent years been forced to accept massive losses and change their lending practices. Across the industry the lack of finance and new orders placed at shipyards means that the supply of new ships to the market will inevitably slow.

On the demand side China remains the great unknown as policy changes regarding domestic production or substituting with imports can have profound effects on the market. Still in balance, this massive country continues to grow and strong environmental drivers favor bulk commodity imports substituting for domestic production.

Political changes in USA and Europe are creating uncertainty retrade agreements and tariffs. Any reversal of Globalisation is potentially negative for world trade growth. With the USA committing to increased spending on infrastructure and the inevitable time required to renew domestic production and logistics capacity it might be that dry bulk freight rates may still first benefit from recent policy initiatives.

As all other industries, ship owners face increased regulations as we strive for improved safety and greater environmental responsibility. This will inevitably increase the cost of ship owning. New ships will cost more to build and older ships will require further investment to become compliant. Such costs will be passed on to freight buyers and will increase the cost of entry to the industry. While managing this transition with fleet renewal is important, such changes favour an established, low cost quality provider such as Thoresen Shipping.

While 2017 may prove challenging we are cautiously optimistic for the latter part of the year and anticipate much improved earnings in 2018 and 2019.

Dry Bulk Carrier Orderbook as of December 2016

Bulker Orderbook	No. of Vessels	Total Capacity (million DWT)	Orderbook % Fleet
Handysize	429	15.2	16.4%
Handymax	636	38.7	21.6%
Panamax	344	28.4	14.5%
Capesize	243	49.2	15.9%
Total	1,652	131.5	16.9%

Source: Clarksons

Oil Prices

Oil prices trended up during 2016. With some exposure left un-hedged increased bunker costs negatively affected the bottom line.

However we have during the year changed strategy to support all forward cargo bookings with bunker hedges so have been protected from the recent hike in oil prices following decisions taken by OPEC nations and Russia.



BUSINESS REVIEW

The offshore services segment is primarily driven by Mermaid Maritime Public Company Limited (“Mermaid”), in which TTA holds a 58.22% stake as of 31 December 2016. Mermaid, commenced its operations in 1983, was partially acquired by TTA in 1995 and was successfully listed on the Singapore Stock Exchange (“SGX”) on 16 October 2007.

Mermaid is a leading international subsea and offshore drilling services company for major oil and gas companies or their contractors. Our corporate headquarters is in Thailand and we are listed on the Singapore Stock Exchange. We have operational bases in Thailand, Singapore, Indonesia, Qatar, Saudi Arabia and the United Arab Emirates.

Mermaid provides full turnkey services to oil and gas majors operating offshore through our diversified portfolio of subsea vessels, specialized diving equipment, remotely operated vehicles and drilling and accommodation rigs. We have been in the offshore business for over 30 years and we are today present in five geographical regions with a team of over 1,000 professional divers, drillers, technicians, surveyors, management and support staff. Our vision is to be a premium service provider to the offshore oil and gas industry and to constantly deliver enhanced return to our shareholders.

As a result of the challenging outlook across the oil and gas industry, a two-pronged strategy was developed and implemented by Mermaid’s senior management team that takes into account both a short-term /tactical approach (“Strengthening our Core”) and a longer term vision (“Positioning for Growth”), that will ensure our ability to continue to build sustained shareholder value.

Strengthening our Core: In adhering to our “Strengthening our Core” strategy, we prioritized revenue protection initiatives and streamlined our internal processes. Key achievements in 2016 included rationalization of uncompetitive assets across our drilling and subsea services segments; and intensification of efforts to improve internal costs efficiency and productivity while strengthening our overall control environment.

Positioning for Growth: In furtherance to our “Positioning for Growth” strategy, we continued to focus on a value chain move to higher value engineering segments offering short and medium range turnkey contracts or lump sum contracts such as subsea cable lay and decommissioning services. We have also implemented selective geographical expansion programs.

A: Products and Services

Fleet Structure and Services

Subsea Services

Mermaid’s subsea engineering centres around diving and remote intervention by unmanned submersibles (“ROV”). Its subsea division is represented by Mermaid Subsea Services (Thailand), Mermaid Subsea Services (International), and Seascope Surveys. All three subsea units were integrated and now operate under the same new company name as “Mermaid Subsea Services”. A wide range of subsea engineering services are provided, including inspection, repair and maintenance, construction and installation support, commissioning, cable and pipe laying projects.

As of 31 December 2016, the subsea fleet consists of 9 subsea support vessels (including chartered in vessels), 4 of which are specialized dive support vessels, and 15 ROV systems, including deep water and ultra-deep water heavy construction class systems. Apart from its key assets, the Subsea Division has a workforce up to 1,000 professional divers, technician, surveyors, marine personnel and support staff to work on its subsea engineering projects in addition to a permanent workforce.

Inspection, repair and maintenance (“IRM”) and survey service revenues decreased 22.0% from USD 225.2 million in 2015 to USD 175.6 million in 2016. Subsea cable laying and engineering works revenues also decreased 91.3% from USD 111.3 million in 2015 to USD 9.7 million in 2016. The decline was mainly driven by lacking numbers of awarded projects, size of projects and competitive pricing.

Fleet and Diving Services

All vessels are classified by DNV or ABS, which are two of the leading classification societies. All vessels are subject to regular inspection by class surveyors, in addition to regular dry-docking and other planned maintenance.

Another core competency for the Subsea Division is running its diving operations to world class standards, especially those set by the International Oil and Gas Producers Association (“OGP”).

Mermaid Subsea Fleet List

No.	Name of Vessels	Vessel Type	Calendar Year	
			Build Year	Purchase Year
1.	Mermaid Commander	DP2 Dive Support Vessel	1987	2005
2.	Mermaid Endurer	DP2 Dive Support Vessel	2010	2010
3.	Mermaid Asiana	DP2 Dive Support Vessel	2010	2010
4.	Mermaid Sapphire	DP2 ROV Support Vessel	2009	2009
5.	Mermaid Challenger	General Utility Vessel	2008	2008
6.	Mermaid Siam	DP2 Construction Support Vessel	1991	2010
7.	S.S. Barakuda	General Utility Vessel	1982	2010
8.	Resolution	DP2 ROV/Diving support vessel	2013	2013 (Chartered-in)
9.	Mermaid Nusantara	DP2 Dive Support Vessel	2010	2014 (Chartered-in)

The following details the Subsea Division's core services:

Exploration services	Pre-installation surveys; rig positioning and installation assistance, subsea equipment maintenance.
Development services	Installation of subsea pipelines, flow lines, control umbilicals, manifolds, risers, pipe lay and burial, installation and tie-in of riser and manifold assembly; commissioning, testing, and inspection; and cable and umbilical lay and connection.
Production services	Inspection, maintenance, and repair of production structure, risers, pipelines, and subsea equipment.

Drilling Services

Mermaid Drilling Ltd. ("MDL"), a 95% owned subsidiary of Mermaid, owns two tender drilling rigs and provides drilling and accommodation barge related-services in Southeast Asia.

Asia Offshore Drilling Ltd. ("AOD"), Mermaid's 33.8% owned associate company which owns and operates a modern fleet of high specification jack-up rigs, added three jack-up rigs AOD-I, AOD-II, and AOD-III in 2013. In 2016, AOD contracts have been extended to 2019 with Saudi Aramco. In 2016, we achieved a 99% utilization rate on average for the three jack-up rigs.

Drilling Rig Fleet List

No.	Name of Rigs	Rig Type	Calendar Year	
			Build Year	Purchase Year
1.	MTR-1	Accommodation Barge	1978	2005
2.	MTR-2	Tender Assist Drilling Rig	1981	2005
3.	AOD-I	Premium Jack-Up Rig	2013	2010
4.	AOD-II	Premium Jack-Up Rig	2013	2010
5.	AOD-III	Premium Jack-Up Rig	2013	2011

Both jack-up and tender drilling rigs require classification from a recognized classification society, which classify them based on structural integrity and safety. MDL's tender drilling rigs are classified by international bodies such as Det Norske Veritas ("DNV"), American Bureau of Shipping ("ABS"), or Bureau Veritas ("BV"). MTR-1 is classified by ABS, and

MTR-2 is classified by BV. Classification authorities inspect the tender drilling rigs annually. Tender drilling rigs are dry docked every five years and subject to a special periodic survey by these classification societies. AOD's jack-up rigs are subject to classification by ABS.

Fleet Services

In 2016, both of our tender rigs, 'MTR-1' and 'MTR-2', remained uncontracted as a result of limited demand in the market. We are currently reviewing several options for the rationalization of these assets.

In contrast, Mermaid's associate AOD secured three year contract extensions with its existing customer for all three of its jack-up drilling rigs, thus assuring their continued employment until 2019. AOD's rigs have delivered exemplary operating results, with utilization for all three rigs at above 98 percent.

AOD's three jack-up rigs are from the Mod V - B Class design, which is understood to be the preferred jack-up rig design by major drilling companies and used by oil companies in all shallow water areas of the world. The rigs are designed for year round operations in the areas of Gulf of Mexico, Indian Ocean, Southern North Sea, Coast of Middle East, Offshore India, Offshore Australia, Offshore New Zealand, and Offshore South East Asia.

B: Marketing and Competition

I. Clients and Target Customers, Distribution Channels

Subsea and Drilling Services Clients

Major and independent oil and gas producers and suppliers, pipeline transmission companies, and offshore engineering and construction firms trust Mermaid as their partner. In 2016, subsea services were provided to over 40 clients.

Clients in the Middle East remain a significant part of Mermaid's business. A significant diving contract secured in 2013 through the Company's Middle East joint venture, Zamil, Mermaid continues to buoy Mermaid's revenues and returns, and will continue to do so until end of 2017 with an option to extend.

Mermaid expects to pace regional growth for the Subsea Division across the Middle East, and South East Asia over the next few years.

Mermaid also continues to maximize vessel utilization while at the same time, focusing on value-added services to customers and longer contract durations in growth areas e.g. South East Asia, and the Middle East.

Three of AOD's jack-up rigs continued to serve Saudi Aramco, the world's largest oil and gas company in the world, with its current contract ending in Q4 2016 (with an option to extend to 2017). As a result, AOD was able to achieve an outstanding utilization rate of 98% on average for these three jack-up rigs in line with the Company's target. This was primarily due to all jack-up rigs experiencing high operating performance with limited downtime. The Company is confident that AOD will continue to serve the same customer beyond this term as observed by short to medium term contract extensions awarded by the same customer to other jack-up rig contractors whose terms had recently expired.

Competition

Customer service remains our crucial differentiator. There are many reasons why our customers choose us. We have an excellent health, safety and environment track record which we are proud of. We also offer first tier service quality in a competitive price mix. We have capability and resources to handle large and small projects as required, and to this end provide a 'one stop shop' service point. We are supported by a large pool of in-house experienced and dedicated personnel, strategic local partnerships in various geographies, and we are fully compliant with international standards on our vessels, rigs and equipment.

We have also worked hard to earn a track record of successful projects with reputable clients, to develop regionally based operations with long-term customer relationships, and have systems in place to allow dedicated customer support and quick response to emergency call outs and variation orders at all times and in all situations. As a result, we are pleased to receive continued repeat business from our customers.

II. Industry & Outlook

1. 2016 - A Starting Point Towards A More Balanced Market

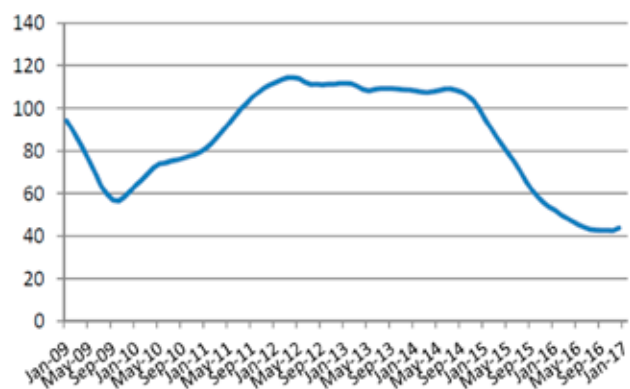
"This is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning." Winston Churchill

The industry entered 2016 in a state of uncertainty. In the month of January 2016, the Brent reached its lowest level (USD 27.7 per barrel) since the price decline that started in the second half of 2014, also a thirteen year low since 2003, with continued volatility during the rest of the year.

Chart: Average Brent Oil Price USD

Calculated as the average over the preceeding 12 months before any given date

Calculated as the average over the preceeding 12 months before any given date



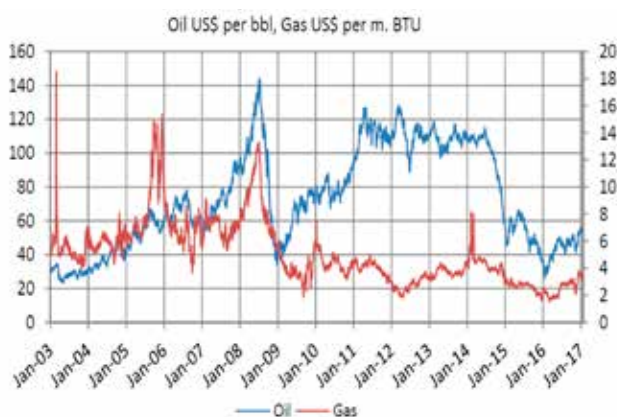
Source: Kennedy Maar

The overall drop in oil price and its continued volatility led to a survival mindset for many industry players. In response, oil companies slashed budgets with non-essential projects put on hold or cancelled and essential projects subject to scope and cost reductions. The flow down effect had hit contractors hard, with many experiencing sinking charter rates, vessel layups and personnel layoffs and some eventually ending up going bust in the process. Cost reduction strategies implemented across the industry reduced its cost structure that, while not leading to substantial profits, seemed to offer some a path to survival.

As the fall in production, among other things, helped to narrow the supply-demand gap and cause prices to strengthen, oil prices subsequently shown a general upward trend over the past couple of months and the Brent oil price eventually averaged USD 43.7 per barrel over the last 12 months.

In the month of December 2016, the spot price of a barrel of Brent crude oil shot up from trading at above USD 52 and reaching nearly USD 55 by the end of 2016. The upward trend was influenced by OPEC's coordinated action with Russia, as the organization's agreed production cut of 1.2m bpd was joined by the non-OPEC producer for a combined reduction by 1.5m bpd. Other non-OPEC members, such as Azerbaijan, Bahrain, Kazakhstan, Malaysia, Mexico, etc., also agreed to reduce their production volumes by 0.3m bpd total. As the year ended, Brent crude marked an over-50-percent-increase for 2016, the best yearly gain realized since 2009.

Chart: Daily Oil & Gas Prices



Source: Kennedy Maar

According to brokers BRS Group, analysts now expect oil prices to gradually increase towards USD 60 per barrel by the end of 2017, however further gains may be limited by a strong US dollar, an anticipated recovery in US oil output, and a possible non-compliance by OPEC with the agreed cuts.

2. The Offshore Oil And Gas Sector Hangover

From the super-cycle that peaked in 2014, the industry came to experience its worst hangover in recent history. There was significant activity decline in 2016 and same is expected to continue in 2017 with offshore spending cut by 25 percent in 2016 and 0-10 percent in 2017. Oil companies were under

pressure on refinery margins; budgets continued to shrink and smaller E&P firms were unable to raise cash. The rig market was also reportedly desperate with working rig count bottom in sight but not there yet. Rig utilization was at 60 percent and highest scrapping was seen since the 1990s. Re-contracting rate was also slow and the industry continued to drown in over-supply with 223 of the 540 jack up units and 123 of 286 floaters stacked, and at least 1,250 OSVs idle. There was also a slowly shrinking OSV orderbook with no new orders and a tsunami of new builds awaiting delivery. Excess capacity was seen in all offshore segments and about 351 new builds are still waiting to be delivered. OSV utilization and rates were also reported to be falling with rates close to bottom but utilization still deteriorating and older vessels hit most resulting in severely declining cash flows. Tender activity across offshore sectors were slow with rig tender activity and seismic spending at all time low (-63 percent down on 2013).

As a sign of some relief, oil fundamentals showed "silent recovery" when oil price started to move upward and suggested that an eventual cocktail of demand growth, production depletion and reduced capital expenditure will push price back up. A "credit void" has also been entered into for offshore debt as many companies entered into loan renegotiations and little new lending was seen. Refinancing support was also noted to be given against limitation on capital expenditure, and that there was increased liquidity/ counterparty risks. Oil service stocks also tested all time lows with major offshore OSV/rig companies having lost 60-80 percent of their value and reported significant asset write downs. As stocks move with oil price, forward P/Es were also in the race to the bottom.

Despite the challenging business environment, oil demand remained robust and, with the depletion of cash positive fields, the oil market has been rebalancing. Shale growth slowed significantly. With depletion rates unsustainable, oil markets entered a re-balance phase and the next is expected to be recovery but it will be volatile. Restructuring has also started across the sector with new equity getting ready to enter. Survival strategies have also been implemented by those that remain. Finally, a period of cost optimization has started with project re-evaluation gathering pace. These are early signs of market stabilization with oil companies locking in future requirements at lower cost.

Wood Mackenzie forecasted that 'the global investment cycle will show the first signs of growth in 2017, bringing the crushing two-year investment slump to a close'.

3. A Year For Tough Decisions

2016 was a year for tough decisions. During the downturn, industry players engaged in several activities in order to survive. These included operational measures such as heavy cost reductions across the value chain, laying up vessels and letting personnel go, cancelling new build contracts and deferring new build deliveries, scrapping vessels and rigs, back to basic service offered to oil companies, keeping utilization up while compromising on rates, technology drive to develop/ offer low cost solutions, sale of businesses and vessels, and de-risking and de-leveraging.

Financial measures were also taken by many that included covenant waivers, debt installment deferrals, bonds expiry deferrals, junior bonds converted to equity, large impairments, shareholders' support with new cash/equity, outside equity

to increase their presence in the market, sale of vessels, business rehabilitation and bankruptcies.

It was reported that many of the last 5-year start ups had disappeared and it would not be unlikely if at least 1/5 of the industry players could potentially disappear due to too many players and too much capacity.

4. Subsea Services – Hunting Down Any Work

4.1 The Subsea Market

"Subsea" is a term used to describe fully submerged ocean equipment, operations or applications, especially when some distance offshore, in deep ocean waters, or on the seabed. Oil and gas fields reside beneath many inland waters and offshore areas around the world, and in the oil and gas industry the term "subsea" relates to the exploration, drilling and development of oil and gas fields in these underwater locations. Under water oil fields and facilities are generically referred to using a "subsea" prefix, such as subsea well, subsea field, subsea project, and subsea developments etc.

Subsea oil field developments are usually split into shallow water and deepwater categories to distinguish between

the different facilities and approaches that are needed. The term shallow water or shelf is used for very shallow water depths where bottom-founded facilities like jack-up drilling rigs and fixed offshore structures can be used, and where saturation diving is feasible. Deepwater is a term often used to refer to offshore projects located in water depths greater than around 600 feet, where floating drilling vessels and floating oil platforms are used, and remotely operated underwater vehicles are required as manned diving is not practical.

During 2016, subsea field development EPC projects continued to stall rapidly for a second year and major subsea contractors experienced lackluster order intake and backlogs down 40-50 percent from peak 2014 levels. Contractors working on legacy backlogs saw activity declining through 2016 as work gradually completed, resulting in reducing demand for chartered vessels and OSVs to support field development. E&P sanctioning of new field developments is expected to remain at very low levels until oil price picks up further and looks set to remain at more reasonable levels for a sustained period again. Inspection, repair and maintenance services remain in demand, particularly in the shallow water segment. However, demand for such services had also experienced contraction.

Chart: Demand by depth range



The Subsea Market to 2021

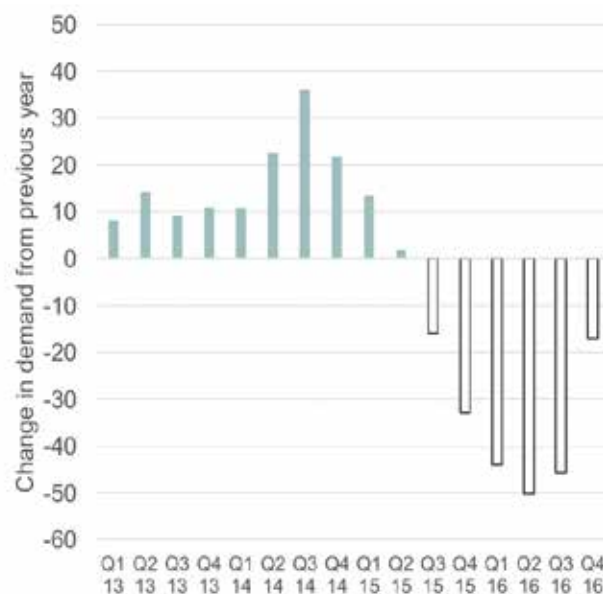
Source: Offshore Strategic Research

Overall, the subsea market was characterized as being one where every quarter seemed to add another comparative down slope on the demand curve. Six consecutive quarters saw global demand fall. In this market, contractors were basically hunting down any work they can find.

4.2 Types Of Subsea Vessels

The offshore industry is a varied sector within which many vessel types operate, performing numerous different tasks

Chart: Demand growth by quarter



Strategic Offshore Research @2017

with often-unique systems and equipment. These vessels can range from purpose-built specialized ships which may, for example, only perform diving operations, to vessels which have been repeatedly converted from one vessel type to another as nature of the business changes. The term "offshore support vessel" can include many vessel types and it is unusual for one single vessel to only fulfill one particular function. Depending on configuration, a vessel could perform diving, remotely operated vehicle ("ROV") support, survey and construction support operations.

Generally, dive support vessels within the offshore industry can range from converted vessels fitted with rudimentary air diving spreads to purpose built vessels fitted with extensive and complex saturation diving system. ROV support vessels can include vessels fitted with portable launching systems, which can be mobilized and demobilized to the vessel within very short periods of time. Construction support vessels will have many generic characteristics and design features associated with dive and ROV support vessels, the main function of the offshore construction vessel will be before the installation and decommissioning of subsea and surface structure installations. Pipe lay vessels may have different design features of systems and equipment on board however the main function of these vessels will be the lay pipe along a designated seabed channel or route.

5. Offshore Drilling – Little Signs of Life

5.1 The Offshore Drilling Market

Oil prices may have rebounded during 2016, but rig demand across the board continues to wane. It takes a minimum of six to nine months of higher, sustained oil prices for rig demand to recover in any significant way. Based on the market dynamics currently in place, there is no anticipated market recovery until the second half of 2017 or later.

The prolonged downturn and lack of opportunities has led to some unusual thinking out of the box with a drilling contractor entering into an agreement with Saudi Aramco that guarantees continual work for six rigs and participation in a new build program for up to twenty more and another drilling contractor entering into a “vendor financed” charter with an operator in Nigeria where they only get paid after drilling is complete and when production begins.

5.2 Types Of Offshore Drilling Rigs

There are different types of drilling units, typically known as Mobile Offshore Drilling Units (“MODU”).



Source: IHS Petrodata

Tender Rigs

A tender rig is a barge moored alongside a platform and carries its own drilling equipment and has a crane capable of erecting the derrick onto the neighboring platform, eliminating the need for a separate derrick barge and related equipment. Tender rigs can operate in water depths of up to 2,000 feet and capable of drilling as far as 18,000 feet.

Jack-up Rigs

A jack-up rig is a mobile self-elevating drilling platform equipped with legs that can be lowered down to the ocean floor. Once a foundation is established, the drilling platform is then elevated up the legs so that it rests above the highest expected wave height. Jack-up rigs can drill in water depths of 350-450 feet and are capable of drilling as far as 40,000 feet.

Semisubmersible Rigs

A semisubmersible rig is a floating drilling platform with columns and pontoons featuring a ballast system enabling the platform to adjust the draft of the partially submerged hull and can either be self-propelled or non-propelled, it utilizes DP systems or mooring to maintain their position over the wellhead. Semisubmersibles can operate in water depths of 1,000 to 10,000 feet and can drill beyond 40,000 feet.

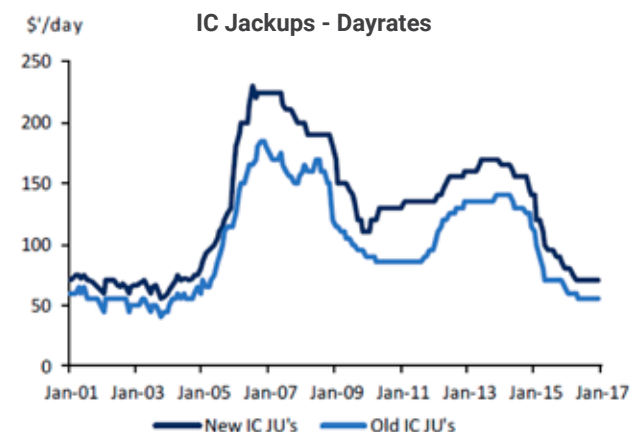
Drillships

Drillships have designs based on ship hulls, are self-propelled, and utilize DP systems or mooring to maintain their position over the wellhead. Drilling operations are performed utilizing the derrick and the moon pool which is fitted mid-ship. Drillships are well suited for drilling in remote locations due to their mobility. These vessels can operate in water depths of 1,000 to 12,000 feet and can drill beyond 40,000 feet.

5.3 The Jack-Up Drilling Rig Market

The jack-up fleet currently counts 486 rigs of which 50 cold stacked. Of these, 299 units are contracted, with a total and marketed utilization of ~62 percent and 69 percent respectively. Total utilization for the rigs >20 years old is ~56 percent while utilization for the jack-ups that are <10 years old is ~68 percent.

Reflective of the oversupplied market and the contractor's incentive to keep rigs active even at day rates below opex to maintain the highest marketability and avoid stacking costs, day rates are reported to be currently around cash break-even. The current market rate from premium IC jack-ups is USD 65-70,000/day depending on duration, region and type of work with certain pockets of profitable work. In general, rates have been somewhat better for incumbent jack-ups in e.g. the Middle East where demand has been relatively strong compared to e.g. the much oversupplied South East Asian market.



Source: Pareto Securities Research

Jack-up demand is expected to continue to decline in the near term but tendering activity is however reported to be on the rise. The jack-up order book currently counts 105 units, equal to ~22 percent and ~35 percent of current supply and demand respectively. The majority the rigs in the order book were ordered in 2012-2014 and are available for delivery imminently. While we expect these rigs to be delivered gradually over a long term period, the majority of the new builds will ultimately be delivered when contract opportunities emerge, effectively putting a lid on profitability in the market.

Scrapping remains key to long term market rebalancing but continues to be modest compared to the supply glut. The scrapping activity is expected to accelerate in the coming years, driven by an increasing maintenance and survey backlog with limited fleet investment at current.

Saudi Aramco announced a ramp up of their drilling plans over the next couple of years and have extended contracts on their existing fleet of jack-up rigs with anticipated demand for more jack-up rigs in the near future. In line with this development, all three jack-up rigs owned by Mermaid's associate Asia Offshore Drilling Ltd. were awarded three-year contract extensions in 2016, which shall see all three rigs scheduled to remain on contract in Saudi Arabia until 2019.

5.4 The Tender Drilling Rig Market

There are approximately 43 tender rigs in the world and of these units, only about 17 are under contract. There are also eight tender rigs currently under construction. The majority of the units are operated in South East Asia given the benign shallow water environment which is more favourable for such tender rig units. The majority of the active fleet is controlled by three companies.

The demand for tender assist drilling remained stagnant throughout 2016 and expected to show little signs of life in 2017. Those owning modern units will probably be in a better position with access to employment with the older units leaning towards scrap recycling. The last reported fixture of a tender rig was at day rates below USD 70,000 per day.

6. Seeing The Forest For The Trees

According to analysts Rystad Energy, oil and gas discoveries worldwide dropped in 2016 to their lowest level since the 1940s, totaling just over 6 million barrels of oil equivalent. Offshore discoveries fell to 2.3 billion barrels of oil equivalent, or 10 percent of that in 2010.

Strategic Offshore Research opined that the turnaround will still require patience and that it will be about having strong management – commercially, operationally, and most importantly financially. The makeup of energy supply might also be changing to cleaner energy but the fundamental need for oil is not going to go away. According to the EIA, by 2030, renewable energy is expected to grow fastest, coal use plateau, natural gas surpassing coal and oil maintaining its leading share.

With oil companies not spending and lots of development pushed back and maintenance spending down, the result has been falling production and dwindling reserves. These are suggested by Strategic Offshore Research to be the tender for a new, fresh oil price spike. As subsea and offshore drilling remain a key sweet-spot in delivering more and new production, their demand is expected to eventually return.

7. Mermaid's Industry Positioning

Mermaid takes a cautionary perspective on the oil and gas outlook over the next 12 months given the fall in oil price and news that oil and gas companies may be reviewing their spending. With the recent weakness in oil price, many commentators in the industry have put forward certain features of offshore oil and gas service companies that would make them better placed than others in this context. Having taken these various factors into account, Mermaid believes that it is one of those well placed companies due to its strategic industry positioning, reputation, track record, and fiscal discipline. This is further elaborated below:

Geographical coverage and shallow water focused

Mermaid's fleet of subsea vessels are shallow water biased which is known to be more defensive and less affected by lower oil prices. This is because break even costs of such fields are reported to be lower than deeper water fields and therefore less likely to be subject to contraction in service demand. Mermaid has also developed strong local joint ventures in cabotage-protected markets serving NOCs in those countries. This includes Qatar, Saudi Arabia and Indonesia hence exposing Mermaid to the benefits of local expansions as NOCs strive for continued growth and energy security and therefore tend to be less price-sensitive.

IRM focused, new established cable laying and subsea engineering player

Mermaid's business is also dedicated to the production phase of the E&P cycle and therefore less exposed to capital expenditure reduction. In particular, medium to long-term demand is expected to remain relatively intact which should bode well for ongoing production requirements. Mermaid continues to pursue service and geographical expansion with a focus on cable lay and flexible pipe lay services and entry to those countries where demand growth is relatively strong. Its decentralized operations in the Middle East and Asia Pacific allows rapid deployment and cost efficiencies.

Track record of quality and safety, modern asset base

Mermaid remains one of the key industry players with an excellent operational and safety record and a stable management team. This can provide a competitive advantage in tighter market conditions as oil and gas majors will give preference to contractors with an established track record over new players. Mermaid's subsea fleet is relatively young, with many of them less than 10 years old thus placing them in a favorable position with oil and gas majors who have shown a tendency to prefer newer equipment due to superior capabilities and operational efficiency. Mermaid has already implemented asset growth plans through chartering-in of additional subsea vessels. This allows Mermaid the flexibility to serve anticipated demand or to release such charters in the event of falling demand without the need for major capital expenditure.

Mermaid has a stable order book mostly for subsea services, with more near term contract wins expected. This contract backlog is expected to provide a backbone of revenue in 2017 with room for additional upside. Mermaid's investment in Asia Offshore Drilling Limited ("AOD")'s three jack-up drilling rigs has also stabilized in 2016 with these rigs having their contracts extended to 2019 given ongoing customer demand and their operational efficiency and customized modifications to suit customer field requirements.

Fiscal discipline

In these challenging market conditions, Mermaid retains low gearing and sufficient cash reserves. It allows the company to remain agile and be ready to take advantage of any opportunistic and organic growth that may present itself in the present time.

(References: BRS Group, Clarksons Platou Offshore, Deloitte, DVB Bank, Icarus Consultants, IHS Petrodata, Kennedy Maier, Organization of the Petroleum Exporting Countries (OPEC), Pareto Securities Research, Rigzone, Rystad Energy, Strategic Offshore Research, US Energy Information Administration (EIA), Wikipedia, Wood Mackenzie).



► FERTILIZER AND FACTORY AREA LEASING SERVICES

PM THORESEN ASIA HOLDINGS PLC. ("PMTA")

BUSINESS REVIEW - FERTILIZER

PM Thoresen Asia Holdings Public Company Limited ("PMTA" or the "Company") is a holding company of Baconco Co., Ltd. ("Baconco") and PM Thoresen Asia (Singapore) Pte. Ltd. ("PMTS"). Baconco is currently operating in the agrochemical industry, having its headquarters located in southern Vietnam about 70 kilometers from Ho Chi Minh City. PMTS, incorporated in Singapore, principally functions as an offshore procurement organization for Baconco, providing purchasing services mainly for macronutrient products.

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 packaging capacity of 550,000 metric tons per year. All Baconco's fertilizers distributed in Vietnam, Laos PDR and Cambodia are under the "STORK" trademark registered by Baconco since 2005. The STORK brand has been highly-recognized and credited for quality and reliability, a result from Baconco's strategy to produce high-quality fertilizers with major nutrients of nitrogen (N), phosphate (P2O5) and potash (K2O).



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

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

A: Products and Services

1. Fertilizers

The essential ingredients in chemical fertilizers are nitrogen (N), phosphate (P2O5) which provides phosphorus (P), and potash (K2O) 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.

NPK Compound Fertilizers

NPK Compound Fertilizers are composed of all three main nutrients, namely, nitrogen (N), phosphate (P2O5) which provides phosphorus (P), and potash (K2O) which provides potassium (K) for plants. The N-P-K mix may vary according to purposes and each crop's biological needs. Baconco sells NPK Compound Fertilizers both in Vietnam and overseas. These fertilizers are Baconco's main products.

NPK Compound Fertilizers accounted for 94.5%, 94.4 and 93.1% of Baconco's total sales revenues as end of December 31, 2014, 2015 and 2016, respectively. The firm also produced more than 95 formulas of NPK Compound Fertilizer for coffee, rice, rubber, vegetables and various other crops.

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. Nitrogen-based (N) fertilizers speed up photosynthesis and the production of seeds. Phosphorus-based (P) fertilizers helps developing the plant's stems and roots. Potash (K) in fertilizer creates and transports nutrients to develop growing parts, improves fruit quality and increases protein contents to prevent infection.

As end of December 31, 2014, 2015 and 2016, other fertilizer products accounted for 1.1%, 1.3% and 1.8% of total sales revenues, respectively.

2. Other Agrochemical Products

Other Agrochemical Products include pesticides which Baconco outsources and repackages for sales under its trademark; as well as Foliar fertilizers.

Other Agrochemical Products accounted for 4.4%, 4.3% and 5.1% of Baconco's total sales revenues as end of December 31, 2014, 2015 and 2016, respectively.

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.

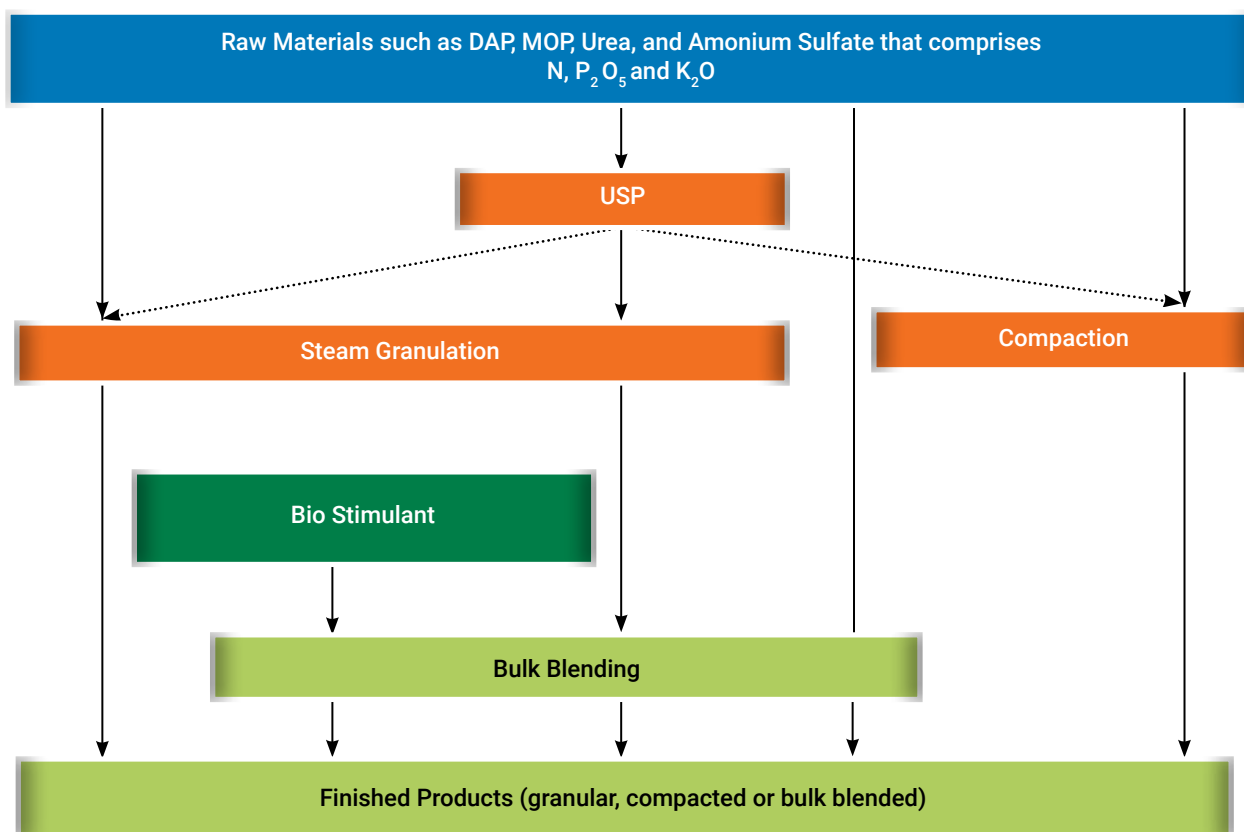
Foliar

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. Fertilizer Production Capacity

At present, Baconco has a production capacity of 450,000 metric tons of fertilizers per year and the packaging capacity of 550,000 metric tons per year. Baconco's utilization rates were 39% in 2014 and 36% in 2015 and 2016.

4. Production Process



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

B: Marketing and Competition

1. Target Customers & Distribution Chanel

Target Customers

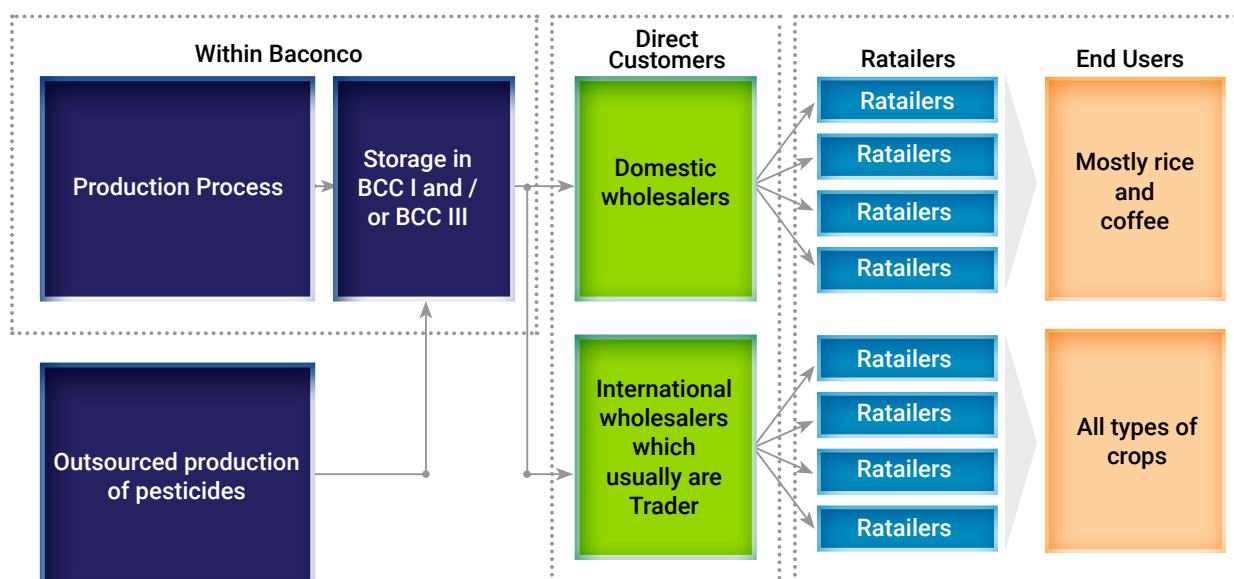
Being in the agrochemical industry, Baconco develops, manufactures, markets and sells various types of fertilizers. Baconco's main products are fertilizers which are distributed locally in Vietnam under the STORK trademark and internationally; as well as other agrochemical products. Due to different 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.

Distribution Channels

Agrochemical Business



Baconco directly sells its products to wholesalers in Vietnam who re-distribute them to end users. Meanwhile, Baconco's international customers are trading companies who contract Baconco to manufacture fertilizers. Baconco has a network of over 5,000 retailers in Vietnam.

Baconco has a network of more than 300 wholesale customers in and outside Vietnam. As a result, export values continued

to grow from Baht 1,057.8 million in FY2014, Baht 1,097.2 in FY2015 to Baht 1,125 million in FY2016. Increasing export values is also a strategy to naturally hedge exchange rates between the Vietnamese Dong and the US Dollar resulted from imports of raw materials for fertilizer production.

The following table features sales revenues categorized by markets.

	For the year ended 31 December					
	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales in Vietnam	2,052.7	64.6	2,161.3	66.3	2,030.2	65.7
Revenue from sales in other countries	1,125.0	35.4	1,097.2	33.7	1,057.8	34.3
Total revenue	3,177.7	100.0	3,258.5	100.0	3,088.0	100.0

2. Industry & Outlook

Industry Overview and Competition

Global Fertilizer Market

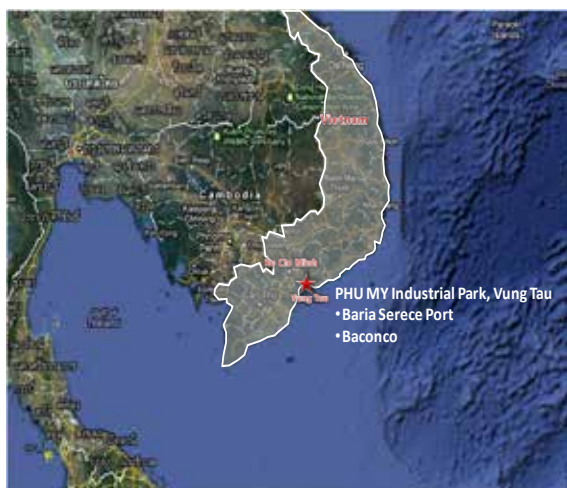
According to the report on World Fertilizer Trends and Outlook to 2018 by the Food and Agriculture Organization of the United Nations, total fertilizer nutrient consumption is estimated at 183.2 million metric tons in 2013 and is forecasted to reach 200.5 million metric tons by the end of 2018. Asia is the

largest consumer of fertilizer in the world. Asian markets account for 58.5% of the total market and most of which are consumptions from East and South Asia.

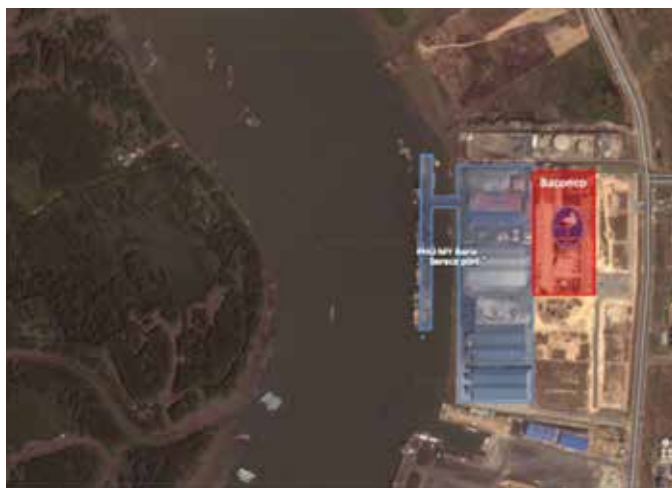
Vietnam's Fertilizer Industry

Although there is the challenging in the economic environment, Vietnam's fertilizer industry has still outperformed. This is driven by a stable and constant fertilizer demand since more than 60% of the population work in the agricultural sector.

BUSINESS REVIEW - FACTORY AREA LEASING SERVICES



Phu My I Industrial Park in Southern Vietnam



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

Baconco is located in southern Vietnam at the Phu My I Industrial Park, Ba Ria Vung Tau Area, which is 70 kilometers from Ho Chi Minh 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. Baconco therefore foresees an opportunity to offer factory space for rent to industries to generate recurring incomes from rent and to also diversify its business risk to maintain sustainable growth.

Baconco's factory area for leasing 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.

A: Products and Services

To respond to customer's storage demands prior to shipping, Baconco built three factories scattered within the Phu My I Industrial Park. Customers of each building are varied according to their rental purposes and sizes of leased space.

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 built specifically for the expansion of foliar's packaging line. Free and unoccupied spaces in all factories will be allocated for factory area leasing service of the Company. 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).

Storage Facility

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

Note : Baconco is in the process of building Baconco 5B and Baconco 5C (with total capacity of 20,000 sq.m) which is expected to be complete in Q2/2017.

B: Marketing & Competition

Industry Review

The Industrial market in Vietnam is divided into three key economic zones, the Northern Key economic Region (NKER), the Central Key Economic Region (CKER) and the Southern Key Economic Region (SKER), with the greatest concentration of industrial parks found in the

latter. There are ten industrial parks in the vicinity of Baria and Phu My Port alone. Vietnam's port system are going through significant upgrading, particularly those that are state-owned but infrastructure remains a barrier for yards and storage system to accommodate both container and bulk cargos. Storage development and availability, as well as professional logistics management, are expected to be key factors in supporting Vietnam's port infrastructure and industrial sector.



► COAL LOGISTICS

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED (“UMS”)

BUSINESS REVIEW

Unique Mining Services Public Company Limited or UMS operates import of high quality coal with moderate calorific value and less environmental impact where coal is mainly imported from Indonesia for distribution to large, medium and small-sized factories especially to those located in Bangkok and nearby provinces. UMS's primary industrial targets are food & beverage, pulp & paper and textile industries. Imported coal will be transferred to UMS's preparation and handling plant to ensure coal quality is apt for the engineering specifications of boilers used by each industrial manufacturing production. UMS has also participated in several reverse auctions for coal supply to private companies in the cement and power generation industries.

UMS lays out its strategic blueprints to deliver coal to customers in a timely manner through complete supply chain management with efficient administration in coal stockpiles and warehouses to ensure coal adequacy for delivery to customers. This enables customers never have to worry about stocking up coal and preparing stations or warehouse to store coal on its own.

A: Products and Services

Coal is a fossil fuel, with a large number of proven reserves whose resources spread over more than 100 countries worldwide. Coal is known to have a high rate of secure supplies which encourages strong price competition resulting in lower prices than other fuels particularly natural gas and fuel oil. Coal is a type of natural fuel that has a solid state and an important compound which is carbon. Typically, coal is dark brown or black and can belong in multiple categories. Coals can be ranked in order of their quality (considering from the calorific value, level of moisture and sulfur content) in the respective following: Anthracite, Bituminous, Sub-bituminous and Lignite.

UMS focuses on importing bituminous and sub-bituminous coals as these are good quality containing moderate calorific value, moisture and ash at appropriate level and low sulfur content in particular, compared to fuel oil (fuel oil has a sulfur content of approximately 0.1 to 3.0 percent), be getting less environmental pollution. UMS does not import anthracite coal due to its higher cost, limited domestic consumption and lack of growth trend. Lignite is the lowest quality coal as it carries a lot of sulfur content causing a higher impact on the environment and is so unpopular with customers as a result.

UMS's business workflow begins with the import of coal from Indonesia for sale to industrial facilities. For all large industrial plants and some medium-sized factories, UMS is able to deliver coal to customers immediately, without a stop at UMS's warehouse, whilst some medium industrial customers and small industries require coal that undergoes the coal preparation and screening process. Each imported run-of-mine coal (50,000-70,000 tons) have different qualities in terms of calorific value, level of moisture, ash and sulfur content. Therefore, it is important that these coals are properly graded prior to transport. Each type of run-of-mine coal has

different attributes such as the calorific value although they come from the same mine. (Coal in each different soil layer will have different features, for instance the sub-bituminous coal can be divided into several types depending on the calorific value, moisture, ash and sulfur content, etc.). The coal will then be mixed with UMS's unique formula to meet customer requirements. The coal will also be sized to have quality appropriate for the boilers used in the industrial plant of each customer since boilers are differently engineered to achieve highest combustion. UMS provides delivery service to its customers on a daily basis for ease of customer use which trims the number of coals that need to be kept in the customer's storage facility since many customers do not have enough sites to store coal.

B: Marketing & Competition

Marketing Policy

UMS has adopted an aggressive marketing strategy based on various characteristic strengths; its cost is lower than fuel oil with more available proven reserves. UMS has succeeded very well in increasing the customer base among small and medium-sized industrial companies with significant marketing strategies as follows:

Competitive Strategy

(1) Goods and Services

UMS follows optimal productive strategy which distinguishes itself from competitors in general as UMS extensively carries out quality handling and preparation test to ensure coal fits the boilers used in each factory to achieve maximum efficiency of fuel combustion. At present, UMS uses this technique for medium-sized and small industrial plants which adds value to its products relieving price competitive pressure, especially with the major coal suppliers in the country. UMS is determined to penetrate many medium and small industrial markets since UMS can achieve higher gross profit from coal sales than to large industrial groups.

UMS applies thorough procedures to monitor the quality of coal to give customers confidence in using quality coal. Prior to shipping coal from Indonesia, vendors / manufacturers will check the quality through service of certified institutes with coal analysis standards in Indonesia where calorific value, carbon, level of moisture, ash derived from combustion and the sulfur dioxide will be examined. Once imported into Thailand, UMS will re-ascertain coal quality by means of coal sampling at the time the coal is unloaded from the ship and have it sent for final check by leading acceptable organizations such as SGS (Thailand) Limited, Cotecna Inspection (Thailand) Co., Ltd. and the Electricity Generating Authority of Thailand in the Mae Moh district, Lam Pang province etc, before delivery to customers. In some cases where customers, especially large industrial enterprises, have special agreement expecting additional quality control, UMS will arrange samples of coal to be tested by SGS (Thailand)

Limited or other leading organizations with several branches in many countries whose coal analysis standards and services are widely recognized.

In terms of service performance, UMS has successfully fulfilled its function of product delivery on an ongoing basis to the customer's satisfaction. Coal will be delivered immediately should there be any spot orders from customers. This has given several benefits to the customers whose inventories are not needed and usability increases as well.

(2) Customer Base Expansion

Because coal is a fuel that is offered with low prices but obtainable from large quantities of proven reserves compared with fuel oil and gas and has very little environmental impact (bituminous coal and sub-bituminous coal that UMS sells), so industrialists are more likely to switch to coal in a long run. UMS aims to expand its customer base to industrial units that use fuel oil due to a considerable number of active consumers in the market as well as penetrating large customer groups such as cement and power plants etc.

Other target groups of UMS are the small and medium-sized factories i.e. the paper mills and the food processing plants who used the biomass in a form of solid fuel such as corn husks, palm kernel shell, wood chip, and chaff. The calorific value of this kind of fuel is lower than coal. However, the fuel's amount varies according to the agricultural season. Therefore, sometimes there is the insufficient supply.

UMS plans to make proposals to other more customers to realize the benefits from using coal as an alternative fuel source instead of fuel oil. UMS's strategy is to elucidate them about cost savings advantage with an estimated return period of 9-24 months, as well as putting them in the picture about the wrong attitude towards the cause of environmental pollution by using coal which will turn customers' attention to more use of coal. The table below shows the cost of production of one ton steam compared between coal and fuel oil. The production cost of coal equals to Baht 529.84 per ton which is lower than the production cost of fuel oil at Baht 935.40 per ton. The volatile oil market and the unpredictable oil price are the weak points of fuel oil. Therefore, UMS will take this advantage to persuade more customers to use coal.

Item	Fuel oil C	Coal (bituminous)
Capability of Boiler	85%	65%
Calorific value (Kcal/unit)	9,700	5,000
Fuel price	Baht 12.54 / liter*	Baht 2.8 / kg.
Production Cost of steam (Baht per ton)	935.40	529.84

* The price rate from the Announcement No.52 from the Excise Department for 23 months until December 2016

* The price rate from Indonesia Coal Index 2016

* The heat needed to evaporate the water pressure 1 bar 100°C = 615 kcal/kgH₂O

Source: www.eppo.go.th, www.argusmedia.com, <https://www.excise.go.th/NEWS/Fueloilexc/index.htm>

UMS also has sales channels through distributors of coal boilers. After UMS's data presentation in relation to coal as an alternative fuel is given to customers who show interest in coal products, UMS will introduce its boiler distribution agents to customers suggesting the preferred type of boilers that match UMS's coal products so as to maximize efficiency in coal using.

Alternatively, these distributors will market their boilers to many industrialists a lot of who will be introduced to UMS after the boiler sale is completed. These industrial clients will then buy coal from UMS following the recommendation of the boiler agents. This distribution channel will help increase sales of UMS's coal.

However, increasing the customer base to use more coal will take some time since installation of small boilers typically takes about 3-4 months (including the import of boilers period) while the medium to large boilers can take up to 8-15 months for installation after which UMS will begin selling the coal to the factories. In addition, most customers will first experiment with replacing fuel oil with coal to some of their boilers to see if it runs without any problem during a period of about 3-6 months. If no errors are spotted, customers will then replace the fuel oil with coal to the rest. That being said, UMS expects sales to rise continually.

(3) Cost Administration

UMS is planning to deliver cost effective logistics service through a reasonable level of inventory management, systematic transport planning including fabricating a warehouse near the industrial stations of customers, thus saving a lot of shipping costs. UMS owns several barges diminishing the transport outsourcing expenses.

UMS has maintained a good relationship with coal suppliers/manufacturers for many consecutive years. This has enabled UMS to trade coal with competitive prices. Basically, UMS has contractually fixed the number of tons of coal to be purchased from major suppliers/manufacturers while general coal prices are set according to the market mechanism. UMS also sources coal from several additional places in an attempt to have bargaining power and competitive ability to negotiate purchase coal price.

Clients & Target Customer, Distribution Channels

UMS sells coal to domestic factories, divided into large, medium and small sized industrial companies. UMS pursues its policy of expanding its customer base to medium and small sized factories all of which are mainly the sale

target of major coal suppliers in the country, thus minimizing its pricing competitive status with the major coal vendors. Currently, there are approximately 100 small and medium sized industrial customers and 10 large sized industrial customers UMS serves, all of which are mainly in the industry of cement, large pulp & paper and power plants.

UMS's target customers are in industries that require thermal energy to produce steam in the manufacturing process, such as the food processing, pulp paper, rubber gloves and textile industries etc. At present, most of the thermal energy is diffused from fuel oil, giving UMS's opportunity to put forward alternative fuel coal to these customers for cost saving purposes. UMS manages to diversify distribution to many industries to mitigate volatility risks affected by the economic cycle. To ensure long term stable income, UMS will provide direct sales representatives who have a deep understanding of UMS's products to present a comparison between the use of fuel oil and coal, both in terms of cost and impact on environment so that customers can make a proper decision.

UMS's customers can be segmented by size of the industry into two groups as follows.

1. Small and medium-sized industries.

This customer segment is the main target of UMS where many of its clients are located in Bangkok, Samut Sakorn, Samut Prakan, Nakhon Pathom, Ratchaburi, Pathum Thani and Ayuthaya. The management anticipates that an estimated number of 5,000 industrial plants that use fuel oil in the central region is said to be active in the market giving UMS's many market opportunities. In addition, UMS has a policy to expand its retail customer base in order to secure a stable income in the long term. This customer segment is divided into two sub- groups as follows;

1.1 Existing customers who are already using coal.

Members of this customer group are conversant with the use of coal with many years of business relationship with UMS and continuous trust in the quality of UMS's products throughout the years. This group of customers includes food processing, rubber gloves, paper and textile industries.

1.2 Customers who are not using coal as a fuel source.

Because most of the industrial factories still use fuel oil as a main fuel source and has never used coal before, they are lacking in enough knowledge and understanding to use the coal. This provides good opportunity to UMS to promote the sale of coal as an alternative fuel source instead of fuel oil to this group of customers. Since the notable feature of using coal is to reduce the cost of fuel energy, which is the most attractive consideration for these customers to use coal instead whereby its average payback period is 9-24 months. The payback period depends on various factors such as the difference between the price of coal and the fuel oil, the consumption rate and the price of boiler. The company expected that the continuous high fuel oil price and the volatile global market oil price will cause the unpredictable fuel oil price. Some customers still have the misunderstanding about the environmental pollution from coal using. After

they received the right information that bituminous coal and sub-bituminous coal caused lower pollution than fuel oil, they had more confidence to use coal. With the aggressive marketing policy will be implemented next year, the Company hoped to penetrate more customers. From the record, many customers turned to use coal instead of fuel oil after receiving the information from UMS.

2. Large industries

Large industrial plants that procure coal from UMS are predominantly in the cement industry in which large quantities of coal are purchased and mainly through a procurement auction. The main determining factor for their purchasing decisions is the coal price. UMS will jump-start marketing these customers more to maximize sale orders and market share.

Competition & Industry Outlook

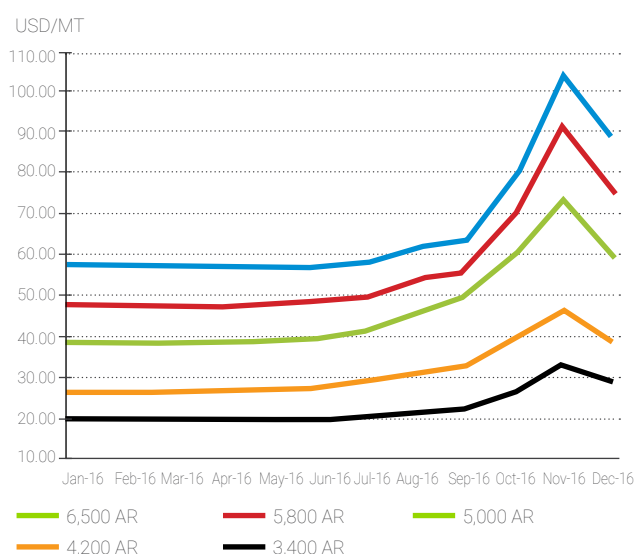
Competition

The business of coal sales for industrial enterprise in Thailand is operated by about 20 entrepreneurs. UMS's noteworthy competitors include Banpu Public Company Limited, Lanna Resources Public Company Limited, Asia Green Energy Public Company Limited, Energy Earth Public Company Limited, Sing Heng Seng Co., Ltd., Eastern Pearl Co., Ltd., Fico metal and mineral Co., Ltd., Phoenix Global (Thailand) Co., Ltd , and TCC Energy Co., Ltd. The company focuses on increasing the customers to sale to medium and small sized factories and look for more opportunities to penetrate the market of large industrial customers in order to expand the customer base and boost sales volume for more sustainable growth

Industry Outlook

Coal remains an important energy source for industrial development because the price of coal is lower than fuel oil especially in the countries with high economic growth rates such as Asian countries including Thailand. The global trend for coal production in the next ten years is likely to rise to 1 billion tons especially the coal production in Asian. It is expected that the overall coal usage will increase from 46% to 60% in year 2040 and the proportion of power generated from coal will increase from 32% to 50% in 2040 or in the next 23 years.

In Thailand, the coal remains the one of the main fuel source to produce the electricity. According to the long-term power development plan for the year 2015 – 2036 (PDP 2015) which is the major plan of the Ministry of Energy, the balance of fuel's type used in producing electricity is required to be conducted with the aim to strengthen the power security, to reduce the risk to base on only one kind of power and to decrease electricity cost of industrial sector and cost of living of household sector in the future. The demand of coal is expected to increase by 20-25% in Year 2036 as a result of the PDP plan. The Ministry of Energy is confident that the clean coal technology operated at the present will help reducing the impact on the environment and the community located near the electric power-plants.

Chart: Indonesian Coal Price Situation 12 Months of 2016

Source: www.argusmedia.com

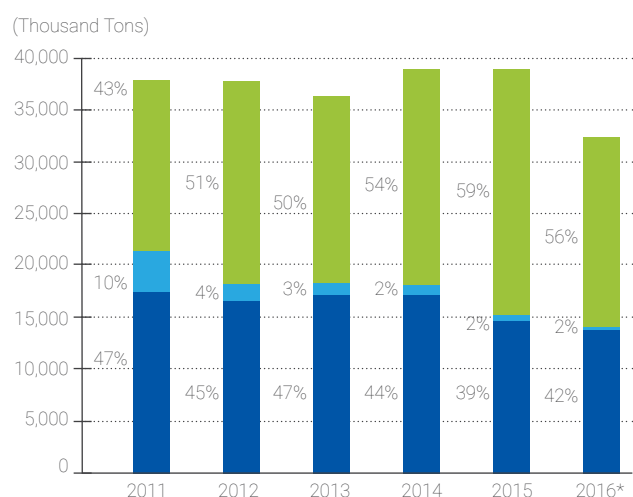
The consumption of coal and lignite in Thailand

In 2016 (Jan. – Nov.), the amount of coal and lignite, a total of about 35.29 million tons, were increase by 3.73% from the same period in 2015, with a total volume of about 34.03 million tons. Lignite consumption of about 15.54 million tons in 2016 (Jan. – Nov.), 15.05 million tons of which were used in the electricity sector of EGAT and the rest of 0.6 million tons were used in various industrial sectors including cement, paper and food processing while the consumption of imported coal of approximately 19.76 million tons in 2016 moved down by 2.27% from the same period in 2015, 12.04 million tons of which were used in the industrial factories and the remaining of approximately 7.72 million tons were spent on the fuel used in power generation of the SPP and IPP.

Consumption of imported coal and lignite in Thailand

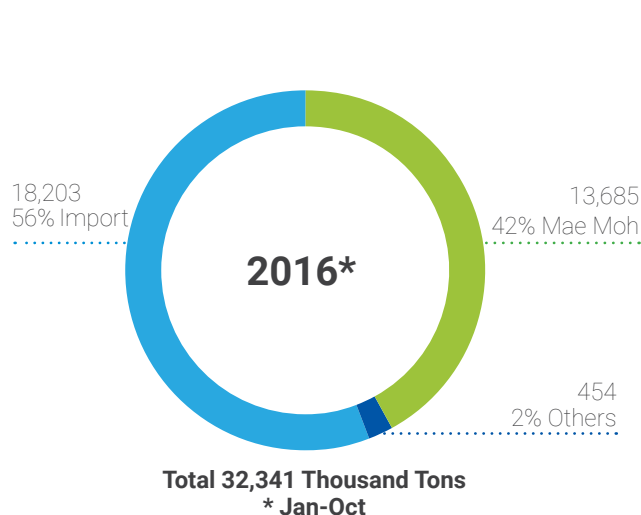
Category	Volume (Million Tons)				Growth Rate (%)
	2014 (Jan.-Dec.)	2015 (Jan.-Dec.)	2015 (Jan.-Nov.)	2016 (Jan.-Nov.)	
Lignite Consumption	18.38	15.10	13.81	15.54	12.56
Electricity Generation (EGAT)	17.02	14.48	13.24	15.05	13.68
Industrialists	1.36	0.62	0.57	0.49	(14.32)
Coal Consumption	20.88	21.92	20.22	19.76	(2.27)
Electricity Generation (SPP and IPP)	8.50	8.12	7.52	7.72	2.72
Industrialists	12.38	13.80	12.70	12.04	(5.23)
Overall Demand	39.26	37.02	34.03	35.29	3.73

Source: Energy Policy and Planning Office, Ministry of Energy

Chart : The supplying of imported coal and lignite

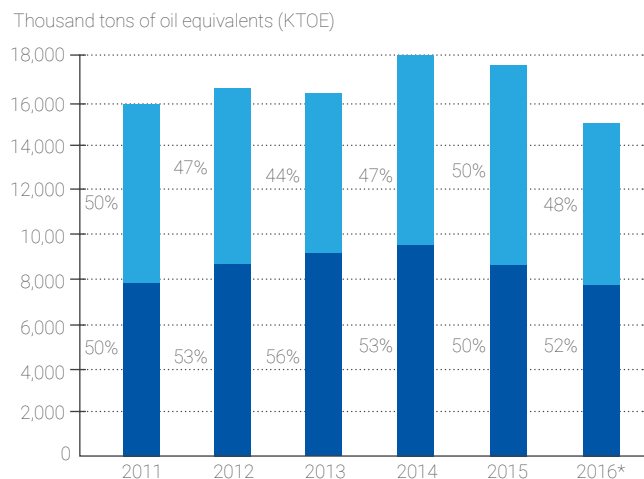
The supplying imported coal/lignite ↑ 2.8

Source: Energy Policy and Planning Office, Ministry of Energy

Chart : Percentage of supplying imported coal and lignite

Note: Others mean lignite derived from domestic private mining that is not from Mae Moh

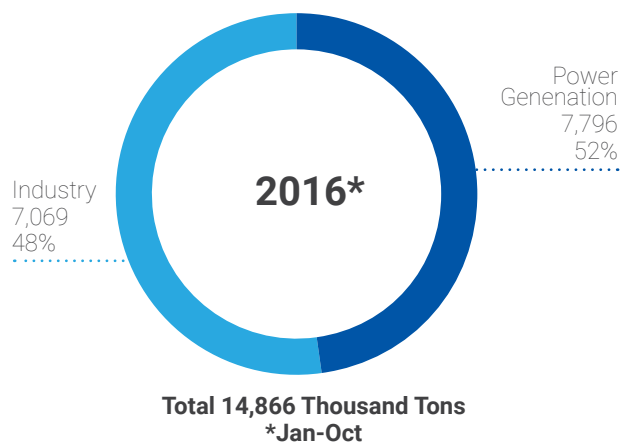
Chart : Consumption of imported coal and lignite



The consumption of imported coal/lignite ↑ 0.7%

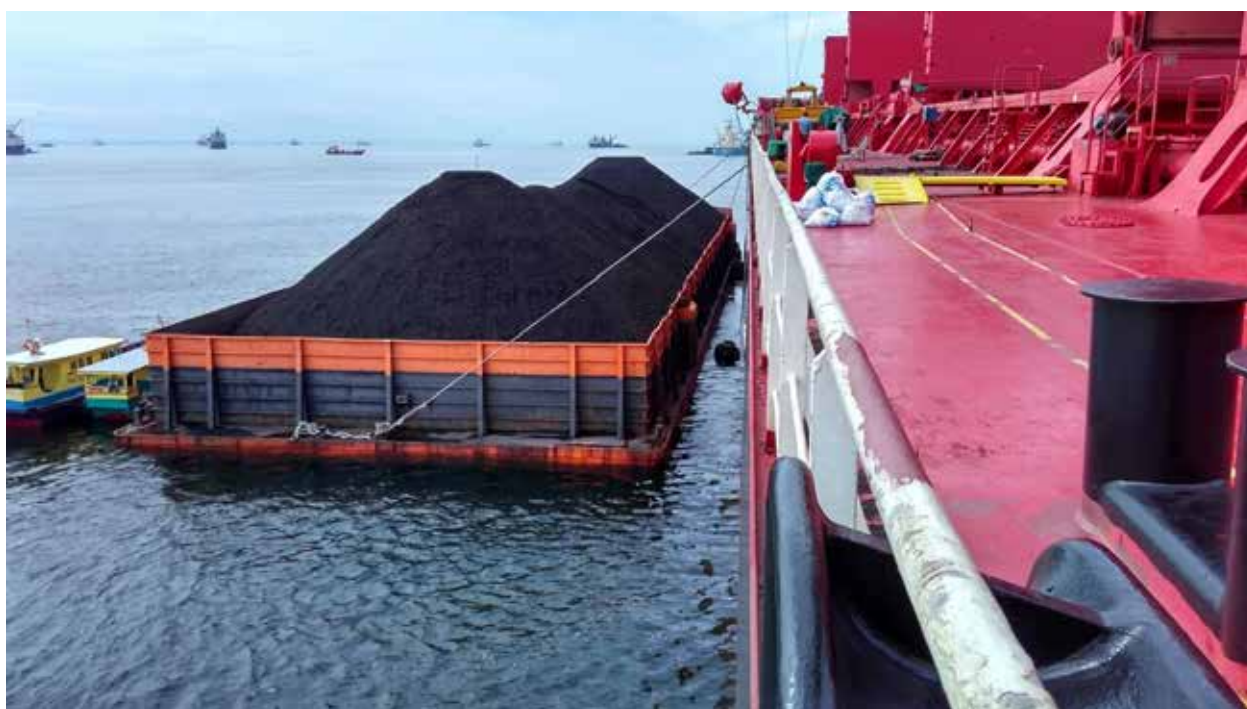
Source: Energy Policy and Planning Office. Department of Energy

Chart : Percentage of imported coal/lignite



In the third quarter of 2016, the global coal price increased 74% compared to the same period of last year, resulting from higher demand of China who shared 50% of the market share. The insufficient coal reserve affected the price of GAR 4,200 coal and cause the price rise dramatically to USD 47 per metric ton compared to USD 27 per metric ton in the previous year.

The production cost of coal rises gradually as the steady increase in coal price. The severe shortage of coal in world market caused more intense competition in Thai market. The higher cost of imported coal and the limit working capital resulted less import of coal, putting the Company in a precarious financial position and low liquidity in the year 2016. Due to the deficient reserve coal, UMS cannot deliver the coal to customers as planned, making the dropped sales volume in the last quarter of 2016. However, the Company has consistently paid loan principal and interest to its financial creditors on time.



► SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY: POLICY AND MISSION

Policy

Thoresen Thai Agencies Public Company Limited ("TTA" or the "Company") adheres to the Corporate Governance ("CG") under the ethical principles of transparency, equity and verifiability in conducting its business and meets all applicable laws and regulations. TTA also focuses on sustainably promoting well-being for employees and community neighbors, while improving energy conservation and environmental protection. All of these efforts are made to achieve its goal to be Asia's leading, most trustworthy investment firm. TTA strives to deliver only the best to all external and internal stakeholders including shareholders, employees, business partners, communities and societies by creating balanced and positive aspects of social, economic and environmental dimensions that will lead to the sustainable development of TTA's business.

Mission

TTA's business management platform is built upon the three dimensions of sustainability that include economic, social and environmental. To ensure that all operations are ideally integrated, business goals and guidelines are identified for all business groups of TTA to follow properly.

Economic Dimension

The Sustainable Value Creation concept is adopted as the sustainable business practice of TTA. The ultimate goal of this is to create value for all stakeholders in a balanced manner and provide them with benefits in return that are supportive to all parties and enable them to sustainably grow together with us.

Maintain the balanced investment portfolio and boost growth

Strengths and weaknesses of each business line are reviewed thoroughly and carefully with emphasis on proper risk management while added value and the highest level of benefits are set for all shareholders and stakeholders.

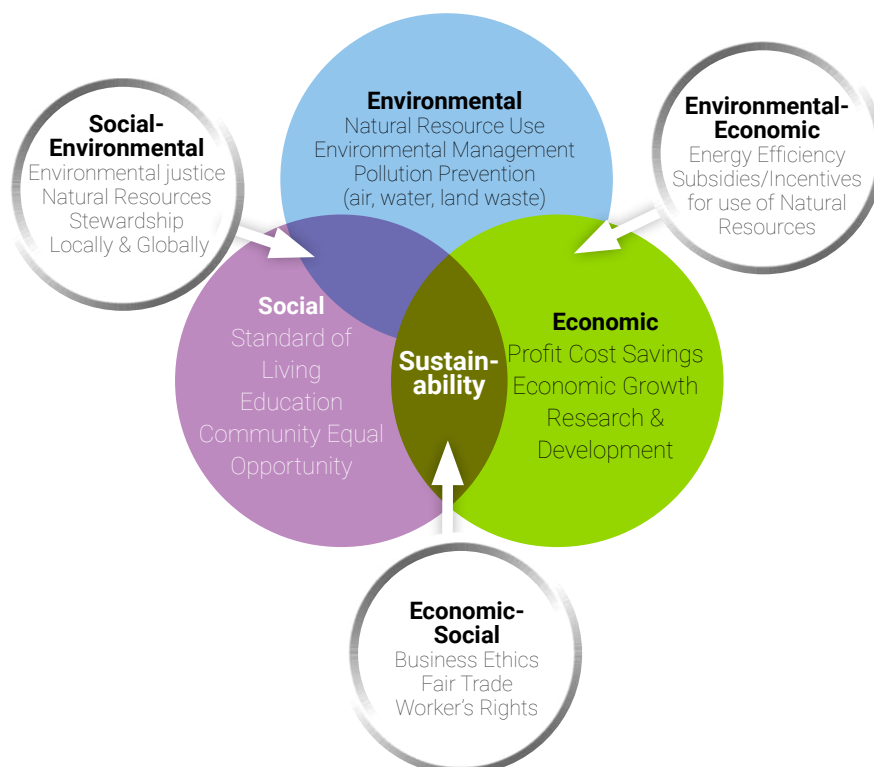
Explore new investments that reflect current circumstances

TTA is determined to seek promising investment opportunities and prepare proper investment plans that are of great benefit to all shareholders.

Foster employee development to drive TTA to be an investment company of excellence

TTA considers employees its great asset that is significant to the Company's success and takes the priority to the enhancement of its employees' professional skills and talents via a wide range of internal and external training programs.

The Three Spheres of Sustainability



Social Dimension

TTA endeavors to make a sustainable contribution to social and environmental development and improves the well-being of Thai people by continuing a diverse range of social and environmental activities. TTA believes that operating a business in a manner that accounts for the commitment to social contribution is a major driver for sustainable development at the organizational, social and national level.

Environmental Dimension

As many of its portfolio of companies heavily rely on natural resources, TTA is committed to maximizing the value of natural resources and minimizing the environmental impacts by using efficient, energy saving and environmentally friendly solutions as well as boosting the environmentally responsible awareness among its employees.

Socially responsible practices for corporate sustainability

TTA entails the corporate socially responsible practices defined by the Stock Exchange of Thailand ("SET") into its operation. Our intention is to promote the value and significance of the commitment to community, society and environment among employees and this will form a solid approach for future sustainable development. The principles of corporate social responsibility for sustainable business development are described in the following diagram:



1. Corporate Governance

TTA is engaged in operating its business and investment initiatives in a socially responsible manner and promotes a highly responsible management practice based on the principles of transparency and verifiability to encourage confidence and trust among stakeholders. The Board of Directors meeting of TTA approved the appointment of the Corporate Governance Committee that is responsible for reviewing the governance practice and code of ethical conduct and examining the compliance with the ethical framework. The TTA corporate governance policy and indicators are classified into five areas, as follows;

Corporate governance	Implementation procedures	Activities undertaken
1. Rights and equitable treatment of shareholders	<ul style="list-style-type: none"> • TTA has a responsibility to all shareholders to disclose information, accounting procedures, use of internal information and conflict of interest. • The Company is obliged to treat all shareholders fairly and equally. • The Company is responsible for protecting benefits and rights of shareholders, giving them an opportunity to receive a dividend and providing them with appropriate information on a timely basis. • The Company keeps streams of communication open and transparent with shareholders and demonstrates the responsibility of management by accommodating meetings with shareholders. 	<ul style="list-style-type: none"> • The Company's financial report accords with the generally accepted accounting rules and standards with the audit by a certified public accountant. • The shareholders meetings were held in accordance with the applicable laws while all shareholders were fully encouraged to exercise their rights with information given properly prior to the exercise of their rights. • For more information, please refer to the "Corporate Governance Report" featured in the Annual Report.
2. Rights of stakeholders	<ul style="list-style-type: none"> • TTA understands and realizes the significance of all stakeholders including shareholders, employees, counterparties, communities, societies and environment. • The Company safeguards the stakeholders' rights by strictly complying with all applicable laws, establishing an effective internal control system and overseeing the compliance of these rules and regulations. 	<ul style="list-style-type: none"> • The Company's Board of Directors approved the anti-corruption policy and established the written Code of Business Conduct. • The Company prepared and announced the Code of Business Conduct that outlines ethically operating procedures with integrity. This forms a solid and professional business strategy for the Company's directors, executives and employees to adhere to for the benefit of all stakeholders. • Details are shown in the "Corporate Governance Report" of this Annual Report.
3. Information disclosure and transparency	<ul style="list-style-type: none"> • The Codes of Business Conduct and Ethics are identified to drive the culture of governance, respectful and fair treatment of all stakeholders and disclosure with verifiability and transparency. • The assessment plan is prepared together with a tool to record details of practical activities. • The financial statements are produced and meet the generally accepted accounting principles. • An annual report is published and given to shareholders and stakeholders. 	<ul style="list-style-type: none"> • The Company has made relevant business and financial information available to shareholders, investors and related parties via the SET's communication channel in a timely manner. It has also joined the SET's Opportunity Day event on a quarterly basis. • Lines of communication with the stakeholders, including website, investor relation channel and public relation platform have been provided. • Comments, suggestions and reports of apparent frauds or irregularities are welcome via designated PO Box, email or corporate website. These will be sent to the Audit Committee and a precautionary measure is granted to protect those who make such reports. • Please find more details in the "Corporate Governance Report" contained in the Annual Report.

Corporate governance	Implementation procedures	Activities undertaken
4. Structure and responsibilities of the Board of Directors	<ul style="list-style-type: none"> • The management structure is clear and transparent. • The Board of Directors of TTA consists of members with diverse qualifications. The directors have a range of knowledge, expertise, skills and experience to deliver the highest level of benefits to TTA. The well-established committees/working groups include the Audit Committee, Executive Committee, Nomination and Remuneration Committee, Corporate Governance Committee, Risk Management Committee, and Investment Committee. • There shall be effective internal control, internal audit and risk management policies. 	<ul style="list-style-type: none"> • The committees were formed in terms of number and structure in accordance with the Public Limited Companies Act B.E.2535 and the Company's regulations. • All relevant individuals and members of the Board of Directors and management team are entitled to be aware of their authorities, perform their duties responsibly, attentively and honestly and strictly comply with all applicable laws, the Company's objectives, and resolutions of the shareholders meetings. • The meetings of all committees and working groups were held to consider, review and approve implementation plans of the Company. • The committee members were encouraged to attend the training programs or activities that help strengthen their business skills and talents at the expense of the Company.
5. Business ethics and Code of Conduct	<ul style="list-style-type: none"> • TTA maintains justice and treats all business partners equally to avoid any circumstance that would lead to a conflict of interest. • The Company demonstrates professional accountability and remains committed to continuously improving its performance. • TTA stays focused on working ethically with good disciplines and adheres to all applicable legislative procedures. 	<ul style="list-style-type: none"> • The Board of Directors meeting on 12 February 2010 approved the business ethics manual that addresses values, mission and ethically and honestly operating principles to set up the standards of working professionally with all stakeholders. TTA has executed the business ethics training program for all members of the Board of Directors, executives and employees to ensure proper understanding and compliance of the good business practices.

Remark : The implementation of the Corporate Governance principles stated above is separately detailed in the Corporate Governance Report.

2. Fair Operating Practices

TTA aims to work and invest ethically and promotes fair business practices. To this end, the operating framework and procedures were announced for all directors, executives and employees to follow.

Fair operating practices	Implementation procedures	Activities undertaken
1. Fair competition	<ul style="list-style-type: none"> • The business and investment policies are in line with all applicable laws and regulations. • The Company embraces social responsibilities in its entire business chain. 	<ul style="list-style-type: none"> • TTA's procurement policy and procedures, taking effect since 2013, outline the elimination of unfair competitive advantage. • With its commitment to anti-corruption and anti-bribery, TTA prohibits directors, executives, employees and person who act on behalf of the Company from executing illegitimate or improper activities in order to generate competitive advantage.
2. Social responsibility for business partners	<ul style="list-style-type: none"> • The transparent purchasing guidelines are designed for the sake of the Company's ultimate benefit. The trade negotiations are made on the basis of accuracy and justice without using power in an unfair trading manner. 	<ul style="list-style-type: none"> • The written policy is established, implemented and disclosed to all employees.

3. Anti-Corruption

TTA calls for the principles of Corporate Governance and anti-corruption in its business and investment operations. All subsidiaries of the TTA Group shall adhere to the common guidelines to ensure trust and acceptance from business partners and customers. Directors, executives and employees are encouraged to avoid all formats of misconducts.

Anti-corruption	Implementation procedures	Activities undertaken
1. Risk management	<ul style="list-style-type: none"> Classify risk types, outline the causes of corruption, take action for prevention and maintain and comply with the anti-corruption measure. Introduce an accurate and transparent mean of reporting financial status. 	<ul style="list-style-type: none"> The Risk Management Committee and team were established to assess, analyze, follow up and keep the whole risk status at the acceptable and controllable level.
2. Business operation and investment	<ul style="list-style-type: none"> As part of its business operating rules, directors, executives and employees are prohibited from paying bribes or kickbacks to individuals, government officials or businesses in order to receive improper benefits or have more influence to do business. TTA prohibits calls for and acceptance of bribery and corruption for the interest of individuals, their families, friends and acquaintances. 	<ul style="list-style-type: none"> TTA declares the anti-bribery and corruption measure and prohibits misconducts or improper activities of its directors, executives and employees in exchange of competitive advantage. The procedures against corruption are defined in the Code of Business Conduct manual.
3. Endorse and Maintain the anti-corruption system	<ul style="list-style-type: none"> The process and procedures are set up in order to prevent executives and employees from joining or supporting any action that is illegitimate and involves in corruption. 	<ul style="list-style-type: none"> Education about the business ethics policy, rules, regulations and principles are provided for new staff. Suspected wrongdoing can be reported via website and PO Box with fair investigation procedures.

4. Human Rights

TTA highlights the compliance with the laws and regulations which relate to the universal declaration of basic human rights and respects the individualism and human dignity by undertaking the following operating procedures.

Human Rights	Implementation procedures	Activities undertaken
1. Fundamental principles and rights at work	<ul style="list-style-type: none"> Adopt and implement the fair employment standards and guidelines. This means recruiting on the basis of merit in terms of skills, experience, ability and qualifications that meet the job requirements with expertise related payments, regardless of race, nationality, creed, gender, age, skin color, disability and ancestor. All employees are treated with honor and respect of their personal rights. They are also encouraged to freely express their thoughts and suggestions. 	<ul style="list-style-type: none"> The Company's Rules & Regulations align with the Labor Protection Act, the labor relation law, relevant regulations and/or business operating guidelines. (This has taken effect since 2010.)
2. Managing and resolving conflicts	<ul style="list-style-type: none"> A formal mechanism is set up for employees who face the violation of their rights or unfair treatment to tender their complaints and seek healing. This mechanism needs to be widely announced within the organization. 	<ul style="list-style-type: none"> The Company prepared and implemented the whistle blowing and non-retaliation policy and procedures.

5. Labor Practices

TTA considers its employees “the Company’s valued asset” and thereby treats them as members of the TTA family. At TTA, all employees are encouraged to advance their career and receive appropriate benefits that lead to the improvement of their well-being and mental health at work.

Labor Practices	Implementation procedures	Activities undertaken
1. Respect the employees’ rights at work in compliance with the human rights principle and the ILO Declaration on Fundamental Principles and Rights at Work	<ul style="list-style-type: none"> Define the employment non discrimination principles and reinforce the equality of opportunity, regardless of race, skin color, gender, creed, nationality, personal background, political aspect, age, and disability. Develop employee skills and potential, provide job promotion and career advancement, as appropriate and boost the balanced ratio of job promotions between men and women. A channel of particular website and PO Box is set up for unequally treated employees to report claims to the Audit Committee. 	<ul style="list-style-type: none"> The provident fund training program was launched for employees. Employees were encouraged to attend useful training courses offered by highly acclaimed institutions, including <ul style="list-style-type: none"> The training course on how to prepare the sustainability report held by the SET and Thaipat Institute The Smart Disclosure Program (“SDP”) run by the SET and the Office of Securities and Exchange Commission (“SEC”) The Audit Committee Seminar: Get Ready for the Year End, offered by the SET, the SEC’s Office, the Federation of Accounting Professions under the Royal Patronage of His Majesty the King, Thai Institute of Directors (“IOD”) and Thai Listed Companies Association
2. Working conditions and social protection	<ul style="list-style-type: none"> The fair employment principles are applied to employees, together with appropriate payments. Employees work with dignity in a good working environment. The proper overtime pay regulation is issued together with annual and weekly leaves. A range of health & welfare benefits including health care and safety protection solutions, pregnancy and delivery and so on will be provided and this will enable employees to fulfill their work and family responsibilities. 	<ul style="list-style-type: none"> The guidelines on working rules and provisions were introduced with continual updates to ensure the compliance with the Labor Protection Law, the Labor Relations Act and other labor related regulations.
3. The protection of health and safety at work	<ul style="list-style-type: none"> There shall be the Occupational Safety, Health and Environment Committee established to assure all employees of safe working environment and oversee the stringent implementation of the Occupational Safety and Health Policy within the Company. The Welfare Committee will be established to provide information about several welfare offerings for employees. There will be an analysis and measures to control occupational safety and health risks as well as the alert & warning systems designed to notify causes and risks of dangers from accidents and communicable diseases. All employees are required to report the dangerous working conditions plus recommendation, if any, to their supervisors. There shall be appropriate employee welfare offerings that include public holidays, maternity leave, annual leaves, medical expenses, provident fund, life insurance, personal health insurance and annual personal health check. 	<ul style="list-style-type: none"> There was an annual hands-on fire drill with regular practice of the call tree. This enabled employees to learn do’s & don’ts of building fire safety and tips for staying safe after employees go out from the building, while ensuring good understanding and compliance with the rules and regulations. Employees were provided with necessary safety kits and self-defense tool. For example, all employees received the survival pack for further use in the event of a fire.

6. Accountability to Shareholders and Business Partners

As a leading investment company, TTA aims to make significant investments in a wide range of businesses locally and abroad. The Company takes the high priority to its accountability to shareholders and business partners.

Accountability to shareholders and business partners	Implementation procedures	Activities undertaken
1. Focus on investment diversification	<ul style="list-style-type: none"> To maintain a balanced portfolio and proper risk diversification, investment is made in value added businesses that generate income and give high returns in the short and long term. 	<ul style="list-style-type: none"> TTA's investment in Sino Grandness Food Industry Group, a China-based food and juice canner, aimed to limit the risk of fluctuations from the Shipping business cyclical and economic slowdown in China.
2. Business expansion	<ul style="list-style-type: none"> To increase or mobilize funds in order to expand its business and oversee the entities it has invested. 	<ul style="list-style-type: none"> PM Thoresen Asia Holdings Plc. ("PMTA") went listing in the SET with successful IPO sales. The gains from this deal went to support its business expansion.
3. Professional business management	<ul style="list-style-type: none"> The business management structure and strategy are adjusted to suit the economic status, competition in a market economy and other significant factors to ensure the highest level of benefits and reduce the negative effect of the Company's income to a feasible extent. 	<ul style="list-style-type: none"> The new corporate structure was announced to support the current operations and investments. The Food & Beverage and Strategic Development and Investment team were established with the top executives appointed to oversee these two business groups.
4. Necessary disclosure	<ul style="list-style-type: none"> The performance and financial status will be accurately, transparently and sufficiently disclosed to the shareholders and business partners of the Company via the Company's website, annual report, communication channels and other facilities. 	<ul style="list-style-type: none"> The reports of Company disclosure of information to the SET. The news release was prepared and sent to the media. There is the annual general meeting of Shareholders. The SET Opportunity Day is held on a quarterly basis. The Analyst Meeting is held on a quarterly basis.

7. Community Involvement and Development

TTA contributes to the philanthropic cause by setting aside a CSR fund to support the charitable activities of several organizations and foundations. In 2016, TTA has run a wide range of initiatives and provided financial donation to many charitable organizations. The information and photos of the activities were publicly announced so that the employees could realize and understand the value of doing volunteer work as TTA believes that communities, societies and businesses can grow together sustainably.

There are four areas of making social and community contribution. They are:

- The development of ethics and social immunity
- Education and health
- Disaster relief and philanthropy
- Preservation of Buddhism

Scope of work	Initiatives	Beneficiaries	Products/Outcomes
1. The development of ethics and social immunity.	<ul style="list-style-type: none"> "Doing Good, Stop Bullying in Schools" project. 	<ul style="list-style-type: none"> 1,570 primary students affected by bullying in schools in 2016. 68 teachers. Parents. 	<ul style="list-style-type: none"> All participating students have learnt to accept other people who are different from them, used their positive power for the greater good, reduced teasing and bullying among friends and also had skills to prevent and avoid bullies. Moreover, they knew their Self Esteem. All participating teachers have understood the bullying situation in school and their roles.

Scope of work	Initiatives	Beneficiaries	Products/Outcomes
2. Education and health	<ul style="list-style-type: none"> TTA provided New Year gifts to the Foundation for the Welfare of the Mentally Retarded in Thailand. 	<ul style="list-style-type: none"> Children with intellectual, physical, emotional and social disorders under the watch and ward of the Foundation for the Welfare of the Mentally Retarded in Thailand. 	<ul style="list-style-type: none"> These children got New Year gifts that encouraged and developed their mind quality, so they were happy.
	<ul style="list-style-type: none"> Donation was given to Maha Chakri Sirindhorn Foundation. 	<ul style="list-style-type: none"> The students of Faculty of Arts, Chulalongkorn University. 	<ul style="list-style-type: none"> The students and faculty received modern classrooms and educational materials which were necessary in order to maintain and develop the highest standards of teaching.
	<ul style="list-style-type: none"> A fund was granted to a reading habit promotion initiative under the name of "Arn Sanook, Sukjai, Daipanya", run by the Thaicom Foundation. Donation was given to AAEF (Association des Anciens Etudiants en France) for celebrating 40th anniversary of the association and for a tribute to HRH Princess Maha Chakri Sirindhorn. 	<ul style="list-style-type: none"> Primary students of 94 small-sized schools nationwide. The old Thai-France students. 	<ul style="list-style-type: none"> Students can read two-language story books that help boost their imaginative talents, language skills, reading habits and vision. The relationship between old students in both countries have maintained and developed through the association's activities.
	<ul style="list-style-type: none"> TTA provided a financial support for the Department of Computer Engineering, Faculty of Engineering, Kasetsart University. 	<ul style="list-style-type: none"> The Department of Computer Engineering, Faculty of Engineering, Kasetsart University. The students from Kasetsart University and Chulalongkorn University 	<ul style="list-style-type: none"> The Department of Computer Engineering, Faculty of Engineering, Kasetsart University was provided financial support for preparing the Zeabus AUV (Autonomous Underwater Vehicle) Team, whose members are engineering students from Kasetsart University and Chulalongkorn University, to compete at Robosub 2016 in San Diego, CA (USA)
3. Disaster relief and philanthropy	<ul style="list-style-type: none"> Donation was given to the Thai Red Cross Society in support of the charitable concert, "That's Entertainment II" 	<ul style="list-style-type: none"> The craniofacial patients at the Princess Sirindhorn Craniofacial Center who are going to have craniofacial surgeries at Chulalongkorn Hospital, the Thai Red Cross Society. 	<ul style="list-style-type: none"> The Craniofacial Center has a medical treatment fund for more patients.
	<ul style="list-style-type: none"> TTA donate in cash to Prasat Neurological Institute 	<ul style="list-style-type: none"> Neurological and brain patients 	<ul style="list-style-type: none"> Prasat Neurological Institute can provide service to rehabilitate neurological and brain patients sufficiently.
4. Preservation of Buddhism	<ul style="list-style-type: none"> TTA provided financial support to Satjadham Foundation to support the production of Dham documentary. 	<ul style="list-style-type: none"> General people Producer 	<ul style="list-style-type: none"> The audiences who see this Dham documentary realize the esteem of Dham and adapt it to live a life in a way of peace and happiness. Moreover, the documentary can inspire them to follow the concept of Dham. The producer received financial support to produce Dham documentary.

8. Environment

TTA and all subsidiaries, particularly the shipping and logistics companies are all involved in the environment directly and indirectly. TTA therefore consistently boosts the employee awareness of activities that may cause environmental impacts and promotes the efficient use of natural and energy resources. This helps reduce the Company's operating cost, while increasing the value and sustainability of the Company, society, community, economy, country and public.

Environment	Implementation procedures	Activities undertaken
1. Pollution prevention and environmental protection	<ul style="list-style-type: none"> Measures are prescribed for the subsidiaries in the shipping, offshore services, fertilizer and coal screening groups to plan and manage activities that cause pollution in order to protect the environment. 	<ul style="list-style-type: none"> Thoresen Shipping strictly adheres to the water ballast treatment regulation in order to preserve the offshore ecosystem, diminish and eradicate the migration or dispersion of living things including plants, animals and hazardous germs in the ships' ballast water and prevent the negative impacts on the ecosystem and the health of humans in many regions around the world.
2. Efficient use of natural resources	<ul style="list-style-type: none"> Efforts are made to promote the 4R concept-reduce, replace, reuse and recycle. 	<ul style="list-style-type: none"> The recycling paper boards and boxes are placed in all printing areas. Data is stored in the electronic format. The used materials are reused, such as printing on both sides of the paper. The IT department is assigned to set the printing function into the only black and white values in the corporate computer units to save resources. The energy efficiency guide was addressed for all operations, such as the use of energy-saving tubes, switching off the lights and air-conditioning system in the unnecessary areas or during lunch break and non-office hours.
3. Stop global warming	<ul style="list-style-type: none"> The TTA Group of companies is required to comply with all applicable laws, regulations and requirements stringently. 	<ul style="list-style-type: none"> Thoresen Shipping, a shipping company group of TTA, has adhered to the MARPOL Annex VI Act which prescribes the use of low sulfur fuel for its entire fleet when the ships are in the gas release control area and worldwide zone. The Company fully supports the energy efficiency management to reduce carbon dioxide and nitrogen oxide emissions. Thoresen Shipping abides by the International Maritime Organization (IMO) measure on the Enhancement of Energy Efficiency and Emission Reduction in the international marine shipping operation.

9. Innovation and dissemination of innovations on social responsibility

As part of its socially responsible business operation, TTA pays special attention to promoting innovations that ignite operational change. The transformation including revolutionary change, absolutely complete change and extendable development, will lead to increased competitiveness and sustainability in business operation and environmental rehabilitation and development.

Innovations on social responsibility	Implementation procedures	Activities undertaken
1. Business administration and management	<ul style="list-style-type: none"> Examine whether the business procedures cause risk or affect the society and environment. 	<ul style="list-style-type: none"> Innovations built upon what acquired from the operation of Thoresen Shipping are <p>Measures to reduce pollution emissions and greenhouse effects</p> <ul style="list-style-type: none"> The use of low sulfur fuel that has a mixture of low sulfur and special liquid to ensure the perfect combustion. The alpha lubricator installed in the cylinder block of the large engine system and the Mewis Duct located in the vessel help increase engine efficiency. <p>Energy efficiency measure</p> <ul style="list-style-type: none"> The innovative application that identifies a proper rate of a vessel's draught for each watercourse area provides energy efficiency of engines. The more often cleansing of vessel body and propeller reduces the friction in a moving ship. The test of 100% vessel body cleansing process and the use of paint that can reduce the marine friction were undertaken. The sailing was converted into the energy-saving mode. The high quality tin-free and anti-fouling paint was applied in the maintenance process. The use of LED (Light-emitting diode) on vessels reduces energy consumption and prolongs service life of the lighting system.
2. Business partners	<ul style="list-style-type: none"> Focus is put on promoting the collaboration with the business partners in the supply chain, thereby leading to an innovative and more efficient format of business partnership in developing new and environmentally friendly products. 	<ul style="list-style-type: none"> Mermaid Maritime Plc., a subsidiary of TTA, signed a memorandum of understanding with PTT Exploration and Production Plc. on a major joint cooperation to conduct a R&D study of automatic underwater vehicle (AUV) development in support of the enhancement of technology-based knowledge and skills, with a mission to build a locally-developed automotive underwater vehicle (AUV) at the pilot scale.
3. Public disclosure	<ul style="list-style-type: none"> A wide range of information is disclosed to all stakeholders through the Company's website, annual report and internal communication channels. 	<ul style="list-style-type: none"> Information is communicated via the Company's official website, annual report and other public relations channels.

10. Social Responsibility Report

TTA operates its business in an ethical, moral and responsible manner, with the good code of conduct and principles of good governance that serve as a benchmark of transparency and justice. Responsibility to positive and negative consequences from the operating procedures of all business areas is TTA's commitment. (The Company makes effort to boost positive outcomes and eradicate negative impacts.) TTA aims to be an ideally sustainable operator by improving and binding its operating process with the CSR in Process solution. Information and reporting of corporate social and environmental responsibility activities are communicated regularly and consistently through internal and external channels and corporate website.

► CORPORATE GOVERNANCE REPORT

Corporate Governance ("CG") is a structure and process of relationships between a company's management, Board of Directors ("Board"), and its shareholders with underlying objectives to enhance its long-term competitiveness and value to shareholders.

At the Board meeting of Thoresen Thai Agencies Public Company Limited (the "Company" or "TTA") on 28 November 2011, the Board established a Corporate Governance Committee (the "CGC") to review corporate governance practices and the Code of Business Conduct and to monitor compliance of the practices so that it remains within an ethical framework.

The CGC reviewed the Company's Corporate Governance Policy, which was approved by the Board on 24 December 2012.

TTA's corporate governance principles are as follows:

- **Rule of law:** Management and operations shall be in line with relevant laws, charters, regulations, and Board resolutions
- **Accountability:** All concerned parties, including the Board and management have to be aware of their duties and responsibilities
- **Transparency:** Business activities and operations shall be auditable and transparent
- **Participation:** Recognition of the rights of shareholders and stakeholders to participate in company activities
- **Value for money:** All investments and resource utilization must meet targeted financial and economic returns

The main components of TTA's Corporate Governance Policy set in accordance with the guidelines of the Stock Exchange of Thailand ("SET") are as follows:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Information Disclosure and Transparency
5. Structure and Responsibilities of the Board of Directors

The CGC has reviewed this report and is of the opinion that TTA has generally followed the corporate governance practices discussed herein.

The CG practices for the financial year 2016 ended 31 December 2016 were as follows:

1. Rights of Shareholders

TTA is accountable and recognizes the duty to ensure fair treatment to all shareholders to safeguard their rights, TTA complies with all applicable laws and regulations and has established adequate internal controls and auditing systems to monitor compliance.

SHAREHOLDERS' MEETINGS

TTA conducts shareholders' meetings in accordance with applicable laws and generally accepted practices, which allow shareholders to exercise their rights fully and in an informed manner. Within four months after our financial year-end, TTA organizes an Annual General Meeting of Shareholders ("AGM") which is conducted in accordance

with applicable laws and SET requirements, from the calling of the meeting, the notification of the meeting agendas, the dispatch of meeting materials, the conduct of the meeting, and the distribution of minutes. Besides the mentioned general shareholder's meeting, for urgent matters that affect or involve the shareholders' interest or involve conditions, regulations, or laws that require the shareholders' approval, an Extraordinary General Meeting of Shareholders ("EGM") shall be called on a case by case basis.

In addition, TTA 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 TTA's website at <http://www.thoresen.com>.

In FY 2015, TTA held the Annual General Meeting of Shareholders (the "1/2016 AGM") on 27 April 2016 at 1:30 P.M., at Ballroom, Queen Sirikit National Convention Center, No. 60 New Ratchadaphisek Road, Klongtoey District, Bangkok 10110, Thailand.

Procedures for the shareholders' meeting were as follows:

(i) Procedures prior to the meeting

In FY 2015, at the Board of Directors meeting No. 4/2016 held on 16 March 2016, the Board resolved to call the 1/2016 AGM on 27 April 2016 at 1:30 P.M., at Ballroom, Queen Sirikit National Convention Center, No. 60 New Ratchadaphisek Road, Klongtoey District, Bangkok 10110, Thailand.

The meeting venue was easily accessible through public transportation systems and convenient for shareholders to travel to the place of the meeting. The Company informed the shareholders of the date, time, place, and meeting agendas together with the rationales and opinion of the Board on each agenda via SET Portal on the same day on which the Board resolved to call the shareholders' meeting on 16 March 2016.

TTA 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 1/2016 AGM were sent to shareholders and the SET on 16 March 2016, 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 TTA'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 Portal that the notice of 1/2016 AGM and relevant documents were available to download on the Company's website at <http://www.thoresen.com> from 1 April 2016.

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 1/2016 AGM was advertised on 18-20 April 2016.

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, TTA facilitated registration by separating lines between shareholders and proxy holders. TTA 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. TTA conducts the meeting in accordance with the agenda and offers an equal opportunity for each shareholder to cast their vote.

In the 1/2016 AGM which held on 27 April 2016, legal advisors from Bangkok Jurist Ltd. were engaged to act as independent inspectors to monitor the registration and the counting of votes, and in the AGM, the Chairman asked for two shareholders to bear witness to the vote counting, to ensure the meeting was transparent and complied with applicable laws.

TTA has been rated "Excellent" (scores ranging between 90-99) from the Corporate Governance Report of Thai Listed Companies for the quality of AGM arrangement since 2007. In 2016, TTA was rated Excellent, with a score for the quality of the 1/2016 AGM arrangement, held on 27 April 2016, of 98.00 points. The Company's score was higher than the average score of 91.62 points from total 601 listed companies participating. The assessment results were based on the assessment form conducted by the Thai Investors Association ("TIA") in conjunction with the Securities and Exchange Commission ("SEC") and the Listed Companies Association.

(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 Portal and also posted the resolutions immediately on TTA's website at <http://www.thoresen.com>.

The Company prepared and submitted the minutes of 1/2016 AGM to the SET and the Department of Business Development, Ministry of Commerce within the required timeframe. The minutes were also posted on TTA's website.

2. Equitable Treatment of Shareholders

2.1 Equitable Treatment

TTA is accountable to its shareholders in terms of information disclosure, accounting methods, use of insider information, and management of conflict of interest.

TTA recognizes the duty to ensure fair treatment to all shareholders and TTA has a duty to protect shareholders' benefits and rights, which include, among other things, the rights to receive dividends and obtain relevant and adequate information on a regular and timely basis. TTA also has a duty to disseminate transparent information through shareholders' meeting arrangements.

Each shareholder shall receive, prior to any shareholders' meeting, complete and sufficient information concerning the proposed agenda attached to the meeting notice.

All shareholders are given proxy forms, allowing them to appoint their authorized representative or select an independent director to attend and vote at the meetings on their behalf.

2.2 Prevention of Improper Use of Internal Information

The Board prohibits directors, executives, and employees from using an opportunity or information acquired while working in their positions to seek personal benefit or to establish a competing or related business with TTA. This includes a complete prohibition against using material insider information to buy or sell TTA's securities for their own interest and against giving insider information to other persons or entities to buy or sell TTA's securities as well.

The Company requires that directors and executives report trading transactions in TTA's securities, and their ownership position, whenever changes occur. The directors and executives shall notify the Company of their trading transactions on the same day on which the report is submitted to the Office of the Securities and Exchange Commission. In addition, the company prohibits all directors and senior executives from trading TTA's shares and securities during the period of three weeks before the release of our quarterly and annual financial results (the "Blackout Period"). This prohibition applies to entities in which our directors have a beneficial interest, are employed by, or act as a representative thereof. The Company Secretary will remind directors and executives about the restriction at least seven days in advance of the Blackout Period.

2.3 Information Disclosure of Stakeholders

Since 2009, directors and executives have been required to submit a report that provides details of the directorship and the securities ownership in other companies together with such a report of their related persons. This information is filed at TTA for monitoring potential related party or connected transactions. New TTA directors and senior executives shall submit this report within thirty days after being appointed.

In case there are changes in related persons and close relatives, directors and executives shall submit a revised report to TTA within fourteen days after changes occurred.

Directors, executives, and employees must refrain from any transactions that may lead to a conflict of interest with TTA. Any interested directors, executives, and employees are not allowed to participate in the decision-making process. In particular, directors are prohibited from considering or casting their votes on matters in which they may have a potential conflict of interest.

3. Roles of Stakeholders

3.1 Rights of Stakeholders

(A) SHAREHOLDERS

TTA always makes an effort to maximize shareholders' long-term benefits through careful consideration of business risks. TTA shall fairly and transparently disclose all information in a timely manner and use best efforts to protect the Company's assets and reputation.

Besides the basic rights of shareholders and the rights stipulated by law and the Articles of Association, such as the right to request a verification of the number of shares; the right to receive share certificates; the right to attend and vote at the shareholders' meetings; the right to freely express opinions at the shareholders' meetings; and the right to receive a fair return; TTA also gives shareholders the right, as the owners of the Company, to make suggestions and comments on the Company's affairs to the independent directors. Each comment and suggestion will be carefully considered and presented to the Board.

(B) EMPLOYEES

Employees are regarded as valuable assets of the Company. TTA continually seeks to recruit and retain capable and experienced employees in accordance with the Company's strategic and operating plans, focusing on retention of employees by creating a work-life balance for employees. The Company pays appropriate remuneration to employees, and competitive with other companies in the same industry. It is the Company's policy to pay remuneration to employees at the rate consistent with the Company's short-term and long-term performance, for short-term as salary or bonus, varies according to the performance of the employee and the operating results of the Company, and for long-term as provident fund for employees in order to enrich their living and provide them with supposedly sufficient financial security once they resign or retire. Furthermore, the Company provides benefits to its permanent employees; including life insurance, personal accident insurance, personal health insurance, maternity leave, and annual leave. The Welfare

Committee was established to provide consultation and advice regarding employee benefits. The main duties and responsibilities of the Welfare Committee include provision of advice regarding benefits, review and examine of the benefits provided for employees, and give additional recommendation regarding benefit provision.

With respect to occupational environment and health, TTA has determined a safety policy and established the Occupational Safety, Health, and Environment Committee to ensure good health and a good environment in the workplace, safety for lives and properties of the employees and the Company. All employees shall notify the supervisor or persons assigned by the Company of any unsafe conditions. New employees are trained regarding safety at the orientation. This is to ensure that employees are aware of the potential hazards at the workplace, and understand how to conduct themselves in an event of danger. In 2016, the Company has no report on work-related accident statistics with zero staff casualty, dead or severely injured at work.

The Company encourages employees across all departments and companies to be mindful of the environmental impact of their work; promote the concept of reducing, reusing, and recycling items – e.g. printing on both sides of the paper, using electronic documents instead of paper, reusing various materials, and more. The Company implements energy-saving measures in the workplace – e.g. use of energy-efficient lighting, turning off lights and air conditioning units when not in use, during breaks, or outside of working hours.

For shipping business, the Company organized training in relation to environment for sea staffs about Vessel Fuel Performance Management Course and Marine Energy Efficiency Management Course for office staffs.

The Company emphasizes on the importance of employees' development by implementing Individual Development Plans that allow employees to create development plans concerning their individual needs. The Company encourages learning and the development of its personnel by supporting and arranging internal and external training of which appropriate for year of service, career path, and responsibility. In the financial year 2016 ended 31 December 2016, 27 courses were held, covering both technical skills and soft skills. TTA strongly believes that improvement of employees' capabilities will ultimately increase the Company's competitiveness in the long run.

In 2016, the Company's employees attended various courses such as YPO-SASIN Executive Leadership Program: Winning through innovation, Financial Statement analysis, TFRS 2016, Business Management for Internal Audit, Integrated Reporting, with 648 training hours in total or 6.68 hours/person/year averagely.

Summary of training hours in 2016

Training Hours by Level	Overall Training Hours	Average Training Hours
Top management	288 hours	26.18 Hours/Person/Year
Mid-level management	184 hours	5.94 Hours/Person/Year
Operational level officers	176 hours	3.20 Hours/Person/Year
Total training hours	648 hours	6.68 Hours/Person/Year

(C) COUNTERPARTIES

TTA conducts business affairs with counterparties, including, clients, competitors, creditors, business partners, etc., in accordance with the contracted terms and conditions, in a fair and ethical manner. Treatment of counterparties to create good understanding and cooperation shall be as follows:

Competitors: TTA treats competitors fairly, by operating its business with integrity and professionalism, as follows:

- TTA will not commit any action that violates or breaches the law governing trade competition; and
- TTA has implemented an anti-corruption policy and prohibited its directors, executives, employees, or any of whom acting on behalf of the Company from taking unlawful or inappropriate actions to secure business advantages.

Creditors: TTA 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 TTA fails to comply with any such condition, the Company will promptly notify the creditor, in order to mutually agree on a solution. During the last year, there was no payment default occurred.

Business Partners: TTA sets criteria for choosing a business partner or a service provider, to ensure that the business strategy of a potential service provider is consistent with that of the Company, in terms of competitiveness, business continuity, protection and treatment of clients, and risk management approaches. The criteria for choosing a service provider are as follows:

- Technical skills, including expertise and experience;
- Financial position;
- Business reputation;
- History on complaints and legal actions;
- Service policies;
- Risks posed by provision of services to several clients;
- Security and environment; and
- Anti-corruption efforts.

In turn, the Company treats its service providers fairly.

(D) CLIENTS

The Company recognizes that clients are crucial to the success of its operations. Accordingly, the Company aims at building clients' satisfaction, provided with high-quality services that meet their needs and expectations in a fair and professional manner. The Company's policy and practices on the treatment of clients as specified in the Code of Business Conduct are as follows:

- Deliver quality services and goods as client's satisfaction;
- Provide accurate and complete information regarding the goods and services of the Company in a timely manner;
- Strictly follow the terms and conditions agreed upon with the client;
- Treat customers politely and effectively to gain their trust; and

- Keep the client's secrets confidential, and avoid using them to gain benefits for oneself or other persons.

(E) RESPONSIBILITY TO THE COMMUNITY, SOCIETY, AND ENVIRONMENT

TTA emphasizes on the most effective use of natural resources with the least environmental effect. TTA employs technology and develops work process that are environmentally-friendly, while raising awareness of effects of employee's performance towards the environment to employees. The Company believes that to progress and grow in a sustainable manner, a business must develop its organization, taking into account responsibility to society and the environment. Details on the Company's responsibility to community, society, and environment can be found under the topic of "Sustainable Development and Corporate Social Responsibility: Policy and Mission".

3.2 Anti-Corruption Efforts

TTA conducts business with strong ethics and responsibility for all concerned parties. The Board has approved the Anti-Corruption Policy as a guideline for anti-corruption practices. In addition, practices of anti-corruption have been collated since 2010 and published to provide guidelines for anti-corruption. These practices are in line with the Company's Anti-Corruption Policy.

The Company published its anti-corruption policies internally to employee through TTA Portal and also communicated the policies to Directors and management. An internal control system has been put into place to fight corruption and protect against corruption within TTA. It has set policy, criteria, and control processes such as the delegation of authorities in approving various types of transactions, the Company also set up procurement policies to prevent corruption in procurement by determining procedures of purchasing, power of procurement division and sub-committee who were engaged in good receiving.

TTA set up Risk Management division to estimate all potential risks, including risks on corruption, proceedings of risk management policies, follow-up the risk management policies and maintain appropriate frameworks, risk management structure and all recommendations. For internal control, the internal audit conducts the system of internal control every year to ensure an appropriate mandate of internal audit for the company's business operation.

3.3 Measures against Corruption and Bribery

The Company has provided clear guidelines 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 judgement.

No director, manager, employee, and their family members should accept or receive a gift or entertainment if it is (i) not consistent with customary business practices, (ii) 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 Procedures and Whistleblower Protection

The Company has also implemented 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. Under this policy, the Company protects employees who submit their grievances in good faith, in order to prevent retribution or retaliation. The Company will impose disciplinary action, including termination of employment, on any employee who makes or participates in such retribution or retaliation, in accordance with the Company's Code of Business Conduct.

3.5 Communication Channel for Stakeholders

Any concern or information on violation of regulations or corruption may be submitted to the Audit Committee through the channels provided by the Company at <http://www.thoresen.com>, whistleblowing@thoresen.com, or the mailing address below:

Thoresen Thai Agencies Public Company Limited.
P.O. Box 12, SCB Post Office, Lumpinee
Sub-district, Pathumwan District,
Bangkok 10330, Thailand

The Internal Audit opens the mailboxes twice a month. All letters (if any) will be forwarded to the Audit Committee for report to the Board at the quarterly meeting.

In 2016, the Company did not receive any complaint by insider and outsider.

4. Information Disclosure and Transparency

TTA has strong determination to reveal timely and updated information, both financial and general information related to the Company's business. Such information is disclosed to shareholders, investors, and any related parties via SET Portal, the Company's website (<http://www.thoresen.com>), press releases, the Company's Annual Information Disclosure Form (Form 56-1), and the Company's Annual Report. TTA actively participates in "SET's Opportunity Day" arranged by SET on a quarterly basis.

Disclosed Important information is as follows:

4.1 Corporate Governance Policy and Implementation Results

For the financial year 2016 ended 31 December 2016, the Company complied with good corporate governance principles, except for the following matters:

- (1) The Company did not clearly determine the term of an independent director, as there are a limited number of external expertise with knowledge of the Company's core businesses. However, the Company reviews the qualifications of each independent director every year.

The Company believes that each of its elected directors is a highly qualified individual who is respected for being knowledgeable, moral, and effective. If shareholders show confidence in a director by re-electing him or her, the Board will honour that decision. Therefore, the Company does not set a limit on consecutive terms of service for a director or an independent director;

- (2) The Company did not determine the number of companies each director and top-level executive can hold the directorship, otherwise it would minimize a chance to appoint highly qualified persons as a director. However, the Company reviews the number of companies in which each director holds the directorship every year.

4.2 Remuneration of Directors and Executives

The remuneration of directors and executives is detailed under the topic of "Management Structure".

4.3 Responsibilities of the Board for the Financial Statements

The Board is responsible for an accuracy of the Company's financial statements, which must present sufficient financial information and transparency, and must disclose sufficient important information in the notes to the financial statements, in accordance with the appropriate accounting standards to be consistently adhered to. The financial statements must be audited by an authorized auditor with independence and credibility, which must be certified by the SEC and/or relevant authority, and must have been verified by the Audit Committee. The remuneration for the auditor regarding the audit and other services shall be disclosed in the annual report. The Board has prepared a report on the responsibilities of the Board for the financial statements, and included the same in the Company's Annual Report and the Annual Information Disclosure Form (Form 56-1). Furthermore, the Company held a meeting with analysts, held a press conference, and prepared a newsletter presenting the financial position of the Company.

4.4 Roles and Duties of the Board

The Company disclosed the name and profile of each director with roles and duties of the Board, the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Corporate Governance Committee, under this "Corporate Governance Report", in order to inform the shareholders and relevant persons of the knowledge, skills, experience, and other important information regarding the directors who are behind the success of the Company's business.

4.5 Relationship with Investors

The Company established Corporate Communications and Investor Relations to communicate with investors, shareholders, analysts, relevant agencies, and the general public, in an appropriate and equitable manner.

In the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016), the Company met and provided information to interested parties on various occasions as follows:

1. One-on-one meetings with shareholders, creditors, and analysts 49 meetings;
2. Quarterly meetings with analysts and investors at the SET's Opportunity Day to discuss the Company's most recent financial performance 4 presentations;
3. Disclosure of periodic reports, such as quarterly financial statements, quarterly financial results, reports on reviewed quarterly financial statements (F45-3), the Company's Annual Information Disclosure Form (Form 56-1), the report on the use of proceeds, and the Company's Annual Report, 18 disclosures;
4. Disclosure of non-periodic reports, such as the notification of general meeting of shareholders and its resolutions, asset dispositions and acquisitions, and investments 42 disclosures;
5. Press releases 16 releases;
6. Photo releases regarding the Company's activities 6 releases; and
7. Media relations activities 15 times; 9 activities, 6 local media interviews.

The Management always participates in investor relations activities. Both shareholders and investors can contact Investor Relations at Tel. 02-254-8437 extension 292, Fax. 02-655-5631, Email: Investors@thoresen.com or through our Website <http://www.thoresen.com> which both Thai and English significant information are updated regularly, consisting of following detail:

- Corporate profile: including background, core values, vision, mission, nature of business, organization structure and list of Board of Directors and Executive officers;
- Annual report (Form 56-2)/Form 56-1;
- Corporate governance: corporate governance report, list of Board of Directors, Board's committees and company secretary and code of business conduct;
- Information for investors: significant financial data, financial statements, management discussion and analysis;
- Information for shareholders: notice calling to an AGM, Minutes of Shareholders' Meeting, and Information Disclosure;
- Corporate news and activities: business news, news about TTA's social and environmental contribution projects;
- Corporate social responsibilities: business concepts and directions, existing social contribution activities.

4.6 Whistle Blowing Policy and Whistleblower Protection Policy

The Company implements a Whistle Blowing Policy and Whistleblower Protection Policy as part of the Company's Code of Business Conduct to ensure good corporate governance of the Company and equal rights of all employees and all stakeholders to directly communicate with the Audit Committee. In case that an employee has any concern, knowledge of violation or corruption or breach of the law, business ethics, or policies of the Company, grievance concerning violation of rights, opinion, complaint, or suggestion that may affect the good corporate governance or business ethics of the Company, they may report through the following channels:

- Website: <http://www.thoresen.com>
- Email: whistleblowing@thoresen.com
- Mail: P.O. Box 12, SCB Post Office, Lumpinee Sub-district, Pathumwan District, Bangkok 10330, Thailand

Information, grievances, and suggestions will be considered, and appropriate actions will be taken on a case-by-case basis, without disclosing the name of the whistleblower or the content of the complaint. Measures are put in place to protect the whistleblower, to ensure that they will not be affected by the submission of information or a complaint.

4.7 Corporate Social Responsibility Policy

Please see the topic "Sustainable Development and Corporate Social Responsibility: Policy and Mission".

5. Structure and Responsibilities of the Board of Directors

(A) BOARD STRUCTURE

The size of the Board complies with Public Limited Companies Act, B.E. 2535 and the Company's Articles of Association.

All directors have a number of duties and responsibilities as specified in the Articles of Association. In conducting the Company's business, a director shall perform his duties with responsibility, due care and loyalty, and shall comply with all laws, the Company's objectives and the Articles of Association, including resolutions of the shareholders' meetings.

(A.1) Independent Director

An independent director is a director who does not manage TTA or any of its subsidiaries, is independent from management and major shareholders, and has no business dealings with TTA, which may compromise the Company's interests and/or the shareholders' interests.

The qualifications of an independent director are as per the definition of the Notification of the Capital Market Supervisory Board which is also available on the Company's website. Each independent director shall comply with the following rules:

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.

After being appointed as independent director with the qualifications under (1) to (9), the independent director may be assigned by the Board to take part in the business decision of the Company, its subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of collective decision.

(A.2) Members of the Board of Directors

The Board is composed of eleven directors, consisting of five executive directors (45.46% of the total number of directors), and six non-executive directors (54.54% of the total number of directors) which comprising five independent directors and one non-executive director. The Board as of 31 December 2016 consisted of the following persons:

Members of the Board as of 31 December 2016

Name	Position	First Appointment Date
1. Mr. Prasert Bunsumpun	Chairman of the Board/Chairman of Executive Committee	31 Jan. 2012
2. Mr. Chalermchai Mahagitsiri	President and Chief Executive Officer /Member of Executive Committee/ Chairman of Investment Committee	31 Jan. 2012
3. Mr. Chia Wan Huat Joseph	Director/Member of Executive Committee/Chairman of Risk Management Committee/Member of Investment Committee	31 Jan. 2012
4. Mr. Jean Paul Thevenin	Director/Member of Executive Committee/Member of Investment Committee	30 Jan. 2014
5. Mr. Somboonkiat Kasemsuwan ^{1/}	Independent Director/Chairman of Audit Committee	14 Nov. 2016
6. Mr. Santi Bangor	Independent Director/Chairman of Nomination and Remuneration Committee/Chairman of Corporate Governance Committee/Member of Audit Committee	31 Jan. 2012
7. Ms. Ausana Mahagitsiri	Director/Member of Nomination and Remuneration Committee/Member of Corporate Governance Committee	31 Jan. 2012
8. Mr. Mohammed Rashed Ahmad M. Al Nasser	Independent Director/Member of Nomination and Remuneration Committee	30 Jan. 2013
9. Mr. Cherdpong Siriwit	Independent Director/Member of Audit Committee/ Member of Risk Management Committee	30 Jan. 2013
10. Mr. Chitrapongse Kwangsukstith	Independent Director	13 May 2015
11. Mr. Kamolsut Dabbaransi ^{2/}	Director	27 April 2016

Note: ^{1/} Mr. Somboonkiat Kasemsuwan was appointed a Board member on 14 November 2016 to replace Mr. Krish Follett who resigned from the Board on 21 September 2016.

^{2/} Mr. Kamolsut Dabbaransi was appointed a Board member on 27 April 2016 to replace Mr. Yves Barbieux who resigned from the Board on 27 April 2016.

Authority and Duties of the Board

- 1) Review and approve the vision, mission, and Code of Business Conduct of the Company, including support and promote compliance of the Company's management with the good corporate governance principles.
- 2) Review and approve the strategies, business plans, budgets, and policies, including annual business plans, investment budgets, and operational objectives of the Company.
- 3) Appoint sub-committees and assign authority and duties to each sub-committee to perform duties of the committees, as assigned by the Board.
- 4) Assign duties to the President and Chief Executive Officer concerning management of the Company in accordance with the policies, strategies, business plans, budgets, and objectives of the Company.
- 5) Ensure that the management consistently perform their duties under the work plan in accordance with the organizational direction and strategies.
- 6) Review and approve human resources management strategies and human resources development plans, and determine an appropriate remuneration policy.
- 7) Ensure that the Company has proper systems in place to communicate effectively with its stakeholders and the public and monitor their application.
- 8) Determine the guidelines for evaluating the Board and hold regular evaluation of the performance of the Board.

(A.3) Segregation of Positions

The Board elects one of its non-executive directors as Chairman. The Chairman and President and Chief Executive Officer are two separate individuals. The Chairman oversees the implementation of policies and guidelines pursuant to the strategies established by the Board and management and ensures that Board meetings are successfully conducted. During each meeting, all directors are encouraged to actively participate and raise essential questions.

The authority of the Board and management are clearly defined and segregated. At the same time, the Board stays away from routine tasks or business activities under management responsibility.

Duties and Responsibilities of the Chairman

- 1) Convene Board meetings and assign the Company Secretary to arrange for delivery of notices of meetings and documents to ensure that the Board receives sufficient information in a timely manner.
- 2) Preside at the Board meetings.
- 3) Preside at the shareholders' meetings and ensure that the meetings are conducted in accordance with the Articles of Association and the agenda specified.
- 4) Ensure efficient communication between the directors and the shareholders.
- 5) Perform duties specified by laws as the duties of a chairman.

Duties and Responsibilities of the President and Chief Executive Officer

The President and Chief Executive Officer has the duties to manage the Company as assigned by the Board, and in accordance with the work plan or budget approved by the Board, in order to protect the best interests of the Company and its shareholders. The authority and duties of the President and Chief Executive Officer also cover other matters, namely:

- 1) Conduct necessary activities and manage daily tasks of the Company; and
- 2) Approve operating expenses and investment expenses in accordance with the budgets approved by the Board.

(A.4) Term of Directors

Term of Directorship

Under the Articles of Association, 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. In choosing those directors who retire, length of service on the Board should be considered, so that those who have served the longest are most eligible to retire. The term of each director is approximately 3 years. A retiring director is eligible for re-election.

Number of Consecutive Terms of Directors

The Company believes that each of its elected directors is a highly qualified individual who is respected for being knowledgeable, moral, and effective. If shareholders show confidence in a director by re-electing him or her, the Board will honour that decision. Therefore, the Company does not set a limit on consecutive terms of service of a director or an independent director.

However, the Board will consider suitable solutions regarding consecutive terms of directors and independent directors in due course.

Nomination of Directors

The Board assigned the Nomination and Remuneration Committee to seek qualified candidates as a director of the Company. The Nomination and Remuneration Committee will consider the profile, age, knowledge, experience, potential, and other factors that may be required of a director of the Company.

Board Meetings

The Board schedules at least six Board meetings per year in advance, and notifies each director. The Chairman is authorized to approve the meeting agenda. Each director is entitled to propose matters that are beneficial to the Company to be discussed in the meetings. The Company Secretary will deliver the notice of meeting, agenda, and supporting documents to the directors no later than seven days in advance, so that the directors have sufficient time to review the matters to be discussed. As per the Articles of Association of the Company, the quorum of a Board Meeting requires no less than a half of the total number of directors on the Board.

In the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016), the Company held eleven Board meetings and held unofficial one meeting of non-executive directors.

(B) COMPANY SECRETARY AND BOARD COMMITTEES

The Board has appointed the Company Secretary and six committees, namely 1) Audit Committee, 2) Executive Committee, 3) Nomination and Remuneration Committee, 4) Corporate Governance Committee, 5) Risk Management Committee and 6) Investment Committee.

(B.1) Company Secretary

The Board appointed Ms. Mantanee Surakarnkul as the Company Secretary on 14 August 2008 - 30 August 2016 and appointed Ms. Thamonwan Woraphongjirakarn as the Company Secretary on 28 October 2016 - 31 December 2016 to take responsibility for matters connected with meetings of the Board and the shareholders and to contribute to best corporate governance practices. She also serves as the secretary of the Board and Corporate Governance Committee to coordinate subsequent actions under the Board's resolutions.

The Company Secretary's duties and responsibilities include:

- 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.

Details of the Company Secretary

Details of the Company Secretary's functions are available on the Company's website and in the Company's Annual Information Disclosure Form (Form 56-1). The Company encourages the Company Secretary to attend courses relating to company secretarial functions.

(B.2) Audit Committee

The Audit Committee ("AC") is composed of at least three independent directors. The Board approved the appointment of AC and the AC's Charter.

The AC has full delegated authority from the Board to perform its tasks. An audit plan and meeting schedule are set each year to allow the AC to monitor financial information report procedures, the internal control and financial risk management system, and audit procedures, including the procedures for monitoring compliance with laws and regulations.

Members of the AC as of 31 December 2016

No.	Name	Position	First Appointment Date
1	Mr. Somboonkiat Kasemsuwan ¹	Chairman	14 Nov. 2016
2	Mr. Santi Bangor	Member	14 Feb. 2012
3	Mr. Cherdpong Siriwit	Member	14 Feb. 2013

Note: ¹Mr. Somboonkiat Kasemsuwan was appointed as a Board member on 14 November 2016 to replace Mr. Krish Follett who resigned from the Board on 21 September 2016.

All AC members are independent directors. In the financial year 2016 ended 31 December 2016, the AC convened eight meetings.

AC's duties and responsibilities include:

1. Review the accuracy, sufficiency, credibility, and objectivity of the financial reporting process by coordinating with the external auditors and executives responsible for preparing the quarterly and yearly financial reports.
 2. Review the appropriateness and effectiveness of internal control systems and internal audit functions by coordinating with the external auditors and internal auditors, ensure the adequacy of the internal control systems and internal audit functions as follows:
 - Review the activities and organizational structure of the internal audit functions to ensure that there are no unjustified restrictions or limitations are made.
 - Determine an internal audit unit's independence.
- Consider and approve on the appointment, removal, transfer, or dismissal of senior executives of Internal Audit.
 - Consider audit reports and recommendations presented by internal auditors and monitor the implementation of the recommendations.
 - Review the adequacy of the Company's risk management and ensure that risk management complies with the guidelines of the relevant authorities and the Company's internal policies.
 - Evaluate the performance of senior executives of Internal Audit with the President and Chief Executive Officer.
 - Approve audit plans, budgets, number of staff and staff training plans of Internal Audit Department to ensure that the audit scope covers finance, accounts and operations and monitor the performance as per the audit plans.

3. Review the Company's business operations, ensure that they comply with the laws on securities and exchange, the SET's regulations and the laws relating to the Company's business.
4. Consider, select and nominate an independent person to be the Company's auditor, including auditing fee negotiation and the following main activities:
 - Review 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.
 - Review the external auditors' proposed audit scope and approach and ensure no unjustified and restrictions or limitations have been placed on the scope.
 - Make recommendations to the Board regarding the reappointment of the external auditors.
 - Consider audit reports and recommendations presented by the external auditors and monitor the implementation of the recommendations.
 - During the year, the AC meets with the external auditors and the Head of Internal Audit separately without any management in attendance at least once a year.
5. Consider the Company's business operations including connected transactions to ensure that there is no conflict of interest, taking into consideration transactions between the Company 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. Prepare and disclose in the Company's Annual Report, the Audit Committee Report which must be signed by the AC's Chairman and consist of at least the following information:
 - An opinion on the accuracy, completeness and creditability of the Company's financial report,
 - An opinion on the adequacy of the Company's internal control system,
 - An opinion on the compliance with the laws on securities and exchange, the SET's regulations, or the laws relating to the Company's business,
 - An opinion on the suitability of an external 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 auditors shall be reviewed every 3-5 years,
 - An opinion on the transactions that may lead to conflict of interest,
 - The number of the AC meetings, and the attendance of such meetings by each committee member,
 - An opinion or overview comment received by the AC regarding its performance of duties in accordance with the Charter, and
 - Other transactions which, according to the AC's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board.
7. Perform any other duties as assigned by the Board, with the approval of the AC.
8. Report the performance of the AC at every Board's quarterly meeting.
9. Review the summary and evidence of fraud of employees or executives which result in the damage to the Company and propose the reviewed report by the AC to the Board for consideration.
10. Review the AC's performance on an annual basis.
11. Review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.

Appointment of the Auditors and Fixing the Audit Fee

The Board assigned the AC to consider and propose the appointment of the external auditors and the audit fee to shareholders for approval at every AGM. At the 1/2016 AGM on 27 April 2016, the shareholders approved the following items:

1. The appointment of Mr. Veerachai Ratanajratkul, CPA No. 4323, Mrs. Siripen Sukcharoenyingyong, CPA No. 3636, Mr. Charoen Phosamritlert, CPA No. 4068, or Miss Pornthip Rimdusit, CPA No. 5565, of KPMG Phoomchai Audit Ltd. to be the Company's auditors for the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016).
2. The audit fee at the amount of Baht 3.70 million to review and audit TTA's financial statements and consolidated financial statements.

(B.3) Executive Committee

The Board approved the appointment of the Executive Committee ("EC") and the EC's Charter.

The EC comprises a minimum four members from the Company's directors and executives.

Members of the EC as of 31 December 2016

No.	Name	Position	First Appointment Date
1.	Mr. Prasert Bunsumpun	Chairman	14 Feb. 2012
2.	Mr. Chalermchai Mahagitsiri	Member	14 Feb. 2012
3.	Mr. Chia Wan Huat Joseph	Member	14 Feb. 2012
4.	Mr. Jean Paul Thevenin	Member	12 Feb. 2014
5.	Mr. Jitender Pal Verma ¹	Member	13 May 2015

Note ¹ Mr. Jitender Pal Verma is not a Board member of the Company.

In the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016), the EC convened eight meetings.

The EC's main tasks include considering the Company's business plans and annual budget for presentation to the Board, considering overall investment and financing strategies, and the approval of transactions within its delegated authorities.

Members of the NRC as of 31 December 2016

No.	Name	Position	First Appointment Date
1.	Mr. Santi Bangor	Chairman	14 Feb. 2013
2.	Ms. Ausana Mahagitsiri	Member	14 Feb. 2012
3.	Mr. Mohammed Rashed Ahmad M. Al Nasser	Member	14 Feb. 2013

In the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016), the NRC convened three meetings.

The NRC's main tasks include the determination of the process and criteria for the selection and qualification of candidates nominated in accordance with the Board's recommended structure, size, and composition. It reviews and opines on all candidates nominated (whether by the Board, or others) for appointment to the Board, based on the profile, age, knowledge, experience, capability, number of appointment to the Board, and other relevant factors.

The NRC is authorized by the Board to assess the performance of top executives, including the President and Chief Executive Officer and Executive Vice

(B.4) Nomination and Remuneration Committee

The Board approved the appointment of the Nomination and Remuneration Committee ("NRC") and the NRC's Charter. The NRC comprises at least three non-executive directors.

Presidents on an annual basis in order to determine their remuneration before proposing to the Board for approval.

The NRC will also consider the remuneration of non-executive directors and propose it to the Board to recommend to the Company's shareholders for approval, which the criteria of consideration align with the Thai Institute of Directors Association guidelines regarding Director Compensation Best Practices.

(B.5) Corporate Governance Committee

The Board approved the appointment of the Corporate Governance Committee ("CGC") and the CGC's Charter. The CGC comprises a minimum of three non-executive directors.

Members of the CGC as of 31 December 2016

No.	Name	Position	First Appointment Date
1.	Mr. Santi Bangor	Chairman	14 Feb. 2012
2.	Ms. Ausana Mahagitsiri	Member	14 Feb. 2012
3.	Mr. Krish Follett ¹	Member	22 Dec. 2014

Note: ¹The Company is under the process of appointing a CGC member to replace Mr. Krish Follett who resigned from the Board on 21 September 2016.

In the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016), the CGC convened one meeting.

The CGC's main tasks include reviewing the Corporate Governance Policy and the Code of Business Conduct and to monitor compliance with the policies and CG practices, so that TTA operates within an ethical framework and to monitor ongoing improvements.

(B.6) Risk Management Committee

The Board approved the appointment of the Risk Management Committee ("RMC") and the RMC's Charter. The RMC members comprise a minimum of four members from the Company's directors and executives.

Members of the RMC as of 31 December 2016

No.	Name	Position	First Appointment Date
1.	Mr. Chia Wan Huat Joseph	Chairman	22 Dec. 2014
2.	Mr. Cherdpong Siriwit	Member	26 Nov. 2014
3.	Mr. Jitender Pal Verma	Member/Senior Executive Vice President and Group CFO	19 Oct. 2015
4.	Mr. Ng Kit Wei, David	Member/Executive Vice President, Investment, Corporate Strategy and Risk Management	19 Oct. 2015

There were four meetings convened in the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016).

The RMC's main tasks include reviewing the effectiveness of the enterprise risk management system to ensure that material risks are identified and appropriate risk management processes are in place, including the formulation and subsequent updating of appropriate group wide policies.

Besides, the Company holds risk management workshops and training for each business. The training also focuses on concepts and principles of practicing on risk management throughout the organization which would contribute ensuring the sustainable growth of the Company as well as

create long-term value for stakeholders and shareholders. The risk management criteria's have been adapted as key factors in performance evaluation of staff.

(B.7) Investment Committee

TTA Board of Directors appointed the Investment Committee ("IC") on 27 April 2016. There are five members in the Committee comprising of the President and Chief Executive Officer, two members from the Executive Committee, and two managements i.e. Chief Executive Officer and Director of Corporate Finance and Treasury as shown in table below.

Members of the IC as of 31 December 2016

No.	Name	Position	First Appointment Date
1.	Mr. Chalermchai Mahagitsiri	Chairman	27 April 2015
2.	Mr. Chia Wan Huat Joseph	Member	27 April 2015
3.	Mr. Jean Paul Thevenin	Member	27 April 2015
4.	Mr. Jitender Pal Verma	Member/Senior Executive Vice President and Group CFO	27 April 2015
5.	Mr. Wittawat Wetchabutsakorn	Member/Director, Corporate Finance and Treasury	27 April 2015

There were five meetings convened in the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016).

The Investment Committee is responsible to review and approve on investment in financial products and allocation strategy for cash management purposes. The financial investment strategy focuses mainly on investing in low risk products such as money market instruments, bank deposits, government bonds, fixed income instruments and a small portion to listed equities of companies with strong fundamentals and growth to generate additional yield.

(C) BOARD MEETINGS

Board meetings shall be held once at least every three months specified in the Articles of Association. Special meetings are convened as necessary to address specific needs. In the financial year 2016 ended 31 December 2016, there were eleven Board meetings. Principal meeting agendas were: consideration of TTA's strategic direction, annual business plan and budget, quarterly financial reports, and significant acquisition and disposal of assets.

The Board requires all members to devote sufficient time to the work of the Board, to perform the duties and responsibilities of Directors, and to use their best endeavours to attend meetings. All directors are encouraged to attend at least 75% of all Board meetings held during the year.

Attendance Record of the Board and Committees for the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016)

Name	Meeting Attendance for the financial year 2016 ended 31 December 2016							Appointment during FY2016
	Board of Directors (Total 11)	Audit Committee (Total 8)	Executive Committee (Total 8)	Nomination and Remuneration Committee (Total 3)	Corporate Governance Committee (Total 1)	Risk Management Committee (Total 4)	Investment Committee (Total 5)	
1. Mr. Prasert Bunsumpun	11/11	-	8/8	-	-	-	-	-
2. Mr. Chalermchai Mahagitsiri	8/11	-	5/8	-	-	-	5/5	-
3. Mr. Chia Wan Huat Joseph	10/11	-	8/8	-	-	4/4	5/5	-
4. Mr. Jean Paul Thevenin	10/11	-	8/8	-	-	-	3/5	-
5. Mr. Somboonkiat Kasemsuwan ¹	2/2	1/1	-	-	-	-	-	Board and AC member on 14 Nov. 2016 (replacing Mr. Krish Follett)
6. Mr. Santi Bangor	10/11	8/8	-	3/3	1/1	-	-	-
7. Ms. Ausana Mahagitsiri	9/11	-	-	3/3	1/1	-	-	-
8. Mr. Mohammed Rashed Ahmad M.Al Nasser	5/11	-	-	1/3	-	-	-	-
9. Mr. Cherdpong Siriwit	10/11	8/8	-	-	-	3/4	-	-
10. Mr. Chitrapongse Kwangsukstith	11/11	-	-	-	-	-	-	-
11. Mr. Kamolsut Dabbaransi ²	6/6	-	-	-	-	-	-	Board member on 27 Apr. 2016 (replacing Mr. Yves Barbieux)

Note: ¹ Mr. Somboonkiat Kasemsuwan was appointed as a Board member on 14 November 2016 to replace Mr. Krish Follett who resigned from the Board on 21 September 2016.

² Mr. Kamolsut Dabbaransi was appointed as a Board member on 27 April 2016 to replace Mr. Yves Barbieux who resigned from the Board on 27 April 2016.

Attendance Record of Resigned Directors for the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016)

Name	Meeting Attendance for the financial year 2016 ended 31 December 2016							Resignation during FY2016
	Board of Directors (Total 11)	Audit Committee (Total 8)	Executive Committee (Total 8)	Nomination and Remuneration Committee (Total 3)	Corporate Governance Committee (Total 1)	Risk Management Committee (Total 4)	Investment Committee (Total 5)	
1. Mr. Krish Follett	7/7	5/6	-	-	-	-	-	resigned from the Board, AC Chairman and CG member on 21 September 2016
2. Mr. Yves Barbieux	3/5	-	-	-	-	-	-	resigned from the Board on 27 April 2016

* A total of 11 Board meetings were held during the financial year: 6 regular meetings and 5 special meetings.

** Directors who could not attend the meeting due to missions abroad or other missions, they submitted a letter of absence from the meeting to the Chairman or notified the Chairman in advance.

(D) BOARD AND SUB-COMMITTEES ASSESSMENT

(D.1) Self Assessment of Board members on both as a whole and an individual basis

The Company's self-assessment forms as a whole and individual basis for the Board and Board Committees apply the SET's evaluation guideline to suit the characteristics and structure of the Board. The Board conducted a formal evaluation of its own performance for the year that ended on 31 December 2016. The evaluation process was led by the Chairman of the CGC and was conducted by sending a board assessment form to each Director. The responses to the form were collected by the Company Secretary.

The percentage of each chapter in this assessment form is as follows:

1. "Excellent" has score range between 90 – 100
2. "Very Good" has score range between 80 – 89
3. "Good" has score range between 70 – 79
4. "Satisfactory" has score range below 69

There were six key components of evaluation of Self-Assessment of Board as a whole namely:

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

There were three key components of evaluation of Self-Assessment of Board members on an individual basis as follows:

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

The Chairman of the CGC reported and discussed the assessment results with the Board of Directors. In 2016, the assessment results as a whole were "Excellent" with a percentage at 90.03, and the assessment results on an individual basis were "Excellent" with a percentage at 92.05. The Board discussed the results and possible improvements and asked different committees to propose measures to improve the efficiency of the Board.

(D.2) Self Assessment of Sub-Committee members on an individual basis

Sub-Committees namely, Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee, and Risk Management Committee, conducted a formal evaluation of its own performance for the financial year 2016. The evaluation process was led by the Chairman of the CGC and was conducted by sending a sub-committee assessment form to each member. The responses to the form were collected by the Company Secretary and the Chairman of the CGC would report the result to the Board of Directors.

There were three key components 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 2016, the assessment results for both as a whole and an individual basis of the Audit Committee, the Corporate Governance Committee, the Nomination and Remuneration Committee, and the Risk Management Committee were "Excellent".

(E) REMUNERATION POLICY

(E.1) Remuneration policy for Directors

The Company has set remuneration policy for directors which is composed of salary, meeting attendance fee, and bonus (grant upon the Company's performance). The remuneration is considered from the Board of Directors' duties and responsibilities and has been designed to the Company's directors at the similar level to the industry compensation of Thai listed companies. It is believed that such remuneration could attract, retain, and motivate the directors to perform their roles and carry out their responsibilities to accomplish the Company's goals efficiently and transparently to assure the shareholders. The Nomination and Remuneration Committee will determine the fair and reasonable remuneration amount and propose this to the Board of Directors prior to obtain the shareholders' approval.

(E.2) Remuneration policy for the President & Chief Executive Officer and Executives

Remunerations for the President & Chief Executive Officer and Executives are considered from the individual performance appraisal scores as well as the overall performance of the Company. The self-assessment results and performance are reported to the Nomination and Remuneration Committee to determine the monetary remuneration to obtain the Board's approval accordingly.

Remuneration policy for the Executives is considered from the individual performance appraisal scores as well as the overall performance of the Company. The self-assessment results and performance are reported to the President and Chief Executive Officer (CEO). The considerations thereof are reported to the Nomination and Remuneration Committee to determine the monetary remuneration to obtain the Board's approval accordingly.

Remuneration policy for the President & Chief Executive Officer and Executives are set both in short-term and long-term. For short-term remuneration includes salary and bonus. Long-term remuneration is provident fund, welfare, other benefits; including retirement fund, life insurance, and personal health insurance.

(F) DIRECTOR ORIENTATION AND DEVELOPMENT

The Company prepares a handbook for directors, which includes a summary of the Company's information, policies, charters, and structure and distributes it to all directors as basic information. The Company established a Director Induction Program for new Board members to facilitate their prompt performance of duties. The President and Chief Executive Officer normally gives orientation meetings for new Board members. In these meetings, briefings on the Company's policies and key business operations are given. Moreover, new Board members will also meet with executives in different business units to understand business of the Company in greater detail.

In addition, the Company encourages directors to attend courses or join activities aimed at improving the performance of the Board and Committees. Currently, ten of the total eleven directors participated in the Thai Institute of Directors' ("IOD") director training programmes, including the Role of Chairman Program ("RCP"), the Director Accreditation Program ("DAP"), the Director Certification Program ("DCP"), the Finance for Non-Finance Director Program ("FND"), the Role of the Compensation Committee Program ("RCC"), the

Audit Committee Program ("ACP"), 4M; Monitoring Fraud Risk Management ("MFM"), Monitoring the System of Internal Control and Risk Management ("MIR"), Monitoring the Internal Audit Function ("MIA"), and Monitoring the Quality of Financial Reporting ("MFR").

TTA encourages directors who have not participated in the above training programmes to participate at the Company's expense.

Summary of IOD courses which TTA's directors attended

Name	Role of Chairman Program (RCP)	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Finance for Non-Finance Director Program (FND)	Role of the Compensation Committee Program (RCC)	Audit Committee Program (ACP)	4M
1. Mr. Prasert Bunsumpun	RCP 28/2012	DAP 26/2004					
2. Mr. Chalermchai Mahagitsiri		DAP 30/2004	DCP 53/2005				
3. Mr. Chia Wan Huat Joseph			DCP 165/2012				
4. Mr. Jean Paul Thevenin		DAP 74/2008					
5. Mr. Somboonkiat Kasemsuwan			DCP 96/2007				
6. Mr. Santi Bangor			DCP 12/2001		RCC 16/2013	ACP 42/2013	MFM 9/2013 MIR 14/2013 MIA 14/2013 MFR 17/2013
7. Ms. Ausana Mahagitsiri		DAP 30/2014					
8. Mr. Mohammed Rashed Ahmad M. Al Nasser	-						
9. Mr. Cherdpong Siriwit	RCP 10/2004	DAP 8/2004	DCP 104/2008	FND 13/2004		ACP 27/2009	
10. Mr. Chitrapongse Kwangsukstith			DCP 42/2004	FND 9/2004	RCC 10/2010		
11. Mr. Kamolsut Dabbaransi			DCP 119/2009				

In addition, in 2016, the Company encouraged directors to attend training courses i.e. Mr. Chalermchai Mahagitsiri attended the YPO-SASIN "Executive Leadership Program: Winning Through Innovation" organized by SASIN Graduate Institute of Business Administration of Chulalongkorn University. Mr. Santi Bangor also attended a seminar on "Inside Information Management Tips for Listed Company Executives" organized by the SEC together with the SET and TLCA.

(G) BUSINESS ETHICS AND CODE OF CONDUCT

TTA's Ethical and Operational Guidelines

TTA has the following ethical and operational guidelines:

(i) Fairness

We believe in being fair to all parties having a business relationship with us and conscientiously avoid favouritism or a conflict of interest situation.

(ii) Professionalism

We carry out our responsibilities in a professional manner and are determined to achieve excellence by continuously increasing performance levels through new methods and technologies.

(iii) Proactiveness

We are responsive to client needs and social, technical, and economic changes and adapt to the circumstances.

(iv) Discipline and Compliance

We pursue business affairs with discipline and ethical principles and ensure that our undertakings comply with laws, rules, and regulations.

CODE OF BUSINESS CONDUCT

The Board has approved a Core Values, Mission and Vision ("VMV") framework to guide business operations. A Code of Business Conduct was approved by the Board on 12 February 2010 to implement the VMV framework, emphasising our four Core Values.

TTA has arranged Code of Business Conduct training to all employees to ensure that they understand good practices and has included the Code of Business Conduct training as part of the orientation for new employees.

THE FOUR CORE VALUES ARE:

- (i) **Integrity:** We are open, honest, and ethical, deliver on our promises, and build and nurture trust in our relationships.
- (ii) **Excellence:** We set high standards of quality, safety, environment, security, and service, are always prepared for challenges, and conduct our business professionally.

(iii) **Team Spirit:** We care for our clients, employees, and suppliers and behave in ways that build a spirit of teamwork and collaboration and show deep respect for one another.

(iv) **Commitment:** We are passionate about the future of this Company and feel accountable for business results and success.

The Board of Directors approved the Vision and Mission statements of TTA as follows:

- (a) The vision statement of TTA is "To be the most Trusted Asian Investment Group, consistently delivering enhanced stakeholder experience"; and
- (b) The mission statement of TTA is:
 - 1. To maximize shareholders value
 - 2. To create and facilitate sustainable growth
 - 3. To identify, invest, govern and grow our group business portfolio
 - 4. To give back to the society

The Company reviews vision, mission, and corporate strategy annually, being accompanied by the executive management to propose to the Executive Committee to review and approve by the Board of Directors in order to identify the vision, mission, and strategic directions in accordance with the Company's investments and current economic condition.

A disciplined approach to risk is important in a diversified organization like TTA in order to ensure that the Group is executing according to its strategic objectives and that the Group only accept risk for which the Group is adequately compensated. Based on the globally recognized risk industry framework, the Group practices a structured process under TTA Enterprise Risk Management Framework ("TTA ERM"), where risk are systematically identified, analyzed, and proactively managed to prevent potential losses and better capture new business opportunities. TTA Board of Directors has oversight for risk management with a focus on the most significant risks facing the Group, including strategic, operational, financial and legal and compliance risks. Throughout the year, the Board and the Committees to which it has delegated responsibility dedicate attention and resources to review and discuss specific risk issues in greater detail. With a framework that effectively supports appropriate risk awareness, behaviors and sound risk-based decision making, TTA promotes a strong culture of risk management.

TTA Enterprise Risk Management Framework ("TTA ERM")

TTA has in place an effective and practical enterprise risk management framework which serves to not only prevents losses, but to also protect and enhance stakeholders' interest with the ultimate aim to improve their experience and confidence with the Group. In designing the ERM framework, the Group has made reference to globally recognized industry risk management standard under the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework to ensure best practice and TTA Enterprise Risk Management framework has since evolved to provide a holistic and systematic process for identifying, analyzing and managing risk. By regularly communicating and training employees on TTA ERM framework, TTA has in place a strong culture of risk management that enables the Group to be better equipped in managing risks against the dynamic market environment, both locally and internationally.

TTA ERM Framework comprise of:

1. Risk Objective/Approach

To ensure consistent risk management practices and standards throughout the Group, clear objectives and approach to manage risk including risk appetite acceptance levels are established.

2. Risk Governance Structure and Responsibilities

TTA Board of Directors has oversight for risk management and the Board delegates its responsibility to the Risk Management Committee, among others, to carry out risk management. The Risk Management Committee oversee, support and monitor risk in all areas of the Group.

2.1 Board of Directors and Audit Committee

Representing shareholders' interests in managing risk, the Board of Directors oversees risk management where business key risk are evaluated, monitored and responded to, and overall risk appetite is set in line with the Group's objectives and goals. The Board of Directors sets strong risk management culture 'tone-at-the-top' and this includes endorsing the TTA Enterprise Risk Management Framework, and ensuring risk management program is properly implemented within the Group as part of good corporate governance. The Audit Committee, which oversees the policies, processes, and risks relating to financial reporting process, compliance, and auditing, reinforce the Board by ensuring the adequacy of controls and that these remain effective and comply with the established risk framework.

2.2 Risk Management Committee

Providing an independent oversight on the risk exposures faced by the Group, the Risk Management Committee assists the Board where the Risk Management Committee oversees the implementation of TTA risk appetite, and senior management establishment of appropriate systems to ensure risks are effectively identified, measured, monitored and controlled. These material risks are reviewed and discussed extensively at the Risk Management Committee quarterly meetings, where risks are prioritized and depending on the probability and severity of the risk, escalated as appropriate, and ensured appropriate mitigation plans are in place and implemented.

Other core responsibilities include:

- Improves and determines risk management governance and reporting
- Review and approve risk management framework, policies, strategies and plans
- Review and monitor TTA risk exposure
- Promote and provide support to the execution of risk management program within the Group
- Share quarterly risk information to the Audit Committee for audit planning purposes

2.3 Risk Management at the Group Level

To facilitate risk governance support, TTA has established corporate functions at the Group Level with assigned responsibilities to focus and contribute to the implementation and improvement of risk process. This includes the setting up of management and monitoring system for risks that may have a material and pervasive impact upon TTA's businesses.

2.3.1 Corporate Risk

Reporting to the TTA Risk Management Committee, Corporate Risk is responsible for overseeing and coordinating risk assessment and mitigation on an enterprise-wide basis. It is responsible for the identification of key business risk, providing for appropriate oversight of the businesses' management of these risks, and enforcement through policies and procedures. Corporate Risk also promotes strong risk culture throughout the Group and this includes sharing of risk management knowledge.

2.3.2 Corporate Compliance

Corporate compliance is tasked to ensure the Group and its processes are managed with proper policy and procedures designed to limit and mitigate risk. With the ultimate aim to safeguard people and protect assets, and shareholders' interests, the unit ensures that business units/functions comply with laws and regulations, and all non-compliance is reported to the Audit Committee.

2.3.3 Corporate Internal Audit

Internal Audit strengthens overall risk governance by evaluating the effectiveness and operation of the Group's ERM Framework. Reporting to the Audit Committee, Internal Audit conduct independent validation of controls established to address risk and implementation status of agreed upon response plans. This provides an independent assurance that ERM-related activities are effectively performed, and there is adequate control framework to manage risks across the Group.

2.3.4 Other Functions

This includes corporate risk owners/units that may be responsible for managing risks which may have a pervasive impact upon TTA operation or reputation which require specialized expertise such as the Business Continuity Management and Disaster Recovery Plan (to manage risks resulting in business interruption and information technology risk), or Corporate Communication unit (to manage risks affecting to the Company's reputation and image).

2.4 Risk Management at the Business Unit

Each business unit has its own Business Unit Risk Management Committee comprising their executive officers, and with deep risk expertise, the business units own and manage their business risk which enables more early risk detection and more proactive risk management by the business unit. Business Unit Risk Management Committee drives the implementation of risk program within its business unit and reports to the TTA Risk Management Committee on a quarterly basis.

3. TTA Risk Process

TTA risk infrastructure is designed to manage all risks relevant to its business environment that, if they materialized, could prevent TTA from achieving its risk objectives or result in losses. In particular, extreme/high risks exposures are identified and assessed with regards to their impact on the Group's operations, financial performance and reputation and mitigating actions are established and closely monitored.

TTA Risk Process comprises:

3.1 Risk Identification

An ongoing process, it begins with having a clear understanding of business objectives and how the achievement of these objectives could be impacted. In view of these, TTA develops a risk universe which covers all risks that could potentially impact business performance, and this includes strategic risk, operational risk, market risk, credit risk and external risk.

3.2 Risk Assessment

This process involves considering the impact of risks identified to the organization and the likelihood that these risks will occur and ranking them in the order of significance to the business. Risk owners are supported with multiple tools e.g. benchmarking, scenario analysis, among others to assess the likelihood, severity and manageability of risk and the results are compared to specified risk limits in accordance with risk appetite. Both risk criteria and limits by themselves are subject to periodic reviews to ensure that they continue to support business objectives, effectively address business risks and take into consideration the prevailing business climate, opportunity and risk appetite within TTA.

3.3 Risk Response

With the objective to reduce risks beyond the Group's risk appetite and to only accept risk acceptable to the Group, TTA have general response strategies for managing risks, which categorize risks according to whether the Group will Accept, Avoid, Mitigate, Transfer the risk. These response strategies are tailored to ensure that risk levels are within the Group's risk appetite.

3.4 Risk Reporting and Monitoring

Risk outcome are reported to the management including business unit heads, and TTA Risk Management Committee. Where appropriate, this will then be escalated and presented to the Board of Directors on a quarterly basis.

Key Risks and Mitigation Measures

1. Strategic Risk

1.1 Strategy Execution

While the Group conscientiously plans its strategy and business direction, the failure to identify and implement the appropriate strategy in particular as business environment changes may adversely impact the Group. TTA manages this risk by regularly evaluating its strategy and business plans in particular for operating units with the strong focus of preserving its competitiveness, and creating shareholder value. Every month, TTA Executive Committee meets with business units, among others, to monitor the Group performance and exchange views on adjusting business plans and short-term strategies to ensure confidence in reaching such goals. This includes engagement with external consultants and experts to continuously challenge and validate the Group strategic direction and position.

1.2 Market/Industry Risk

The Group has significant exposure in industries which are highly vulnerable to global economic cycles. Any significant economic slowdown or market deterioration may significantly weigh on the business ability to generate cash or profit, and this could also impair TTA ability to access capital markets at reasonable cost. To mitigate the risk, the Group is proactively looking to diversify and reduce the cyclicity of the Group by focusing on more stable industry.

1.3 New Investment Risk

TTA is seeking new business investments as a means of business diversification and creating shareholder value. This may be difficult to source, and even if TTA is successfully in finding new business investment, the investment could be undermined by unfavorable factors arising from project funding, joint venture partners, project assumptions, business environment, regulations, markets and competition. To ensure that necessary prudence is exercised in all investment decisions, the Group has in place an investment approval process whereby a disciplined approach is taken to review the key risks and opportunities presented by potential investments. As part of TTA investment approval process, all new investments and transactions are reviewed extensively by leveraging cross-functional teams so as to ensure best investment opportunities are presented to the Executive Committee and Board of Directors for final review and approval.

1.4 Joint Venture/Strategic Partner Risk

To grow new business or markets, the Group selectively enters into joint ventures and strategic partnership arrangements. While the Group maintains a rigorous vetting process that ensures not only business interest alignment but also sharing of core corporate values, still, this could change over time, and partners could have economic or business interests or goals that are no longer aligned with the Group, and worst still, partners may take action contrary to the Group interest. To mitigate the risk, the Group proactively engages and maintains open dialogue with partners, and when necessary, to consider amicable partings. It is nevertheless the Group policy that all agreements with these joint venture or strategic partners are carefully reviewed and drafted to ensure the Group protects its interest.

1.5 Reputation Risk

TTA General Business Code of Conduct governs how TTA, and its individual companies and employees conduct their affairs. While the Group aspires to have all fully complied, failure-real or perceived-to follow these principles, or other real or perceived failures of governance or regulatory compliance, could adversely impact the Group affecting reputation. To protect the Group reputation, TTA maintains a very strict 'zero tolerance' non-compliance policy which all parties need to adhere and follow. Any non-compliance compromising the Group is severely dealt with.

2. Operational Risks

2.1 Health, Safety and Environmental Risk

TTA business operations may be subjected to increasingly tough legislation and regulations in relation to health, safety and environmental. Given the importance of HSE, TTA has been focused on actively managing the group-wide HSE risks associated with the Group activities and services where all business are required to strictly monitor, measure, and assess the compliance with applicable laws and regulations. If certain business fails to comply, corrective and preventive measures would be undertaken to mitigate the risk. Other group efforts include campaigns such as zero accident programs and audits where TTA systematically conduct health and environmental safety checks at all locations.

2.2 Human Resource Risk

The nature of the Group's operation requires highly skilled and competent personnel to run the business. Some of these talents can be limited, in particular for certain markets; and the Group must compete against other companies inside and outside the industry for qualified and experienced employees. Failure to attract and retain these employees may affect the success of the Group's operations and consequently impact on its performance. TTA believes that strong human capital talent is key to help the Group achieve its objectives, and TTA offers competitive compensation and benefit program to attract and retain talents. TTA has also recently initiated a succession planning program in order to ensure knowledge and skills are passed on. TTA strives to create a positive environment for employees, where every employee can continue to develop their careers and have a healthy work-life balance.

2.3 Crisis Management and Business Continuity

It is part of the Group's risk management initiative to address and manage potential threats and disruptions to operations arising from events such as an epidemic outbreak, act of terrorism, natural calamities and damage to critical facilities. With the aim of resuming key business operations within a pre-established targeted timeframe, TTA is working towards each business unit establishing their specific business continuity and crisis response plans. This will limit business disruption and provide effective response to unforeseen events.

3. Financial Risk

3.1 Market Risk

The Group's business activities are exposed to various market risks, including those related to foreign exchange, commodity prices and interest rates which are inherently volatile and unpredictable. To manage these risks, the Group utilizes various financial instruments, including foreign exchange forwards, interest rate swap, freight forward agreement (FFA), bunker swap contracts and purchase of options. To the extent the group can naturally hedge its market risks, for example, matching foreign currency loans with foreign currency revenues, the Group will manage uncovered risk. The use of financial instruments is strictly controlled by policies and authority limits approved by the Board of Directors.

3.2 Credit Risk

Credit risk arises when counterparties fail to fulfill their contractual obligations. The Group generally deals with counterparties with satisfactory creditworthiness and this is achieved by evaluating and monitoring default and credit risks of customers, suppliers, contractors, joint venture partners and financial institutions. Credit evaluations are performed on counterparties from time to time based on a systematic approach. On a case-by-case basis, additional securities and shorter payment terms will be required as mitigation measures when dealing with counterparties of weaker credit standing. The Group also reviews material concentration risk with individual counterparties or geographically.

3.3 Dividends from subsidiaries and associated companies

Being a Holding Company, TTA rely on returns from its subsidiary and associate companies. Both the timing and ability of TTA subsidiaries and associated companies to pay dividends may sometimes be limited by regulations, the terms of each subsidiary's or associated company's indebtedness, financial condition, results of operations, and future business prospects, and without dividends, this could affect the Group ability to service its debts. Apart from solid centralized cash management, and access to capital, TTA tries to balance the dividend risk by investing in multiple industries with not only constant cash payback but also different cash generation profile.

3.4 Liquidity/Funding Risk

TTA manages this risk with the goal to ensure it has sufficient funds to meet working capital needs and to drive the company's growth be it for business expansion or mergers and acquisitions. Apart from maintaining good relationship with financial institutions, TTA has established a well-functioning system for cash flow planning, budgeting, and forecasting to assess the short-term and medium to long-term liquidity needs. These measures include centralizing cash management, and maintaining a reasonable level of funds and access to credit facilities, and constant monitoring and stress testing cash flows to ensure financial stability. The Group has secured committed credit lines with reputable local and international banks.

4. Compliance and External Risks

4.1 Business Environment Risk

With operations extending across the globe, TTA continuously assess and monitor country-specific risks of the countries in which it operates, considering social-economic factors, legal and tax systems, to political climate and intra-country conflicts. These risk assessments are regularly conducted to enable the group to identify potential and emerging risks and respond by formulating appropriate risk management strategies.

4.2 Natural Disasters

Earthquakes, floods, storms and the possible effects of climate change could result in significant environmental incident, commercial loss or interruption to operations. To manage this risk, the Group has put in place various insurance policies to cover potential losses, which mitigates the impact of these risks to some extent.

4.3 Regulatory Changes

The Group operates globally and can be subjected to regulatory changes in multiple jurisdictions. TTA strive to fully comply with all laws and regulations and compliance checklists are developed for each business unit to ensure they comply with relevant laws and regulations. Even in instances where there are still uncertainty on the potential change in regulations, TTA will take all possible measures to protect its own legal position and prevent the development of legal/regulatory risks.

Reflecting the Group's commitment, TTA General Business Code of Conduct governs how TTA and its individual companies conduct their affairs and ensures compliance. The initiative is supplemented with a Whistle Blower Line for reporting compliance violations.

4.4 Social Risk and Community Dispute

Some of the Group's current and potential operations are located in or near communities that may regard the operation as being detrimental to their environment. Community expectations are typically complex with the potential for multiple inconsistent stakeholder views that may be difficult to resolve. Stakeholder opinion and community acceptance can be subject to many influences such as those from related industries, operations of other groups, local, regional or national events in other places where TTA operate. This could have significant impact to TTA operations, and to address these risks, TTA monitors and analyzes the impacts of changes in environmental and safety laws and regulations on TTA operations. TTA closely coordinate with government agencies, and apply available information to develop work plans and response measures including continuous CSR program to focus on community and ensure ongoing community relations activities in operating areas.

Building a Strong Corporate Risk Culture

While the Group can continuously seek to strengthen its risk practices, risk will never succeed as much if the organization does not practice and instill a strong corporate risk culture. Starting from the top, TTA executives communicate the significance of risk management and make risk management the responsibility of every member of the organization. Such strong management commitment enables the Group to be better equipped in managing risks in the dynamic business environment, both locally and internationally and risk management is integrated into the day-to-day business operations. These contribute to a stronger risk culture which will ultimately help add value to the organisation.

To the Shareholders

The Audit Committee (“the Committee”) consists of three independent directors, Mr. Somboonkiat Kasemsuwan (the Chairman of the Audit Committee), Mr. Santi Bangor, and Mr. Cherdpong Siriwit who are independent Non-Executive Directors. All the Committee’s members have adequate qualifications and discharge 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.

In 2016, the Committee held 8 meetings. The key responsibilities of the Committee are to assist the Board in fulfilling its oversight responsibilities in relation to preparation and disclosure of financial reporting; the effectiveness of the system of risk management and internal control; compliance with relevant legal and regulatory requirements; monitoring the qualifications, expertise, resources and independence of both the internal and external auditors; and assessing the auditor’s performance and effectiveness. The Committee keeps the Board informed of the Committee’s activities and recommendations. Where the Committee is not satisfied with, or wherever it considers action or improvement is required concerning any aspect of risk management and internal control, financial reporting, or audit-related activities, it promptly reports these concerns to the Board. The Committee’s significant activities have been summarized below.

1. Review of Financial Statements

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

In addition, the Committee held meetings with the external auditors without the presence of the Company’s management so as to freely discuss important issues which may arise including the problems or difficulties in performing their duties as well as to hear whether there was any suspicious information indicating potential fraud following Section 89/25 of the Securities and Exchange Act B.E.2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551. In 2016, the external auditors did not discover any material misstatements or indications of suspicious incidents. The Committee is of the opinion that the Company has a proper financial reporting process to disclose its financial information, in which the financial statements were free from material misstatement and prepared in accordance with Thai Financial Reporting Standards.

2. Review of Internal Control

The Committee approved the audit plan for 2016 as well as reviewed the Internal Audit Department’s independence, resource sufficiency and also evaluated the performance of Head of Internal Audit. The Committee evaluated management control systems, financial control systems and compliance control systems, based on guidelines from the office of the Securities and Exchange Commission. Internal auditors have also followed up on the results of the aforesaid review and audit which the results of the audit and the recommendations were discussed with the related staff and management prior to report to the Committee in every quarter. In addition, the external auditor has also reported that was no significant deficiency impacting to the Company’s financial statements identified. The Committee, therefore, is of the opinion that the Company has proper and adequate internal control systems including organizational control and environment measure, risk management measure, management control activities, information and communication measure, and monitoring, as management determines is necessary and there are no significant deficiencies identified.

3. Review of Regulatory Compliance

The Committee held meeting with the Compliance Department to review the Company’s compliance with the laws and regulations. The Internal Auditors have also reviewed the connected transactions or transactions that may lead to conflicts of interests ensuring that the 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 Committee and subsequently the Board of Directors. The Committee also ensures that transactions are transparency, reasonable, fair, without conflict of interest, in all material respects, and for the highest benefit of the Company. The Committee is of the opinion that the Company has been in compliance with significant laws and regulations to which the operations of the Company are subjected.

4. Review of Good Corporate Governance (Whistleblowing Policy)

The Committee further enhanced good corporate governance practices and considered relations to fraud or corruption such as providing the channel for employees, shareholders and external parties to direct their complaints, reports on suspected violation of laws and Code of Conduct and questions about the financial statements and internal control systems. Whistle-blowing system was also set up to include the whistleblower’s protection measures and to treat all complaints with to protect the appellant and confidentiality. No concern on misconduct or fraud was reported during this year.

In addition, the Committee considered and acknowledged the compliance statement on Code of Conduct, of which employees represented to his/her managers up to the Chief Executive Officer. The representation process and the content of the statement ensured that compliance with Code of conduct and relevant laws were well regarded.

5. Oversight of Internal Audit

The Committee continuously improved on the structure of the Corporate Internal Audit Office to engage in proactive audit to accommodate all significant risks, on top of the annual audit plans. It defined the scope of review on the internal control report of significant subsidiaries for the group audit efficiency and effectiveness. Moreover, the Committee also enhanced the quality assessment of internal audit and supported personnel development through the establishment of the Risk Control Matrix (RCM) to improve internal audit works more effectively.

In addition, the Committee conducted the review of the Audit Committee Charter and the Internal Audit Charter to ensure that the roles and responsibilities of the Audit Committee and internal audit are performed efficiently and effectively in accordance with the best practices defined by the Securities and Exchange Commission and the Stock Exchange of Thailand and the relevancy of current risk and business environment. The Charters were approved in the Audit Committee Meeting No. 8/2559, dated on December 13, 2016 with the final approval by Board of Directors on February 28, 2017.

6. Appointment of the External Auditors

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

After careful consideration, the Committee has recommended to re-appoint KPMG Phoomchai Audit Ltd. as external auditors to the Board of Directors before seeking approval at the Shareholders' Meeting for the appointment of Mrs. Siripen Sukcharoenyingyong, Certified Public Accountant Registration No. 3636; and/or Mr. Charoen Phosamritlert, Certified Public Accountant Registration No. 4068; and/or Miss. Pornthip Rimdusit, Certified Public

Accountant Registration No. 5565; 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 2017 with the audit fees for TTA and the Group companies amounting to Baht 3.7 million and Baht 14.4 million, respectively.

7. The Audit Committee Self-Assessments

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

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

For and on behalf of the Audit Committee of
Thoresen Thai Agencies Public Company Limited



Somboonkiat Kasemsuwan
Chairman of the Audit Committee

▶ INTERNAL CONTROL AND RISK MANAGEMENT

For the year ended on 31 December 2016

“TTA consistently recognizes the importance of internal control. The Audit Committee assigns 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 financial reporting, and compliance according to laws and regulations”

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

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

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

The Audit Committee (“the AC”) has been delegated the responsibility for reviewing the effectiveness of the TTA's internal controls and compliance with related laws and regulations. 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 quarterly basis on the internal audit and internal control results, compliance approaches and highlighting any significant issues;
- Continuously developed and obtained information from Whistleblower system for employees, shareholders or external parties as additional channel to report fraudulent acts, non-compliance with corporate governance, laws and regulations, code of conducts that directly reporting to Audit Committee.
- 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 CEO. The IAD assists the AC and the Board by performing regular assessments and evaluations on TTA'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. 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.

TTA'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:

- TTA clearly defines, encourages and promotes a good working environment by setting policy and planning, executing, controlling and monitoring all business activities.
- TTA adheres to its business philosophies and ethics through the actions and behavior to support the functioning of the internal control system. The Codes of Conduct have also been developed as guidelines for directors, management and employees.
- The Board and management at all levels demonstrate through their directives, actions, and behavior the important of integrity and ethical values. All stakeholders are treated with fairness and respect and in such a way that adheres to good corporate governance principles.
- There is an organizational chart that clearly defines the lines of management authority and responsibility according to a suitable organizational structure, business size and operations.
- The Board and management set up the Delegated of Authority Limit and Level for each type of business transactions as a key control over authorization.
- The Company has implemented a Whistleblower Policy for reporting fraud, errors and misrepresentation or false statements made by the executives. Whistleblower reports are periodically reviewed by the Audit Committee.

2. Risk Assessment

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.

The Board appointed the Risk Management Committee who charged 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.

The details of risk assessment and risk management of the Company were disclosed under "Risk Factors" in the annual report.

3. Control Activities

TTA focuses on efficient control activities that are in line with acceptable risks and appropriate for the business circumstances and activities of each department. These control activities are implemented through regulation, policy and working procedures. They are also reviewed and improved continuously. The transactions amongst the Company and its related parties have been carefully controlled and conform to the Securities and Exchange Commission and the Stock Exchange of Thailand regulations requirements and other regulatory bodies. TTA employees are encouraged recognize the important of strictly complying with the control activities as well as related laws and regulations. This is to reduce risks covering various aspects, especially fraud risk and preventing violation of the laws.

4. Information and Communication

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

5. Monitoring

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

The internal audit works according to audit plan that is approved and monitored by the AC. The plan is based on the risk assessment and encompasses prioritized companies, key business areas and processes. The results of the performed audits and following up observations are reported to AC and the Board. No significant control deficiencies have been reported to date. However, recommendations regarding internal controls have been provided in some areas.

The Board formally reviews the effectiveness of the system of internal control at least annually. Processes are in place for identifying, evaluating and managing the significant risks facing the Company in accordance with the Internal Control Assessments Guidance published by the Securities and Exchange Commission.

In accordance with SET's notification: The Audit Committee's Qualifications and Scope of Works B.E. 2558, the Audit Committee Charter defined its responsibility to evaluate the performance of senior executives of Internal Audit with Chief Executive Officer.

At Board Meeting No.3/2017, held on 28 February 2017 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 sufficient of internal audit staffs to effectively conduct the audit tasks, 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 2016, concluded that there was no material deficiency in the Company's accounting and financial control system.

	For the Year Ended 31 December 2016	For the Year Ended 31 December 2015 ²	For the Three- Month Period Ended 31 December 2014 ² (restated)
(Baht in millions, except share, per share data, and ratios)			
Income Statement Data:			
Voyage revenues	3,176.91	5,756.14	2,213.70
Voyage expenses ¹	1,768.08	3,588.69	1,644.52
Vessel operating expenses - owner expenses ¹	1,127.51	1,323.19	321.22
Offshore services revenues	6,533.38	11,527.29	3,234.74
Offshore services expenses	4,808.56	9,594.86	2,641.08
Sales	3,613.65	3,793.50	693.94
Cost of sales ¹	2,886.10	3,151.91	550.79
Revenues from service companies and other sources ¹	526.85	446.10	92.44
Depreciation and amortisation	1,164.64	1,779.33	422.12
General and administrative expenses ¹	1,552.21	2,433.09	481.53
Interest expenses	475.25	501.25	121.34
Interest income	134.59	78.89	13.52
Equity income from associates and joint ventures ¹	552.49	822.61	258.06
Foreign exchange gains (losses) ¹	(10.13)	244.11	73.34
Net income (losses)	(418.29)	(11,335.10)	84.00
Per Share Data:			
Net income (losses) - basic	(0.23)	(6.61)	0.06
Cash dividends declared	0.05	0.05	0.025
Net book value	11.45	11.86	18.64
Balance Sheet Data (at end of year):			
Cash and short-term investments	10,670.75	13,423.01	8,280.33
Vessels, rigs, machinery, and equipment - net of depreciation	14,809.80	16,493.28	23,009.97
Total assets	41,620.00	45,346.40	51,678.91
Total liabilities	15,125.38	18,358.04	19,432.81
Issued and paid-up share capital (Baht)	1,822,454,100	1,822,454,100	1,301,174,740
Total shareholders' equity	26,494.62	26,988.36	32,246.10
Other Financial Data:			
Net cash flows provided by operating activities	1,893.98	635.46	501.50
Net cash flows provided by (used in) investing activities	1,720.29	(8,051.25)	(98.81)
Net cash flows provided by (used in) financing activities	(2,551.42)	5,554.81	933.55
Capital expenditures :			
Property, plant and equipment, and intangible assets	578.77	1,332.84	287.68
Financial Ratios:			
Return on shareholders' equity (%) [*]	-1.97%	-49.43%	1.40%
Return on total assets (%) [*]	-0.22%	-30.50%	1.09%
Net profit margin (%)	-3.06%	-52.90%	1.35%
Total interest bearing debt to total capitalisation	0.31	0.35	0.32
Net interest bearing debt to net capitalisation	0.05	0.03	0.17

Note ¹ Exclude one-off items

² The Company changed accounting period from 1 October to 30 September of each year to 1 January to 31 December of each year. The first new accounting period ended 31 December 2014 commenced from 1 October 2014 to 31 December 2014. The first twelve months accounting period commenced from 1 January 2015 to 31 December 2015.

^{*}Annualised

Revenue (Baht)								
Group of Business	Generated by	% of Shareholding by TTA	For the three-month period ended 31 Dec 2014 (restated)	For the year ended 31 December 2015		For the year ended 31 December 2016		
				%		%		
Group Transport	Shipping	100	2,214,424,491	35	5,765,685,998	27	3,179,187,518	23
Group Energy	Mermaid	58.22	3,234,735,324	52	11,527,292,397	53	6,533,377,554	46
Coal/Group Infrastructure	UMS ¹	90.11	112,524,124	2	577,509,567	3	483,055,531	3
Fertilizer/Group Infrastructure	Baconco ²	100	588,964,714	9	3,307,625,800	15	3,232,904,661	23
Others/Group Infrastructure	GTL/CMSS	51/99.99	56,027,778	1	247,644,163	1	233,322,151	2
Other Revenues			84,995,367	1	272,872,806	1	433,318,568	3
Total			6,291,671,798	100	21,698,630,731	100	14,095,165,983	100

Note: ¹ indirectly held through Athene Holdings Ltd.
² indirectly held through PM Thoresen Asia Holdings Plc.

► MANAGEMENT'S DISCUSSION AND ANALYSIS

Thoresen Thai Agencies Public Company Limited ("TTA")

- Consolidated EBITDA growth 11% YoY to Baht 2 billion, despite lower revenues
- Cash and short-term investments on its consolidated balance sheet were Baht 10.7 billion at the end of 2016
- Normalized net profit to TTA of Baht 32.6 million (Reported net loss to TTA of Baht 418.3 million)

Executive Summary

Performance Summary

in million Baht	FY15	FY16	% YoY	4Q/15	3Q/16	4Q/16	%YoY	%QoQ
Revenues	21,425.8	13,661.8	-36%	5,059.3	3,576.0	3,597.5	-29%	1%
Gross Profit	3,613.9	2,880.2	-20%	827.3	893.2	840.0	2%	-6%
Gross Margin (%)	17%	21%		16%	25%	23%		
EBITDA	1,844.6	2,053.3	11%	(228.7)	660.8	617.6	370%	-7%
EBITDA Margin (%)	9%	15%		-5%	18%	17%		
Net Profit/(Loss)	(14,797.9)	(96.9)	99%	(14,996.1)	135.0	(124.8)	99%	-192%
Net Profit Margin (%)	-69%	-1%		-296%	4%	-3%		
Net Profit/(Loss) to TTA	(11,335.1)	(418.3)	96%	(11,283.7)	6.9	(163.9)	99%	-2466%
Net Profit Margin (%)	-53%	-3%		-223%	0%	-5%		
Number of Shares (million Shares)	1,822.5	1,822.5		1,822.5	1,822.5	1,822.5		
Basic earnings per share (in Baht)	(6.61)	(0.23)	97%	(6.25)	0.004	(0.09)	99%	-2350%
Normalized Net Profit	(652.6)	414.3	163%	(841.5)	206.5	267.5	132%	30%
Normalized Net Profit to TTA	(664.3)	32.6	105%	(601.7)	78.6	167.9	128%	114%

*Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items
Restate 4Q/15 and FY15

In 2016, shipping industry faced its worst downturn in nearly 30 years, the Baltic Dry Index (BDI), an indicator of international cargo trade, had fallen to its 30 years low at 290 in February 2016 due to the continuing depression in shipping market from low international trade and an excess supply of ships, however, BDI slowly picked up toward the end of the year 2016 as the situation eased. Overall, the BDI index declined 6% from year 2015 at 718 to average at 673 in 2016. Additionally, oil and gas market continued to be volatile throughout 2016, while crude oil continued to slump to its lowest level in nearly ten years at the beginning of 2016 and gradually picked up toward the end of the year 2016. The average crude oil price in 2016 at around USD 41 per barrel declined from 2015 at around USD 51 per barrel as crude oil market was under supply surplus condition.

Despite the weak industry environment in 2016, Thoresen Thai Agencies Public Company Limited ("TTA") managed to increase the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) by 11% YoY to record at Baht 2 billion.

Thoresen Shipping Group ("TSG")'s average TCE rate in 2016 was at \$5,155 per day, this is 10% under the adjusted market TC Avg BSI of \$5,746 per day. TSG's average TCE rate in 2016 consisted of owned fleet TCE rate of \$5,206 per day and losses from chartered-in vessels of \$50 per

day. In a rising market, vessel earnings lag the market index (BDI) by about a month. TSG continues to provide forward freight for its key customers to conclude commodity sales but is required to be more cautious front running a firming market. However, TSG was able to achieve a positive EBITDA of Baht 87.1 million (down 85% YoY) with EBITDA margin of 3% despite the 30-year low BDI index in 2016. TSG reported net loss of Baht 874.4 million in 2016 with normalized loss of Baht 509.9 million.

In 2016, Mermaid Maritime Public Company Limited ("MML Group")'s total revenue was at Baht 6,533.4 million, a decrease of 43% YoY from Baht 11,527.3 million due to lower activities, especially cable laying, during the year. However, the overall cost also decreased 50% YoY comparing to the total revenue which reduced 43%, the gross profit was at Baht 1,724.8 million with gross margin of 26% in 2016. MML Group reported the consolidated financial statements for the FY2016 with net profit of Baht 605.0 million and attributable net profit to TTA of Baht 349.8 million.

Unique Mining Services Public Company Limited ("UMS")'s sales volume decreased 14% YoY from 259 Ktons in

2015 to 223 Ktons in 2016. The decline in sales volume was mainly from lower volume of low margin 0-5 mm size coal which reduced 40% YoY from 2015, while classified size reduced 5% due to the limited opportunities for importing coals for sales. Accordingly, in 2016, UMS reported net loss of Baht 57.6 million and attributable net losses to TTA of Baht 51.8 million.

PM Thoresen Asia Holdings Public Company Limited ("PMTA") continued its outstanding profitable performance for TTA in 2016, despite the challenging year from prolonged drought and saline intrusion within the Vietnam region, it

managed to increase the sales volume by 5% to 209,329 tons per year with gross profit margin of 28%. Accordingly, in 2016, PMTA reported net profit of Baht 277 million and attributable net profit to TTA of Baht 188 million.

Overall, in 2016, TTA reported net loss to TTA of Baht 418.3 million with normalized net profit to TTA of Baht 32.6 million. TTA still maintained strong net cash flow from operation of Baht 1,894.0 million with cash and short-term investments on its consolidated balance sheet totaling to Baht 10.7 billion at the end of 2016.

Consolidated Performance Summary

Consolidated Income Statement

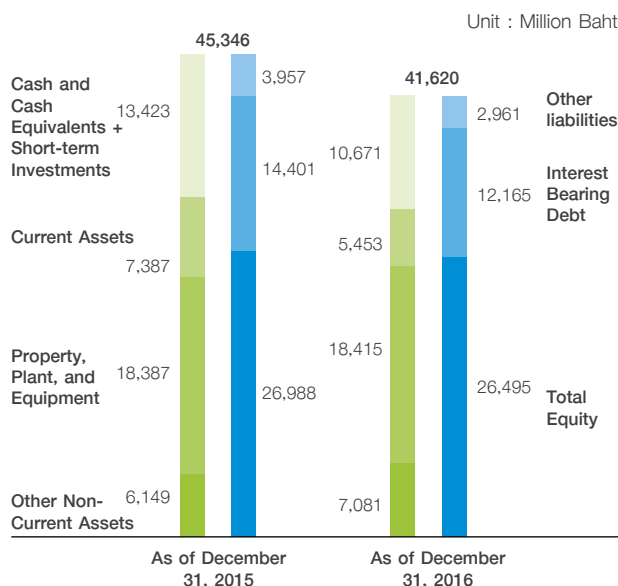
in million Baht (MB)	FY15 (Restate)		FY16		%YoY	
	MB	%	MB	%	MB	%
Revenues	21,425.8	100.0	13,661.8	100.0	(7,763.9)	-36%
Costs	(17,811.8)	(83.1)	(10,781.6)	(78.9)	(7,030.2)	-39%
Gross Profit	3,613.9	16.9	2,880.2	21.1	(733.7)	-20%
Other Income	176.2	0.8	323.5	2.4	147.4	84%
Gain/(Loss) on Investment	(152.3)	(0.7)	71.4	0.5	223.7	147%
SG&A	(2,615.9)	(12.2)	(1,774.3)	(13.0)	(841.6)	-32%
EBITDA from Operation	1,021.9	4.8	1,500.8	11.0	478.9	47%
Equity Income	822.6	3.8	552.5	4.0	(270.1)	-33%
EBITDA	1,844.6	8.6	2,053.3	15.0	208.8	11%
Depreciation & Amortization	(1,779.3)	(8.3)	(1,164.6)	(8.5)	(614.7)	-35%
EBIT	65.2	0.3	888.7	6.5	823.4	1262%
Financial Cost	(518.8)	(2.4)	(494.1)	(3.6)	(24.7)	-5%
Gain/(Loss) from Foreign Exchange	(178.1)	(0.8)	(10.1)	(0.1)	(168.0)	-94%
Non-Recurring Items-Impairment on Assets	(11,769.4)	(54.9)	(308.0)	(2.3)	(11,461.4)	0%
Non-Recurring Items-Other	(2,375.9)	(11.1)	(203.2)	(1.5)	(2,172.7)	-91%
Profit before income tax	(14,777.0)	(69.0)	(126.7)	(0.9)	14,650.2	99%
Income Tax Expense	(21.0)	(0.1)	29.8	0.2	50.8	242%
Net Profit/(Loss)	(14,797.9)	(69.1)	(96.9)	(0.7)	14,701.0	99%
Net Profit/(Loss) attributable						
To Non-controlling interest	(3,462.8)	(16.2)	321.4	2.4	3,784.2	109%
To TTA	(11,335.1)		(418.3)		10,916.8	96%
Normalized Net Profit/(Loss)	(652.6)		414.3			
Normalized Net Profit/(Loss) to TTA	(664.3)		32.6			

In 2016, consolidated revenues decreased 36% YoY to record at Baht 13,661.8 million which was mainly from lower revenue contribution from transport group and energy group, led by dry bulk shipping business as freight rates have declined and lower cable laying jobs within the year. Total costs also decreased 39% YoY to Baht 10,781.6 million mainly from lower vessel operating expenses and offshore service expenses.

Consequently, gross profit decreased 20% YoY to Baht 2,880.2 million, however, gross margin increased from 17% in 2015 to 21% in 2016. Moreover, other income increased 84% YoY to Baht 323.5 million which was mainly from dividends received from short-term investments and interest income and gain on investment increased to Baht 71.4 million. The SG&A significantly reduced 32% YoY to Baht 1,774.3 from effective cost reduction. The equity income decreased 33% YoY to Baht 552.5 million in 2016 primarily from lower profit sharing from a MML's associate due to lower rate contracted.

As a result, the EBITDA in 2016 was at Baht 2,053.3 million, an increase of 11% YoY. Furthermore, the depreciation and amortization decreased 35% YoY. As of December 31, 2016, the Thoresen Shipping Group recognised an impairment charge of Baht 308.0 million on vessels that was sold in 2016 and planned to be sold in 2017 as a result of lower recoverable amounts comparing to carrying amounts and there was non-recurring loss of around Baht 203.2 million mainly from provision of non-refundable tax and net losses for disposals of fixed assets.

Statement of Financial Position



As of December 31, 2016, TTA had total assets of Baht 41,620 million, decreased by Baht 3,726 million from Baht 45,346 million as of December 31, 2015. Whereas, the total current assets decreased to Baht 16,124 million mainly from lower trade accounts receivable and short-term investments, while the total non-current assets increased to Baht 25,496 million mainly from higher investments in associates and joint ventures, additional investment properties despite the decline of property, plant, and equipment due to depreciation and non-cash impairment of the assets.

Total liabilities, as of December 31, 2016, were at Baht 15,125 million, reduced by Baht 3,233 million from the end of 2015 at Baht 18,358 million. The decline was mainly from lower interest bearing debts and other liabilities. Total equity decreased by Baht 493 million from Baht 26,988 million at the end of 2015 to Baht 26,495 million as of December 31, 2016 mainly due to the decline of retained earnings from net losses for the period.

Statement of Cash Flows

For the statement of cash flows for the year ended December 31, 2016, TTA had net cash from operating activities of Baht 1,894 million while net cash from investing activities of Baht 1,720 million was mainly from net cash proceeds from other investments. In addition, TTA had net cash used in financing activities of Baht 2,551 million mainly from repayments of long-term loans and finance lease liabilities. Adding up together with beginning cash and cash equivalents as at 1 January 2016, foreign currency translation differences for foreign operations, and the effect of exchange rate changes on balances held in foreign currencies of Baht 5,890 million, TTA had consolidated cash and cash equivalents at the end of 2016 of Baht 6,953 million. Including short-term investments, TTA reported consolidated cash and cash equivalents and short-term investments totaling Baht 10,671 million.

Key Financial Ratio

Financial Ratios	2015	2016	2015*	2016*
Current Ratio (Times)	1.91	2.04	1.91	2.04
EBITDA to Revenue (%)	8.6%	15.0%	8.6%	15.0%
Net Profit to Revenue (%)	-52.9%	-3.1%	-3.1%	0.2%
Return on Total Assets (%)	-29.4%	0.8%	-3.0%	1.1%
Return on Equity (%)	-49.4%	-2.0%	-2.9%	0.2%
Interest Bearing Debt to Equity (Times)	0.53	0.46	0.53	0.46
Net Interest Bearing Debt to Equity (Times)	0.04	0.06	0.04	0.06
Net Interest Bearing Debt to EBITDA (Times)	0.53	0.73	0.53	0.75

Normalized Net Profit/(Loss)=Net Profit/(Loss)-Non- Recurring Items

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 EBITDA

Thoresen Shipping Group ("TSG")

- **TSG's TCE Rate at \$5,155 per day in 2016**
- **Owned fleet utilization rate remained at high level at 99.4%**
- **EBITDA remained positive at Baht 87.1 million despite the lowest BDI index in history**

Performance Summary

Income Statement*

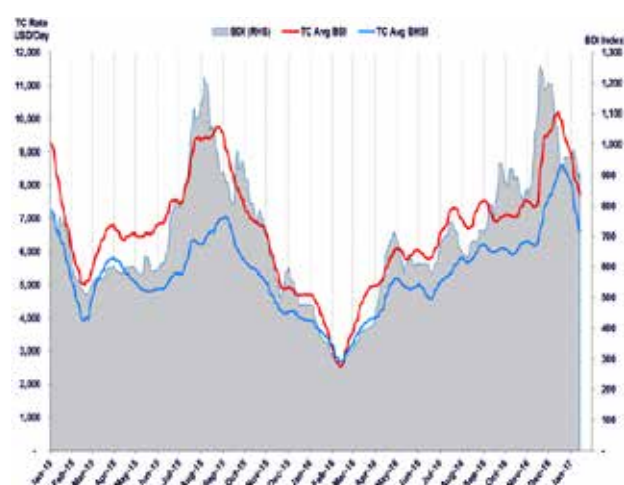
in million Baht (MB)	FY15	FY16	%YoY	4Q/15	3Q/16	4Q/16	%YoY	%QoQ
Freight Revenue	5,756.1	3,176.9	-45%	1,398.3	811.5	820.4	-41%	1%
Vessel Operating Expenses	(4,911.9)	(2,895.6)	-41%	(1,174.8)	(729.7)	(663.3)	-44%	-9%
Gross Profit	844.3	281.3	-67%	223.5	81.7	157.1	-30%	92%
Other Income	50.6	31.7	-37%	4.6	8.8	6.3	37%	-29%
Gains (Losses) on Investment	32.1	(0.2)	-101%	-	(0.2)	-	-	100%
SG&A	(353.7)	(225.7)	-36%	(107.5)	(61.0)	(43.8)	-59%	-28%
EBITDA	573.2	87.1	-85%	120.6	29.4	119.6	-1%	307%
Depreciation & Amortization	(714.2)	(402.9)	-44%	(188.3)	(99.5)	(99.0)	-47%	-1%
EBIT	(140.9)	(315.8)	-124%	(67.7)	(70.1)	20.6	130%	129%
Financial Cost	(172.9)	(171.5)	-1%	(44.8)	(42.2)	(42.5)	-5%	1%
Gain/(Loss) from Foreign Exchange	210.2	(16.4)	-108%	(26.7)	(39.3)	81.8	406%	308%
Non-Recurring Items	(4,731.2)	(364.5)	-92%	(4,731.2)	(71.1)	(247.9)	-95%	249%
Profit before income tax	(4,834.8)	(868.2)	82%	(4,870.4)	(222.7)	(188.0)	96%	16%
Income Tax Expense	(25.2)	(6.2)	-75%	(4.4)	(0.0)	(3.6)	-18%	-
Net Profit/(Loss)	(4,860.0)	(874.4)	82%	(4,874.7)	(222.7)	(191.6)	96%	14%
Normalized Net Profit/(Loss)	(128.8)	(509.9)	-296%	(143.5)	(151.6)	56.3	139%	137%
Gross Margin (%)	15%	9%		16%	10%	19%		
EBITDA Margin (%)	10%	3%		9%	4%	15%		
Net Profit Margin (%)	-84%	-28%		-349%	-27%	-23%		

*as consolidated on TTAs P&L

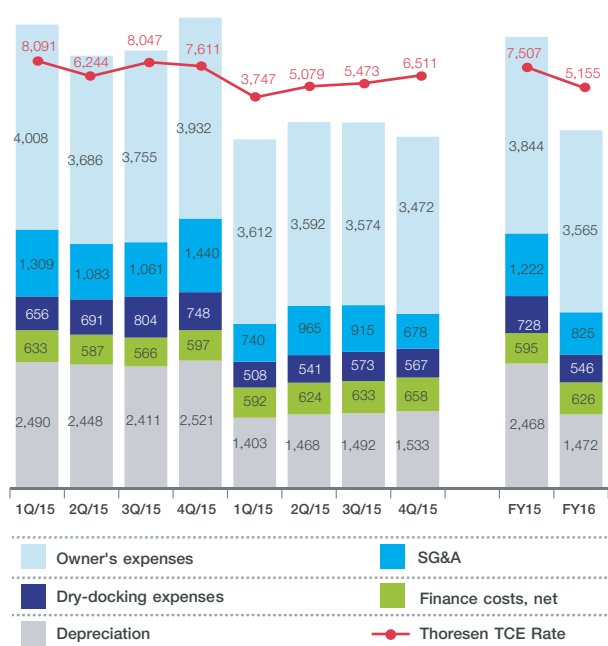
*Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items

During the relatively difficult year for dry bulk shipping, the Baltic Dry Index (BDI), an indicator of international cargo trade, had fallen to its 30 years low at 290 in February 2016 prior to the Chinese New Year due to the continuing depression in shipping market from low international trade and an excess supply of ships since 2015. However, it slowly picked up toward the end of the year 2016 as the situation eased. The BDI index in 2016 averaging at 673, declined 6% from year 2015 at 718. Consequently, the Supramax average TC rates (key benchmark rates for TSG) dropped to \$6,236 per day in 2016 comparing with \$6,966 per day in 2015.

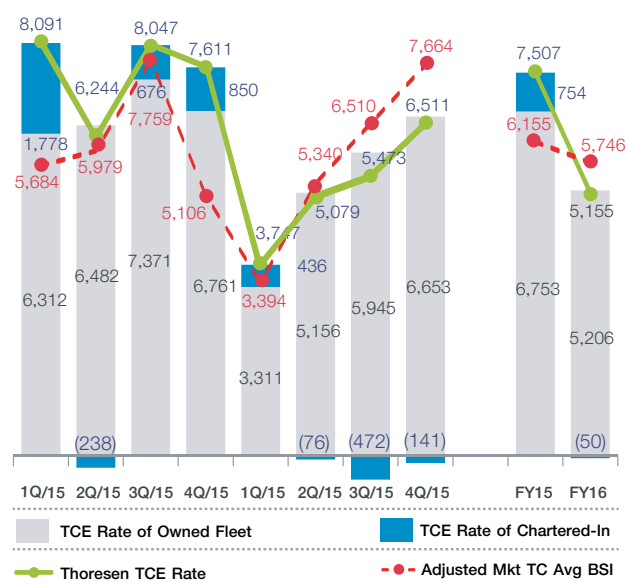
Dry Bulk Market Index



Revenue vs Cost Structure (per vessel day)



Adjusted Market BSI vs Thoresen's TCE Rate



In 2016, TSG's average TCE rate was at \$5,155 per day, this is 10% under the adjusted market TC Avg BSI of \$5,746 per day. TSG's average TCE rate in 2016 consisted of owned fleet TCE rate of \$5,206 per day and losses from chartered-in vessels of \$50 per day. In a rising market, vessel earnings lag the market index (BDI) by about a month. TSG continues to provide forward freight for its key customers to conclude commodity sales but is required to be more cautious front running a firming market. However, the owned fleet utilization rate remained high at 99.4%. In aggregate, the group operated an average of 28.4 vessels (21.1 owned vessels (5) and 7.4 chartered-in vessels) in 2016, decreased from an average of 37.3 vessels (23.1 owned vessels (5) and 14.3 chartered-in vessels) in 2015, mainly due to limited market opportunities for chartered-in vessels. In 2016, TSG sold 4 vessels for scrap, following TTA's strategy to improve the efficiency of the fleet and TTA's fleet renewal program. At end of 2016, TSG owned 20 vessels with an average size of 52,555 DWT and an average age of 11.6 years.

Accordingly, the freight revenue in 2016 decreased to Baht 3,176.9 million or reduced 45% YoY from Baht 5,756.1 million 2015, with gross profit of Baht 281.3 million or down 67% YoY. Gross margin was reduced to 9% in 2016 down from 15% in 2015. The operating cash cost per day in 2016 was at \$4,936 per day, which reduced 15% from 2015, where dry-docking expenses reduced 25% and general and administrative expenses reduced 33%.

TSG achieved a positive EBITDA of Baht 87.1 million (down 85% YoY) with EBITDA margin of 3% despite the 30-year low BDI index in 2016. Additionally, the TSG recognised an impairment charge of Baht 308.0 million on vessels was sold in 2016 and planned to be sold in 2017 as a result of lower recoverable amounts comparing to carrying amounts. In conclusion, TSG reported net loss of Baht 874.4 million in 2016 with normalized loss of Baht 509.9 million.

Fleet data Summary	FY15	FY16	%YoY	4Q/15	3Q/16	4Q/16	%YoY	%QoQ
Average DWT (Tons)	50,636	52,555	4%	50,636	52,078	52,555	4%	1%
Calendar days for owned fleet ⁽¹⁾	8,760	7,947	-9%	2,208	1,932	1,860	-16%	-4%
Available service days for owned fleet ⁽²⁾	8,451	7,755	-8%	2,084	1,914	1,824	-12%	-5%
Operating days for owned fleet ⁽³⁾	8,418	7,706	-8%	2,084	1,914	1,824	-12%	-5%
Owned fleet utilization ⁽⁴⁾	99.6%	99.4%	0%	100.0%	100.0%	100.0%	0%	0%
Voyage days for chartered-in fleet	5,204	2,695	-48%	1,323	778	450	-66%	-42%
Average number of vessels ⁽⁵⁾	37.3	28.4	-24%	37.0	29.3	24.7	-33%	-16%

Market Rate (USD/Day)	FY15	FY16	%YoY	4Q/15	3Q/16	4Q/16	%YoY	%QoQ
BDI Index	718	673	-6%	640	736	994	55%	35%
BSI Index	666	596	-10%	553	676	795	44%	18%
Mkt TC Avg BSI	6,966	6,236	-10%	5,779	7,064	8,317	44%	18%
Adjusted Mkt TC Avg BSI ⁽⁶⁾	6,155	5,746	-7%	5,106	6,510	7,664	50%	18%

Average Daily Operating Results (USD/Day)	FY15	FY16	%YoY	4Q/15	3Q/16	4Q/16	%YoY	%QoQ
Thoresen TCE Rate⁽⁷⁾	7,507	5,155	-31%	7,611	5,473	6,511	-14%	19%
TCE Rate of Owned Fleet	6,753	5,206	-23%	6,761	5,945	6,653	-2%	12%
TCE Rate of Chartered-In	754	(50)	-107%	850	(472)	(141)	-117%	-70%

Expenses								
Vessel operating expenses (Owner's expenses)	3,844	3,565	-7%	3,932	3,574	3,472	-12%	-3%
Dry-docking expenses	728	546	-25%	748	573	567	-24%	-1%
General and administrative expenses	1,222	825	-33%	1,440	915	678	-53%	-26%
Cash costs	5,794	4,936	-15%	6,121	5,061	4,717	-23%	-7%
Finance costs, net	595	626	5%	597	633	658	10%	4%
Depreciation	2,468	1,472	-40%	2,521	1,492	1,533	-39%	3%
Total costs	8,856	7,034	-21%	9,239	7,186	6,909	-25%	-4%
USD/THB Rate (Daily Average)	34.25	35.30	3%	35.84	34.84	35.39	-1%	2%

*The per day basis is calculated based on available service days.

Note:

- 1) Calendar days are the total calendar days TTA owned the vessels in our fleet for the relevant period, including off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- 2) Available service days are calendar days⁽¹⁾ less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- 3) Operating days are the available days⁽²⁾ less unplanned off-hire days, which occurred during the service voyage.
- 4) Fleet utilisation is the percentage of time that our vessels generated revenues and is determined by dividing operating days by available service days for the relevant period.
- 5) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the total operating days for owned fleet plus voyage days for chartered in fleet during the period divided by the number of calendar days in the relevant period.
- 6) Adjusted Mkt TC Avg BSI = Market TC Avg BSI adjusting commission fee and Thoresen Fleet Type
- 7) Thoresen TCE Rate = Owned Vessel TCE Rate + Chartered-In Rate
TCE Rate = Time-Charter Equivalent Rate
TC Rate = Time-Charter Rate
BDI = The Baltic Exchange Dry Index
BSI = The Baltic Exchange Supramax Index
BHBI = The Baltic Exchange Handysize Index

Mermaid Maritime Public Company Limited (“MML Group”)

- EBITDA from Operation increased 107% YoY to Baht 952.9 million
- Average vessel day rate increased 4.1% despite lower utilization rate at 45%
- Lower equity income contribution from its associate

Performance Summary

Income Statement

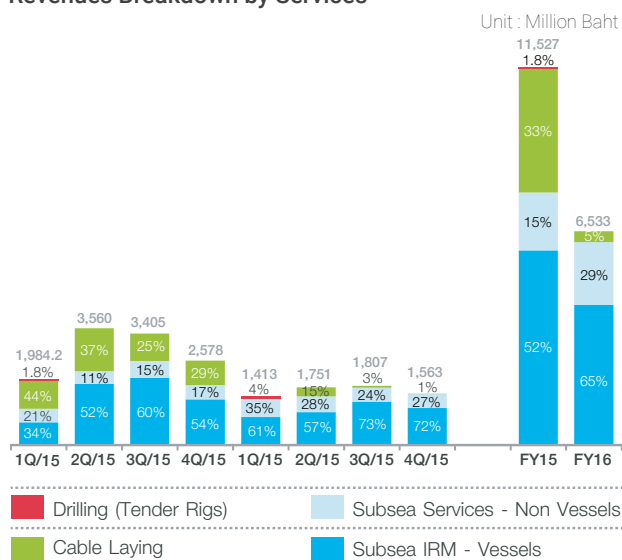
in million Baht	FY15	FY16	%YoY	4Q/15	3Q/16	4Q/16	%YoY	%QoQ
Total Revenues	11,527.3	6,533.4	-43%	2,578.3	1,806.7	1,562.7	-39%	-14%
Total Costs	(9,594.9)	(4,808.6)	-50%	(2,205.2)	(1,223.5)	(1,158.9)	-47%	-5%
Gross Profit/(Loss)	1,932.4	1,724.8	-11%	373.1	583.3	403.8	8%	-31%
Other Income	14.7	67.4	359%	3.5	6.8	47.9	1263%	605%
SG&A	(1,486.0)	(839.3)	-44%	(370.4)	(217.9)	(232.1)	-37%	6%
EBITDA from Operation	461.1	952.9	107%	6.2	372.1	219.6	3434%	-41%
Equity Income	507.3	407.6	-20%	(243.9)	71.1	62.0	125%	-13%
EBITDA	968.4	1,360.5	40%	(237.7)	443.3	281.6	218%	-36%
Depreciation & Amortization	(840.1)	(599.2)	-29%	(275.6)	(150.2)	(154.6)	-44%	3%
EBIT	128.3	761.3	493%	(513.3)	293.1	127.0	125%	-57%
Financial Cost	(116.8)	(122.7)	5%	(30.7)	(30.1)	(31.5)	3%	5%
Gain/(Loss) from Foreign Exchange	59.4	9.9	-83%	3.7	1.9	0.4	-90%	-81%
Non-Recurring Items	(6,002.9)	(143.8)	-98%	(6,003.5)	0.7	(144.8)	-98%	-22090%
Non-Recurring Items - share of impairment losses from MML's drilling associate	(2,232.1)	-	100%	(2,232.1)	-	-100%		
Profit/(Loss) before income tax	(8,164.1)	504.8	106%	(8,775.8)	265.6	(48.9)	99%	-118%
Income Tax Expense	(18.1)	100.3	654%	28.6	(3.7)	73.7	158%	2077%
Net Profit/(Loss)	(8,182.2)	605.0	107%	(8,747.2)	261.9	24.8	100%	-91%
Net Profit/(loss) attributable								
To Non-controlling interest	(3,467.9)	255.2	107%	(3,698.9)	109.9	12.3	100%	-89%
To TTA	(4,714.3)	349.8	107%	(5,048.3)	151.9	12.5	100%	-92%
Normalized Net Profit/(Loss)	52.8	748.8	1319%	(511.6)	261.2	169.6	133%	-35%
Normalized Net Profit/(Loss) To TTA	76.8	433.5	464%	(256.8)	151.6	96.8	138%	-36%
Gross Margin (%)	17%	26%		14%	32%	26%		
EBITDA Margin (%)	8%	21%		-9%	25%	18%		
Net Profit Margin (%)	-71%	9%		-339%	14%	2%		

*Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items

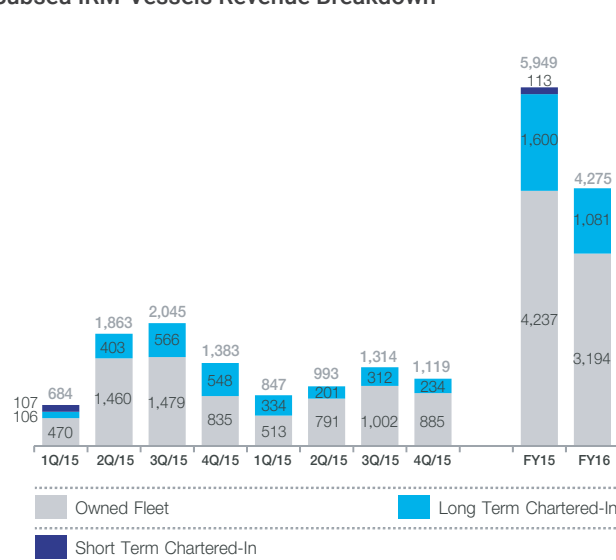
Oil and gas market continued to be volatile throughout 2016, while crude oil continued to slump to its lowest level in nearly ten years at the beginning of 2016 and gradually picked up toward the end of the year 2016. Therefore, the average crude oil price in 2016 at around USD 41 per barrel declined from 2015 at around USD 51 per barrel as crude oil market was under supply surplus condition. In early 2016, there was around 2 million barrels per day of excess supply. Nevertheless, crude oil price slowly rose toward the end of the year as both OPEC and Non-OPEC members discussed to reduce collective output by 1.8 million barrels per day during the first 6 months of year 2017.

In 2016, MML Group's total revenue was at Baht 6,533.4 million, a decrease of 43% YoY from Baht 11,527.3 million due to lower activities, especially cable laying, during the year. Cable laying revenue decreased 91% from 2015 at Baht 3,811.3 million to Baht 340.9 million in 2016 as most cable laying jobs in the Middle East are completed. Whereas, the revenue from subsea IRM-vessels and survey services decreased only 28% from 2015 at Baht 5,949.1 million to Baht 4,274.8 million in 2016 from lower operating days despite higher average vessel day rate in 2016 than 2015.

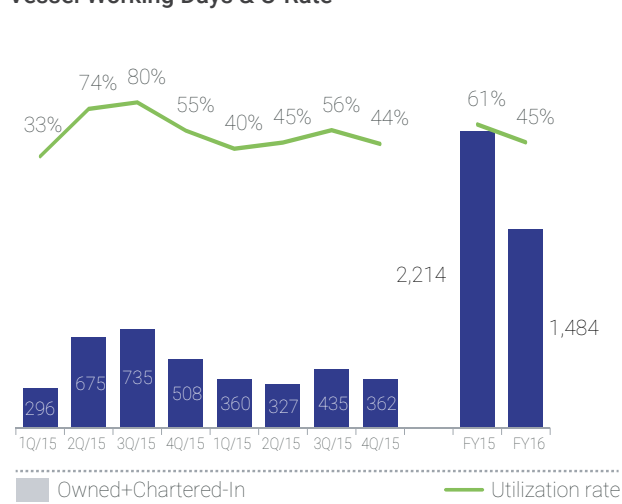
Revenues Breakdown by Services



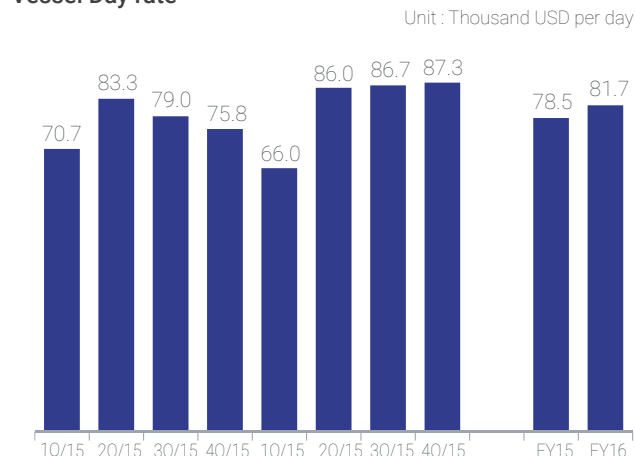
Subsea IRM-Vessels Revenue Breakdown



Vessel Working Days & U-Rate*



Vessel Day rate



*Total Working Days/Total Vessel Calendar Days

Utilization Rate are blended Rate of Owned and Chartered-In 1Q/15-1Q/16 are based on 10 Vessels, 2Q/16 is based on 8 Vessels, 3Q/16-4Q/16 is based on 9 Vessels

Therefore, the overall subsea utilization rate dropped from 61% with 2,214 working days in 2015 (10 vessels) to 45% with 1,484 working days in 2016 (9 vessels). In drilling business, the MML Group's three high specification jack-up drilling rigs, under its associate, have performed strongly with an average of 100% utilization in 2016 while tender rigs (MTR1 and MTR2) were still in cold stack throughout the year and are being marketed for sale.

The overall cost decreased 50% YoY comparing to the total revenue which reduced 43%, the gross profit was at Baht 1,724.8 million, a decline of only 11% from 2015 whereas the gross margin increased from 17% in 2015 to 26% in 2016. Moreover, through effective cost management programs, MML was able to cut the SG&A expenses down by 44% YoY. Accordingly, the overall EBITDA from operations in 2016 grew by 107% YoY to Baht 952.9 million from Baht 461.1 million in 2015. Moreover, the equity income, which was mostly

contributed from Asia Offshore Drilling ("AOD", Operation of 3 Jack-up rigs), had reduced to Baht 407.6 million in 2016, as the day rates of AOD were discounted since 2015. However, AOD's contract with its customer had been extended for another 3 years.

MML Group showed an EBITDA of Baht 1,360.5 million in 2016, an increase of 40% from Baht 968.4 million in 2015. Depreciation and amortization decreased 29% YoY, while non-recurring items in 2016 was mainly from the provision of non-refundable tax of a MML's subsidiary. MML Group reported the consolidated financial statements for the FY2016 with net profit of Baht 605.0 million and attributable net profit to TTA of Baht 349.8 million. MML still maintained strong net cash flow from operations of approximately Baht 1,742 million, cash and cash equivalents and short-term investments totaling Baht 3,502 million, and Net IBD/Equity at 0.26 at the end of 2016.

Unique Mining Services Public Company Limited ("UMS")

- Lower sales volume and revenue, but SG&A reduced 31% YoY
- EBITDA increased 83% YoY
- Lower net loss attributable to TTA

Performance Summary

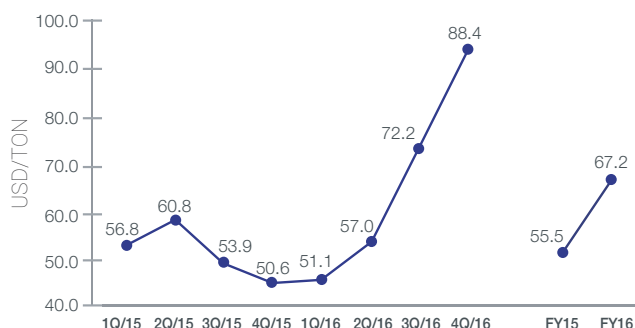
Income Statement

in million Baht	FY15	FY16	%YoY	4Q/15	3Q/16	4Q/16	%YoY	%QoQ
Total Revenues	577.5	483.1	-16%	104.8	100.1	183.2	75%	83%
Total Costs	(457.1)	(385.0)	-16%	(74.0)	(71.7)	(165.5)	124%	131%
Gross Profit	120.4	98.0	-19%	30.8	28.4	17.8	-42%	-38%
Other Income	3.2	2.4	-25%	(4.24)	1.03	(0.85)	-80%	-182%
SG&A	(110.6)	(76.4)	-31%	(22.6)	(17.7)	(19.7)	-13%	11%
EBITDA	13.0	24.0	85%	3.9	11.7	(2.8)	-173%	-124%
Depreciation & Amortization	(54.9)	(40.3)	-26%	(13.2)	(10.0)	(9.6)	-27%	-4%
EBIT	(41.8)	(16.3)	61%	(9.3)	1.7	(12.4)	-34%	-822%
Financial Cost	(55.4)	(38.6)	-30%	(13.1)	(8.8)	(8.4)	-36%	-5%
Gain/(Loss) from Foreign Exchange	(2.9)	0.6	120%	0.5	-	0.6	32%	100%
Non-Recurring Items	(271.1)	(3.3)	-99%	(251.8)	(1.2)	0.0	-100%	103%
Profit/(loss) before income tax	(371.2)	(57.6)	84%	(273.7)	(8.2)	(20.2)	93%	-145%
Income Tax Expense	-	-	-	-	-	-	-	-
Net Profit/(Loss)	(371.2)	(57.6)	84%	(273.7)	(8.2)	(20.2)	93%	-145%
Net Profits/(losses) attributable								
To Non-controlling interest	(42.0)	(5.8)	86%	(31.0)	(0.8)	(2.0)	94%	-145%
To TTA	(329.2)	(51.8)	84%	(242.7)	(7.4)	(18.2)	93%	-145%
Normalized Net Profit/(Loss)	(100.1)	(54.3)	46%	(21.9)	(7.1)	(20.2)	8%	-185%
Normalized Net Profit/(Loss) To TTA	(88.8)	(48.8)	45%	(19.4)	(6.4)	(18.2)	6%	-185%
Gross Margin (%)	21%	20%		29%	28%	10%		
EBITDA Margin (%)	2%	5%		4%	12%	-2%		
Net Profit Margin (%)	-64%	-12%		-261%	-8%	-11%		

As consolidated on TTA's P&L

Normalized Net Profit/(Loss)=Net Profit/(Loss)-Non-Recurring Items

Newcastle Coal Index (USD/Ton)



Newcastle index* data source : Bloomberg

*Newcastle Coal is thermal coal exported (delivered FOB) out of the port of Newcastle in New South Wales, Australia. It is the price benchmark for seaborne thermal coal in the Asia-Pacific region. Net Calorific Value (AR) = 6,000 Kcal/kg

In 2016, Unique Mining Services Public Company Limited ("UMS") had a net loss of Baht 57.6 million comparing to losses of Baht 371.2 million in 2015. The negative performance of UMS was mainly because of low selling volume during the year and non-recurring items of Baht 271.1 million. Coal prices continued to increase from its low in the beginning of 2016 toward the end of the year as China reduced domestic coal output while steel production increased. As a result, the Newcastle index coal price grew 21% YoY from the average of 55.5 USD/ton in 2015 to average 67.2 USD/ton in 2016.

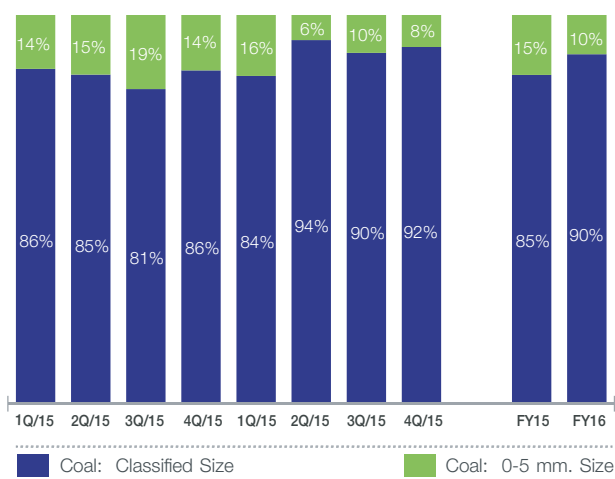
UMS's sales volume decreased 14% YoY from 259 Ktons in 2015 to 223 Ktons in 2016. The decline in sales volume was mainly from lower volume of low margin 0-5 mm size coal which reduced 40% YoY from 2015, while classified size reduced 5% due to the limited opportunities for importing coals for sales.

UMS management had been focusing on selling down its 0-5 mm coal inventories and limiting the production of classified coals to rebalance its capital structure which continued into 2015. While focusing on selling down large volume of coal inventory, UMS was also impacted by the limited financial facilities for coal imports which have been prolonged since 2Q/15.

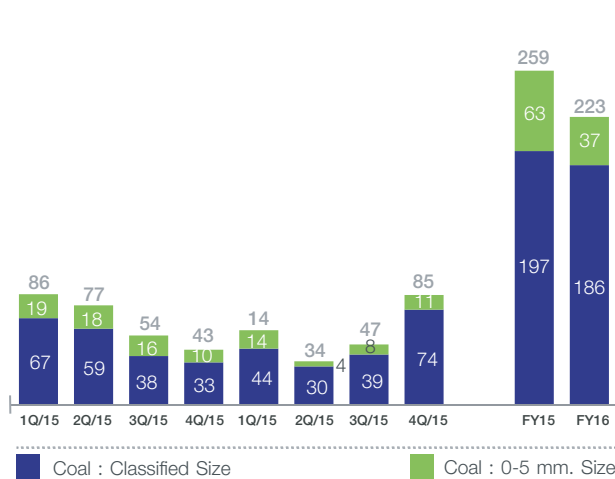
In 2016, total revenues reduced 16% YoY and the cost also reduced by 16% YoY, therefore, the gross profit consequently decreased 19% YoY to Baht 98.0 million comparing with Baht 120.4 million in 2015. The other income decreased 25% YoY as the implemented business turnaround plan was limited due to lower activities during raining season. From the cost reducing program conducted during 2016, UMS was able to reduce SG&A by 31% YoY. Therefore, EBITDA in 2016 increased 85% YoY to Baht 24 million, with EBITDA margin of 5%. In addition, depreciation and amortization reduced 26% from last year, while financial cost reduces 30%.

Accordingly in 2016, UMS reported net loss of Baht 57.6 million and attributable net losses to TTA of Baht 51.8 million.

Revenue Breakdown



Sales Volume ('000 Tons)



PM Thoresen Asia Holding Public Company Limited (“PMTA”)

- Sales volume growth 5% YoY in 2016, despite the prolonged drought and saline intrusion in Vietnam during the first half of the year
- Gross profit increased 14% YoY to Baht 897.2 million with gross margin of 28%
- Net profit growth by 19% YoY to Baht 277 million

Performance Summary

in million Baht	FY15	FY16	%YoY	4Q/15	3Q/16	4Q/16	%YoY	%QoQ
Sales Revenue	3,258.5	3,177.7	-2%	904.8	793.2	954.0	5%	20%
Raw Material Costs	(2,472.3)	(2,280.5)	-8%	(672.1)	(556.3)	(654.0)	-3%	18%
Gross Profit	786.2	897.2	14%	232.7	236.9	300.0	29%	27%
Service & Other Income	52.4	57.0	9%	13.4	14.2	16.6	24%	16%
Operating Cost	(236.0)	(244.3)	3%	(67.7)	(59.7)	(73.6)	9%	23%
Cost of providing services	(10.5)	(19.8)	87%	(4.0)	(4.5)	(6.2)	54%	38%
SG&A	(243.6)	(293.8)	21%	(63.3)	(81.3)	(86.6)	37%	7%
EBITDA	348.6	396.4	14%	111.0	105.6	150.2	35%	42%
Depreciation & Amortization	(57.2)	(65.8)	15%	(16.2)	(16.7)	(16.5)	2%	-1%
EBIT	291.4	330.6	13%	94.8	88.9	133.7	41%	50%
Financial Cost	(6.3)	(5.8)	-9%	(1.3)	(1.6)	(0.3)	-80%	-84%
Gain/(Loss) from Foreign Exchange	(2.4)	3.6	248%	(1.1)	(0.9)	7.3	778%	902%
Profit before income tax	282.6	328.5	16%	92.4	86.5	140.8	52%	63%
Income Tax Expense	(49.6)	(51.5)	4%	(16.9)	(9.4)	(29.9)	77%	219%
Net Profit	233.0	277.0	19%	75.6	77.1	110.9	47%	44%
Net Profit/(loss) attributable								
To Non-controlling interest	58.1	89.1	53%	25.4	25.0	35.0	38%	40%
To TTA	174.9	188.0	7%	50.2	52.1	75.9	51%	46%
Gross Margin (%)	24%	28%		26%	30%	31%		
EBITDA Margin (%)	11%	12%		12%	13%	16%		
Net Profit Margin (%)	7%	9%		8%	10%	12%		

During first half of 2016, PMTA's overall performance was affected by drought situation in the region causing the difficulties in planting, lack of water and saline intrusion. The prolonged El Nino within the region brought the water shortage situation both for living and for planting. However,

the drought situation is being slowly relieved while the situation started to ease in June as rains finally started, delaying the season. In spite of the challenges, PMTA was able to perform reflecting the company's ability to maintain its competitive positioning in the market.

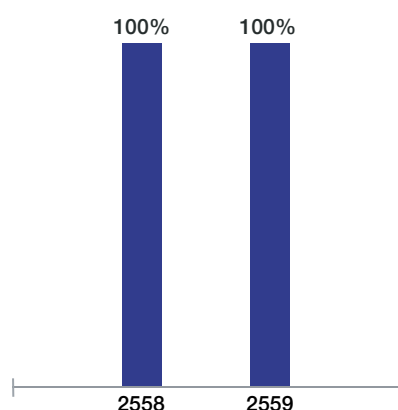
Fertilizer Sales Volume

Unit: Tons	FY15	FY16	%YoY	4Q/15	3Q/16	4Q/16	%YoY	%QoQ
Fertilizer NPK	193,075	202,633	5%	48,733	52,167	60,649	24%	16%
Single fertilizer	3,224	4,332	34%	2,549	794	1,449	-43%	82%
Pesticide	2,242	2,364	5%	587	618	717	22%	16%
Total	198,541	209,329	5%	51,869	53,580	62,815	21%	17%

Sales Volume Breakdown

Unit: Tons	FY15	FY16	%YoY	4Q/15	3Q/16	4Q/16	%YoY	%QoQ
Domestic	118,851	117,822	-1%	32,673	27,450	36,479	12%	33%
Export	79,690	91,507	15%	19,196	26,129	26,335	37%	1%
Total	198,541	209,329	5%	51,869	53,580	62,815	21%	17%

Occupancy Rate of Factory Area for Leasing



Sales volume in 2016 was 209,329 tons, grew 5% YoY from 198,541 tons in 2015. Domestic sales slightly drop 1% YoY from 118,851 tons in 2015 to 117,822 tons in 2016 while export sales volume expanded 15% YoY from 79,690 tons in 2015 to 91,507 tons in 2016. The higher export volumes in 2016 were mainly to Philippines and countries in Africa. Besides, the successful N-Protect launched with Solvay since 2015 had increased the single fertilizer sales volume by 34% YoY to 4,332 tons in 2016 from 3,224 tons in 2015.

The demand for factory area leasing remained very high, with increasing demand from current customers. Therefore, the utilization rate of the company's factory area for leasing in 2016 maintained at 100%. Thus, service income from factory area leasing business increased from Baht 49.1

million to Baht 55.1 million or rose 12% YoY. Besides, PMTA has expanded its factory area for leasing by 8,200 sq. m. in 2016 to total of 50,500 sq. m. and is in the process of building Baconco5-C (capacity of 10,000 sq.m) to support growing demand.

In 2016, net profit was at Baht 277 million increasing 19% YoY from Baht 233 million in 2015. Sales revenue slightly declined 2% YoY from Baht 3,258.5 million to Baht 3,177.7 million because of lower average selling price per ton. However, cost of raw material declined 8% YoY from Baht 2,472.3 million to Baht 2,280.5 million. Therefore, the gross profit increased 14% YoY to Baht 897.2 million in 2016 from Baht 786.2 million in 2015, whereas the gross margin increased to 28% in 2016 from 24% in 2015.

Service and other incomes increased 9% YoY to Baht 57 million from Baht 52.4 million in 2015, which was contribute mainly from the revenue of factory area for leasing at Baht 55 million in 2016 comparing to Baht 49.1 million in 2015. Operating cost slightly increased 3% YoY from Baht 236 million in 2015 to Baht 244.3 million in 2016, while the SG&A, increased 21% YoY from Baht 243.6 million in 2015 to Baht 293.8 million in 2016 due to higher marketing expenses.

Therefore, EBITDA was at Baht 396.4 million in 2016 from Baht 348.6 million in 2015 or increasing 14% YoY, while EBITDA margin slightly increased from 11% to 12% in 2016. Depreciation and amortization grew 15% YoY from Baht 57.2 million to Baht 65.8 million in 2016, from the additional factory area for leasing. Resultantly, PMTA reported the consolidated financial statements for the year 2016 with net profit of Baht 277 million, increased 19% YoY from Baht 233 million in 2015.

▶ **STATEMENT OF THE BOARD OF DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

28 February 2017

To: The Shareholders of Thoresen Thai Agencies 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 independent directors fully qualified in accordance with the requirements of the Stock Exchange of Thailand to review and ensure accuracy and sufficiency of the financial report, to review the internal control systems including compliance with securities law, regulations of the Stock Exchange of Thailand or laws relating to the business of the Company. In this regard, the Audit Committee has already reported its performance to the Board of Directors.

The Board of Directors is of the opinion that the Company's internal control system has been proven to be satisfactory. The Board was able to obtain reasonable assurance on the credibility of the financial statements for the financial year 2016 ended 31 December 2016 (1 January - 31 December 2016) of the Company and its subsidiaries, which the Company's auditor has audited based on the generally-accepted accounting standards. The auditor is of the opinion that the financial statements present fairly the Company's financial position and the results of its operations in accordance with generally accepted accounting principles.



Mr. Prasert Bunsumpun

Chairman of the Board of Directors



Mr. Chalermchai Mahagitsiri

President and Chief Executive Officer

▶▶ **INDEPENDENT AUDITOR'S REPORT**

TO THE SHAREHOLDERS OF THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED

Opinion

I have audited the consolidated and separate financial statements of Thoresen Thai Agencies Public Company Limited and its subsidiaries (the "Group") and of Thoresen Thai Agencies Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statements of income, 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 2016 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 under the Royal Patronage of His Majesty the King that are 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.

Valuation of property, plant and equipment and investments in subsidiaries	
Refer to Notes 13, 17 and 29.	
The key audit matter	How the matter was addressed in the audit
<p>Due to significant and prolonged falls in prevailing oil and gas prices and declining freight rates, the recoverable amounts of the Group's certain vessels and investment in a subsidiary might be adversely impacted that this would trigger possible impairment indicators. As a result, the carrying amounts of these vessels and the investment as of 31 December 2016 may exceed the recoverable amounts which would result in impairment charges. The recoverable amounts are based on an assessment of the higher of fair value less cost to sell and value in use which is calculated based on net present value of estimated future cash flows. The calculation of value in use involves key assumptions including forecast day rates, vessel utilisation rates, terminal values and discount rates.</p> <p>As identification of impairment indicators and calculation of value in use involves significant management judgment and had significant impact to the consolidated and separate financial statements, this is a focus area in my audit.</p>	<p>My audit procedures included evaluations of management assessment of impairment indicators and key assumptions used in value in use calculation.</p> <p>I evaluated the assumptions made by management by:</p> <ul style="list-style-type: none"> • making inquiries of management and obtaining related documents to understand the process by which management has derived its value in use estimates; • comparing forecast utilisation and day rates to those achieved in prior periods; • comparing forecast day rates to signed contracts for contracted periods; • using my internal valuation specialists to review the appropriateness of the discount rate; • performing sensitivity tests, for forecast vessel utilization, future day rates and discount rate to take into consideration the current market conditions described above; <p>I also considered the adequacy of the Group's and the Company's disclosure in accordance with Thai Financial Reporting Standards.</p>

Revenue from freight charges	
Refer to Notes 4(s) and 26	
The key audit matter	How the matter was addressed in the audit
The revenue from freight charges is one of the major source of income of the Group. The freight income of each voyage is generally recognised as revenue on the completion of the voyage. Where freight services rendered are provided through long-term contracts and these are not completed at the balance sheet date, then freight income is recognized as revenue in proportion to the lapsed time of the voyage whereby the expected time to be incurred on each voyage involves certain judgment and estimation made by the Group management. As the revenue from freight charges is significant to the consolidated financial statements, this is a focus area in my audit.	My audit procedures included test of the Group's internal control over freight charges. I inspected the terms of significant charter party to assess whether they were consistent with the detailed calculations being considered. When assessing the stage of completion of each voyage, I agreed the amounts recognised to confirmatory evidence on a sample basis. This included the agreement of actual lapsed time of each voyage and assessment of any judgments applied in the estimation of expected time to be incurred through consideration of the Group's historical experience of similar voyage.

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.



(Veerachai Ratanajaratkul)
Certified Public Accountant
Registration No. 4323

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2017

STATEMENT OF FINANCIAL POSITION

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2016	2015	2016	2015
		(in thousand Baht)			
Current assets					
Cash and cash equivalents	6	6,954,814	5,939,570	1,480,647	126,967
Short-term investments	7	3,715,938	7,483,440	802,124	5,507,151
Trade accounts receivable	5, 8	3,072,588	4,822,952	-	-
Other accounts receivable		178,988	225,420	3,069	3,066
Receivables from related parties	5	749	8,687	7,019	120,917
Short-term loans to related parties	5	-	-	7,081,971	5,517,012
Current portion of long-term loans to related parties	5	-	2,073	10,500	9,573
Deferred contract costs	9	60,723	134,750	-	-
Inventories	10	588,884	743,973	-	-
Vessel supplies and spare parts		302,213	334,320	-	-
Prepayments		118,109	134,942	4,676	4,386
Other current assets	11	1,130,871	980,198	19,799	24,679
Total current assets		16,123,877	20,810,325	9,409,805	11,313,751
Non-current assets					
Long-term loans to related parties	5	-	-	4,500	7,500
Long-term investments	7	1,301,438	663,245	-	-
Investments in associates and joint ventures	12	4,934,199	4,574,552	38,872	62,352
Investments in subsidiaries	13	-	-	24,247,347	20,720,857
Goodwill	15	74,035	74,568	-	-
Investment properties	16	1,613,445	-	-	-
Property, plant, and equipment	17	16,801,293	18,386,615	137,962	147,500
Intangible assets	18	28,626	50,874	11,587	26,460
Deferred tax assets	19	326,343	301,413	171,782	189,105
Other non-current assets	20	416,746	484,807	11,495	13,031
Total non-current assets		25,496,125	24,536,074	24,623,545	21,166,805
Total assets		41,620,002	45,346,399	34,033,350	32,480,556

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

STATEMENT OF FINANCIAL POSITION

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2016	2015	2016	2015
		(in thousand Baht)			
Current liabilities					
Bank overdrafts	6, 21	2,076	7,479	-	-
Short-term loans	21	280,999	380,385	-	-
Trade accounts payable		757,061	953,792	4,916	3,858
Other accounts payable		172,437	119,285	10	2
Payables to related parties	5	12,014	9,632	60,729	57,905
Advances from customers		62,202	151,159	-	-
Short-term loans from related parties	5, 21	21,800	3,300	3,543,051	1,403,305
Current portion of long-term loans	21	2,451,282	6,861,751	-	418,652
Current portion of bonds	21	2,365,753	-	2,365,753	-
Current portion of finance lease liabilities	21	11,015	6,064	-	-
Accrued income taxes		44,032	119,008	-	-
Accrued expenses		1,536,207	1,928,335	59,058	58,343
Other current liabilities		182,995	371,796	17,042	10,614
Total current liabilities		7,899,873	10,911,986	6,050,559	1,952,679
Non-current liabilities					
Long-term loans	21	4,892,293	2,640,446	-	-
Bonds	21	2,110,699	4,496,034	2,110,699	4,496,034
Finance lease liabilities	21	28,860	5,812	-	-
Deferred tax liabilities	19	23,029	125,366	-	-
Employee benefit obligations	22	170,628	178,395	15,820	17,458
Total non-current liabilities		7,225,509	7,446,053	2,126,519	4,513,492
Total liabilities		15,125,382	18,358,039	8,177,078	6,466,171

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

STATEMENT OF FINANCIAL POSITION

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

	Note	Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
Liabilities and equity		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Equity					
Share capital	23				
Authorised share capital		2,110,160	2,276,847	2,110,160	2,276,847
Issued and paid-up share capital		1,822,454	1,822,454	1,822,454	1,822,454
Premium on ordinary shares		16,059,845	16,059,845	16,059,845	16,059,845
Retained earnings					
Appropriated - legal reserves	24	110,340	110,340	110,340	110,340
Unappropriated		16,121	522,476	7,849,731	8,045,019
Other components of equity		2,861,063	3,101,332	13,902	(23,273)
Equity attributable to owners of the Company		20,869,823	21,616,447	25,856,272	26,014,385
Non-controlling interests	14	5,624,797	5,371,913	-	-
Total equity		26,494,620	26,988,360	25,856,272	26,014,385
Total liabilities and equity		41,620,002	45,346,399	34,033,350	32,480,556

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

STATEMENT OF INCOME

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Revenues					
Revenues from services					
Freight charges		3,176,912	5,756,143	-	-
Offshore service income		6,533,378	11,527,292	-	-
Service and commission income		337,905	348,821	-	-
Revenues from sales		3,613,652	3,793,501	-	-
Total revenues	26	13,661,847	21,425,757	-	-
Costs					
Cost of providing services					
Vessel operating expenses		3,294,483	5,621,172	-	-
Offshore service expenses		5,372,726	10,395,237	-	-
Service and commission expenses		237,847	188,331	-	-
Cost of sales		2,947,353	3,416,819	-	-
Total costs		11,852,409	19,621,559	-	-
Gross profits		1,809,438	1,804,198	-	-
Other operating income	27	433,319	272,873	398,919	809,678
Profits before expenses		2,242,757	2,077,071	398,919	809,678
Selling expenses		242,356	201,646	-	-
Administrative expenses		1,841,522	3,101,949	275,276	833,104
Impairment charges and write-offs	29	307,968	11,571,203	-	3,582,188
Total expenses		2,391,846	14,874,798	275,276	4,415,292
Operating profits (losses)	26	(149,089)	(12,797,727)	123,643	(3,605,614)
Share of profits (losses) of investment in associates and joint ventures	12	552,486	(1,409,481)	-	-
Profits (losses) before finance costs and income tax expenses		403,397	(14,207,208)	123,643	(3,605,614)
Finance costs		530,136	569,746	219,783	236,704
Losses before income tax expenses		(126,739)	(14,776,954)	(96,140)	(3,842,318)
Income tax expenses (benefits)	30	(29,831)	20,958	8,029	(24,385)
Net losses for the year		(96,908)	(14,797,912)	(104,169)	(3,817,933)
Net profits (losses) attributable to:					
Owners of the Company	31	(418,291)	(11,335,102)	(104,169)	(3,817,933)
Non-controlling interests		321,383	(3,462,810)	-	-
		(96,908)	(14,797,912)	(104,169)	(3,817,933)
Losses per share	31				
Basic losses per share <i>(in Baht)</i>		(0.23)	(6.61)	(0.06)	(2.23)
Diluted losses per share <i>(in Baht)</i>		-	-	-	-

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

STATEMENT OF COMPREHENSIVE INCOME

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Net losses for the year	(96,908)	(14,797,912)	(104,169)	(3,817,933)
Other comprehensive income (expenses)				
<i>Items that will not be reclassified to profit or loss</i>				
Defined benefit plan actuarial gains, net of tax	3,074	4,589	-	-
<i>Items that are or may be reclassified to profit or loss</i>				
Foreign currency translation differences for foreign operations	(174,723)	2,295,069	-	-
Net change in fair value of available-for-sale investments	(122,317)	(98,046)	46,469	(15,876)
Income tax (expenses) benefits on other comprehensive income	19,446	18,223	(9,294)	3,175
Other comprehensive income (expenses) for the year	(274,520)	2,219,835	37,175	(12,701)
Total comprehensive expenses for the year	(371,428)	(12,578,077)	(66,994)	(3,830,634)
Total comprehensive income (expenses) attributable to:				
Owners of the Company	(658,627)	(9,772,023)	(66,994)	(3,830,634)
Non-controlling interests	287,199	(2,806,054)	-	-
	(371,428)	(12,578,077)	(66,994)	(3,830,634)

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

STATEMENT OF CHANGES IN EQUITY

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated financial statements														
	Note	Other components of equity										Equity attributable to owners of the Company	Non-controlling interests	Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserves	Retained earnings	Foreign currency translation differences for foreign operations	Fair value change in investments, net of tax	Reserves - adjustment arising from business restructuring (in thousand Baht)	Change in parent's ownership interests in subsidiaries	Share-based payment reserves	Total other components of equity			
Balance at 1 January 2015		1,301,175	9,282,187	110,340	12,223,812	(1,120,729)	18,205	(50,030)	2,483,759	874	1,332,079	24,246,593	7,996,504	32,246,097
Transactions with owners, recorded directly in equity														
Contributions by and distributions to owners of the Company														
Issue of ordinary shares		521,279	6,777,658	-	-	-	-	-	179,807	-	179,807	7,298,937	453,337	7,298,937
Contribution from non-controlling shareholders of a subsidiary		-	-	-	-	-	-	-	30,956	-	30,956	30,956	(103,567)	(72,611)
Acquisition of non-controlling interests without a change in control		-	-	-	(370,823)	-	-	-	-	-	-	(370,823)	-	(370,823)
Dividends paid to shareholders		-	-	-	-	-	-	-	-	-	-	-	(148,307)	(148,307)
Dividends paid from a subsidiary to non-controlling interests		-	-	-	-	-	-	-	210,763	-	210,763	71,938,877	181,463	73,203,940
Total contributions by and distributions to owners of the Company		521,279	6,777,658	-	(370,823)	-	-	-	210,763	-	210,763	71,938,877	181,463	73,203,940
Comprehensive income (expenses) for the year		-	-	-	(11,335,102)	-	(79,823)	-	-	-	1,558,400	(11,335,102)	(3,462,810)	(14,797,912)
Other comprehensive income (expenses)		-	-	-	(11,330,513)	-	(79,823)	-	-	-	1,558,400	(9,772,023)	(2,806,054)	(12,576,077)
Total comprehensive income (expenses) for the year		-	-	-	(11,330,513)	-	(79,823)	-	-	-	1,558,400	(9,772,023)	(2,806,054)	(12,576,077)
Balance as at 31 December 2015		1,822,454	16,059,845	110,340	522,476	517,584	(61,618)	(50,030)	2,694,522	874	3,101,332	21,616,447	5,371,913	26,988,360
Balance at 1 January 2016		1,822,454	16,059,845	110,340	522,476	517,584	(61,618)	(50,030)	2,694,522	874	3,101,332	21,616,447	5,371,913	26,988,360
Transactions with owners, recorded directly in equity														
Contributions by and distributions to owners of the Company														
Contribution from non-controlling shareholders of a subsidiary	13	-	-	-	-	-	-	-	-	-	-	-	32,403	32,403
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	3,122	-	3,122	3,122	(26,713)	(26,713)
Dividends paid to shareholders	32	-	-	-	(911,119)	-	-	-	(91,119)	-	-	(91,119)	-	(91,119)
Dividends paid from a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(37,005)	(37,005)
Total contributions by and distributions to owners of the Company		-	-	-	(911,119)	-	-	-	3,122	-	3,122	(87,997)	(34,315)	(122,312)
Comprehensive income (expenses) for the year		-	-	-	(418,291)	-	-	-	-	-	-	(418,291)	321,383	(96,908)
Other comprehensive income (expenses)		-	-	-	(415,256)	-	(102,871)	-	-	-	(243,301)	(2,103,361)	251,180	(2,103,361)
Total comprehensive income (expenses) for the year		-	-	-	(415,256)	-	(102,871)	-	-	-	(243,301)	(658,627)	287,199	(371,268)
Balance as at 31 December 2016		1,822,454	16,059,845	110,340	16,121	377,064	(164,489)	(50,030)	2,697,644	874	2,861,053	20,859,923	5,627,497	26,494,620

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

STATEMENT OF CHANGES IN EQUITY
THORSEN THAI AGENCIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

[illegible]

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

STATEMENT OF CASH FLOWS

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Cash flows from operating activities					
Net losses for the year		(96,908)	(14,797,912)	(104,169)	(3,817,933)
<i>Adjustments for:</i>					
Depreciation and amortisation of property, plant, and equipment, and intangible assets	17, 18 26, 28	1,458,048	2,263,269	25,544	33,408
Allowance for doubtful account		18,571	95,699	-	-
Other amortisation and provisions (reversal)		261,784	458,006	(12,501)	(6,415)
Provision for (reversal of) decline in value of inventories	10	(22,149)	163,690	-	-
Write-off on property, plant, and equipment and intangible assets		7,455	4,473	-	-
Impairment charges	29	307,968	11,571,203	-	3,582,188
Finance costs		530,136	569,746	219,783	236,704
Income tax expenses (benefits)	30	(29,831)	20,958	8,029	(24,385)
Net (gains) losses on disposals of property, plant, and equipment, and intangible assets	27	56,463	(28,406)	-	(3,555)
Dividend income from other investments	27	(105,805)	(30,745)	(58,963)	(22,245)
Dividend income from subsidiaries, associates and joint ventures	27	-	-	(162,433)	(424,728)
Net gains on disposals of other investments	27	(96,623)	(65,431)	(90,750)	(33,271)
Net gains on disposals of investments in subsidiaries and an associate	27	(13,156)	-	(3,500)	(218,560)
Loss of significant influence on an associate		-	169,647	-	-
Share of losses (profits) of investment in associates and joint ventures	12	(552,486)	1,409,481	-	-
Unrealised (gains) losses on exchange rates		(59,692)	331,504	(46,900)	344,837
Realised losses on exchange rates		36,854	164,400	35,783	149,874
Unrealised (gains) losses from interest rate swap agreements		2,356	(2,869)	2,356	(2,869)
		1,702,985	2,296,713	(187,721)	(206,950)
Changes in operating assets and liabilities					
Trade accounts receivable		1,671,944	(211,187)	-	-
Other accounts receivable		44,662	140,271	(3)	(7,145)
Receivables from related parties		3,667	122,251	2,763	3,237
Inventories		177,238	(137,005)	-	-
Vessel supplies and spare parts		(7,261)	284,417	-	-
Prepayments		14,976	106,662	(289)	538
Other current assets		(266,218)	(360,759)	9,618	3,277
Other non-current assets		140,518	(69,711)	1,537	(11,340)
Trade accounts payable		(187,912)	(848,075)	1,058	(2,726)
Payables to related parties		2,418	3,774	(3,194)	1,024

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

STATEMENT OF CASH FLOWS

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2016	2015	2016	2015
			(in thousand Baht)		
Cash flows from operating activities (Continued)					
<i>Changes in operating assets and liabilities (Continued)</i>					
Other accounts payable		(13,060)	13,860	-	-
Advances from customers		(86,573)	(54,269)	-	-
Accrued income taxes		50,654	12,378	-	-
Accrued expenses		(364,633)	286,204	2,754	14,276
Other current liabilities		(304,557)	(280,465)	6,429	(6,004)
Employee benefit obligations		(6,209)	19,695	(1,638)	4,262
Cash generated from (used in) operating activities		2,572,639	1,324,754	(168,686)	(207,551)
Finance costs paid		(478,363)	(502,394)	(168,248)	(175,355)
Income taxes paid		(200,299)	(186,905)	(4,358)	(1,204)
Net cash from (used in) operating activities		1,893,977	635,455	(341,292)	(384,110)
Cash flows from investing activities					
Purchases of property, plant, and equipment					
and intangible assets		(578,770)	(1,332,844)	(1,339)	(1,988)
Purchases of investment properties		(1,591,218)	-	-	-
Net payments for short-term loans to related parties		-	-	(1,743,596)	(4,564,516)
Payments for investments in subsidiaries, associates					
and joint ventures		(63,611)	(204,672)	(1,103,796)	(45,028)
Dividends received from other investments		112,112	28,069	58,963	19,569
Dividends received from subsidiaries, associates					
and joint ventures		393,401	363,370	162,433	424,728
Proceeds from disposals of property, plant, and equipment					
and intangible assets		333,779	40,564	-	23,080
Net proceeds from (payments for) other investments		3,084,526	(6,945,738)	4,815,674	(5,486,398)
Proceeds from disposals of investments in subsidiaries and an associate	12	28,000	-	28,000	491,760
Proceeds from settlement of short-term loans to related parties		-	-	-	353,341
Proceeds from settlement of long-term loans to related parties		2,073	-	2,073	-
Net cash from (used in) investing activities		1,720,292	(8,051,251)	2,218,412	(8,785,452)
Cash flows from financing activities					
Restricted cash at bank for long-term loans		(299,906)	-	-	-
Net proceeds (payments) from short-term loans from related parties		18,500	3,300	(36,000)	-
Proceeds from long-term loans	27	120,000	120,000	-	-
Net payments of short-term loans		(101,143)	(116,185)	-	-
Net proceeds of bond liabilities	27	-	1,992,311	-	1,992,311
Repayment of bond liabilities	27	-	(2,000,000)	-	(2,000,000)

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

STATEMENT OF CASH FLOWS

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<i>Cash flows from financing activities (Continued)</i>					
Repayments of long-term loans and finance lease liabilities		(2,148,545)	(1,688,732)	(360,000)	(420,000)
Dividends paid from a subsidiary to non-controlling interests		(37,005)	(168,307)	-	-
Dividends paid to shareholders		(91,119)	(370,823)	(91,119)	(370,852)
Proceeds from increase of share capital		-	7,298,937	-	7,298,937
Net proceeds from disposal of shares in subsidiaries					
without change in control		-	633,144	-	-
Proceeds from increase of investment from					
non-controlling interests of a subsidiary		32,403	-	-	-
Payments for settlement of cross currency					
and interest rate swap agreements		(44,604)	(148,839)	(44,604)	(148,839)
Net cash from (used in) financing activities		(2,551,419)	5,554,806	(531,723)	6,351,557
Net increase (decrease) in cash and cash equivalents		1,062,850	(1,860,990)	1,345,397	(2,818,005)
Cash and cash equivalents as at 1 January		5,932,091	7,701,564	126,967	2,919,996
Foreign currency translation differences for foreign operations		(35,097)	149,028	-	-
Effect of exchange rate changes on balances held in					
foreign currencies		(7,106)	(57,511)	8,283	24,976
Cash and cash equivalents as at 31 December	<i>6</i>	6,952,738	5,932,091	1,480,647	126,967
<i>Non-cash transactions</i>					
Unpaid liabilities from purchase of property, plant,					
and equipment and intangible assets		119,858	61,579	10	216
Investment in a subsidiary by offsetting with short-term loans to/from					
and amount due from/to subsidiaries		-	-	2,423,715	-
Dividend payables		3,955	3,956	3,955	3,956
Dividend receivables from short-term investments		-	2,676	-	-
Dividend receivables from a joint venture		-	243,675	-	-

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

▶ NOTES TO THE FINANCIAL STATEMENTS

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2016

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These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorized for issue by the Board of Directors on 28 February 2017.

1 General information

Thoresen Thai Agencies 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 (the "SET") on 25 September 1995.

The principal business operations of the Company and its subsidiaries (the "Group") involve the ownership of dry bulk vessels, certain shipping services, offshore oil and gas services, production and sales of fertilisers, coal trading, and warehouse and logistics services. The Group's activities can be separated into four main categories, namely transport, infrastructure, energy, and the holding company.

Details of the Company's subsidiaries, associates, and joint ventures as at 31 December 2016 and 2015 are given in notes 12 and 13.

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 2016. 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 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 37.

(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. 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 judgement 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 the 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 assumption and significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amount recognised in the financial statements is included in the following notes:

Note 19	Recognition of deferred tax assets. Availability of future taxable profit against which tax losses carried forward can be used
Note 22	Measurement of defined benefit obligations. Key actuarial assumptions
Note 29	Impairment test. Key assumptions underlying recoverable amounts

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 Group 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 Group 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 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 the following notes:

Note 7	Other investments
Note 16	Investment properties
Note 34	Financial instruments

3 Change in accounting estimates

As a result of declining of steel price in recent years, during the first quarter of 2016, the Group has revised the residual values of certain vessels according to the recent steel price which triggered change in accounting estimates on depreciation policy of property, plant, and equipment. Such changes in accounting estimates increase the depreciation expense of the Group by Baht 123.1 million for the year ended 31 December 2016.

4 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 and the Group's interests in associates and joint ventures and joint operations (together referred to as the "Group").

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

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 acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Acquisitions from 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.

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.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities 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.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of available-for-sale equity investments are recognised in other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates at transaction date.

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

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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) *Hedging*

Hedge of future foreign currency transactions

Forward foreign exchange contracts protect the Group from fluctuations in exchange rates by establishing the rates at which foreign currency assets will be realised or foreign currency liabilities will be settled. Forward foreign exchange contracts are recognised in the financial statements on inception and revalued at the reporting date at the foreign exchange rate ruling on that date. The premium or discount on the establishment of each agreement is amortised over the contract period.

Cross currency and interest rate swap agreements

Cross currency and interest rate swap agreements are contracts between the Group and counterparties to exchange amounts of principal denominated in different currencies upon inception of the agreements, either over the term of the agreement or on maturity, depending on the terms of the agreements made with the counterparties. In addition, each counterparty receives or pays interest in amounts calculated on the basis of the pre-determined principal and interest rates throughout the term of the agreements.

With regard to amounts receivable or payable under cross currency and interest rate swap agreements which the Group use to manage foreign exchange and interest rate risk, receivables or payables under cross currency agreements are translated at the rate of exchange applying on the end of reporting period, with unrealised gains or losses on such translation included in profit or loss. The differential to be paid or received by the Group under interest rate swap agreements is recognised as an adjustment to interest income or interest expense over the term of the agreement. Gains or losses arising upon the termination of agreements or the early settlement of the underlying liabilities are recognised in profit or loss.

Hedge of bunker prices and freight rates

Differentials under bunker swap arrangements are accrued and recorded as adjustments to the cost of bunker relating to the hedged bunker. For forward freight agreements, the amounts received or paid on cash settlements, representing the gain or loss, are deferred and recognised over the life of the underlying monetary asset or liability as an adjustment to revenues from freight charges. For purchased freight rate options, the premiums paid are included in the statement of financial position under other assets or other liabilities. The premiums are amortised to interest income or expense over the life of the agreements.

(d) *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. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(e) *Trade and other accounts receivable*

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

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

(f) 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.

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.

(g) Vessel supplies and spare parts

Vessel supplies and spare parts mainly comprise bunker, vessel supplies, and spare parts. Bunker supplies are stated at cost, determined on the first-in, first-out basis. Vessel supplies and vessel spare parts are stated at cost, determined on the weighted-average basis. Rig supplies and rig spare parts are stated at historical cost, determined on the specific identification basis. The vessel and rig supplies and spare parts purchased to replace those used during the year are reported as vessel operating expenses and offshore service expenses in profit or loss.

(h) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(i) Investments

Investments in subsidiaries, associates, and joint ventures

Investments in subsidiaries, associates, and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and jointly ventures in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price on the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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

(j) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Buildings and building improvement	10 and 20	years
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No depreciation is provided on freehold land.

(k) Property, plant, and equipment

Recognition and measurement

Owned assets

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. 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 property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

Gains and losses on disposal of an item of property, plant, and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant, and equipment, and are recognised net within other income or administrative expenses in profit or loss.

Leased assets

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

Subsequent costs

The cost of replacing a part of an item of property, 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 property, 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 property, plant, and equipment. The estimated useful lives are as follows:

Buildings and factories	3 - 20	years
Building improvements	3 - 20	years
Offshore support vessels	5 - 30	years
Ocean vessels (second-hand and new)	4 - 25	years
Second-hand tender rigs	1 - 20	years
Dry-docking	2 - 5	years
Machinery and equipment	1 - 20	years
Furniture, fixtures, and office equipment	2 - 10	years
Motor vehicles	3 - 10	years
Motor launches	10	years
Barges	15 - 29	years

No depreciation is provided on freehold land or assets under construction.

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

(l) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried 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, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, 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	1 - 10	years
Customer relationships	8.2	years

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

(m) 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 goodwill, 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.

When a decline in the fair value of an available-for-sale investment has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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

(n) 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.

(o) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(p) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit plan is calculated by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under a short-term cash bonus plan, 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.

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity that receives services from employees compensates in part through equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets, and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Group of options over its equity instruments to the employees of the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(q) 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.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the Group's obligations under the contract. The provision is measured at the present value of the lower of the expected net cost of terminating the contract and the expected net cost of continuing with the contract.

(r) Share capital

Ordinary shares

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

(s) Revenue

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

Rendering of services

Freight charges of each voyage are generally recognised as revenues at the completion of the voyage. Where a voyage is incomplete as of the statements of financial position date, freight charges are recognised as revenue in proportion to the lapsed time of the voyage. Freight charges shown in profit or loss represent the net freight charges after deduction of related commissions.

Offshore service income is recognised as services are performed based upon (a) contracted day rates and the number of operating days during the year or (b) agreed service charges.

Mobilisation activities related to drilling rig activity to mobilise a rig from one geographic area to another are linked to the underlying contracts. Certain contracts include mobilisation fees paid at the start of the contracts. Where the mobilisation fee covers a general or specific upgrade of a rig or equipment, the fee is recognised as revenue over the contract period. In cases where the fee covers specific operating expenses at the start up of the contract, the fee is recognised in the same period as the expenses.

Sale of goods

Revenue from sales of goods is recognised 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.

Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Rental income

Rental income is recognised as revenue on an accrual basis at the amount as specified under each lease agreement.

Dividend income

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

Interest income

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

(t) Finance costs

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

(u) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(v) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax 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.

(w) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise warrants.

(x) Dividend distribution

Dividend to the Company's shareholders is recognised as a liability in the consolidated and separate financial statements in the period in which the interim dividends are approved by the Board of Directors and the annual dividends are approved by the Company's shareholders.

(y) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Related parties

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

Relationships with related parties, except for subsidiaries, associates, and joint ventures described in notes 12 and 13 are as follows:

Name of entities/persons	Country of incorporation/ Nationality	Nature of relationships
Key management personnel	Multi-nationalities	Persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
IT service and office and office equipment rental income	Prices normally charged to a third party
Offshore service income	Prices normally charged to a third party
Service income	Prices normally charged to a third party
Management fee income	Actual cost plus margin
Interest income/interest expenses	Market linked rate/the borrowing costs of the lender
Management and administrative fees	Actual cost plus margin
IT service and service expenses	Prices normally charged by a third party
Vessel operating expenses, offshore service expenses, and cost of sales	Prices normally charged by a third party

Significant transactions for the years ended 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Subsidiaries				
IT service and office and office equipment rental income	-	-	19,385	18,451
Other income	-	-	914	997
Interest income	-	-	34,741	22,964
IT service and service expenses	-	-	1,502	1,432
Interest expenses	-	-	3,567	1,468
Joint ventures				
IT service and office and office equipment rental income	55,164	49,113	-	-
Offshore service income	2,710,325	2,670,485	-	-
Other income	17	-	17	-
Interest income	47	176	47	176
Offshore service expenses	11,758	19,535	-	-
Vessel operating expenses	-	137	-	-
Cost of sales	59,195	75,918	-	-
Selling expenses	80,945	61,085	-	-
Administrative expenses	8	-	-	-
Management and administrative fees	2,661	3,848	-	-
Interest expense	917	211	-	-
Associates				
IT service and office and office equipment rental income	1,570	3,573	1,570	3,573
Other income	3	79	3	74
Vessel operating expenses	177	162	-	-
Cost of sales	9,821	13,533	-	-
Selling expenses	12,215	12,419	-	-
Administrative expenses	-	3	-	3
Key management personnel				
Key management personnel compensation				
Short-term benefits	174,880	246,543	56,671	76,964
Post-employment benefits	11,668	11,008	11,543	8,518
Total key management personnel compensation	186,548	257,551	68,214	85,482

Key management personnel compensation comprises salaries, other benefits and remuneration and meeting fees.

Balances as at 31 December with related parties were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Trade accounts receivable					
Joint ventures	8	<u>1,141,973</u>	<u>1,591,778</u>	<u>-</u>	<u>-</u>
Receivables from related parties					
Subsidiaries		-	-	7,526	463,201
Joint ventures		274,665	276,040	37	32
Associates		-	8,535	-	181
		<u>274,665</u>	<u>284,575</u>	<u>7,563</u>	<u>463,414</u>
Less allowance for doubtful accounts		<u>(273,916)</u>	<u>(275,888)</u>	<u>(544)</u>	<u>(342,497)</u>
Net		<u>749</u>	<u>8,687</u>	<u>7,019</u>	<u>120,917</u>
		<i>(in thousand Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Short-term loans to related parties					
Subsidiaries		-	-	7,254,111	5,689,152
Joint ventures		<u>154,072</u>	<u>155,181</u>	<u>-</u>	<u>-</u>
		<u>154,072</u>	<u>155,181</u>	<u>7,254,111</u>	<u>5,689,152</u>
Less allowance for impairment		<u>(154,072)</u>	<u>(155,181)</u>	<u>(172,140)</u>	<u>(172,140)</u>
Net		<u>-</u>	<u>-</u>	<u>7,081,971</u>	<u>5,517,012</u>

The Company

Short-term loans to subsidiaries are at call and unsecured, which loans to subsidiaries bear interest at 1.5% - 4.7% per annum (31 December 2015: 4.6% - 4.7% per annum).

Movements of short-term loans to related parties during the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Short-term loans to related parties				
Subsidiaries				
At 1 January	-	-	5,517,012	1,462,280
Additions	-	-	2,165,950	4,564,516
Repayments	-	-	(550,199)	(353,341)
Realised gain (loss) on exchange rates	-	-	524	(1,035)
Impairment charges	-	-	-	(172,140)
Foreign currency transaction differences	-	-	(51,316)	16,732
At 31 December	<u>-</u>	<u>-</u>	<u>7,081,971</u>	<u>5,517,012</u>

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Long-term loans to related parties				
Subsidiaries	-	-	3,977,053	3,977,053
Joint ventures	637,786	644,450	-	2,073
	637,786	644,450	3,977,053	3,979,126
Less allowance for impairment	(637,786)	(642,377)	(3,962,053)	(3,962,053)
Net	-	2,073	15,000	17,073

The Company

As at 31 December 2016, long-term loans to subsidiaries represented unsecured long-term loans in Baht currency totalling Baht 3,977 million (*31 December 2015: Baht 3,977 million*), which loans to a subsidiary carry interest at MOR plus a certain margin per annum (*31 December 2015: MOR plus a certain margin per annum*).

In addition, long-term loans to a joint venture amounting to Baht 2.1 million as at 31 December 2015 were fully settled during the year ended 31 December 2016.

Movements of long-term loans to related parties during the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Long-term loans to related parties				
Subsidiaries				
At 1 January	-	-	15,000	699,008
Additions	-	-	-	-
Impairment charges	-	-	-	(684,008)
At 31 December	-	-	15,000	15,000
Less current portion of long-term loans	-	-	(10,500)	(7,500)
Long-term loans - net of current portion	-	-	4,500	7,500
Joint ventures				
At 1 January	2,073	2,073	2,073	2,073
Repayments	(2,073)	-	(2,073)	-
At 31 December	-	2,073	-	2,073
Less current portion of long-term loans	-	(2,073)	-	(2,073)
Long-term loans - net of current portion	-	-	-	-
	<i>(in thousand Baht)</i>			
Payables to related parties				
Subsidiaries	-	-	60,729	57,905
Joint ventures	11,159	8,145	-	-
Associates	855	1,487	-	-
	12,014	9,632	60,729	57,905

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Short-term loans from related parties</i>				
Subsidiaries	-	-	3,543,051	1,403,305
Joint ventures	21,800	3,300	-	-
	<u>21,800</u>	<u>3,300</u>	<u>3,543,051</u>	<u>1,403,305</u>

The Company

Short-term loans from subsidiaries are unsecured and repayable at call, which loans from subsidiaries bear interest at 1.3% - 2.2% per annum (31 December 2015: 2.2% per annum).

Consolidated

Short-term loans from a joint venture are unsecured and repayable at call. The loans bear interest at MOR plus a certain margin per annum (31 December 2015: MOR plus a certain margin per annum).

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash on hand	16,393	22,685	30	30
Deposits at banks	<u>6,938,421</u>	<u>5,916,885</u>	<u>1,480,617</u>	<u>126,937</u>
Cash and cash equivalents in the statement of financial position	<u>6,954,814</u>	<u>5,939,570</u>	<u>1,480,647</u>	<u>126,967</u>
Bank overdrafts	<u>(2,076)</u>	<u>(7,479)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents in the statement of cash flows	<u>6,952,738</u>	<u>5,932,091</u>	<u>1,480,647</u>	<u>126,967</u>

As at 31 December 2016, deposits at bank bear interest at the rates between 0.1% to 1.9% per annum (31 December 2015: 0.1% to 2.5% per annum).

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Equity securities held for trading	154,893	590,410	154,893	590,410
Debt securities held for trading	251,021	2,550,146	211,021	2,550,146
Equity securities available for sale	127,137	671,099	127,137	671,099
Debt securities available for sale	1,720,375	2,769,042	150,307	1,050,074
Other debt securities held to maturity	228,363	523,123	228,363	523,123
Fixed term deposits	1,307,984	505,847	-	202,326
	<u>3,789,773</u>	<u>7,609,667</u>	<u>871,721</u>	<u>5,587,178</u>
Accumulated changes in fair value	(73,835)	(126,227)	(69,597)	(80,027)
Total	<u>3,715,938</u>	<u>7,483,440</u>	<u>802,124</u>	<u>5,507,151</u>
<i>Long-term investments</i>				
Equity securities available for sale	795,503	663,245	-	-
Long-term loan	<u>716,614</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,512,117</u>	<u>663,245</u>	<u>-</u>	<u>-</u>
Accumulated changes in fair value	(210,679)	-	-	-
Total	<u>1,301,438</u>	<u>663,245</u>	<u>-</u>	<u>-</u>
Total	<u>5,017,376</u>	<u>8,146,685</u>	<u>802,124</u>	<u>5,507,151</u>

Convertible loan to Sino Grandness Food Industry Group Limited ("SGFI")

Long-term investments as of 31 December 2016 include a long-term loan that Soleado, a wholly-owned subsidiary of the Company granted to a Singapore listed entity, SGFI, amounted to USD 20 million (equivalent to Baht 716.6 million). According to the loan agreement entered on 13 April 2016, the loan principal is repayable at the end of 24 months in one bullet payment and bears interest at 12% per annum and repayable every three months.

Subject to SGFI shareholders' approval at their EGM to be convened, Soleado will have the option to convert up to maximum 50 million shares in SGFI at the earlier of after 12 months from the date of loan drawdown or upon the listing of SGFI's wholly-owned subsidiary, Garden Fresh Group Holding Co., Ltd on the Hong Kong Stock Exchange. The conversion price has been set at the lower of SGD 0.55 per share or 20% discount to the volume weighted average price per share traded on the Singapore stock exchange during the last 60 market days immediately preceding the date of the conversion. The balance unconverted principal, if any, will be redeemed at maturity. If SGFI shareholders do not approve the issuance of new shares from the loan conversion at the EGM, then Soleado will be able to earn interest of 16.5% per annum adjusted retroactively. In addition, Soleado will also have the option to recall the loan after 6 months from initial drawdown.

The guarantors of the loan are personal guarantee by directors of SGFI and corporate guarantee by two subsidiaries of SGFI in favor of Soleado.

Investment in Medical Application Business

During the fourth quarter of 2016, Soleado, a wholly-owned subsidiary, has invested 5.52% stake in medical application business at subscription amount of USD 5.0 million. This investment was classified as long-term investment in "equity securities available for sale" in the consolidated financial statements.

Movements during the years ended 31 December of marketable equity and debt securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Equity securities held for trading				
At 1 January	524.8	-	524.8	-
Purchases during the year	20.5	655.5	20.5	655.5
Sales during the year	(456.0)	(65.1)	(456.0)	(65.1)
Valuation adjustment	(24.5)	(65.6)	(24.5)	(65.6)
At 31 December	64.8	524.8	64.8	524.8
Debt securities held for trading				
At 1 January	2,564.8	0.6	2,564.8	0.6
Purchases during the year	810.2	11,085.1	670.2	11,085.1
Sales during the year	(3,109.3)	(8,535.5)	(3,009.3)	(8,535.5)
Valuation adjustment	(11.5)	14.6	(11.5)	14.6
At 31 December	254.2	2,564.8	214.2	2,564.8
Equity securities available for sale				
<i>Current investments</i>				
At 1 January	649.3	93.6	649.3	45.0
Purchases during the year	465.8	614.9	465.8	614.9
Sales during the year	(1,009.8)	(48.6)	(1,009.8)	-
Valuation adjustment	31.6	(10.6)	31.6	(10.6)
At 31 December	136.9	649.3	136.9	649.3
Equity securities available for sale				
<i>Long-term investments</i>				
At 1 January	663.2	-	-	-
Purchases during the year	187.0	-	-	-
Transfer from investment in an associate	-	663.2	-	-
Sales during the year	(36.0)	-	-	-
Unrealised losses on exchange rate	(13.1)	-	-	-
Valuation adjustment	(205.2)	-	-	-
Foreign currency translation differences	(11.1)	-	-	-
At 31 December	584.8	663.2	-	-
Debt securities available for sale				
At 1 January	2,715.6	2.1	1,042.8	2.1
Purchases during the year	1,256.6	2,788.3	497.0	1,046.6
Sales during the year	(2,291.2)	(26.2)	(1,394.7)	-
Unrealised gains (losses) on exchange rate	(2.1)	2.1	(2.1)	2.1
Valuation adjustment	55.9	(54.2)	14.9	(8.0)
Foreign currency translation differences	(11.1)	3.5	-	-
At 31 December	1,723.7	2,715.6	157.9	1,042.8

The fair values of short-term investments and long-term investment together with the carrying amounts in the consolidated and separate statements of financial position were as follows:

Consolidated financial statements					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
(in million Baht)					
31 December 2016					
Current investments					
Equity securities held for trading	64.8	64.8	-	-	64.8
Debt securities held for trading	254.2	-	254.2	-	254.2
Equity securities available for sale	136.9	-	136.9	-	136.9
Debt securities available for sale	1,723.7	-	1,723.7	-	1,723.7
Long-term investment					
Equity securities available for sale	584.8	405.7	-	179.1	584.8
Long-term loan	716.6	-	-	716.6	716.6

Consolidated financial statements					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
(in million Baht)					
31 December 2015					
Current investments					
Equity securities held for trading	524.8	234.9	289.9	-	524.8
Debt securities held for trading	2,564.8	-	2,564.8	-	2,564.8
Equity securities available for sale	649.3	42.8	606.5	-	649.3
Debt securities available for sale	2,715.6	-	2,715.6	-	2,715.6
Long-term investment					
Equity securities available for sale	663.2	663.2	-	-	663.2

Separate financial statements					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
(in million Baht)					
31 December 2016					
Current investments					
Equity securities held for trading	64.8	64.8	-	-	64.8
Debt securities held for trading	214.2	-	214.2	-	214.2
Equity securities available for sale	136.9	-	136.9	-	136.9
Debt securities available for sale	157.9	-	157.9	-	157.9

Separate financial statements					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
(in million Baht)					
31 December 2015					
Current investments					
Equity securities held for trading	524.8	234.9	289.9	-	524.8
Debt securities held for trading	2,564.8	-	2,564.8	-	2,564.8
Equity securities available for sale	649.3	42.8	606.5	-	649.3
Debt securities available for sale	1,042.8	-	1,042.8	-	1,042.8

The Company determines Level 2 fair values for equity/debt securities using a total net asset value of the Company's portfolio, which is in the daily/monthly report from asset management companies.

The fair value of long-term investment in an equity security available for sale and long-term loan as of 31 December 2016 approximates the carrying value.

8 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties					
Trade accounts receivable	5	1,141,973	1,591,778	-	-
Other parties					
Trade accounts receivable		1,896,277	3,201,496	-	-
Retention receivable		168,233	-	-	-
Accrued income		172,321	317,323	-	-
		2,236,831	3,518,819	-	-
Less allowance for doubtful accounts		(306,216)	(287,645)	-	-
Net		1,930,615	3,231,174	-	-
Total		3,072,588	4,822,952	-	-
Bad and doubtful debts expense for the year		18,571	95,699	-	-

Aging analysis for trade accounts receivable were as follows:

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties					
Within credit terms		430,096	434,150	-	-
Overdue:					
Less than 3 months		598,838	763,942	-	-
3 - 6 months		113,039	378,618	-	-
6 - 12 months		-	199	-	-
Over 12 months		-	14,869	-	-
		1,141,973	1,591,778	-	-
Other parties					
Within credit terms		965,203	985,883	-	-
Overdue:					
Less than 3 months		571,941	1,526,642	-	-
3 - 6 months		14,906	321,832	-	-
6 - 12 months		14,059	113,404	-	-
Over 12 months		330,168	253,735	-	-
		1,896,277	3,201,496	-	-
Less allowance for doubtful accounts		(306,216)	(287,645)	-	-
Net		1,590,061	2,913,851	-	-
Total		2,732,034	4,505,629	-	-

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

Full allowance for doubtful accounts has been set up for all trade accounts receivable which management considers as non-collectible.

9 Deferred contract costs

	Consolidated financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	134,750	190,275
Amortisation on deferred contract costs	(71,855)	(69,814)
Foreign currency translation differences	(2,172)	14,289
At 31 December	60,723	134,750

On 30 September 2012, USD 9.3 million (equivalent to Baht 286.7 million) was paid by Mermaid Subsea Services (International) Ltd., a subsidiary of Mermaid Maritime Public Company Limited ("MMPLC"), to General Technology & Systems Co., Ltd ("Gentas"). The payment consists of the following elements: (a) USD 0.3 million (equivalent to Baht 9.2 million) as consideration for the acquisition of Gentas' 30% equity interest in Subtech Saudi Arabia, (recorded in other accounts receivable) and (b) USD 9.0 million (equivalent to Baht 277.5 million) (recorded in deferred contract costs) as (i) compensation for loss of expected profits to Gentas, if not for the sale of its 30% equity interest in Subtech Saudi Arabia, pertaining to a recently awarded five-year inspection, repair, and maintenance contract with Saudi Aramco ("IRM Contract") worth more than USD 530 million of revenues and (ii) as an advance payment for Gentas assistance to secure the IRM Contract.

The USD 9.0 million was related to securing the IRM Contract that was executed by a jointly-controlled operation of MMPLC, Zamil Mermaid Offshore Services Co. (LLC) ("ZMOS"), and was recognised as deferred contract costs. The deferred contract costs will be amortised rateably over the period of execution of the contract, starting from the moment revenue is first recognised, which is approximately five years. The total IRM Contract revenue over five years period is estimated to be approximately USD 530 million. The Group's estimated revenue is between 60 to 70 percent of the IRM Contract revenue over this period.

The IRM Contract was awarded to ZMOS on 25 October 2012. ZMOS is a newly established entity that the Group controls jointly with Zamil Offshore Services Co. ("Zamil"). ZMOS is billing Saudi Aramco at agreed rates in the IRM Contract, and the two partners are billing ZMOS for the cost incurred in executing the IRM contract.

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Inventories	856,539	1,028,573	-	-
Tools and supplies	53,684	58,888	-	-
Total	910,223	1,087,461	-	-
Less allowance for decline in value of inventories	(321,339)	(343,488)	-	-
Net	588,884	743,973	-	-

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Inventories recognised as an expense in cost of sales:				
- Cost	2,969,502	3,253,129	-	-
- Provision for (reversal of) allowance for decline in value of inventories	(22,149)	163,690	-	-
Net	2,947,353	3,416,819	-	-

As at 31 December 2016, inventories with carrying amount of VND 192 billion, or equivalent to Baht 307 million (31 December 2015: VND 205 billion or equivalent to Baht 327 million), were pledged with a bank as security for the unutilised loan facility from a bank of VND 300 billion or equivalent to Baht 480 million (31 December 2015: VND 270 billion or equivalent to Baht 432 million).

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Dividend receivables from an associate	-	243,675	-	-
Prepaid tax and value added tax refundable, net	503,555	377,598	4,358	1,204
Cash at bank collateralised for loans	591,728	320,755	-	-
Other current assets, net	35,588	38,170	15,441	23,475
Total	1,130,871	980,198	19,799	24,679

12 Investments in associates and joint ventures

Investments in associates and joint ventures as at 31 December comprise investments in the following companies:

Name of associates / joint ventures	Nature of business	Country of incorporation	% Ownership interest	
			2016	2015
Name of associates				
<i>The Company</i>				
Transport				
- Fearnleys (Thailand) Ltd.	Ship brokerage	Thailand	49.0	49.0
With subsidiaries as follows:				
- PT. Fearnleys Indonesia	"	Indonesia		
- Fearnleys Shipbroking Private Limited	"	India		
- Thoresen Shipping and Logistics Ltd.	Ship agency	Thailand	-	49.0
With subsidiaries as follows:				
- Thoresen Shipping and Logistics (Myanmar) Company Limited	"	Myanmar		
<i>Consolidated</i>				
Transport				
- Sharjah Ports Services LLC (invested by Thoresen Shipping FZE)	Port operations	UAE	49.0	49.0

Name of associates / joint ventures	Nature of business	Country of incorporation	% Ownership interest 2016	2015
Energy				
- Asia Offshore Drilling Limited (invested by MMPLC)	Drilling services	Bermuda	33.8	33.8
With subsidiaries as follows:				
- Asia Offshore Rig 1 Limited	"	Bermuda		
- Asia Offshore Rig 2 Limited	"	Bermuda		
- Asia Offshore Rig 3 Limited	"	Bermuda		
Infrastructure				
- Baria Serace (invested by Soleado)	Port operations	Vietnam	20.0	20.0
Others				
- Laser Game Asia Company Limited (invested by ACS)	Lifestyle & Entertainment	Thailand	30.0	-
Name of joint ventures				
The Company				
Transport				
- Thoresen (Indochina) S.A.	Ship agency	Panama	50.0	50.0
With a subsidiary as follow:				
- Thoresen-Vinama Agencies Co., Ltd.	Ship agency and related services transportation	Vietnam		
Infrastructure				
- Gulf Agency Company (Thailand) Ltd. ("GAC")	Ship agency	Thailand	51.0	51.0
- TTA SUEZ Company Limited	Drinking water and waste water services	Thailand	51.0	-
Consolidated				
Transport				
- Petrolift Inc. (invested by Soleado)	Maritime transportation	Philippines	40.0	40.0
Energy				
- Zamil Mermaid Offshore Services Co. (LLC) (invested by MMPLC)	Inspection, installation, repair and maintenance services for Offshore Oil and Gas industry	Saudi Arabia	40.0	40.0
- SKI Energy Resources Inc. (invested by MIN)	Coal mining	Philippines	40.0	40.0

Movements during the years ended 31 December of investments in associates and joint ventures were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Associates				
At 1 January	3,323,861	5,804,516	42,368	42,368
Acquisition	36,000	75,299	-	-
Disposal	(14,632)	-	(24,500)	-
Dividend income	(48,666)	(495,331)	-	-
Share of profits of associates	426,389	682,171	-	-
Share of loss from impairment of an associate	-	(2,232,095)	-	-
Transfer to long-term investment	-	(869,108)	-	-
Foreign currency translation differences	(17,710)	358,409	-	-
At 31 December	3,705,242	3,323,861	17,868	42,368
Joint ventures				
At 1 January	1,250,691	1,298,022	19,984	19,984
Acquisition	1,020	-	1,020	-
Dividend income	(102,802)	(99,284)	-	-
Share of profits of joint ventures	126,097	140,443	-	-
Defined benefit plan actuarial gains	2,235	-	-	-
Allowance for impairment	-	(153,881)	-	-
Foreign currency translation differences	(48,284)	65,391	-	-
At 31 December	1,228,957	1,250,691	21,004	19,984
Total				
At 1 January	4,574,552	7,102,538	62,352	62,352
Acquisitions	37,020	75,299	1,020	-
Disposal	(14,632)	-	(24,500)	-
Dividend income	(151,468)	(594,615)	-	-
Share of profits of associates and joint ventures	552,486	822,614	-	-
Share of loss from impairment of an associate	-	(2,232,095)	-	-
Defined benefit plan actuarial gains	2,235	-	-	-
Allowance for impairment	-	(153,881)	-	-
Transfer to long-term investment	-	(869,108)	-	-
Foreign currency translation differences	(65,994)	423,800	-	-
At 31 December	4,934,199	4,574,552	38,872	62,352

During the year ended 31 December 2016 there were the following acquisitions and disposal of investments in associates and joint ventures:

Acquisitions

Laser Game Asia Company Limited ("LGA")

On 20 September 2016, ACS, a wholly owned subsidiary of the Company, invested 30.0% stake in LGA by subscription of the increased share capital of LGA at the total amount of Baht 36 million. This investment was classified as investment in associates.

TTA SUEZ Company Limited ("TTA-SUEZ")

On 26 September 2016, the Company established a joint venture (i.e. TTA SUEZ Company Limited) with Suez Environment South East Asia Limited with initial registered and paid-up of Baht 2,000,000 whereby the Company hold 51.0% shareholding of this joint venture.

Disposal

Thoresen Shipping and Logistics Ltd. ("TSL")

On 24 May 2016, the Company entered into a share sale and purchase agreement with Naxco Shipping and Logistics (Thailand) Ltd. ("Naxco") that the Company agreed to sell and transfer its entire shareholding in an associate of the Company, TSL to Naxco for a cash consideration of Baht 28 million. The transaction was completed on 13 July 2016.

Details of the disposal are as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Consideration received	28,000	28,000
Net book value of investments	(14,632)	(24,500)
Gain on disposal of investment in an associate	13,368	3,500

Investments in associates and joint ventures as at 31 December 2016 and 2015, and dividend income from those investments for the years then ended were as follows:

	Consolidated financial statements											
	Paid-up capital		Cost		Equity		Impairment		At equity - net		Dividend Income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(in million Baht)											
Associates												
Fearnleys (Thailand) Ltd.	14	14	18	18	50	59	-	-	50	59	-	-
Thoresen Shipping and Logistics Ltd.	-	50	-	24	-	21	-	-	-	21	-	9
Sharjah Ports Services LLC (invested by Thoresen Shipping FZE)	147	147	55	55	112	113	-	-	112	113	-	24
Asia Offshore Drilling Limited (invested by MMPLC)	1,978	1,978	2,964	2,964	3,023	2,661	-	-	3,023	2,661	-	462
Baria Serce (invested by Soleado)	326	326	334	334	485	470	-	-	485	470	49	-
Laser Game Asia Company Limited (invested by ACS)	20	-	36	-	35	-	-	-	35	-	-	-
			3,407	3,395	3,705	3,324	-	-	3,705	3,324	49	495
Joint ventures												
Thoresen (Indochina) S.A.	9	9	9	9	200	183	-	-	200	183	17	10
Gulf Agency Company (Thailand) Ltd.	22	22	11	11	18	17	-	-	18	17	-	-
TTA SUEZ Company Limited	2	-	1	-	1	-	-	-	1	-	-	-
Petrolift Inc.(invested by Soleado)	975	975	930	930	940	1,011	-	-	940	1,011	85	89
Zamil Mermaid Offshore Services Co. (LLC) (invested by MMPLC)	18	18	7	7	70	39	-	-	70	39	-	-
SKI Energy Resources Inc. (invested by MIN)	461	461	169	169	154	154	(154)	(154)	-	-	-	-
			1,127	1,126	1,383	1,404	(154)	(154)	1,229	1,250	102	99
Total			4,534	4,521	5,088	4,728	(154)	(154)	4,934	4,574	151	594

Separate financial statements									
Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
(in million Baht)									
Associates									
Fearnleys (Thailand) Ltd.	14	14	18	18	-	-	18	18	-
Thoresen Shipping and Logistics Ltd.	-	50	-	24	-	-	-	24	-
			<u>18</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>42</u>	<u>-</u>
									<u>9</u>
Joint ventures									
Thoresen (Indochina) S.A.	8	8	9	9	-	-	9	9	17
Gulf Agency Company(Thailand) Ltd.	22	22	11	11	-	-	11	11	-
TTA SUEZ Company Limited	2	-	1	-	-	-	1	-	-
			<u>21</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>20</u>	<u>17</u>
									<u>10</u>
Total			39	62	-	-	39	62	17
									19

Associates and joint ventures

The following table summarises the financial information of the associates and joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

	Asia Offshore Drilling Limited		Baria Serece		Petrolift Inc.	
	2016	2015	2016	2015	2016	2015
	<i>(in million Baht)</i>					
Revenue	2,726	3,901	708	659	1,129	1,007
Profit (loss) from continuing operations	1,117	(4,615)	326	193	135	145
Other comprehensive income	-	-	-	-	6	-
Total comprehensive income (100%)	1,117	(4,615)	326	193	141	145
Total comprehensive income (% hold)	377	(1,558)	65	38	56	58
Elimination of unrealised profit on downstream sales	-	-	-	-	-	-
Foreign currency translation differences	(15)	124	(1)	-	(42)	67
Group's share of total comprehensive income	362	(1,434)	64	38	14	125
	Asia Offshore Drilling Limited		Baria Serece		Petrolift Inc.	
	2016	2015	2016	2015	2016	2015
	<i>(in million Baht)</i>					
Current assets	1,532	3,202	986	800	545	743
Non-current assets	16,318	17,062	1,000	951	2,536	2,894
Current liabilities	(1,710)	(2,283)	(601)	(452)	(397)	(485)
Non-current liabilities	(7,187)	(10,100)	(8)	-	(941)	(1,232)
Net assets (100%)	8,953	7,881	1,377	1,299	1,743	1,920
Group's share of net assets (% hold)	3,023	2,661	275	260	697	768
Elimination of unrealised profit on downstream sales	-	-	-	-	-	-
Carrying amount of interest in associate/joint venture	3,023	2,661	275	260	697	768

	Asia Offshore Drilling Limited		Baria Serece		Petrolift Inc.	
	2016	2015	2016	2015	2016	2015
	<i>(in million Baht)</i>					
Group's interest in net assets of investee at 1 January	2,661	4,557	260	222	768	732
Total comprehensive income (expenses) attributable to the Group	362	(1,434)	64	38	14	125
Acquisition during the year	-	-	-	-	-	-
Dividend income during the year	-	(462)	(49)	-	(85)	(89)
Group's interest in net assets of investee at end of year	3,023	2,661	275	260	697	768
Goodwill	-	-	210	210	243	243
Carrying amount of interest in investee at 31 December	3,023	2,661	485	470	940	1,011

Immaterial associates and joint ventures

The following is summarised financial information for the Group's interest in immaterial associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

	Immaterial Associates		Immaterial Joint ventures	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Carrying amount of interests in immaterial associates and joint ventures	197	193	289	239
Group's share of:				
- Profit (loss) from continuing operations	(20)	(10)	70	73
- Other comprehensive income	-	-	-	-
Total comprehensive income (expenses)	(20)	(10)	70	73

13 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2016 and 2015 comprise investments in the following companies:

Name of subsidiaries	Nature of Business	Country of incorporation	% Ownership interest 2016	2015
Holdings				
- Soleado Holdings Pte. Ltd. ("Soleado")	Holding company	Singapore	100.0	100.0
With a subsidiary as follow:				
- Merton Investments NL BV ("MIN")	"	Netherlands	100.0	100.0
With a joint venture as follow:				
- SKI Energy Resources Inc.	Coal mining	Philippines		
With an associate as follows:				
- Baria Serece	Port operations	Vietnam		
With a joint venture as follow:				
- Petrolift Inc.	Maritime transportation services	Philippines		
- Athene Holdings Ltd. ("ATH")	Holding company	Thailand	99.9	99.9
- PM Thoresen Asia Holdings Public Company Limited ("PMTA")	"	Thailand	68.5	67.2
With subsidiaries as follows:				
- PM Thoresen Asia (Singapore) Pte. Ltd.	General trading	Singapore	100.0	100.0
- Baconco Co., Ltd.	Fertiliser production	Vietnam	100.0	100.0
- Asia Coating Services Ltd. ("ACS")*****	Holding company	Thailand	99.9	-
With an associate as follows:				
- Laser Game Asia Company Limited	Lifestyle & Entertainment	Thailand		
Transport				
- Premo Shipping Public Company Limited ("Premo")	Ship management	Thailand	99.9	99.9
- Thoresen Shipping Singapore Pte. Ltd. ("TSS")	International maritime transportation	Singapore	100.0	100.0
With subsidiaries as follows:				
- Thor Friendship Shipping Pte. Ltd.	"	Singapore	100.0	100.0
- Thor Fortune Shipping Pte. Ltd.	"	Singapore	100.0	100.0
- Thor Horizon Shipping Pte. Ltd.	"	Singapore	100.0	100.0

Name of subsidiaries	Nature of Business	Country of incorporation	% Ownership interest	
			2016	2015
Transport (continued)				
- Thoresen Shipping Denmark APS	Commercial dry bulk shipping activities	Denmark	100.0	100.0
- Thoresen Shipping South Africa (PTY) Ltd.	"	South Africa	100.0	100.0
- Thoresen Shipping Arabia DMCC	"	UAE	-	100.0
- Thoresen & Company (Bangkok) Limited	Ship management	Thailand	99.9	99.9
- Thoresen Chartering (HK) Ltd.***	International maritime transportation	Hong Kong	99.9	99.9
- Thoresen Shipping Germany GmbH	"	Germany	100.0	100.0
- Herakles Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Heron Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thoresen Chartering (PTE) Ltd.***	Ship brokerage	Singapore	100.0	100.0
- Asia Coating Services Ltd.*****	Coating services	Thailand	-	99.9
- Thoresen Shipping FZE	Ship agency	UAE	100.0	100.0
With an associate as follow:				
- Sharjah Ports Services LLC	Port operations	UAE		
Energy				
- Mermaid Maritime Public Company Limited ("MMPLC")	Offshore services investments	Thailand	58.2	58.2
With subsidiaries as follows:				
- Mermaid Subsea Services (Thailand) Ltd.	Subsea service provider, diving, ROV services and subsea contractor to the offshore oil and gas industry	Thailand	100.0	100.0
With subsidiaries as follows:				
- Seascope Surveys (Thailand) Ltd.*	Subsea service provider, hydrographic survey and positioning to the offshore oil and gas industry	Thailand	100.0	100.0
- Seascope Surveys Pte. Ltd.	"	Singapore	100.0	100.0
With a subsidiary as follow:				
- PT Seascope Surveys Indonesia****	"	Indonesia	49.0	49.0
- Mermaid Offshore Services Pte. Ltd.	Subsea service provider, diving, ROV services and subsea contractor to the offshore oil and gas industry	Singapore	100.0	100.0
- Mermaid Drilling Ltd.	Production and exploration drilling services	Thailand	95.0	95.0
With subsidiaries as follows:				
- MTR-1 Ltd.	Drilling services	Thailand	95.0	95.0
- MTR-2 Ltd.	"	Thailand	95.0	95.0
- Mermaid Drilling (Malaysia) Sdn. Bhd.	"	Malaysia	95.0	95.0
- MTR-1 (Singapore) Pte. Ltd.	"	Singapore	95.0	95.0
- MTR-2 (Singapore) Pte. Ltd. **	"	Singapore	95.0	95.0

Name of subsidiaries	Nature of Business	Country of incorporation	% Ownership interest 2016	2015
Energy (continued)				
- Mermaid Drilling (Singapore) Pte. Ltd.	Production and exploration drilling services	Singapore	100.0	100.0
- MTR-3 (Singapore) Pte. Ltd.	Production and exploration drilling services	Singapore	100.0	100.0
- MTR-4 (Singapore) Pte. Ltd.	"	Singapore	100.0	100.0
- Mermaid MTN Pte. Ltd.**	"	Singapore	100.0	100.0
- Mermaid Maritime Mauritius Ltd.	Investment holding	Mauritius	100.0	100.0
With a subsidiary as follow:				
- Mermaid International Ventures	"	Cayman	100.0	100.0
With a subsidiary as follow:				
- Mermaid Subsea Services (International) Ltd.	Subsea service provider, diving, ROV services and subsea contractor to the offshore oil and gas industry	Seychelles	100.0	100.0
With subsidiaries as follows:				
- Subtech Saudi Arabia Limited	"	Saudi Arabia	95.0	95.0
- Mermaid Subsea Services LLC****	"	Qatar	49.0	49.0
With an associate as follow:				
- Asia Offshore Drilling Limited	Drilling services	Bermuda		
With subsidiaries as follows:				
- Asia Offshore Rig 1 Limited	"	Bermuda		
- Asia Offshore Rig 2 Limited	"	Bermuda		
- Asia Offshore Rig 3 Limited	"	Bermuda		
With a joint venture as follow:				
- Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for offshore oil and gas industry	Saudi Arabia		
Infrastructure				
- Chidlom Marine Services & Supplies Ltd.	Supply cargo lashing materials	Thailand	99.9	99.9
- GAC Thoresen Logistics Ltd.	Warehousing	Thailand	51.0	51.0
- Unique Mining Services Public Company Limited ("UMS") (invested by Athene Holdings Ltd.)	Sale of coal	Thailand	90.1	88.7
With subsidiaries as follows:				
- UMS Distribution Co., Ltd.	Logistics management and trading of fertilizer	Thailand	99.9	99.9
- UMS Lighter Co., Ltd.	Boat conveyance	Thailand	99.9	99.9
- UMS Pellet Energy Co., Ltd.	Road transport and trading of wood pellet	Thailand	99.9	99.9
- UMS Port Services Co., Ltd.	Port service	Thailand	99.9	99.9
- Baconco Co., Ltd. (invested by PMTA)	Fertiliser production	Vietnam	100.0	100.0
- PMFB Ltd.	Food and beverage trading	Thailand	99.9	99.9

Name of subsidiaries	Nature of Business	Country of incorporation	% Ownership interest	
			2016	2015
Others				
- PMT Property Co., Ltd.	Property management	Thailand	99.9	-
<p>* In the process of liquidation.</p> <p>** Deregistered on 10 January 2017.</p> <p>*** Operation ceased as of 31 December 2016 and 2015.</p> <p>**** Group interest is 100% after taking account of nominee holdings.</p> <p>***** As at 31 December 2016, ACS was classified to be under holdings group because the nature of business has been changed from coating services to holding company (31 December 2015: operation ceased and classified as the company under transport group)</p>				

Movements during the years ended 31 December of investments in subsidiaries were as follows:

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	20,720,857	23,328,744
Acquisitions	3,526,490	45,028
Disposal	-	(273,200)
Allowance for impairment	-	(2,379,715)
At 31 December	24,247,347	20,720,857

During the year ended 31 December 2016, there were the following changes in investments in subsidiaries:

The Company

Additional investment in TSS

At the Board of Directors Meetings No. 9/2016 held on 28 October 2016 and No. 10/2016 held on 14 November 2016, approved increase in share capital in TSS, a wholly-owned subsidiary of the Company, at the amount of SGD 139.45 million (equivalent to Baht 3,500.5 million) and settle the loans of TSS due to subsidiaries of the Company. The increase in share capital in TSS was completed on 19 December 2016.

Subsidiary - ATH

Right offering of UMS ordinary shares

On 4 March 2016, UMS completed its Right Offering ("RO") by issuing 349.93 million new ordinary shares with an offering price of Baht 1 per share on the Stock Exchange of Thailand. ATH subscribed for 317.53 million ordinary shares and the remaining 32.4 million ordinary shares were subscribed by non-controlling interests.

As a result of RO, ATH's ownership interest in UMS increased from 88.7% to 90.1%.

Investments in directly owned subsidiaries of the Company as at 31 December 2016 and 2015, and dividend income from those investments for the years then ended were as follows:

Name of subsidiaries	Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Separate financial statements										
<i>(in million Baht)</i>										
Direct subsidiaries										
Soleado Holdings Pte. Ltd.	3,092	3,092	3,092	3,092	(168)	(168)	2,924	2,924	-	-
Athene Holdings Ltd.	100	100	100	100	(100)	(100)	-	-	-	-
PM Thoresen Asia Holdings										
Public Company Limited	1,012	1,012	728	703	-	-	728	703	76	-
Premo Shipping Public Company Limited	2,220	2,220	2,225	2,225	-	-	2,225	2,225	-	-
Thoresen Shipping Singapore Pte. Ltd.	14,991	11,490	14,990	11,490	(2,709)	(2,709)	12,281	8,781	-	-
Thoresen Chartering (HK) Ltd.	3	3	3	3	-	-	3	3	-	-
Thoresen Shipping Germany GmbH	1	1	1	1	(1)	(1)	-	-	-	-
Herakles Shipping Co., Ltd.	2	2	1	1	(1)	(1)	-	-	-	-
Heron Shipping Co., Ltd.	1	1	1	1	(1)	(1)	-	-	-	-
Thoresen Chartering (Pte) Ltd.	2	2	2	2	-	-	2	2	-	-
PMFB Ltd.	35	35	35	35	(35)	(35)	-	-	-	-
Asia Coating Services Ltd.	80	80	80	80	(1)	(1)	79	79	-	-
Thoresen Shipping FZE	7	7	7	7	-	-	7	7	-	209
Mermaid Maritime Public Company Limited	1,413	1,413	5,889	5,889	-	-	5,889	5,889	-	197
Chidlom Marine Services & Supplies Ltd.	70	70	70	70	-	-	70	70	-	-
GAC Thoresen Logistics Ltd.	75	75	38	38	-	-	38	38	-	-
PMT Property Co., Ltd.	1	-	1	-	-	-	1	-	-	-
Total	27,263	23,737	24,247	20,721	(3,016)	(3,016)	24,247	20,721	76	406

Almost all of the Company's directly and indirectly owned subsidiaries are not publicly listed and consequently do not have published price quotations, except Mermaid Maritime Public Company Limited, Unique Mining Services Public Company Limited and PM Thoresen Asia Holdings Public Company Limited which are listed on the Stock Exchange of Singapore, Thailand and Thailand, respectively. The fair value of the Company's direct and indirect investments in these subsidiaries based on the closing price as of 31 December 2016 and 2015 are as below:

	2016	2015
Mermaid Maritime Public Company Limited	SGD 123 million	SGD 123 million
Unique Mining Services Public Company Limited	Baht 1,216 million	Baht 946 million
PM Thoresen Asia Holdings Public Company Limited	Baht 1,324 million	Baht 1,319 million

14 Non-controlling interests

The following table summarises the information including fair value adjustment on acquisition relating to each of the Group's subsidiaries that has a material non-controlling interest:

	31 December 2016			
	MMPLC	PMTA	Other individually immaterial subsidiaries	Total
	<i>(in million Baht)</i>			
Non-controlling interest percentage	41.8%	31.5%		
Current assets	6,237	1,381	379	7,997
Non-current assets	10,678	632	1,072	12,382
Current liabilities	(1,847)	(313)	(1,251)	(3,411)
Non-current liabilities	(2,950)	(11)	(43)	(3,004)
	12,118	1,689	157	13,964
	18	-	-	18
Less: Non-controlling interest in subsidiaries' financial statements				
Net assets	12,136	1,689	157	13,982
Carrying amount of non-controlling interest	5,053	532	40	5,625
Revenue	7,018	3,242	651	10,911
Profit (loss)	601	270	(91)	780
Other comprehensive income	(71)	(14)	1	(84)
Total comprehensive income (expenses)	530	256	(90)	696
Profit (loss) allocated to non-controlling interest	255	89	(23)	321
Other comprehensive income allocated to non-controlling interest	(30)	(4)	-	(34)
Cash flows from (used in) operating activities	1,742	429	(62)	2,109
Cash flows from (used in) investing activities	(939)	(46)	(190)	(1,175)
Cash flows from (used in) financing activities	(645)	(207)	245	(607)
(including dividends to non-controlling interest)				
Net increase (decrease) in cash and cash equivalents	158	176	(7)	327

	31 December 2015			
	MMPLC	PMTA	Other individually immaterial subsidiaries	Total
	<i>(in million Baht)</i>			
Non-controlling interest percentage	41.8%	32.8%		
Current assets	7,165	1,318	223	8,706
Non-current assets	10,872	710	983	12,565
Current liabilities	(6,241)	(413)	(1,134)	(7,788)
Non-current liabilities	(211)	(19)	(82)	(312)
	11,585	1,596	(10)	13,171
	22	-	-	22
	11,607	1,596	(10)	13,193
	4,832	505	35	5,372
Less: Non-controlling interest in subsidiaries' financial statements				
Net assets				
Carrying amount of non-controlling interest				
Revenue	9,877	3,307	753	13,937
Profit (loss)	(8,103)	224	(455)	(8,334)
Other comprehensive income	1,512	-	1	1,513
Total comprehensive income (expenses)	(6,591)	224	(454)	(6,821)
Profit (loss) allocated to non-controlling interest	(3,468)	58	(53)	(3,463)
Other comprehensive income allocated to non-controlling interest	632	25	-	657
Cash flows from (used in) operating activities	453	205	(51)	607
Cash flows from (used in) investing activities	(701)	(167)	5	(863)
Cash flows from (used in) financing activities	(595)	(1)	44	(552)
(including dividends to non-controlling interest)	(843)	37	(2)	(808)
Net increase (decrease) in cash and cash equivalents				

15 Goodwill

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<i>Cost</i>					
At 1 January		3,850,976	3,819,295	-	-
Foreign currency translation differences		(2,614)	31,681	-	-
At 31 December		<u>3,848,362</u>	<u>3,850,976</u>	<u>-</u>	<u>-</u>
<i>Impairment losses</i>					
At 1 January		3,776,408	2,834,697	-	-
Impairment loss	29	-	939,671	-	-
Foreign currency translation differences		(2,081)	2,040	-	-
At 31 December		<u>3,774,327</u>	<u>3,776,408</u>	<u>-</u>	<u>-</u>
<i>Net book value</i>					
At 1 January		<u>74,568</u>	<u>984,598</u>	<u>-</u>	<u>-</u>
At 31 December		<u>74,035</u>	<u>74,568</u>	<u>-</u>	<u>-</u>

16 Investment properties

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<i>Cost</i>					
At 1 January		-	-	-	-
Additions		1,591,218	-	-	-
Reclassification from property, plant and equipment	17	53,782	-	-	-
Foreign currency translation differences		666	-	-	-
At 31 December		<u>1,645,666</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Depreciation</i>					
At 1 January		-	-	-	-
Reclassification from property, plant and equipment	17	31,827	-	-	-
Foreign currency translation differences		394	-	-	-
At 31 December		<u>32,221</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net book value</i>					
At 1 January		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December		<u>1,613,445</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group's investment properties include land and properties. During the 4th quarter of 2016, the Group purchased two plots of land located at Bangkok's central business district at the purchase price of Baht 1,591.2 million. As of 31 December 2016, the Group had no specific plans for the land and classified the land as investment properties. The fair value of the land as of 31 December 2016 approximated its purchase price.

In addition, during the year 2016, the Group leased out some of its properties to third parties and therefore reclassified these properties from property, plant and equipment to investment properties. The fair value of these properties as of 31 December 2016 were Baht 62.9 million and the appraisal value of which was evaluated by First Star Consultant Co., Ltd., an independent valuation firm.

Measurement of fair value

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provide the fair value of the Group's investment property portfolio on an annual basis.

The fair value measurement for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique

The fair value measurement of land was based on the market approach. This approach is a method of determining the appraisal value of an asset based on the selling price of similar items. These similar properties are adjusted for time, size, quantity, amenities, and quality as compared to the property that is being appraised.

The fair value measurement of properties was based on the cost approach. This approach is a method of determining the replacement cost of a property after adjustment for accumulated depreciation. Accumulated depreciation is the reduction in actual value of property over a period of time as a result of wear and tear or obsolescence.

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Consolidated financial statements												
				</								

	Separate financial statements					
	Land	Buildings	Building improvements	Furniture, fixtures, and equipment	Motor vehicles	Construction in progress
				(in thousand Baht)		Total
Cost						
At 1 January 2015	99,947	203,746	92,176	71,316	2,806	469,991
Additions	-	-	237	1,007	-	1,244
Disposals and write-offs	(17,100)	(1,900)	(2,088)	(2,117)	(2,806)	(26,011)
At 31 December 2015 and 1 January 2016	82,847	201,846	90,325	70,206	-	445,224
Additions	-	-	-	541	-	1,076
At 31 December 2016	82,847	201,846	90,325	70,747	-	446,300
Depreciation						
At 1 January 2015	-	141,477	80,244	66,090	2,806	290,617
Depreciation charge for the year	-	8,406	3,170	2,005	-	13,581
Disposals and write-offs	-	(137)	(1,440)	(2,091)	(2,806)	(6,474)
At 31 December 2015 and 1 January 2016	-	149,746	81,974	66,004	-	297,724
Depreciation charge for the year	-	6,444	2,426	1,744	-	10,614
At 31 December 2016	-	156,190	84,400	67,748	-	308,338
Net book value						
At 1 January 2015	99,947	62,269	11,932	5,226	-	179,374
At 31 December 2015 and 1 January 2016	82,847	52,100	8,351	4,202	-	147,500
At 31 December 2016	82,847	45,656	5,925	2,999	-	137,962

Significant movements of property, plant, and equipment of the Group during the year ended 31 December 2016 were as follows:

Significant additions, disposals and write-offs:

Significant changes were i) payments for dry-docking of vessels and vessel equipment; ii) payments for warehouse construction; iii) disposal of four ocean vessels and iv) impairment of ocean vessels.

Mortgaged assets

Property, plant, and equipment as of 31 December 2016 used as collateral for loan facilities can be summarised as follows:

- Ocean vessels with a net book value of USD 205.9 million (31 December 2015: USD 180.5 million) are mortgaged with financial institutions as collateral for their loans at a total value of USD 114.6 million (31 December 2015: USD 139.6 million).
- Subsea vessels and a tender rig with a net book value of USD 128.1 million (31 December 2015: USD 148.5 million) were mortgaged with various banks as collateral for bank overdraft and loan facilities for a total value of USD 110.0 million (31 December 2015: USD 110.0 million).
- One barge with a zero net book value (31 December 2015: zero) is mortgaged with a bank as collateral for its unused bank overdraft facility of Baht 10.0 million (31 December 2015: Baht 10.0 million).
- Certain land, buildings and machinery of the Group with a net book value of Baht 361.6 million, USD 2.0 million and VND 104,714 million (31 December 2015: Baht 373.0 million, USD 2.2 million and VND 297,576 million) are mortgaged with various banks as collateral for loan facilities, promissory notes, bank overdraft facilities, and letters of guarantee for a total value of Baht 625.0 million (31 December 2015: Baht 745.0 million and USD 7.0 million).

18 Intangible assets

Consolidated financial statements					
	Customer relationship	Other intangible assets	Computer software	Computer software under installation	Total
	(in thousand Baht)				
Cost					
At 1 January 2015	564,895	8,806	322,962	6,095	902,758
Additions	-	-	8,748	-	8,748
Transfers	-	-	6,095	(6,095)	-
Disposals and write-offs	-	-	(80)	-	(80)
Foreign currency translation differences	-	-	6,373	-	6,373
At 31 December 2015 and 1 January 2016	564,895	8,806	344,098	-	917,799
Additions	-	-	3,271	-	3,271
Transfers	-	-	(527)	-	(527)
Foreign currency translation Differences	-	-	(511)	-	(511)
At 31 December 2016	564,895	8,806	346,331	-	920,032

Consolidated financial statements						
	Note	Customer relationship	Other intangible assets	Computer software under installation	Computer software	Total
(in thousand Baht)						
Amortisation and impairment charges						
At 1 January 2015		419,789	6,433	250,771	-	676,993
Amortisation charge for the year		51,214	1,156	34,908	-	87,278
Impairment charges, net Disposals and write-offs	29	93,892	-	3,827	-	97,719
Foreign currency translation Differences		-	-	(147)	-	(147)
At 31 December 2015 and 1 January 2016		-	31	5,051	-	5,082
At 1 January 2015		564,895	7,620	294,410	-	866,925
Amortisation charge for the year		-	1,186	23,976	-	25,162
Disposals and write-offs		-	-	(262)	-	(262)
Foreign currency translation Differences		-	-	(419)	-	(419)
At 31 December 2016		564,895	8,806	317,705	-	891,406
Net book value						
At 1 January 2015		145,106	2,373	72,191	6,095	225,765
At 31 December 2015 and 1 January 2016		-	1,186	49,688	-	50,874
At 31 December 2016		-	-	28,626	-	28,626

Separate financial statements			
	Computer software	Computer software under installation	Total
(in thousand Baht)			
Cost			
At 1 January 2015	186,376	6,095	192,471
Additions	754	-	754
Transfers	6,095	(6,095)	-
At 31 December 2015 and 1 January 2016	193,225	-	193,225
Additions	57	-	57
At 31 December 2016	193,282	-	193,282
Amortisation and impairment charges			
At 1 January 2015	143,111	-	143,111
Amortisation charge for the year	19,827	-	19,827
Impairment charges	3,827	-	3,827
At 31 December 2015 and 1 January 2016	166,765	-	166,765
Amortisation charge for the year	14,930	-	14,930
At 31 December 2016	181,695	-	181,695

	Separate financial statements		
	Computer software	Computer software under installation (in thousand Baht)	Total
<i>Net book value</i>			
At 1 January 2015	43,265	6,095	49,360
At 31 December 2015 and 1 January 2016	26,460	-	26,460
At 31 December 2016	11,587	-	11,587

19 Deferred tax

Deferred tax assets and liabilities as at 31 December were attributable to the following:

	Consolidated financial statements					
	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
			(in thousand Baht)			
Short-term investments	36,538	13,672	(3,476)	-	33,062	13,672
Trade accounts receivables	100	26	(136)	-	(36)	26
Property, plant, and equipment	12,266	21,456	(22,985)	(102,826)	(10,719)	(81,370)
Intangible assets	-	-	(178)	(178)	(178)	(178)
Bonds	96,534	112,346	-	-	96,534	112,346
Employee benefit obligations	21,661	23,424	(1,944)	(1,472)	19,717	21,952
Loss carry forward	133,484	119,563	-	-	133,484	119,563
Others	31,689	17,308	(239)	(27,272)	31,450	(9,964)
Total	332,272	307,795	(28,958)	(131,748)	303,314	176,047
Set off of tax	(5,929)	(6,382)	5,929	6,382	-	-
Net deferred tax assets (liabilities)	326,343	301,413	(23,029)	(125,366)	303,314	176,047

	Separate financial statements					
	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
			(in thousand Baht)			
Short-term investments	-	5,818	(3,476)	-	(3,476)	5,818
Intangible assets	5,804	2,471	-	-	5,804	2,471
Bonds	96,534	112,346	-	-	96,534	112,346
Employee benefit obligations	3,164	3,492	-	-	3,164	3,492
Loss carry forward	66,756	61,851	-	-	66,756	61,851
Others	3,000	3,127	-	-	3,000	3,127
Total	175,258	189,105	(3,476)	-	171,782	189,105
Set off of tax	(3,476)	-	3,476	-	-	-
Net deferred tax assets	171,782	189,105	-	-	171,782	189,105

Movements in total deferred tax assets and liabilities during the years ended 31 December were as follows:

	Consolidated financial statements			
	At 1 January 2016	Charged / (credited to):	At 31 December 2016	
		Profit or loss	Other Comprehensive income (in thousand Baht)	Exchange differences
Short-term investments	13,672	-	19,446	(56)
Trade accounts receivables	26	(62)	-	-
Property, plant, and equipment	(81,370)	69,590	-	1,061
Intangible assets	(178)	-	-	-
Bonds	112,346	(15,812)	-	-
Employee benefit obligations	21,952	(2,505)	270	-
Loss carry forward	119,563	13,921	-	-
Others	(9,964)	41,414	-	-
Total	176,047	106,546	19,716	1,005
				303,314

	Consolidated financial statements			
	At 1 January 2015	Charged / (credited to):	At 31 December 2015	
		Profit or loss	Other Comprehensive income (in thousand Baht)	Exchange differences
Short-term investments	(4,551)	-	18,223	-
Trade accounts receivables	6,372	(6,346)	-	-
Property, plant, and equipment	(83,768)	3,841	-	(1,443)
Intangible assets	(63,750)	63,571	-	1
Bonds	57,053	55,293	-	-
Employee benefit obligations	23,538	(142)	(1,444)	-
Loss carry forward	153,047	(33,484)	-	-
Others	(24,071)	14,107	-	-
Total	63,870	96,840	16,779	(1,442)
				176,047

	At 1 January 2016	Separate financial statements Charged / (credited to):		At 31 December 2016
		Profit or loss (in thousand Baht)	Other comprehensive income	
Short-term investments	5,818	-	(9,294)	(3,476)
Property, plant, and equipment	2,471	3,333	-	5,804
Bonds	112,346	(15,812)	-	96,534
Employee benefit obligations	3,492	(328)	-	3,164
Loss carry forward	61,851	4,905	-	66,756
Others	3,127	(127)	-	3,000
Total	189,105	(8,029)	(9,294)	171,782

	At 1 January 2015	Separate financial statements Charged / (credited to):		At 31 December 2015
		Profit or loss (in thousand Baht)	Other comprehensive income	
Short-term investments	2,643	-	3,175	5,818
Property, plant, and equipment	(276)	2,747	-	2,471
Bonds	57,053	55,293	-	112,346
Employee benefit obligations	2,639	853	-	3,492
Loss carry forward	98,860	(37,009)	-	61,851
Others	626	2,501	-	3,127
Total	161,545	24,385	3,175	189,105

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognised in the financial statements were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
			(in thousand Baht)	
Deductible temporary differences	2,332,120	3,948,544	1,395,494	1,499,594
Unused tax losses	1,433,012	647,313	-	-
Total	3,765,132	4,595,857	1,395,494	1,499,594

The majority tax losses will expire from 2017 to 2023. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits there from.

20 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Insurance claims, net	-	120,735	-	-
Restricted deposits at financial institutions over 1 year	368,683	337,860	-	-
Other assets	48,063	26,212	11,495	13,031
Total	416,746	484,807	11,495	13,031

The restricted deposits at financial institutions mainly comprises the following:

As at 31 December 2016, Baht 285.4 million (2015: Baht 322.6 million) restricted deposit at a financial institution was pledged against long-term loans with financial institutions by subsidiaries. The restricted deposit comprises of the amount that must be maintained as collateral for long-term loans and maintained at a minimum amount of the next two principal and interest payments after the two-year grace period expires in September 2013.

As at 31 December 2016, Baht 71.7 million (2015: nil) restricted deposit at a financial institution was deposited by a subsidiary to secure a USD 2.0 million or equivalent to Baht 71.7 million guarantee from the financial institution for certain equipment rental.

21 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Current					
Bank overdrafts	6	2,076	7,479	-	-
Short-term loans		280,999	380,385	-	-
Short-term loans from related parties	5	21,800	3,300	3,543,051	1,403,305
Current portion of long-term loans		2,451,282	6,861,751	-	418,652
Current portion of bonds		2,365,753	-	2,365,753	-
Current portion of finance lease liabilities		11,015	6,064	-	-
		5,132,925	7,258,979	5,908,804	1,821,957
Non-current					
Long-term loans		4,892,293	2,640,446	-	-
Bonds		2,110,699	4,496,034	2,110,699	4,496,034
Finance lease liabilities		28,860	5,812	-	-
		7,031,852	7,142,292	2,110,699	4,496,034
Total		12,164,777	14,401,271	8,019,503	6,317,991

The periods to maturity of long-term loans as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within one year	2,451,282	6,861,751	-	418,652
After one year but within five years	4,892,293	2,094,596	-	-
After five years	-	545,850	-	-
Total	7,343,575	9,502,197	-	418,652

The Company

Long-term loans

Loan for convertible bond redemption was granted by a local commercial bank which was denominated in Thai Baht. The Company entered into cross currency and interest rate swap to be denominated in US dollars with a total outstanding balance of Baht 418.7 million as at 31 December 2015. This loan was fully paid during the year ended 31 December 2016.

Bonds

In July 2010, the Company issued and sold two tranches of unsubordinated and unsecured Thai Baht bonds at face value worth Baht 4 billion. In July 2015, the Company repaid the 2010 Tranche 1 bond liabilities in full and settled the related cross currency and interest rate swap contracts. In the same month, the Company issued and sold unsubordinated and unsecured Thai Baht bonds at face value worth Baht 2 billion and entered into cross currency and interest rate swap to be denominated in US dollars with a total outstanding balance of Baht 4,476.5 million as at 31 December 2016 *(31 December 2015: Baht 4,496.0 million)*.

The details of the outstanding bonds as at 31 December 2016 are as follows:

Issued year	Number of units	Face value/ unit (Baht)	Interest rate (% per annum)	Swap exchange rate (Baht/USD)	Swap interest rate (% per annum)	Maturity dated
2010/Tranche 2	2,000,000	1,000	3.82	30.45	3.60	29 June 2017
2015	2,000,000	1,000	4.25	33.77	3 month LIBOR plus 3.00	17 July 2018

The interests on the bond liabilities are repayable every three-month and the principal is repayable at respective maturity dates.

The movements of bonds during the years ended 31 December were as follows:

	Consolidated and separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	4,496,034	4,235,653
Proceeds	-	2,034,095
Repayment	-	(2,000,000)
Discount on bonds	-	(34,095)
Arrangement fee	-	(7,689)
Unrealised (gains) losses on exchange rate	(31,389)	261,286
Amortisation on discount on bonds	8,716	4,711
Amortisation on deferred arrangement fee	3,091	2,073
At 31 December	4,476,452	4,496,034
<i>Less current portion of bonds</i>	<i>(2,365,753)</i>	<i>-</i>
Bonds - net of current portion	2,110,699	4,496,034

Consolidated

Short-term loans

As at 31 December 2016, the Group has secured short-term loans from financial institutions in form of promissory notes, trust receipts and short-term loans amounting to Baht 281.0 million *(31 December 2015: Baht 380.4 million)* which are secured by subsidiaries' saving deposit, partial land and construction thereon, partial machinery, inventories, other current assets and guaranteed by a subsidiary.

Long-term loans

Movements of long-term loans during the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	9,502,197	10,245,197	418,652	827,563
Additions	120,000	120,000	-	-
Repayments	(2,139,524)	(1,681,873)	(360,000)	(420,000)
Unrealised (gains) losses on exchange rates	(59,106)	11,333	(58,985)	9,825
Amortisation on discount on long term loan	333	1,264	333	1,264
Foreign currency translation differences	(84,208)	802,509	-	-
Amortisation on deferred arrangement fee	3,883	3,767	-	-
At 31 December	7,343,575	9,502,197	-	418,652
<i>Less current portion of long-term loans</i>	<i>(2,451,282)</i>	<i>(6,861,751)</i>	<i>-</i>	<i>(418,652)</i>
Long-term loans - net of current portion	4,892,293	2,640,446	-	-

- a) Loans for the purchases and constructions of ocean vessels, support vessels and equipment, and barges:
- Loans for the purchase and construction of ocean vessels are granted by foreign syndicated banks and are denominated in US dollars with a total outstanding balance of USD 114.5 million as at 31 December 2016 *(31 December 2015: USD 139.2 million)* with repayment terms within 5 - 17 years from the vessel delivery date. As at 31 December 2016, interest rates and securities on the loans are as follows:

- The loan balance of USD 20.1 million (*31 December 2015: USD 23.6 million*) fixed rate and LIBOR plus a certain margin and is secured by a mortgage of two vessels and a corporate guarantee by the Company.
 - The loan balance of USD 94.4 million (*31 December 2015: USD 115.6 million*) LIBOR plus a certain margin and is secured by a mortgage of eighteen of the Group's ocean vessels, assignment of insurance for the collateral vessels, pledge or charge over bank accounts, and a corporate guarantee by the Company.
- Loans for the purchase of support vessels and equipment are granted by local commercial banks and are denominated in US dollars, having a total outstanding balance of USD 90.0 million as at 31 December 2016 (*31 December 2015: USD 104.4 million*) with repayment terms within 8 - 10 years. As at 31 December 2016, the interest rate is USD-LIBOR plus a certain margin (*31 December 2015: USD-LIBOR plus a certain margin*). These loans are currently secured by mortgages of support vessels and are guaranteed by a subsidiary.

According to a condition of several loan agreements, the Company and its subsidiaries are not allowed to create any encumbrance on the assets which are used as collateral, except obtaining prior consent of the banks and permitted liens. The Company and its subsidiaries must comply with other conditions and restrictions stated in the term loan agreements.

- b) Loans for the construction of a building and warehouse are granted by local commercial banks and are denominated in Thai Baht with a total outstanding balance of Baht 15.5 million as at 31 December 2016 (*31 December 2015: Baht 31.0 million*) and repayment terms within 6.5 - 8 years. These loans bear interest at MLR minus a certain margin. The loans are secured by mortgages of the subsidiary's land & buildings and are guaranteed by the Company.
- c) Loans for the construction of machinery, warehouses and working capital are granted by local commercial banks and are denominated in Thai Baht with a total outstanding balance of Baht 264.0 million as at 31 December 2015. These loans were fully paid during the year ended 31 December 2016.

As at 31 December 2016, the Company as a guarantor for loans undertaken by subsidiaries, and subsidiaries as the borrowers had breached certain loan covenants. According to Thai Accounting Standard No. 1 (Revised 2015) - Presentation of Financial Statements, the entity has to present the liability as current if an entity has breached an undertaking under a long-term loan agreement on or before the reporting date, even if the lender has agreed, after the reporting date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. As a result, the long-term portion of loans amounting to Baht 594.4 million (*31 December 2015: Baht 5,034.7 million*) according to repayment schedule of the loans was presented as current liabilities as of 31 December 2016.

Currently, management is discussing with the relevant banks and has the opinion that the outcome will not result in a material adverse effect.

The fair value of long-term loans and borrowings carrying a floating rate, which is considered to be market rate, are taken to approximate their fair values.

22 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Statements of financial position for:				
Post-employment benefits	162,506	171,510	14,754	16,522
Other long-term employee benefits	8,122	6,885	1,066	936
Total	170,628	178,395	15,820	17,458
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	16,886	44,091	4,147	8,505
Other long-term employee benefits	1,726	2,133	307	271
Total	18,612	46,224	4,454	8,776

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Recognised in other comprehensive income:				
Actuarial gain recognised in during the year	(569)	(6,033)	-	-
Cumulative actuarial losses recognised	(6,602)	(6,033)	-	-

Retirement benefits

The Company and subsidiaries in Thailand 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 Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

The movements in the defined benefit obligations during the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	178,395	155,016	17,458	13,196
Include in profit or loss:				
Current service costs	39,933	49,131	3,658	4,040
Past service credit	(7,439)	-	-	-
Interest on obligation	4,595	2,022	455	458
Retention bonus	-	120	-	-
Loss / (gain) on settlement	2,005	(14,113)	341	4,278
Reclassify from accrued expenses	-	427	-	-
Curtailment gain	(19,485)	(1,321)	-	-
Foreign currency translation differences	(997)	9,958	-	-
	18,612	46,224	4,454	8,776
Included in other comprehensive income:				
Actuarial gain	(569)	(5,791)	-	-
Foreign currency translation differences	-	(242)	-	-
	(569)	(6,033)	-	-
Other				
Benefit paid by the plan	(25,810)	(16,812)	(6,092)	(4,514)
	(25,810)	(16,812)	(6,092)	(4,514)
Defined benefit obligations at 31 December	170,628	178,395	15,820	17,458

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Demographic assumptions	(1,322)	(245)	-	-
Financial assumptions	514	96	-	-
Experience adjustment	239	(5,884)	-	-
Total	(569)	(6,033)	-	-

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	1.7% - 9.1%	1.7% - 9.1%	3.5%	3.5%
Future salary increases	4.5% - 8%	4.5% - 8%	6%	6%
Mortality rate	0.1% - 1.0% and TMO2008*	0.1% - 1.0% and TMO2008*	TMO2008*	TMO2008*
Resignation rate	0% - 30%	0% - 30%	0% - 23%	0% - 23%

* Male and Female Thai Mortality Ordinary Table of 2008 which is the latest mortality table from the Office of Insurance Commission in Thailand.

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.

	Consolidated financial statements		Separate financial statements	
	(in thousand Baht)			
Defined benefit obligation 31 December 2016	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(7,589)	8,222	(1,726)	1,831
Future salary growth (1% movement)	7,798	(6,858)	1,705	(1,624)
Resignation rate (1% movement)	(1,316)	1,498	-	-
Life expectancy (1 year movement)	930	(898)	334	(332)
Future mortality (1% movement)	49	(56)	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

23 Share capital and warrants

	Par value per share <i>(in Baht)</i>	2016		2015	
		Number	Baht <i>(thousand shares / thousand Baht)</i>	Number	Baht
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	2,276,847	2,276,847	1,544,106	1,544,106
Reduction of shares	1	(166,687)	(166,687)	(6,642)	(6,642)
Increase of new shares	1	-	-	739,383	739,383
At 31 December					
- ordinary shares	1	<u>2,110,160</u>	<u>2,110,160</u>	<u>2,276,847</u>	<u>2,276,847</u>

	Par value per share (in Baht)	2016		2015	
		Number	Baht	Number	Baht
		(thousand shares / thousand Baht)			
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	1,822,454	1,822,454	1,301,175	1,301,175
Issue of new shares	1	-	-	520,470	520,470
Exercise of warrants	1	-	-	809	809
At 31 December					
- ordinary shares	1	1,822,454	1,822,454	1,822,454	1,822,454

Reduction of authorised share capital

At the Annual General Meeting of Shareholders No.1/2016 held on 27 April 2016, the shareholders approved the reduction in the registered capital of the Company by cancelling 166,686,995 authorised but unissued shares, resulting in a decrease from the existing authorised share capital of Baht 2,276,847,250 to a new authorised share capital of Baht 2,110,160,255 divided into 2,110,160,255 ordinary shares each of par value of Baht 1.

Exercise of warrants

During the year ended 31 December 2016, no warrant was exercised and registered.

Warrants

Movements in the number of warrants outstanding and their related weighted average exercise prices were as follows:

	Consolidated financial statements		Separate financial statements	
	Average exercise price per warrant (in Baht)	Number of units'000	Average exercise price per warrant (in Baht)	Number of units'000
At 1 January 2016	18.5	271,650	18.5	271,650
At 31 December 2016	<u>18.5</u>	<u>271,650</u>	<u>18.5</u>	<u>271,650</u>

On 28 March 2016, the Company adjusted the Exercise Price and Exercise Ratio of TTA-W4 and TTA-W5 to be as follows:

TTA-W4	
Exercise price prior to the adjustment	: Baht 17.4669 per 1 ordinary share
New exercise price after the adjustment	: Baht 17.3594 per 1 ordinary share
Exercise ratio prior to the adjustment	: 1 Unit of Warrant to 1.0591 ordinary share
New exercise ratio after the adjustment	: 1 Unit of Warrant to 1.0658 ordinary share
TTA-W5	
Exercise price prior to the adjustment	: Baht 18.5000 per 1 ordinary share
New exercise price after the adjustment	: Baht 18.3830 per 1 ordinary share
Exercise ratio prior to the adjustment	: 1 Unit of Warrant to 1.0000 ordinary share
New exercise ratio after the adjustment	: 1 Unit of Warrant to 1.0064 ordinary share

24 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Under 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 (if any), 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

Foreign currency translation differences of foreign operations

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

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprise the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Change in parent's ownership interest in subsidiaries

Change in parent's ownership interest in subsidiaries within equity comprises of effect from dilution of percentage of holding of the Company in a subsidiary and difference from changes in parent's ownership interest in subsidiaries that do not result in a loss of control.

25 Share-based payment

MMPLC had share option scheme in operation during the financial year, all of which are equity-settled scheme:

- i) Employee share option plan 2011 ("ESOP 2011") was approved by MMPLC's shareholders on 25 January 2011. This scheme permits the grant of options in respect of ordinary shares to MMPLC's senior management. Options are normally exercisable every six months commencing from the third anniversary from the date of grant of the option and will expire on the fifth anniversary from the date of grant of the options, upon which the options shall expire automatically. No further options will be granted under this scheme.

Share options were granted to selected executives and non-executive directors of MMPLC and its subsidiaries. The exercise price of the granted options is equal to the average of the "Market Price", being the price equal to the weighted average price for the shares on the Singapore Exchange (SGX-ST) fifteen consecutive trading days immediately preceding the date of grant. Options are conditional on the employee completing three years' service (the vesting period). The options are exercisable starting three years from the grant date. MMPLC has no legal or constructive obligation to repurchase or settle the options in cash.

None of the participants in any of the said ESOPs were granted 5% or more of the total number of options originally available in each ESOP and no options were granted at a discount. Furthermore, no directors or controlling shareholders of MMPLC hold options under any of the said ESOPs and no options are held by the Company or other subsidiaries, nor any of its or their directors or employees.

Movements in the number of share options outstanding and their related weighted average exercise prices were as follows:

	Consolidated financial statements	
	Average exercise price SGD per share	Option Shares '000
At 1 January 2015	0.31	631
Forfeited	0.28	(124)
Expired	0.40	(270)
At 31 December 2015	0.21	237
At 1 January 2016	0.21	237
Expired	0.21	(237)
At 31 December 2016	-	-

26 Segment information

The Group has four 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, marketing strategic and resource input. 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.

Business segments

Segment 1	Transport
Segment 2	Infrastructure
Segment 3	Energy
Segment 4	Holding

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

Revenue and results, based on business segments, in the consolidated financial statements for the years ended 31 December were as follows:

	Consolidated financial statements					
	For the year ended 31 December 2016					
	Transport	Infrastructure	Energy <i>(in thousand Baht)</i>	Holding	Elimination of inter- segment transactions	
					Total	
Revenues from operations	3,186,304	3,949,282	6,533,378	-	(7,117)	13,661,847
Revenues from inter-segment	(7,117)	-	-	-	7,117	-
From outside customers	3,179,187	3,949,282	6,533,378	-	-	13,661,847
Depreciation and amortisation	552,753	131,244	743,103	30,983	(35)	1,458,048
Operating profits (losses)	(705,164)	274,032	219,854	544,869	(482,680)	(149,089)
Share of profits (losses) from associates and joint ventures	82,038	63,700	407,628	(880)	-	552,486
Finance costs	(171,535)	(49,364)	(122,705)	(223,597)	37,065	(530,136)
Income tax (expenses) benefits	(6,372)	(43,576)	100,264	(20,485)	-	29,831
Net profits (losses) for the year	(801,033)	244,792	605,041	299,907	(445,615)	(96,908)
Other material non-cash items:						
- Impairment charges and write-offs	(307,968)	-	-	-	-	(307,968)

Consolidated financial statements As at 31 December 2016						
	Transport	Infrastructure	Energy	Holding	Elimination of inter- segment transactions	Total
			<i>(in thousand Baht)</i>			
Total assets	13,989,070	3,623,991	16,915,199	42,773,696	(35,681,954)	41,620,002
Total liabilities	(4,747,874)	(1,630,364)	(4,795,550)	(18,819,733)	14,868,139	(15,125,382)

	Consolidated financial statements				
	For the year ended 31 December 2015				
	Transport	Infrastructure	Energy	Holding	Elimination
			(in thousand Baht)		of inter- segment transactions
					Total
Revenues from operations	5,839,958	4,132,780	11,527,291	-	(74,272)
Revenues from inter-segment	(74,272)	-	-	-	74,272
					-
From outside customers	5,765,686	4,132,780	11,527,291	-	-
					21,425,757
Depreciation and amortisation	921,420	132,718	1,117,303	91,819	9
					2,263,269
Operating losses	(4,663,211)	(24,873)	(6,322,563)	(4,463,263)	2,676,183
					(12,797,727)
Share of profits (losses) from associates and joint ventures	135,414	194,620	(1,739,515)	-	-
Finance costs	(172,914)	(67,760)	(116,800)	(236,703)	24,431
Income tax (expenses) benefit	(25,483)	(48,851)	(18,113)	71,489	-
					(1,409,481)
Net profits (losses) for the year	(4,726,194)	53,136	(8,196,991)	(4,628,477)	2,700,614
					(14,797,912)
Other material non-cash items:					
- Impairment charges and write-offs	(4,718,090)	(70,881)	(5,851,111)	(5,266,434)	4,335,313
					(11,571,203)

Consolidated financial statements					
As at 31 December 2015					
	Transport	Infrastructure	Energy	Holding	Elimination of inter-segment transactions
				(in thousand Baht)	Total
Total assets	12,729,350	3,178,204	18,037,211	39,769,244	(28,367,610)
Total liabilities	(5,996,289)	(1,589,704)	(6,451,359)	(15,940,647)	11,619,960
					45,346,399
					(18,358,039)

Geographical information

The Group has expanded its investment and operations in foreign countries. All significant revenue from sales and non-current assets on the basis of geography is presented in this information. Revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets

	Consolidated financial statements			
	Revenue from sales		Non-current assets	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Asia	11,203,421	17,086,756	24,762,113	23,463,907
Africa	1,206,985	1,830,427	674,536	769,922
America	474,487	837,733	-	-
Europe	560,997	1,450,850	-	832
Other	215,957	219,991	-	-
Total	13,661,847	21,425,757	25,436,649	24,234,661

Major customer

Revenues from major customers of the Group's Energy segment for the year ended 31 December 2016, represents approximately Baht 3,476.7 million (*31 December 2015: Baht 4,516.2 million*) of the Group's total revenues.

27 Other operating income

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Dividend income	105,805	30,745	221,396	446,973
Gains on disposals of property, plant and equipment and intangible assets	-	28,406	-	3,555
Gains on disposals of investments in a subsidiary and an associate	13,156	-	3,500	218,560
Net gains on disposals of other investments	96,623	65,431	90,750	33,271
Interest income	134,593	78,886	60,416	79,020
Other income	83,142	69,405	22,857	28,299
Total	433,319	272,873	398,919	809,678

28 Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Expenses included in vessel operating expenses				
Voyage expenses	1,172,714	2,161,931	-	-
Vessel supplies and spare parts expenses and repair and maintenance expenses	265,666	329,871	-	-
Crew and staff costs	540,972	586,097	-	-
Charter hire	528,261	1,426,760	-	-
Depreciation and amortization	548,413	916,041	-	-
Expenses included in offshore service expenses				
Vessel expenses and repair and maintenance expenses	1,732,124	2,749,468	-	-
Crew, staff costs, and subcontractor costs	2,131,336	3,226,300	-	-
Charter hire and equipment rental	289,497	2,110,471	-	-
Depreciation and amortisation	708,052	1,077,570	-	-
Expenses included in costs of sales				
Cost of raw materials	2,667,774	3,099,170	-	-
Supplies and spare parts expenses and repair and maintenance expenses	44,286	53,556	-	-
Staff costs	112,043	110,773	-	-
Depreciation and amortization	61,249	66,696	-	-
Expenses included in service, selling, and administrative expenses				
Staff costs	1,067,854	1,579,943	170,746	202,911
Professional fees	68,676	141,942	18,123	48,459
Office and office equipment rental	77,140	79,454	7,112	7,451
Depreciation and amortization	140,334	202,962	25,544	33,408

29 Impairment charges and write-offs

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Impairment charges and write-offs on :				
<i>Current assets</i>				
Receivables from related parties	-	4,304	-	342,498
Short-term loans to related parties	-	-	-	172,140
Vessel supplies and spare parts	-	98,308	-	-
Other current assets	-	442	-	-
	<u>-</u>	<u>103,054</u>	<u>-</u>	<u>514,638</u>
<i>Non-current assets</i>				
Long-term loans to related parties	-	-	-	684,008
Investments in joint ventures	-	153,881	-	-
Investments in subsidiaries	-	-	-	2,379,715
Goodwill	-	939,671	-	-
Property, plant and equipment	307,968	10,220,397	-	-
Intangible assets	-	97,719	-	3,827
Other non-current asset	-	56,481	-	-
	<u>307,968</u>	<u>11,468,149</u>	<u>-</u>	<u>3,067,550</u>
Total	<u>307,968</u>	<u>11,571,203</u>	<u>-</u>	<u>3,582,188</u>

Impairment evaluation

Property, plant and equipment

TSS and its subsidiary

The weak world economic conditions, combined with oversupply of dry-bulk vessels have continuously resulted in declining freight rates and depressed shipping market outlook. These were critical factors indicating that the operational assets may be impaired.

During the year ended 31 December 2016, TSS and its subsidiary recognised an impairment charge of USD 8.7 million (equivalent of Baht 308.0 million) (2015: USD 130.1 million) on vessels that was sold in 2016 and planned to be sold in 2017 as a result of lower recoverable amounts comparing to carrying amounts.

The recoverable amounts of these vessels were determined based on higher of value-in-use and fair value less costs to sell. The fair values were determined based on data from an independent ship broker. The value-in-use was determined using an income approach based on cash projection of each vessel.

The cash flow projections of these vessels included specific estimates of net cash flows for 1 year based on management best estimates of daily charter rates and operating cash costs based on current market developments and past performance. In addition, terminal values used in the cash flow projections were determined based on scrap values of these vessels at the expected date of disposals.

A weighted average cost of capital ("WACC") of 7.9% was used as the discount rate in value in use calculation. The cost of equity component was derived using both the capital asset pricing model ("CAPM") as well as benchmarking. The cost of debt was estimated based on current debt facilities of TSS as well as market debt/lending rates.

30 Income tax expense (benefits)

Income taxes as shown in the consolidated and separate statements of income are calculated based on net taxable income from non-BOI activities using a principal tax rate for operations in Thailand and specific tax rates applicable to each respective country for overseas operations. Non-BOI activities comprise gains from disposals of assets, shipping related services including agency, drilling services outside Thailand, offshore related services, and production and trading of fertiliser and coal.

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	76,715	117,798	-	-
Deferred tax expense				
Movements in temporary differences	19	(106,546)	8,029	(24,385)
Total income tax expense (benefits)	<u>(29,831)</u>	<u>20,958</u>	<u>8,029</u>	<u>(24,385)</u>

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2016			2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Change in fair value available-for-sale investments	(122,317)	19,446	(102,871)	(98,046)	18,223	(79,823)
Change in defined benefit plan actuarial gains	2,804	270	3,074	6,033	(1,444)	4,589
Total	<u>(119,513)</u>	<u>19,716</u>	<u>(99,797)</u>	<u>(92,013)</u>	<u>16,779</u>	<u>(75,234)</u>
	Separate financial statements					
	2016			2015		
	Before Tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Change in fair value available-for-sale investments	46,469	(9,294)	37,175	(15,876)	3,175	(12,701)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Loss before income tax expense		(126,739)		(14,776,954)
Income tax using the Thai corporation tax rate	20	(25,348)	20	(2,955,391)
Change in tax rate	76	(96,663)	-	(9,022)
Effect of different tax rates in foreign jurisdictions	43	(54,823)	(7)	1,073,119
Income not subject to tax	132	(167,638)	7	(1,046,834)
Expenses not deductible for tax purposes	(86)	109,138	(1)	96,600
Recognition of previously unrecognised tax losses	80	(101,396)	-	(48,019)
Current year losses and temporary differences for which no deferred tax asset was recognised	(225)	285,398	(19)	2,853,616
Withholding tax not recoverable written-off	(10)	12,796	-	-
Under provided in prior years	(2)	2,856	-	2,437
Foreign currency translation differences	(4)	5,849	(1)	54,452
Total	24	(29,831)	(1)	20,958

	Separate financial statements			
	2016		2015	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Loss before income tax expense		(96,140)		(3,842,318)
Income tax using the Thai corporation tax rate	20	(19,228)	20	(768,464)
Income not subject to tax	43	(41,398)	1	(41,553)
Expenses not deductible for tax purposes	(71)	68,176	(2)	68,784
Under provided in prior years	-	479	-	4
Current year losses and temporary difference for which no deferred tax asset was recognised	-	-	(18)	716,844
Total	(8)	8,029	1	(24,385)

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.

31 Losses per share

Basic losses per share

The calculation of basic losses per share for the years ended 31 December was based on the losses for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the year as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht / thousand shares)			
Losses for the year attributable to equity holders of the Company (basic)	(418,291)	(11,335,102)	(104,169)	(3,817,933)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Number of ordinary shares outstanding at 1 January	1,822,454	1,301,175	1,822,454	1,301,175
Effect of new shares issued during the year	-	413,758	-	413,758
Weighted average number of ordinary shares outstanding (basic)	<u>1,822,454</u>	<u>1,714,933</u>	<u>1,822,454</u>	<u>1,714,933</u>
Basic losses per share <i>(in Baht)</i>	<u>(0.23)</u>	<u>(6.61)</u>	<u>(0.06)</u>	<u>(2.23)</u>

Diluted losses per share

There was no potential dilution in losses per share from the warrant for the year ended 31 December 2016, because the average share price during the period was lower than the exercise price.

32 Dividends

At the Annual General Meeting of Shareholders No.1/2016 held on 27 April 2016, the shareholders approved the payment of an annual dividend for the year ended 31 December 2015 of Baht 0.05 per share, amounting to Baht 91.1 million. The dividend payment was made to shareholders on 16 May 2016.

33 Promotional privileges

As at 31 December 2016, one indirect subsidiary received promotional privileges from the Thailand Board of Investment ("BOI") under a number of different categories, including services of submerged and drilling structure inspection and marine transportation services. The main privileges include exemption from payment of import duty on machinery and exemption from corporate income tax for the promoted activities for a period of 8 years from the date when income is first derived, or when approval is given by the BOI.

To be entitled to the privileges, the subsidiary must comply with the conditions and restrictions provided in the promotional certificates.

34 Financial instruments

Financial risk management policies

The principal financial risks faced by the Group are foreign exchange rate risk, interest rate risk, bunker prices, freight rates, and credit risk. The objective in using financial instruments is to reduce the uncertainty over future cash flows arising from movements in exchange rates, interest rates, bunker prices, and freight rates, and to manage the liquidity of the cash resources.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Foreign exchange rate and 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 debt securities and loan interest rates are partly fixed. The Group mitigates this risk by ensuring that the majority of its borrowings are at float interest rates. The Group uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific borrowings with fixed interest rates.

The Group is exposed to foreign currency risk relating to various transactions which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
United States Dollars				
Cash and cash equivalents	5,889,377	4,645,766	248,546	23,874
Short-term investments	1,470,335	2,304,530	500,751	359,224
Trade accounts receivable	1,403,238	5,191,795	-	-
Receivables from related parties	1,136,283	1,586,665	-	4,440
Short-term loans to related parties	-	-	3,280,610	3,664,177
Short-term loans	-	(93,281)	-	-
Short term loans from related parties	-	-	(1,325,793)	(1,335,047)
Trade accounts payable	(802,248)	(3,973,511)	(2)	(2)
Other accounts payable	(749,218)	(2,146,322)	-	(29)
Payables to related parties	(440)	(2,026)	-	-
Advances from customers	(104,097)	(275,825)	-	(302)
Long-term loans	(7,328,076)	(9,207,217)	-	(418,652)
Bonds	(4,476,452)	(4,496,034)	(4,476,452)	(4,496,034)
Finance lease liabilities	-	(109)	-	-
Net exposure	(3,561,298)	(6,465,569)	(1,772,340)	(2,198,351)
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Singapore Dollars				
Cash and cash equivalents	109,781	73,047	262	271
Trade accounts receivable	130	274	-	-
Short-term loans to related parties	-	-	743,153	765,027
Long-term investments	405,670	663,245	-	-
Trade accounts payable	(14,906)	(20,811)	-	-
Other accounts payable	(2,727)	(9,111)	-	-
Payables to related parties	-	-	(50,832)	(51,459)
Net exposure	497,948	706,644	692,583	713,839

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Vietnam Dongs				
Cash and cash equivalents	227,217	103,979	-	-
Trade accounts receivable	289,953	188,934	-	-
Trade accounts payable	(50,766)	(53,450)	-	-
Net exposure	466,404	239,463	-	-
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
The British Pound				
Short-term investments	15,528	18,904	15,528	18,904
Net exposure	15,528	18,904	15,528	18,904
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Indonesian Rupiah				
Cash and cash equivalents	4,820	4,799	-	-
Trade accounts receivable	63,087	1,934	-	-
Trade accounts payable	(9,303)	(44,169)	-	-
Other accounts payable	(230,841)	-	-	-
Finance lease liabilities	(442)	(1,340)	-	-
Net exposure	(172,679)	(38,776)	-	-

The exchange rate risk is the principal risk faced by the Group as certain purchases and services are entered into foreign currencies and also interest rate risk, which is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group manages these risks as follows:

a) Cross currency and interest rate swap contracts

The Company

The Company entered into cross currency and interest rate swap contracts with a commercial bank against 3 year Thai Baht bonds with maturities in 2018. The Company has locked in USD interest rates of 3 month LIBOR plus 3.00% per annum. As at 31 December 2016, the outstanding bond balances were USD 59.2 million (31 December 2015: USD 59.2 million) and these bonds had notional amounts of Baht 2,000.0 million (31 December 2015: Baht 2,000.0 million).

The Company entered into cross currency and interest rate swap contracts with a commercial bank against 7 year Thai Baht bonds with maturities in 2017. The Company has locked in fixed USD interest rates of 3.60% per annum. As at 31 December 2016, the outstanding bond balances were USD 65.7 million (31 December 2015: USD 65.7 million) and these bonds had notional amounts of Baht 2,000.0 million (31 December 2015: Baht 2,000.0 million).

The Company entered into cross currency and interest rate swap contracts with a commercial bank against a long term loan with repayment term over 5 years. The Company swapped interest rates from 6M THBFX + 2.00% per annum to USD 6M LIBOR + 2.93% per annum. As at 31 December 2015, the outstanding - term loan balance was USD 11.6 million and this loan had a notional amount of Baht 360.0 million. This loan was fully paid during the year ended 31 December 2016.

Cross currency and interest rate swap contracts were recognised on accrual basis as of 31 December 2016 and the fair value of which were Baht 495.0 million (*31 December 2015: Baht 609.4 million*) determined on broker quotes assigned to level 2 fair value. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate.

b) Bunker swap contracts

During the year ended 31 December 2016, a subsidiary entered into bunker swap contracts with commercial banks for hedging bunker prices in connection with long-term cargo contract commitments. The subsidiary has locked in bunker price at the range of USD 252.0 - USD 323.5 (*31 December 2015: USD 138.8 - USD 194.1*). As at 31 December 2016, the outstanding bunker quantities were 14,750 metric tonnes (*31 December 2015: 5,200 metric tonnes*).

The fair value of bunker swap contracts were USD 0.8 million (*31 December 2015: USD 0.5 million*) according to broker quotes assigned as level 2 fair value determined using the same approach described in 34(a).

c) Forward freight agreements

A subsidiary entered into forward freight agreements with financial institutions and exchange traded derivatives for hedging freight rates in connection with chartered-in vessels. A subsidiary has locked in freight rates at a range of USD 7,200 - USD 7,250 per day (*31 December 2015: USD 5,110 - USD 6,190 per day*). As at 31 December 2016, the outstanding forward freight agreements to sell are 40 days (*31 December 2015: 240 days*).

The fair value of forward freight agreements were USD 0.004 million (*31 December 2015: USD 0.4 million*) determined on broker quotes assigned as level 2 fair value using the same approach described in 34(a).

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.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

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.

Fair values of financial assets and liabilities

Apart from those mentioned in note 7, 16, 21 and 34(a) to 34(c), the fair value of financial assets and liabilities as of 31 December 2016 are taken to approximate the carrying values due to the relatively short-term maturity of these financial assets and liabilities.

35 Commitments and contingent liabilities

35.1 Capital commitments

The Group has significant capital commitments towards building, machinery, warehouse construction, ship building, dry-docking, and vessel equipment contracts but not yet recognised as liabilities as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million)</i>			
- USD	0.5	373.6	-	-
- VND	62,566.2	5,220.3	-	-
- THB	-	1.9	-	-

35.2 Other commitments

a) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases of vessels and land are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Not later than 1 year	542,688	440,958	-	-
Later than 1 year but not later than 5 years	169,026	109,498	-	-
Later than 5 years	331,759	241,805	-	-
Total	1,043,473	792,261	-	-

35.3 Significant agreements

Vessel and rig charter contracts

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Long-term charter-out contracts:				
Number of vessels	1	1	-	-
Remaining period (months)	4-5	14-17	-	-
Long-term charter-in contracts:				
Number of vessels	1	3	-	-
Remaining period (months)	11.5	1-11.5	-	-

35.4 Contingent liabilities

a) Guarantees

The Company and the Group have given the following guarantees in the normal course of business:

	31 December 2016	
	Consolidated financial statements	
	Baht million	USD million
Letter of guarantees issued by bank on behalf of the Group	21.4	16.9
Guarantee given by the Group to financial institutions to guarantee credit facilities and purchases of raw materials	1.1	219.3
	31 December 2016	
	Separate financial statements	
	Baht million	USD million
Guarantee given by the Company to financial institutions to guarantee credit facilities	1.1	110.3

	31 December 2015			
	Consolidated financial statements			
	Baht million	USD million	VND million	QAR million
Letter of guarantees issued by bank on behalf of the Group	22.5	27.9	42,366.7	-
Guarantee given by the Group to financial institutions to guarantee credit facilities and purchases of raw materials	0.9	256.9	-	13.1

	31 December 2015	
	Separate financial statements	
	Baht million	USD million
Guarantee given by the Company to financial institutions to guarantee credit facilities	0.9	133.5

b) Other contingent liabilities

As at 31 December 2016, a subsidiary had other contingent liabilities of approximately USD 2.0 million (31 December 2015: USD 2.0 million).

36 Events after the reporting period

The Company

Long-term loan to a subsidiary

On 26 January 2017, the Company entered into a secured long-term loan agreement with a subsidiary of the Company in the amount of Baht 150 million with interest rate of a 9% per annum and repayable every three months. The principal is repayable in sixteen equal consecutive quarterly installments. The first installment shall be made on the date one year from the date of loan.

Investment in PH Capital Co., Ltd.

At the Board of Directors Meeting No. 2/2017 held on 3 February 2017, the Board approved the Company to invest 70% stake in a newly established subsidiary in food and beverage business, PH Capital Co., Ltd. by subscription of the registered share capital for 4.2 million ordinary shares at the total amount of Baht 42.0 million. The remaining 30% stake was invested by PM Capital Co., Ltd which is wholly owned by a director of the Company.

*Consolidated**Subsidiary - Soleado****Additional investment in Baria Serece***

On 29 December 2016 Viet Ha Limited Liability agreed to sell its 8% equity in Baria Serece to Soleado, a wholly-owned subsidiary of the Company, at the consideration of USD 4.2 million. The registration was completed on 12 January 2017.

*Subsidiary - ATH****Increase in share capital***

At the Board of Directors Meeting No. 11/2016 held on 16 December 2016 approved increase of share capital in ATH, a wholly-owned subsidiary of the Company, at the amount of Baht 4.97 billion and settle the loans of ATH due to the Company. The increase in share capital in ATH and loan settlement were completed on 17 January 2017.

*Subsidiary - TSS****Vessel acquisition***

On 7 February 2017, TSS entered into the Memorandum of Agreements to purchase an ocean vessel at the price of USD 7.9 million. The ocean vessel will be delivered in the second quarter of 2017.

*Subsidiary - MMPLC****Decrease in share capital of a subsidiary***

At the Extraordinary General Meeting of shareholders of Mermaid Subsea Services (Thailand) Ltd. ("MSST") held on 27 February 2017, the shareholders of MSST approved to decrease the share capital of MSST by Baht 3,250 million through the reduction of 325,000,000 ordinary shares with a par value of Baht 10 each.

Deregistration of subsidiaries

MTR-2 (Singapore) Pte. Ltd. and Mermaid MTN Pte. Ltd. were deregistered on 10 January 2017.

*Subsidiary - PH Capital Co., Ltd.****Acquisition of assets***

On 16 February 2017, PH Capital Co., Ltd. ("PH Capital") entered into an Asset Sale and Purchase Agreement ("APA") with Yum Restaurants International (Thailand) Co., Ltd. to purchase Pizza Hut restaurant business with the total purchase price subject to further adjustments upon completion of the acquisition according to terms and conditions stipulated in APA.

*Subsidiary - PMTA****Dividend payment***

At the Board of Directors' Meeting of PMTA No. 2/2017 held on 24 February 2017, the Board approved the annual dividend payment for the year ended 31 December 2016 of Baht 1.17 per share, amounting to Baht 118.4 million, to be proposed for the approval from the 2017 Annual General Meeting of Shareholders on 24 April 2017.

37 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 106 (revised 2016)	Accounting for Investments Companies
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) <i>Employee Benefits</i> – The Limit on a Defined Benefit Asset, Funding Requirements and their Interaction
FAP Announcement no. 5/2559	Accounting Guidance for derecognition of financial assets and financial liabilities

The Group has made a preliminary assessment of the potential initial impact on the Group's 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.

RELATED PARTY TRANSACTIONS

For the year ended 31 December 2016

Related party transactions between TTA and its subsidiaries or between subsidiaries and subsidiaries are shown in the notes to the consolidated financial statements. Such related party transactions mostly occur in the normal course of business and the pricing is akin to market prices or at an arm's length basis. Major related party transactions between TTA and its subsidiaries with associates or joint ventures or a transaction with a company or persons that may have conflicts of interest are shown as follows:

Companies	Related Party Companies/Entities	Relationship	Description of Transactions	Transaction Amount (Baht)		Pricing Policy
				31 December 2016	31 December 2015	
1. Mermaid Subsea Services (International) Ltd.	Zamil Mermaid Offshore Services Company LLC.	TTA holds a 58.2% (31 December 2015: 58.2%) stake in Mermaid Maritime Plc. ("Mermaid") and Mermaid holds a 100% stake in Mermaid Subsea Services (International) Ltd. ("MSSI") and a 40% stake in Zamil Mermaid Offshore Services Company LLC.	Zamil Mermaid Offshore Services Company LLC engaged MSSI for offshore services to Saudi Aramco.	2,716,929,461 (Recorded as service income)	2,670,484,615 (Recorded as service income)	Same price as normally charged to a third party
2. Mermaid Subsea Services (Thailand) Ltd.	Gulf Agency Company (Thailand) Limited.	TTA holds a 58.2% (31 December 2015: 58.2%) stake in Mermaid Maritime Plc. ("Mermaid") and a 51% stake in Gulf Agency Company (Thailand) Limited. Mermaid holds a 100% stake in Mermaid Subsea Services (Thailand) Ltd. ("MSST").	MSST engaged Gulf Agency Company (Thailand) Limited for customs clearance of goods, transportation.	11,757,660 (Recorded as cost of services)	19,535,019 (Recorded as cost of services)	Same price as normally charged to a third party
3. Baconco Co., Ltd.	Thoresen (Indochina) S.A.	TTA holds a 68.5% (31 December 2015: 67.2%) stake in PM Thoresen Asia Holdings Plc. ("PMTA") and PMTA holds a 100% stake in Baconco Co., Ltd. TTA also holds a 50% stake in Thoresen (Indochina) S.A.	Baconco Co., Ltd. received sea transportation services from Thoresen (Indochina) S.A.	70,962,425 (Recorded as transportation expense)	66,147,042 (Recorded as transportation expense)	Same price as normally charged to a third party.
4. Baconco Co., Ltd.	Thoresen-Vinama Agencies Co., Ltd.	TTA holds a 68.5% (31 December 2015: 67.2%) stake in PM Thoresen Asia Holdings Plc. ("PMTA") and PMTA holds a 100% stake in Baconco Co., Ltd. TTA also holds a 50% stake in Thoresen (Indochina) S.A. ("TI") and TI holds a 49% stake in Thoresen-Vinama Agencies Co., Ltd.	Baconco Co., Ltd. rent out factory area to Thoresen-Vinama Agencies Co., Ltd.	55,164,352 (Recorded as rental income)	49,113,120 (Recorded as rental income)	Same price as normally charged to a third party.

Companies	Related Party Companies/Entities	Relationship	Description of Transactions	Transaction Amount (Baht)		Pricing Policy
				31 December 2016	31 December 2015	
5. Baconco Co., Ltd.	Thoresen-Vinama Agencies Co., Ltd.	TTA holds a 68.5% (31 December 2015: 67.2%) stake in PM Thoresen Asia Holdings Plc. and PMTA holds a 100% stake in Baconco Co., Ltd. TTA also holds a 50% stake in Thoresen (Indochina) S.A. ("TI") and TI holds a 49% stake in Thoresen-Vinama Agencies Co., Ltd.	Baconco Co., Ltd. received transportation fee from Thoresen-Vinama Agencies Co., Ltd.	21,357,794 (Recorded as transportation expense)	30,945,886 (Recorded as transportation expense)	Same price as normally charged to a third party.
6. Baconco Co., Ltd.	Thoresen-Vinama Logistics Co., Ltd.	TTA holds a 68.5% (31 December 2015: 67.2%) stake in PM Thoresen Asia Holdings Plc. ("PMTA") and PMTA holds a 100% stake in Baconco Co., Ltd. TTA also holds a 50% stake in Thoresen (Indochina) S.A. ("TI") and TI holds a 49% stake in Thoresen-Vinama Agencies Co., Ltd. And Thoresen-Vinama Agencies Co., Ltd. also holds a 100% stake in Thoresen-Vinama Logistics Co., Ltd.	Baconco Co., Ltd. received transportation services from Thoresen-Vinama Logistics Co., Ltd.	47,819,176 (Recorded as transportation expense)	39,909,813 (Recorded as transportation expense)	Same price as normally charged to a third party.
7. Baconco Co., Ltd.	Baria Serece	TTA holds a 68.5% (31 December 2015: 67.2%) stake in PM Thoresen Asia Holdings Plc. ("PMTA") and PMTA holds a 100% stake in Baconco Co., Ltd. TTA also holds a 100% stake in Soleado Holdings Pte.Ltd. ("Soleado") and Soleado holds a 20% stake in Baria Serece.	Baconco Co., Ltd. received service related to port from Baria Serece.	16,087,475 (Recorded as transportation expense)	19,813,411 (Recorded as transportation expense)	Same price as normally charged to a third party.

Transactions with Persons who may Have Conflicts of Interest

Companies	Related Party Companies/Entities	Relationship	Description of Transactions	Transaction Amount (Baht)		Pricing Policy
				31 December 2016	31 December 2015	
1. Thoresen Thai Agencies Plc.	Mermaid Maritime Plc.	TTA holds a 58.2% (31 December 2015: 58.2%) stake in Mermaid Maritime Plc. ("Mermaid") and Mr. Chalermchai Mahagitsiri is director and shareholder of both TTA and Mermaid.	TTA provided services for room utilization and car parking fee to Mermaid.	62,587.50 (Recorded as room charge and service income)	77,500 (Recorded as room charge and service income)	In line with market
2. Thoresen Thai Agencies Plc.	Mermaid Maritime Plc.	TTA holds a 58.2% (31 December 2015: 58.2%) stake in Mermaid Maritime Plc. ("Mermaid") and Mr. Chalermchai Mahagitsiri is director and shareholder of both TTA and Mermaid.	TTA rent office space of 360 sq.m. on 9 th Floor, Orakarn Building from Mermaid.	1,502,160 (Recorded as rental-office expenses)	1,425,600 (Recorded as rental-office expenses)	In line with market
3. Thoresen Thai Agencies Plc.	Mermaid Maritime Plc.	TTA holds a 58.2% (31 December 2015: 58.2%) stake in Mermaid Maritime Plc. ("Mermaid") and Mr. Chalermchai Mahagitsiri is director and shareholder of both TTA and Mermaid.	TTA leased office space of 352 sq.m. on 10 th Floor, Orakarn Building to Mermaid.	1,731,840 (Recorded as rental and facilities income)	721,600 (Recorded as rental and facilities income)	In line with market
4. Thoresen Thai Agencies Plc.	Mermaid Drilling Ltd.	TTA holds a 58.2% (31 December 2015: 58.2%) stake in Mermaid Maritime Plc. ("Mermaid") and Mermaid holds 95% in Mermaid Drilling Ltd. ("MDL"). Mr. Chalermchai Mahagitsiri is director and shareholder of both TTA and Mermaid.	TTA leased office space of 314 sq.m. on 10 th Floor, Orakarn Building to Mermaid (Agreement change from MDL to Mermaid in December 2015).	1,158,660 (Recorded as rental and facilities income)	1,544,880 (Recorded as rental and facilities income)	In line with market
5. Thoresen Thai Agencies Plc.	PM Thoresen Asia Holdings Plc.	TTA holds a 68.5% (31 December 2015: 67.2%) stake in PM Thoresen Asia Holdings Plc. ("PMTA") and Mr. Chalermchai Mahagitsiri is director and shareholder of both TTA and PMTA.	TTA leased office space of 182 sq.m. on 8 th Floor, Orakarn Building to PMTA.	656,100 (Recorded as rental-office income)	672,050 (Recorded as rental-office income)	In line with market

Companies	Related Party Companies/Entities	Relationship	Description of Transactions	Transaction Amount (Baht)		Pricing Policy
				31 December 2016	31 December 2015	
6. Thoresen Thai Agencies Plc.	PM Thoresen Asia Holdings Plc.	TTA holds a 68.5% (31 December 2015) stake in PM Thoresen Asia Holdings Plc. ("PMTA") and Mr. Chalermchai Mahagitsiri is director and shareholder of both TTA and PMTA	TTA provided services to PMTA as following: - IT service - Room utilization charge - Other administrative expenses	393,570 (Recorded as service income)	207,632.10 (Recorded as service income)	In line with market
7. Thoresen Thai Agencies Plc.	PH Macaron (Thailand) Co., Ltd.	TTA and PH Macaron (Thailand) Co., Ltd. have common directors being Mr. Chalermchai Mahagitsiri and Ms. Ausana Mahagitsiri.	TTA purchased new year and 2016 AGM gift sets from PH Macaron (Thailand) Co., Ltd.	494,725 (Recorded as Gift/New year gift)	- (No transaction in 2015)	Same price as normally charged by a third party
8. Thoresen Thai Agencies Plc.	Mugendai Bangkok Co., Ltd.	TTA and Mugendai Bangkok Co., Ltd. have common directors being Ms. Ausana Mahagitsiri and Mr. Kamolsut Dabbaransi	TTA provided entertainment to partnership.	833,580.92 (Recorded as Entertainment)	- (No transaction in 2015)	Same price as normally charged by a third party
9. Thoresen Thai Agencies Plc.	Mugendai Penthouse Co., Ltd.	TTA and Mugendai Penthouse Co., Ltd. have common directors being Ms. Ausana Mahagitsiri and Mr. Kamolsut Dabbaransi	TTA provided entertainment to partnership.	202,927.85 (Recorded as Entertainment)	- (No transaction in 2015)	Same price as normally charged by a third party
10. Thoresen Thai Agencies Plc.	House of Truffle Co., Ltd.	TTA and House of Truffle Co., Ltd. have common directors being Ms. Ausana Mahagitsiri and Mr. Kamolsut Dabbaransi	TTA provided entertainment to partnership.	287,154.47 (Recorded as Entertainment)	- (No transaction in 2015)	Same price as normally charged by a third party
11. Thoresen Thai Agencies Plc.	Four-One-One Entertainment Co., Ltd.	TTA and Four-One-One Entertainment Co., Ltd. have common directors being Mr. Chalermchai Mahagitsiri and Ms. Ausana Mahagitsiri.	TTA engaged Four-One-One Entertainment Co., Ltd. to organize New Year Party staff in 2014 and 2015.	- (No transaction in 2016)	2,924,680.16 (Recorded as entertainment expense)	Same price as normally charged by a third party
12. Thoresen Thai Agencies Plc.	Mountain Creek Development Co., Ltd.	TTA and Mountain Creek Development Co., Ltd. have common directors being Mr. Chalermchai Mahagitsiri and Ms. Ausana Mahagitsiri.	TTA engaged Mountain Creek Development Co., Ltd. to organize the 2015 Team Building.	- (No transaction in 2016)	492,000 (Recorded as Entertainment expense)	Same price as normally charged by a third party

Necessity and Rationale of Related Party Transactions

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

Approval Measures or Procedures of Related Party Transactions

If TTA or its subsidiary is to execute an agreement or if there is any related party transaction between TTA and its subsidiary, affiliated company, related company, third party and/or anyone with possible conflict of interests, the Board of Directors requires TTA 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 TTA 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.

Policy for Future Related Party Transactions

The Audit Committee and TTA 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

Thoresen Thai Agencies Public Company Limited

TTA has established a policy to distribute dividends of at least 25% of the consolidated net profit after tax but excluding unrealised foreign exchange gains or losses, subject to the Company's investment plans and other relevant factors. The Board may review and revise the dividend policy from time to time to reflect the Company's future business plans, the needs for investment, and other factors, as the Board deems appropriate. However, dividend distributions may not exceed the retained earnings reported in the financial statements of the Company only.

Subsidiary Companies

Most of our subsidiaries have adhered to a policy to pay dividends to TTA at not less than 70% of their net profit, except for the smaller shipping services companies, Mermaid, UMS, and PMTA. As listed companies on the SGX-ST, MAI, and SET, respectively, their Board of Directors must apply the same level of care and judgement when recommending dividends as the TTA Board. Mermaid's, UMS's, and PMTA's possible dividend payments will depend on various factors, including return on equity and retained earnings, expected financial performances, projected level of capital expenditures and other investment plans, and restrictions on payment of dividends that may be imposed by its financing arrangements.

The Company's dividend payment record for the past six financial years is as follows:

Financial Year	For the year ended 31 December	For the three-month period ended 31 December	For the year ended 30 September			
	2015	2014 (Restated)	2014	2013 (Restated)	2012 (Restated)	2011 (Restated)
Earnings per share (Baht)	(6.61)	0.06	0.88	(5.91)	(6.35)	0.24
Dividend per share (Baht)	0.05 ¹	0.025 ²	0.25 ²	No dividend payment	No dividend payment	1.00 ²

Note: ¹ the Company paid dividend from the retained earnings

² the Company paid the dividend in the FY 2011 at the total of Baht 1.00 per share divided into 1) the payment of an interim dividend during FY 2011 of Baht 0.50 per share, and 2) the payment of dividend at the end of FY 2011 of Baht 0.50 per share and the Company paid the dividend in the FY 2014 at the total of Baht 0.275 per share divided into 1) the payment of an interim dividend during FY 2014 of Baht 0.25 per share, and 2) the payment of dividend at the end of FY 2014 of Baht 0.025 per share respectively.

▶ REMUNERATION OF AUDITORS

Audit Fee

For the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016)

Unit: Thai Baht

Company	Audit Fee for KPMG	Audit Fee for other auditing firms	Total Fee (by company)
TTA	3,700,000	-	3,700,000
TTA's Subsidiaries	13,435,917	3,366,021	16,801,938
Total Audit Fee (by auditing firm)	17,135,917	3,366,021	20,501,938

Non-Audit Service Fees

For the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016)

Unit: Thai Baht

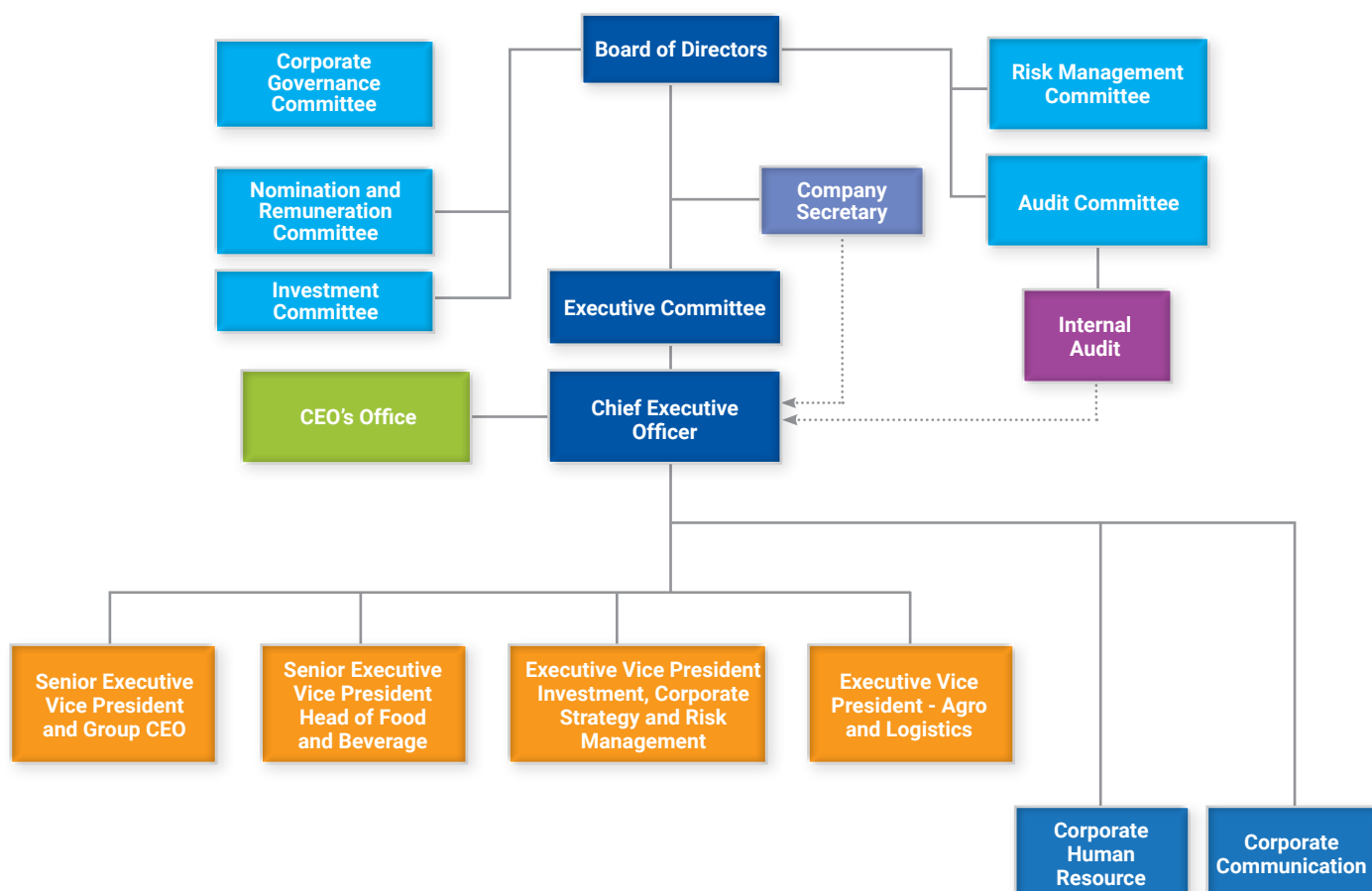
Company	Non-audit Service Fees for KPMG	Non-audit Service Fees for other auditing firms	Total Fee (by company)
TTA	60,000	192,600	252,600
TTA's Subsidiaries	1,399,950	506,582	1,906,532
Total Non-Audit Service Fees (by auditing firm)	1,459,950	699,182	2,159,132

Note: Non-audit service fees for the financial year 2016 ended 31 December 2016 (1 January – 31 December 2016) were primarily relating to auditing the subsidiaries' compliance to the conditions of BOI's certificates, tax filing and tax advice.

MANAGEMENT STRUCTURE

Organization Chart of Thoresen Thai Agencies Public Company Limited

As of 31 December 2016



Board of Directors of Thoresen Thai Agencies Public Company Limited

As of 31 December 2016

No.	Name	Position	First Appointment Date
1.	Mr. Prasert Bunsumpun	Chairman of the Board of Director/Chairman of Executive Committee	31 January 2012
2.	Mr. Chalermchai Mahagitsiri	President and Chief Executive Officer/Member of Executive Committee/ Chairman of Investment Committee	31 January 2012
3.	Mr. Chia Wan Huat Joseph	Director/Member of Executive Committee/ Chairman of Risk Management Committee/ Member of Investment Committee	31 January 2012
4.	Mr. Jean Paul Thevenin	Director/Member of Executive Committee/ Member of Investment Committee	30 January 2014
5.	Mr. Somboonkiat Kasemsuwan ¹	Independent Director/Chairman of Audit Committee	14 November 2016
6.	Mr. Santi Bangor	Independent Director/Chairman of Nomination and Remuneration Committee/Chairman of Corporate Governance Committee/Member of Audit Committee	31 January 2012

No.	Name	Position	First Appointment Date
7.	Ms. Ausana Mahagitsiri	Director/Member of Nomination and Remuneration Committee/Member of Corporate Governance Committee	31 January 2012
8.	Mr. Mohammed Rashed Ahmad M. Al Nasser	Independent Director/Member of Nomination and Remuneration Committee	30 January 2013
9.	Mr. Cherdpong Siriwit	Independent Director/Member of Audit Committee/Member of Risk Management Committee	30 January 2013
10.	Mr. Chitrapongse Kwangsukstith	Independent Director	13 May 2015
11.	Mr. Kamolsut Dabbaransi ^{/2}	Director	27 April 2016

Note: ^{/1} Mr. Somboonkiat Kasemsuwan was appointed a Board member on 14 November 2016 to replace Mr. Krish Follett who resigned from the Board on 21 September 2016.

^{/2} Mr. Kamolsut Dabbaransi was appointed a Board member on 27 April 2016 to replace Mr. Yves Barbieux who resigned from the Board on 27 April 2016.

Authorized Directors

The directors who are authorized to sign on behalf of the Company are: Mr. Jean Paul Thevenin or Mr. Chia Wan Huat Joseph to jointly sign with Mr. Chalermchai Mahagitsiri or Ms. Ausana Mahagitsiri, totaling two persons, with the Company seal affixed.

Roles, Duties and Responsibilities of the Board

Please see the details under the topic of "Corporate Governance Report".

Sub-committees

Thoresen Thai Agencies Public Company Limited consists of 6 sub-committees, namely 1) the Executive Committee, 2) the Audit Committee, 3) the Nomination and Remuneration Committee, 4) the Risk Management Committee, 5) the Corporate Governance Committee, and 6) the Investment Committee. The roles, duties and responsibilities of each sub-committee are provided under the topic of "Corporate Governance Report".

Attendance Record of the Board and Sub-committees

Name	Meeting Attendance for the financial year 2016 ended 31 December 2016						
	Board of Directors (Total 11)	Audit Committee (Total 8)	Executive Committee (Total 8)	Nomination and Remuneration Committee (Total 3)	Corporate Governance Committee (Total 1)	Risk Management Committee (Total 4)	Investment Committee (Total 5)
1. Mr. Prasert Bunsumpun	11/11	-	8/8	-	-	-	-
2. Mr. Chalermchai Mahagitsiri	8/11	-	5/8	-	-	-	5/5
3. Mr. Chia Wan Huat Joseph	10/11	-	8/8	-	-	4/4	5/5
4. Mr. Jean Paul Thevenin	10/11	-	8/8	-	-	-	3/5
5. Mr. Somboonkiat Kasemsuwan ^{/1}	2/2	1/1	-	-	-	-	-
Mr. Krish Follett ^{/1}	7/7	5/6	-	-	-	-	-
6. Mr. Santi Bangor	10/11	8/8	-	3/3	1/1	-	-
7. Ms. Ausana Mahagitsiri	9/11	-	-	3/3	1/1	-	-
8. Mr. Mohammed Rashed Ahmad M. Al Nasser	5/11	-	-	1/3	-	-	-
9. Mr. Cherdpong Siriwit	10/11	8/8	-	-	-	3/4	-
10. Mr. Chitrapongse Kwangsukstith	11/11	-	-	-	-	-	-
11. Mr. Kamolsut Dabbaransi ^{/2}	6/6	-	-	-	-	-	-
Mr. Yves Barbieux ^{/2}	3/5	-	-	-	-	-	-

Note: ^{/1} Mr. Somboonkiat Kasemsuwan was appointed a Board member on 14 November 2016 to replace Mr. Krish Follett who resigned from the Board on 21 September 2016.

^{/2} Mr. Kamolsut Dabbaransi was appointed a Board member on 27 April 2016 to replace Mr. Yves Barbieux who resigned from the Board on 27 April 2016.

Executives

Executives of Thoresen Thai Agencies Public Company Limited as of 31 December 2016

No.	Name	Position
1.	Mr. Chalermchai Mahagitsiri	President and Chief Executive Officer
2.	Mr. Kamolsut Dabbaransi	Senior Executive Vice President, Head of Food and Beverage
3.	Mr. Jitender Pal Verma	Senior Executive Vice President and Group CFO
4.	Mr. Sigmund Stromme	Executive Vice President - Agro and Logistics
5.	Mr. Ng Kit Wei, David	Executive Vice President, Investment, Corporate Strategy and Risk Management

Company Secretary

The Board of Directors appointed Ms. Mantanee Surakarnkul as the Company Secretary on 14 August 2008 – 30 August 2016 and appointed Ms. Thamonwan Woraphongjirakarn as the Company Secretary on 28 October 2016 – 31 December 2016. The roles and responsibilities of the Company Secretary are specified under the Company Secretary and Board Committees of the Corporate Governance Report.

Remuneration of the Directors and Executives

The remuneration structure for the Board consists of:

- The non-executive director(s) shall receive a monthly fee and an attendance fee for each meeting.
- An incentive in the form of annual reward (bonus) shall be paid to directors, corresponded to the Company's goal achievement in compliance with the Director Bonus Policy approved by the Company's shareholders.

The executives' remuneration consists of cash compensation (salary), bonus and other benefits which are long-term incentives, provident fund, and social security contributions.

Remuneration in Cash

Remuneration of the Board and Sub-committees

The shareholders at the 1/2016 AGM on 27 April 2016 approved the remunerations in 2016 for directors and members of sub-committee at the total amount of not exceeding Baht 10 million and authorized the Board of Directors to allocate the remunerations to directors and members of sub-committee as deemed appropriate.

For year 2016, the total remuneration for directors and members of sub-committees was approximately Baht 9.4 million which is not exceeding the remuneration budget of Baht 10 million as approved by the shareholders at the 1/2016 AGM on 27 April 2016. The details of remuneration for directors and sub-committees are shown in the table below.

Details of remuneration of directors and members of sub-committee for year 2016 are as follows:

Committees	Type of Remuneration	Rate
Board of Directors (Non-executive directors)	Standard monthly fee	Baht 150,000 – Chairperson Baht 24,500 per director
	Attendance fee per meeting	Baht 54,000 – Chairperson Baht 31,500 per director
	Bonus	A bonus for all non-executive directors shall be paid at a rate of not exceeding 1% of the consolidated net profit of the Company (after deducting unrealized gains/losses). The board of directors will fix the appropriate amount of the bonus to be payable to the directors (in compliance with the above director bonus policy).
Audit Committee	Attendance fee per meeting	Baht 33,600 – Chairperson Baht 28,000 per member
Nomination and Remuneration Committee	Attendance fee per meeting	Baht 25,200 – Chairperson Baht 21,000 per member
Risk Management Committee	Attendance fee per meeting	Baht 15,120 – Chairperson Baht 12,600 per member
Corporate Governance Committee	Attendance fee per meeting	Baht 15,120 – Chairperson Baht 12,600 per member

Note: The director (s) who take the executive position will not receive the remuneration as director and sub-committee member.

Remuneration and Bonus for the Board of Directors and Sub-Committees of TTA for the Financial Year 2016 ended 31 December 2016

Unit: Baht

Name	Board of Directors			Attendance Fee for the Financial Year 2016 Ended 31 December 2016					Total (Monthly Fee and Attendance Fee)	Travel Allowance (only foreign directors) (USD)
	Standard Monthly Fee	Bonus	Board of Directors	Audit Committee	Executive Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee		
1. Mr. Prasert Bunsumpun	1,800,000	-	594,000	-	800,000	-	-	-	3,194,000	-
2. Mr. Chalermchai Mahagitsiri	-	-	-	-	-	-	-	-	-	-
3. Mr. Chia Wan Huat Joseph	-	-	-	-	-	-	-	-	-	-
4. Mr. Jean Paul Thevenin	325,500	-	369,000	-	260,000	-	-	-	954,500	-
5. Mr. Somboonkiat Kasemsuwan ^{1/}	38,383	-	63,000	33,600	-	-	-	-	134,983	-
Mr. Krish Follett ^{1/}	244,650	-	288,000	196,800	-	-	-	-	729,450	-
6. Mr. Santi Bangor	325,500	-	369,000	248,000	-	97,200	15,120	-	1,054,820	-
7. Ms. Ausana Mahagitsiri	325,500	-	337,500	-	-	81,000	12,600	-	756,600	-
8. Mr. Mohammed Rashed Ahmad M. Al Nasser	325,500	-	171,000	-	-	30,000	-	-	526,500	1,000
9. Mr. Cherdpong Siriwit	325,500	-	382,500	248,000	-	-	-	43,200	999,200	-
10. Mr. Chitrapongse Kwangsukstith	325,500	-	414,000	-	-	-	-	-	739,500	-
11. Mr. Kamolsut Dabbaransi ^{2/}	-	-	-	-	-	-	-	-	-	-
Mr. Yves Barbieux ^{2/}	129,500	-	135,000	-	-	-	-	-	264,500	-
Total	4,165,533	-	3,123,000	726,400	1,060,000	208,200	27,720	43,200	9,354,053	1,000

Note: ^{1/} Mr. Somboonkiat Kasemsuwan was appointed as a Board member on 14 November 2016 to replace Mr. Krish Follett who resigned from the Board on 21 September 2016.

^{2/} Mr. Kamolsut Dabbaransi was appointed as a Board member on 27 April 2016 to replace Mr. Yves Barbieux who resigned from the Board on 27 April 2016.

Remuneration of Executives

Remuneration of executives of TTA in the form of salary and bonus and other benefits are as follows:

Remuneration	For the Year Ended 31 Dec. 2016		For the Year Ended 31 Dec. 2015	
	Total number of executives during financial year	Amount (million Baht)	Total number of executives during financial year	Amount (million Baht)
Total salary and bonus	4	37.787	7	41.274
Other benefits (which include social security and provident fund contributions by TTA)	4	1.934	7	2.620

Personnel

As of 31 December 2016, TTA has a total workforce of 97, consisting of one President and Chief Executive Officer, four Executive Vice Presidents, and 93 employees as detailed below.

Main Business Units	Number of Employees (Only TTA)
1. Corporate Finance and Accounting, Investor Relationship and Legal	22
2. Corporate Human Resource	5
3. Group Supports and CEO's office	57
4. Group Business Development	6
5. Corporate Risk Management and Internal Audit	7
Total	97

Group of Business	Number of Employees
Transport	84
Energy	289
Infrastructure	690

- Total number of employees of TTA and its subsidiaries was 1,160 (excluding the crew on-board).
- Total remuneration of employees of TTA and its subsidiaries, excluding management and executive directors of TTA, such as salary, wage, and bonus (excluding the crew on-board) for the financial year 2016 ended 31 December 2016 was Baht 790,663,105 (For the financial year 2015 ended 31 December 2015 : Baht 1,248,484,807).

- TTA contributed the provident funds and social security funds to its employees (excluding the crew on-board) for the financial year 2016 ended 31 December 2016 at the total amount of Baht 17,697,816 (For the financial year 2015 ended 31 December 2015 : Baht 27,351,663).
- Individual Development Plan is provided under the topic of "Corporate Governance Report".

▶ BIOGRAPHY OF THE BOARD OF DIRECTORS

Mr. Prasert Bunsumpun (Age 64)

Chairman of the Board of Directors/Chairman of Executive Committee

Date of first appointment : 31 January 2012

(%) of shareholding as of 30 December 2016 : 0.01

Education

- Honorary Doctoral of Arts in Social Innovation Management, Faculty of Humanities and Sciences, Suan Sunandha Rajabhat University, 2012
- Honorary Doctoral in Management, Mahasarakarm University, 2011
- Honorary Doctoral in Management Science, Petchaburi Rajabhat University, 2008
- Honorary Doctoral in Management, National Institute of Development Administration (NIDA), 2008
- Honorary Doctoral in Engineering, Chulalongkorn University, 2007
- M.B.A., Utah State University, USA, 1977
- B.Eng. in Civil Engineering, Chulalongkorn University, 1975

Training/Certification

- Certificate in Energy Literacy for a Sustainable Future Program, Thailand Energy Academy (TEA), Class 3, 2013
- Role of the Chairman Program (RCP), Thai Institute of Directors Association (IOD), Class 28/2012
- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 26/2004
- Certificate in Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 3, 2006
- Certificate in Politics and Governance in Democratic System for Executives, King Prajadhipok's Institute, Class 6, 2003
- Certificate in Advanced Management Program (AMP), Harvard Business School, USA, Class 155, 1998
- Diploma, National Defense Course for the Joint State-Private Sector, the National Defense College (NDC), Class 10, 1998

Working experience

Other Listed Companies

2015 - Present	: Director, Thaicom Public Company Limited
2012 - Present	: Chairman/Chairman of Executive Committee, Mermaid Maritime Public Company Limited
2011 - Present	: Chairman, PTT Global Chemical Public Company Limited
2011 - Present	: Independent Director/Chairman of the Nomination and Governance Committee/Member of the Leadership Development and Compensation Committee/Member of the Strategic and Organizational Review Committee, Intouch Holdings Public Company Limited
2013 - Feb. 2017	: Director/Member of the Enterprise Risk Management Committee, PTT Public Company Limited
2011 - 2015	: Director/Chairman of the Board of Executive Directors, Krung Thai Bank Public Company Limited
2007 - 2011	: Director, PTT Aromatics and Refining Public Company Limited
2006 - 2013	: Chairman/Chairman of the Executive Board of Directors/Director, IRPC Public Company Limited
2005 - 2011	: Chairman/Director, PTT Chemical Public Company Limited
2003 - 2011	: Director/President and Chief Executive Officer, PTT Public Company Limited
2000 - 2011	: Chairman/Director, PTT Exploration and Production Public Company Limited

Other Organizations

2014 - Present	: Member of the National Legislative Assembly, Thailand
2014 - Present	: First Vice-President of the Committee on Energy, the National Legislative Assembly, Thailand
2011 - Present	: Chairman, Thailand Business Council for Sustainable Development (TBCSD)
2006 - 2008	: Member of the National Legislative Assembly, Thailand

Relation among family with other directors and executives : None

Mr. Chalermchai Mahagitsiri (Age 38)

President and Chief Executive Officer/Member of Executive Committee/Chairman of Investment Committee

Date of first appointment : 31 January 2012

(%) of shareholding as of 30 December 2016 : 22.02 (included his shares held under custodian account)

Education

- M.S. in Finance, Boston University, United States of America, 2004
- B.S. in Finance, Suffolk University, United States of America, 2001

Training/Certification

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

Working experience

Other Listed Companies

Jun. 2013 - Present	: Chairman, PM Thoresen Asia Holdings Public Company Limited
Jun. 2012 - Present	: Chief Executive Officer/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	: Vice Chairman, Thai Film Industries Public Company Limited
2009 - 2011	: Director and Vice Chairman, Posco - Thainox Public Company Limited

Other Organizations

Oct. 2016 - Present	: Director, PMT Property Co., Ltd.
Sep. 2016 - Present	: Director, Laser Game Asia Co., Ltd.
Sep. 2016 - Present	: Director, TTA Suez Co., Ltd.
Mar. 2016 - Present	: Director, Natural Bev. Co., Ltd.
Feb. 2015 - Present	: Director, Sino Grandness Food Industry Group Limited
Aug. 2014 - Present	: Director, Premo Shipping Public Company Limited
Apr. 2014 - Present	: Director, Thoresen Shipping FZE
Apr. 2014 - Present	: Director, Mermaid Maritime Mauritius Ltd.
Mar. 2014 - Present	: Director, Chidlom Marine Services & Supplies Limited
Feb. 2014 - Present	: Director, Gulf Agency Company (Thailand) Limited
Feb. 2014 - Present	: Director, GAC Thoresen Logistics Limited
Feb. 2014 - Present	: Director, PH Macaron (Thailand) Co., Ltd.
Jan. 2014 - Present	: Director, Athene Holdings Limited
Jan. 2014 - Present	: Director, Thoresen & Company (Bangkok) Limited
Jan. 2014 - Present	: Director, Fearnleys (Thailand) Limited
Jan. 2014 - Present	: Director, Mermaid MTN Pte. Ltd. (formerly MTR-5 (Singapore) Pte. Ltd.)
Nov. 2013 - Present	: Director, PM Thoresen Asia (Singapore) Pte. Ltd.
Nov. 2013 - Present	: Director, Baconco Co., Ltd.
Nov. 2013 - Present	: Director, Thoresen (Indochina) S.A.
Feb. 2013 - Present	: Director, PM Quality Food and Beverage Company Limited
2013 - Present	: Director, Thoresen Shipping Singapore Pte. Ltd.
2013 - Present	: Director, Mermaid Drilling Limited
2013 - Present	: Director, Asia Offshore Drilling Limited
2013 - Present	: Director, Mermaid Subsea Services (Thailand) Ltd. (Formerly, Mermaid Offshore Services Ltd.)
2013 - Present	: Chief Executive Officer and Vice Chairman, TFI Power (Korat 1) Co., Ltd.
2013 - Present	: Chief Executive Officer and Vice Chairman, TFI Power (Korat 2) Co., Ltd.
2013 - Present	: Chief Executive Officer and Vice Chairman, TFI Power (Korat 3) Co., Ltd.
2013 - Present	: Chief Executive Officer and Vice Chairman, TFI Power (Korat 4) Co., Ltd.
2013 - Present	: Chief Executive Officer and Vice Chairman, TFI Power Co., Ltd.
2013 - Present	: Director, Four One One (411) FUN Co., Ltd.
2012 - Present	: Director, Coffee Gallery Co., Ltd.
Jul. 2012 - Present	: Director, Soleado Holdings Pte. Ltd.
2011 - Present	: Director, Phaholyothin Garden Co., Ltd.
2011 - Present	: Director, Mountain Creek Development Co. Ltd.
2011 - Present	: Director, M Creek Land Co., Ltd.
2010 - Present	: Executive Director, Sak Chaisidhi Co., Ltd.
2010 - Jul. 2014	: Executive Director, LYNN Phillips Asset Co., Ltd.
2008 - Present	: Chief Executive Officer, Four One One Entertainment Co., Ltd.
2005 - Present	: Chief Executive Officer, PM Group Company Limited
2005 - Present	: Director, PM Corp Co. Ltd.
2002 - Present	: Director, Lakewood Kitchen Co., Ltd.
2002 - Present	: Director, ACME Camps Company Limited.
1998 - Present	: Managing Director, Lakewood Country Club Co., Ltd.
1998 - Present	: Director, Lakewood Land Co., Ltd.
Present	: Director, Quality Coffee Products Co., Ltd.

Relation among family with other directors and executives : Ms. Ausana Mahagitsiri's brother

Mr. Jean Paul Thevenin (Age 76)

Director/Member of Executive Committee/Member of Investment Committee

Date of first appointment: 30 January 2014**(%) of shareholding as of 30 December 2016**

Own : None
 Spouse : 0.0006
 Total : 0.0006

Education

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

Training/Certification

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 74/2008

Working experience**Other Listed Companies**

Jan. 2013 - Present : Director, Mermaid Maritime Public Company Limited
 2005 - 2010 : Managing Director, Thainox Stainless Public Company Limited

Other Organizations

Sep. 2016 - Present : Director, TTA Suez Co., Ltd.
 Dec. 2015 - Present : Director, Mermaid Subsea Services (International) Ltd. (formerly, Subtech Ltd.)
 Dec. 2015 - Present : Director, Thoresen Shipping Singapore Pte. Ltd.
 Dec. 2015 - Present : Director, Mermaid Offshore Services Pte. Ltd.
 Jun. 2015 - Present : Director, Mermaid Subsea Services (Thailand) Ltd.
 Jun. 2015 - Present : Director, Seascope Surveys (Thailand) Ltd.
 Nov. 2014 - Present : Mermaid MTN Pte. Ltd. (formerly, MTR-5 (Singapore) Pte. Ltd.)
 Sep. 2014 - Present : Director, Mermaid Drilling Ltd.
 Sep. 2014 - Present : Director, MTR-1 Ltd.
 Sep. 2014 - Present : Director, MTR-2 Ltd.
 1998 - 2004 : President, Franco - Thai Chamber of Commerce

Relation among family with other directors and executives : None**Mr. Chia Wan Huat Joseph** (Age 57)

Director/Member of Executive Committee/Chairman of Risk Management Committee/Member of Investment Committee

Date of first appointment: 31 January 2012**(%) of shareholding as of 30 December 2016:** None**Education**

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

Training/Certification

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

Working experience**Other Listed Companies**

2013 - Present : Director, PM Thoresen Asia Holdings Public Company Limited
 Jun. 2012 - Present : Member of Executive Committee, Mermaid Maritime Public Company Limited
 Jun. 2012 - Present : Director and Member of Executive Committee, Unique Mining Services Public Company Limited
 2005 - 2011 : Senior Executive Vice President, Structured Finance Group, Advance Finance Plc.
 Jun. 2012 - Oct. 2016 : Director, Mermaid Maritime Public Company Limited

Other Organizations

Feb. 2016 - Present : Director, Chidlom Marine Services & Supplies Ltd.
 Dec. 2015 - Present : Director, Thoresen Shipping Singapore Pte. Ltd.
 Feb. 2015 - Present : Director, Thoresen & Company (Bangkok) Limited
 Jan. 2015 - Present : Director, Baconco Co., Ltd.
 Aug. 2014 - Present : Director, Thoresen Shipping FZE
 Nov. 2013 - Present : Director, Petrolift Inc.
 Jan. 2012 - Present : Senior Executive Vice President, PM Group Company Limited
 Feb. 2015 - Jul. 2016 : Director, Thoresen Shipping & Logistics Ltd.

Relation among family with other directors and executives : None

Ms. Ausana Mahagitsiri (Age 36)

Director/Member of Nomination and Remuneration Committee/Member of Corporate Governance Committee

Date of first appointment: 31 January 2012

(%) of shareholding as of 30 December 2016: 3.88

Education

- M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University in a joint program with Kellogg Graduate School of Management of Northwestern University, USA, 2005
- B.S. in Business Administration, Boston University School of Management, USA, 2002

Training/Certification

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 30/2004

Working experience

Other Listed Companies

2013 - Present : Director, Thai Film Industries Public Company Limited

Other Organizations

Oct. 2016 - Present : Director, PMT Property Co., Ltd.
 May. 2016 - Present : Director, House of Truffle Co., Ltd.
 Mar. 2016 - Present : Director, Natural Bev. Co., Ltd.
 Jan. 2016 - Present : Director, Premo Shipping Public Company Limited
 Mar. 2014 - Present : Director, Chidlom Marine Services & Supplies Ltd.
 Feb. 2014 - Present : Director, GAC Thoresen Logistics Ltd.
 Jan. 2014 - Present : Director, Athene Holdings Ltd.
 Jan. 2014 - Present : Director, Soleado Holdings Pte. Ltd.
 Jan. 2014 - Present : Director, Thoresen Shipping Singapore Pte. Ltd.
 Feb. 2014 - Present : Director, PH Macaron (Thailand) Co., Ltd.
 Feb. 2013 - Present : Director, PM Quality Food and Beverage Co., Ltd.
 2013 - Present : Director, Four One One (411) FUN Co., Ltd.
 2011 - Present : Director, M Creek Land Co., Ltd.
 2011 - Present : Chief Operating Officer, PM Group Co., Ltd.
 2010 - Present : Director, Mugendai Co., Ltd.
 2010 - Present : Managing Director, The Nest Property Co., Ltd.
 2010 - Present : Director, Quality Coffee Products Co., Ltd.
 2009 - Present : Director and Managing Director, Coffee Gallery Co., Ltd.
 2008 - Present : Director, Four One One Entertainment Co., Ltd.
 2008 - Present : Director, Phaholyothin Garden Co., Ltd.
 2006 - Present : Managing Director, Mountain Creek Development Co. Ltd.
 2005 - Present : Director, PM Corp Co. Ltd.
 2002 - Present : Director, ACME Camps Company Limited.
 2002 - Present : Director, Lakewood Kitchen Co., Ltd.
 1998 - Present : Director, Lakewood Country Club Co., Ltd.
 1998 - Present : Director, Lakewood Land Co., Ltd.

Relation among family with other directors and executives :

Mr. Chalermchai Mahagitsiri' s sister and Mr. Kamolsut Dabbaransi' s spouse

Mr. Somboonkiat Kasemsuwan (Age 71)
Independent Director/Chairman of Audit Committee

Date of first appointment: 14 November 2016

(%) of shareholding as of 30 December 2016: None

Education

- B.S. Degree in Electrical Engineering, North Carolina State University, USA, 1964
- Professional Degree in Electrical Engineering, North Carolina State University, USA, 1976

Training/Certification

- Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 6/2008
- Director Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 96/2007
- Diploma, National Defense College (NDC), Class 377/1994

Working experience

Other Listed Companies

Jan. 2014 - Nov. 2016	:	Chairman of Audit Committee, and Member of Nomination and Remuneration Committee, PM Thoresen Asia Holdings Public Company Limited
2004 - 2015	:	Chairman, Advance Finance Public Company Limited
1989 - 1994	:	Executive Director, The Bangkok Bank of Commerce Public Company Limited
1987 - 1989	:	Director and Senior Executive Vice President, The Bangkok Bank of Commerce Public Company Limited

Other Organizations

2013 - 2014	:	Chairman of Audit Committee, PM Thoresen Asia Holdings Limited
2005 - 2011	:	Vice Chairman of the Board of Directors, the Transport Company
1999 - 2011	:	Chairman of the Board of Directors, Moh Mee Company
1994 - 1997	:	Director, the Transport Company (Government Enterprise)
1970 - 1987	:	Assistant Director of the System Operation, Electricity Generating Authority of Thailand (EGAT)

Relation among family with other directors and executives: None

Mr. Santi Bangor (Age 71)

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

Date of first appointment: 31 January 2012

(%) of shareholding as of 30 December 2016: None

Education

- M.A. in Agricultural Economics, Texas Tech University, USA, 1980
- B.A. in Political Science (Fiscal), Chulalongkorn University, 1968

Training/Certification

- Audit Committee Seminar - Get Ready for the Year End, Federation of Accounting Profession of Thailand under the Royal Patronage of His Majesty the King, 2015
- Audit Committee Program (ACP), Thai Institute of Directors Association (IOD), Class 42/2013
- Monitoring Fraud Risk Management (MFM), Thai Institute of Directors Association (IOD), Class 9/2013
- Monitoring the System of Internal Control and Risk Management (MIR), Thai Institute of Directors Association (IOD), Class 14/2013
- Monitoring the Internal Audit Function (MIA), Thai Institute of Directors Association (IOD), Class 14/2013
- Monitoring the Quality of Financial Reporting (MFR), Thai Institute of Directors Association (IOD), Class 17/2013
- Role of the Compensation Committee Program (RCC), Thai Institute of Directors Association (IOD), Class 16/2013
- Director Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 12/2001
- Diploma, National Defense College (NDC), Class 38, 1995
- Development Certificate, Cambridge University, England, 1975

Working experience

Other Listed Companies

- | | | |
|----------------|---|--|
| 2013 - Present | : | Independent Director/Chairman of the Corporate Governance Committee, People's Garment Public Company Limited |
| 2010 - Present | : | Member of the Audit Committee, People's Garment Public Company Limited |

Other Organizations

- | | | |
|----------------|---|---|
| 2016 - Present | : | Member of State Enterprise Performance Agreement and Performance Appraisal Sub-Committee on Infrastructure sector, Industry and Commerce |
| 2012 - 2016 | : | Member of State Enterprise Performance Agreement and Performance Appraisal Sub-Committee on Communication and Energy Sector, Performance Appraisal Committee, Ministry of Finance |
| 2006 - 2009 | : | President, Yonok University (Nation University) |
| 2001 - 2002 | : | Director, State Railway Authority |
| 1999 - 2001 | : | Director, Metropolitan Electricity Authority |
| 1997 - 2006 | : | Deputy Secretary General to the National Economic and Social Development Board, Office of the Prime Minister |
| 1996 - 1999 | : | Director, Government Pension Board |

Relation among family with other directors and executives: None

Mr. Cherdpong Siriwit (Age 70)

Independent Director/Member of Audit Committee/Member of Risk Management Committee

Date of first appointment: 30 January 2013**(%) of shareholding as of 30 December 2016:** None**Education**

- M.A. Economics, Georgetown University, USA
- B.A. Economics (Honor), Thammasat University

Training/Certification

- Audit Committee Program (ACP), Thai Institute of Directors Association (IOD), Class 27/2009
- Director Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 104/2008
- Finance of Non-Finance Directors (FND), Thai Institute of Directors Association (IOD), Class 13/2004
- Role of Chairman Program (RCP), Thai Institute of Directors Association (IOD), Class 10/2004
- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 8/2004
- Diploma, The Joint State-Private Sector Course, National Defense College, Class 40
- Advanced Certificate Course in Politics and Governance in Democratic System for Executives, King Prajadhipok's Institute, Class 5
- The Civil Service Executive Development Program I, The Civil Service Training Institute, Class 13/1993
- Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 5

Working experience**Other Listed Companies**

2014 - Present	: Chairman and Audit Committee, Advance Finance Public Company Limited
Nov. 2011 - Oct. 2014	: Chairman of Corporate Governance Committee, IRPC Public Company Limited
2010 - Present	: Chairman, Solartron Public Company Limited
May 2009 - 2016	: Chairman of Audit Committee, IRPC Public Company Limited
Apr. 2009 - 2016	: Independent Director, IRPC Public Company Limited
2006 - 2009	: Independent Director/Audit Committee/Remuneration Director, PTT Chemical Public Company Limited
2005 - 2007	: Chairman, Rayong Refinery Public Company Limited
2004 - 2008	: Chairman, PTT Exploration and Production Public Company Limited
2004 - 2008	: Chairman, Thai Oil Public Company Limited
2003 - 2007	: Chairman, PTT Public Company Limited
2003 - 2007	: Chairman, Ratchaburi Electricity Generating Holding Public Company Limited

Other Organizations

2012 - Present	: Chairman, Thai Sugar Millers Corporation Limited
2011 - 2016	: Chairman, Vithai Biopower Company Limited
2009 - 2016	: Director, Evergreen Plus Company Limited
2003 - 2004	: Chairman, Electricity Generating Authority of Thailand (EGAT)
2002 - 2006	: Permanent Secretary, Ministry of Energy

Relation among family with other directors and executives : None

Mohammed Bin Rashed Bin Ahmad Bin Muftah Al Nasser (Age 46)

Independent Director/Member of Nomination and Remuneration Committee

Date of first appointment: 30 January 2013

(%) of shareholding as of 30 December 2016: None

Education

License of Law, Emirates University

Training/Certification

- None -

Working experience

Other Listed Companies

- None -

Other Organizations

Present : Member of the National Consulting Council, UAE
Present : Assistant-Undersecretary in the Financial Department of Abu Dhabi, UAE
Present : Director General of Pvt. & Official office of H.H Sheikh Mohammed Bin Khalifa Bin Zayed Al Nahyan, UAE
Present : Vice President of Youth Hostel Society, UAE
Present : Board's Member of The Emirates Insurance Company, UAE
Present : Board's Member of The National Investor Company, UAE
Present : Board's Member of Alwifaq Finance Company, UAE
Present : General Manager of Al Ain Equestrian, Shooting & Golf Club, UAE
Present : Chairman of Gulf Islamic Investment Company, UAE

Relation among family with other directors and executives : None

Mr. Chitrapongse Kwangsukstith (Age 67)

Independent Director

Date of first appointment: 13 May 2015

(%) of shareholding as of 30 December 2016: None

Education

- Doctorate Degree in Industrial Engineering, Lamar University, USA, 1979
- Master Degree in Industrial Engineering, Lamar University, USA, 1974
- Bachelor Degree in Mechanical Engineering, Chulalongkorn University, 1970

Training/Certification

- Role of the Compensation Committee Program (RCC), Thai Institute of Directors Association (IOD), Class 10/2010
- Directors Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 42/2004
- Finance for Non-Finance Director Program (FND), Thai Institute of Directors Association (IOD), Class 9/2004
- National Corporate Governance Committee (NCGC), Thai Institute of Directors Association (IOD)
- Diploma in National Defense Course for the Joint State-Private Sector, the National Defense College (NDC/4212), Class 12
- Stanford Executive Program, Stanford University, USA

Working experience

Other Listed Companies

2008 - 2009 : Chief Operating Officer, Upstream Petroleum and Gas Business Group,
PTT Public Company Limited
2003 - 2007 : Senior Executive Vice President, Exploration & Production and Gas Business Unit,
PTT Public Company Limited
2000 - 2003 : Senior Executive Vice President, PTT Public Company Limited, working as President,
PTT Exploration & Production Public Company Limited

Other Organizations

2012 - 2014 : Chairman of the Board, PTT Energy Resources Limited
2009 - 2012 : Chairman and Acting President of PTT Energy Resources Limited

Relation among family with other directors and executives: None

Mr. Kamolsut Dabbaransi (Age 39)

Director/Senior Executive Vice President, Head of Food & Beverage

Date of first appointment : 27 April 2016**(%) of shareholding as of 30 December 2016****Own** : None**Spouse** : 3.88**Total** : 3.88**Education**

- Master of Science in Actuarial Science, Boston University, USA
- Bachelor of Science in Industrial Engineering and Operation Research, University of Massachusetts, USA

Training/Certification

- Director Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 119/2009
- Pacific Basin Economic Council Thailand (PBEC) - Director General 2002 - 2004

Working experience**Other Listed Companies**

Dec. 2016 - Present : Director, The Royal Ceramic Industry Public Company Limited

Other Organizations

Dec. 2016 - Present : Director, Asia Coating Ltd.
 Oct. 2016 - Present : Director, PMT Property Co., Ltd.
 Sep. 2016 - Present : Director, Laser Game Asia Co., Ltd.
 May 2016 - Present : Director, House of Truffle Co., Ltd.
 Feb. 2016 - Present : Director, PMFB Ltd.
 Feb. 2014 - Present : Director, PH Macaron (Thailand) Co., Ltd.
 Feb. 2013 - Present : Director, PM Quality Food and Beverage Co., Ltd.
 2013 - Present : Director, Four One One (411) FUN Co., Ltd.
 2013 - Present : Chief Business Development Officer, PM Group Co., Ltd.
 2010 - Present : CEO/Founder, Mugendai Co., Ltd.
 2007 - 2013 : Vice President, Business Development, SCB Securities Co., Ltd.
 2001 - 2004 : Marketing Analyst, Green Spot Co., Ltd.

Relation among family with other directors and executives: Ms. Ausana Mahagitsiri's spouse

▶ BIOGRAPHY OF EXECUTIVE OFFICER

Mr. Chalermchai Mahagitsiri (Age 38)

President and Chief Executive Officer/Member of Executive Committee

Date of first appointment as Executive : 31 January 2012

(%) of shareholding as of 30 December 2016 : 22.02

(included his shares held under custodian account)

His biography appears in the section
"Details of the Board of
Directors and Executives".

Mr. Kamolsut Dabbaransi (Age 39)

Director/ Senior Executive Vice President, Head of Food & Beverage

Date of first appointment as Executive : 1 August 2015

(%) of shareholding as of 30 December 2016 :

Own : None

Spouse : 3.88

Total : 3.88

His biography appears in the section
"Details of the Board of
Directors and Executives".

Mr. Jitender Pal Verma (Age 52)

Senior Executive Vice President and Group CFO/Member of Executive Committee /Member of Risk Management Committee/
Member of Investment Committee

Date of appointment as Executive : 13 May 2015 (Date of joining TTA: 22 April 2015)

(%) of shareholding as of 30 December 2016: 0.0027 (shares held under Thai NVDR)

Education

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

Training/Certification

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

Working experience

Other Listed Companies

Oct. 2016 - Present	:	Non-Executive Director, Mermaid Maritime Public Company Limited
Nov. 2011 - Mar. 2015	:	Board's Member, Executive Director & CFO, Jindal Stainless Limited
Aug. 2005 - Oct. 2011	:	CFO and Acting Managing Director, Thainox Stainless Public Company Limited (now renamed as POSCO - Thainox Public Company Limited)

Other Organizations

Sep. 2016 - Present	:	Director, Peteolift Inc.
Feb. 2016 - Present	:	Director, Chidlom Marine Services & Supplies Ltd.
Jan. 2016 - Present	:	Director, Gulf Agency Company (Thailand) Ltd.
Jan. 2016 - Present	:	Director, GAC Thoresen Logistics Ltd.
Jan. 2016 - Present	:	Director, Fearnleys (Thailand) Ltd.
Jun. 2015 - Present	:	Board's Member, Soleado Holdings Pte. Ltd., Singapore
Jun. 2015 - Present	:	Board's Member, Thoresen Shipping FZE, U.A.E
Dec. 2015 - Nov. 2016	:	Board's Member, Thoresen Shipping Singapore Pte. Ltd., Singapore
Aug. 2003 - Aug. 2005	:	Finance Director Asia, Dole Asia, Philippines
Apr. 2002 - Aug. 2003	:	Asia Regional Treasurer, Dole Food Company, Hong Kong
Apr. 1998 - Apr. 2002	:	Finance Director and Controller, Dole Thailand Limited, Thailand
Aug. 1996 - Feb. 1998	:	Finance Director, Seagate Technology, Thailand
Aug. 1988 - Aug. 1996	:	Various other positions in India and overseas at progressive levels

Relation among family with other directors and executives : None

Mr. Sigmund Stromme (Age 60)

Executive Vice President - Agro and Logistics

Date of appointment as Executive : 6 May 2015**(%) of shareholding as of 30 December 2016 :** 0.0079**Education**

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

Training/Certification

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

Working experience**Other Listed Companies**

2015 - Present : Director/ Managing Director/Executive Committee/Nomination and Remuneration Committee, PM Thoresen Asia Holdings Public Company Limited

Other Organizations

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

Relation among family with other directors and executives : None**Mr. Ng Kit Wei, David** (Age 39)

Executive Vice President, Investment, Corporate Strategy and Risk Management

Date of appointment as Executive : 20 January 2015**(%) of shareholding as of 30 December 2016:** None**Education**

- Bachelor of Commerce & Management, Lincoln University, New Zealand, 1998

Training/Certification

- Chartered Financial Analyst (CFA), CFA Institute
- CPA Australia

Working experience**Other Listed Companies**

-None -

Other Organizations

Sep. 2016 - Present : Director, TTA Suez Co., Ltd.
 Mar. 2015 - Present : Director, UMS Distribution Co., Ltd.
 Mar. 2015 - Present : Director, UMS Lighter Co., Ltd.
 Mar. 2015 - Present : Director, UMS Pellet Energy Co., Ltd.
 Mar. 2015 - Present : Director, UMS Port Services Co., Ltd.
 2013 - 2014 : Senior Vice President, Maybank Kim Eng, Singapore
 2005 - 2012 : Executive Director, Goldman Sachs, Singapore
 2004 - 2005 : Vice President, ECM Libra, Malaysia
 2000 - 2004 : Analyst, HSBC Securities, Malaysia
 1998 - 2000 : Auditor, Ernst & Young, Malaysia

Relation among family with other directors and executives: None

REPORT ON THE SECURITIES HOLDING OF THE DIRECTORS AND EXECUTIVES

Securities Holding by TTA's Directors as of 31 December 2016

Name	No. of Shares			No. of Warrants # TTA-W4			No. of Warrants # TTA-W5		
	As of 31 Dec 2015	As of 31 Dec 2016	Changes During the Year	As of 31 Dec 2015	As of 31 Dec 2016	Changes During the Year	As of 31 Dec 2015	As of 31 Dec 2016	Changes During the Year
1. Mr. Prasert Bunsumpun	182,000	182,000	-	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-	-	-	-
2. Mr. Chalermchai Mahagitsiri	401,348,382	401,348,382	-	23,490,645	-	(23,490,645)	38,430,826	38,430,826	-
3. Mr. Jean Paul Thevenin	-	-	-	-	-	-	-	-	-
Spouse and Minor Child	11,200	11,200	-	1,000	1,000	-	1,066	1,066	-
4. Mr. Chia Wan Huat Joseph	-	-	-	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-	-	-	-
5. Mr. Somboonkiat Kasemsuwan	-	-	-	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-	-	-	-
6. Mr. Santi Bangor	-	-	-	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-	-	-	-
7. Ms. Ausana Mahagitsiri	70,795,737	70,795,737	-	4,228,148	-	(4,228,148)	6,742,451	6,742,451	-
Spouse and Minor Child	-	-	-	-	-	-	-	-	-
8. Mr. Mohammed Rashed Ahmad M. Al Nasser	-	-	-	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-	-	-	-
9. Mr. Cherdpong Siriwit	-	-	-	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-	-	-	-
10. Mr. Chitrapongse Kwangsukstith	-	-	-	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-	-	-	-
11. Mr. Kamolsut Dabbaransi	-	-	-	-	-	-	-	-	-
Spouse and Minor Child	70,795,737	70,795,737	-	4,228,148	-	(4,228,148)	6,742,451	6,742,451	-

Securities Holding by TTA's Executives as of 31 December 2016

Name	No. of Shares			No. of Warrants # TTA-W4			No. of Warrants # TTA-W5		
	As of 31 Dec 2015	As of 31 Dec 2016	Changes During the Year	As of 31 Dec 2015	As of 31 Dec 2016	Changes During the Year	As of 31 Dec 2015	As of 31 Dec 2016	Changes During the Year
1. Mr. Chalermchai Mahagitsiri	401,348,382	401,348,382	-	23,490,645	-	(23,490,645)	38,430,826	38,430,826	-
2. Mr. Kamolsut Dabbaransi	-	-	-	-	-	-	-	-	-
Spouse and Minor Child	70,795,737	70,795,737	-	4,228,148	-	(4,228,148)	6,742,451	6,742,451	-
3. Mr. Jitender Pal Verma	55,000	55,000	-	-	-	-	33	33	-
Spouse and Minor Child	-	-	-	-	-	-	-	-	-
4. Mr. Sigmund Stromme	143,200	143,200	-	-	-	-	-	-	-
5. Mr. Kit Wei Ng, David	-	-	-	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-	-	-	-

▶ SHAREHOLDING STRUCTURE

TTA's Top 10 Shareholders

The top ten shareholders of TTA as of 30 December 2016, the latest share register book closing date for the names of shareholders, were as follows:

No.	Shareholders	Number of Shares	% of Total Number of Shares
1.	Mr. Chalermchai Mahagitsiri	251,348,382	13.79
2.	Credit Suisse AG, Singapore Branch	150,100,000	8.24
3.	Ms. Ausana Mahagitsiri	70,795,737	3.88
4.	Mr. Thaveechat Jurangkool	42,001,400	2.31
5.	Thai NVDR Co., Ltd.	41,864,888	2.30
6.	Mr. Prateep Tangmatitham	38,831,907	2.13
7.	Mrs. Suvimol Mahagitsiri	28,065,223	1.54
8.	Mr. Pipat Tiathawat	26,500,000	1.45
9.	Mrs. Somsong Laphananrat	23,001,100	1.26
10.	Chase Nominees Limited	18,526,282	1.02
Total		691,034,919	37.92
Other shareholders		1,131,419,181	62.08
Grand Total		1,822,454,100	100.00

Note : The authorized and paid-up capital of TTA as of 30 December 2016 were Baht 2,110,160,255 and Baht 1,822,454,100 respectively, having a par value of Baht 1 per share.

TTA's Share Distribution

The share distribution by nationality of TTA as of 30 December 2016, the latest share register book closing date for the names of shareholders, was as follows:

Share Distribution by Nationality	Number of Shareholders	Number of Shares	% of Total Number of Shares
Thai	25,130	1,553,555,937	85.25
Foreign	117	268,898,163	14.75
Total of Shareholders	25,247	1,822,454,100	100.00

COMPANY INVESTMENTS

Investments in other companies exceeding 10% of other companies' shares as of 31 December 2016 are as follows:

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding
Transport					
Type of Business : Ship Management					
1	Thoresen & Company (Bangkok) Limited 26/26-27 Orakarn Building, 8th Floor Chidlom Road, Lumpinee, Pathumwan Bangkok 10330 Tel. : +66 (0) 2250-8437 Fax : +66 (0) 2655-5631	Ordinary	9,470,000	9,470,000	99.99 ^{/1}
		Preference	1,530,000	1,530,000	
		Group A	1,500,000	1,500,000	
		Group B			
2	Premo Shipping Plc. 26/32-34 Orakarn Building, 10th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2250-0569 Fax : +66 (0) 2655-5631	Ordinary	22,200,000	22,199,907	99.99
Type of Business : International Maritime Transportation					
3	Thoresen Chartering (HK) Limited Suite B, 12 th Floor, Two Chinachem Plaza 135 Des Voeux Road Central, Hong Kong	Ordinary	500,000	499,999	99.99
4	Thoresen Shipping Singapore (Pte) Ltd. 3 Church Street, #22-06 Samsung Hub Singapore 049483 Tel. : +65 6578-7000 Fax : +65 6578-7007	Ordinary	603,789,306	603,789,306	100.00
5	Thor Fortune Shipping Pte. Ltd. 3 Church Street, #22-06 Samsung Hub Singapore 049483 Tel. : +65 6578-7000 Fax : +65 6578-7007	Ordinary	33,516,824	33,516,824	100.00 ^{/1}
6	Thor Friendship Shipping Pte. Ltd. 3 Church Street, #22-06 Samsung Hub Singapore 049483 Tel. : +65 6578-7000 Fax : +65 6578-7007	Ordinary	28,142,405	28,142,405	100.00 ^{/1}
7	Thor Horizon Shipping Pte. Ltd. 3 Church Street, #22-06 Samsung Hub Singapore 049483 Tel. : +65 6578-7000 Fax : +65 6578-7007	Ordinary	15,500,000	15,500,000	100.00 ^{/1}
8	Thoresen Shipping Germany GmbH Stavendam 4a, 28195 Bremen, Germany Tel. : 421 336 52 22	Ordinary	25,000	25,000	100.00
Type of Business : Commercial Dry Bulk Shipping Activities					
9	Thoresen Shipping Denmark ApS Tuborg Boulevard 12, 3. 2900 Hellerup, Denmark	Ordinary	80,000	80,000	100.00 ^{/1}
Type of Business : Ship Agency					
10	Gulf Agency Company (Thailand) Ltd. 26/30-31 Orakarn Building, 9th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2650-7400 Fax : +66 (0) 2650-7401	Ordinary	22,000	11,215	50.98

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding
11	Thoresen Shipping FZE 1901 19 th Floor, Golden Tower Opp. Marbella Resort, Al Buhairah Corniche Road, Sharjah, UAE Tel. : 971-6-574 2244 Fax : 971-6-574 4244	Ordinary	1	1	100.00
12	Thoresen (Indochina) S.A. 17 th Floor, Petroland Tower 12 Tan Trao Street, Tan Phu Ward District 7, Ho Chi Min City, Vietnam Tel. : +84 8 5411 1919 Fax : +84 8 5417 1919	Ordinary	2,500	1,250	50.00
Type of Business : Ship Brokerage					
13	Fearnleys (Thailand) Ltd. 26/55 Orakarn Building, 15th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2253-6160 Fax : +66 (0) 2655-2716	Ordinary	135,000	66,144	49.00
14	Fearnleys Shipbroking Private Limited 7 th Floor, Badheka Chambers 31, Manohardas Street, Fort Mumbai 400 001	Ordinary	10,000	9,990	99.90
15	Thoresen Chartering (Pte) Ltd. 3 Church Street, #22-06 Samsung Hub Singapore 049483 Tel. : +65 6578-7000 Fax : +65 6578-7007	Ordinary	100,000	100,000	100.00
Type of Business : Oil and Gas Tankering					
16	Petrolift Inc. 7 th Floor, Mapfre Insular Corporate Center Madrigal Business Park I, 1220, Acacia Avenue Ayala Alabang, Muntinlupa City, 1780 Philippines	Ordinary	1,259,350,452	503,740,176	40.00 ^{/5}
Energy					
Type of Business : Offshore Services					
17	Mermaid Maritime Plc. 26/28-29 Orakarn Building, 9 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2255-3115-6 Fax : +66 (0) 2255-1079	Ordinary	1,413,328,857	700,000,000 20,398,420 ^{/3} 102,509,593 ^{/4}	58.22
18	Mermaid Drilling Ltd. 26/28-29 Orakarn Building, 9 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2255-3115-6	Ordinary	41,000,000	38,950,000	95.00
19	MTR-1 (Singapore) Pte. Ltd. 80 Robinson Road #02-00, Singapore 068898 Tel. : +66 (0) 2255-3115-6	Ordinary	40,000	38,000	95.00
20	MTR-2 (Singapore) Pte. Ltd. 80 Robinson Road #02-00, Singapore 068898 Tel. : +66 (0) 2255-3115-6	Ordinary	1	0.95	95.00

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding
21	Mermaid Drilling (Singapore) Pte. Ltd. 80 Robinson Road #02-00, Singapore 068898 Tel. : +66 (0) 2255-3115-6	Ordinary	50,999,926	50,999,926	100.00
22	MTR-1 Ltd. 26/28-29 Orakarn Building, 9th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2255-3115-6	Ordinary	24,000,000	22,800,000	95.00
23	MTR-2 Ltd. 26/28-29 Orakarn Building, 9th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2255-3115-6	Ordinary	35,000,000	33,250,000	95.00
24	Mermaid Drilling (Malaysia) Sdn. Bhd. Level 8 Symphony House Pusat Dagangan Dana 1 Jalan PJU1A/46 47301 Petaling Jaya Selangor Darul Ehsan, Malaysia	Ordinary	500,000	475,000	95.00
25	MTR-3 (Singapore) Pte. Ltd. 80 Robinson Road #02-00, Singapore 068898	Ordinary	22,000,100	22,000,100	100.00
26	MTR-4 (Singapore) Pte. Ltd. 80 Robinson Road #02-00, Singapore 068898	Ordinary	22,000,079	22,000,079	100.00
27	Mermaid Maritime Mauritius Ltd. C/O Abax Corporate Services Ltd. 6 th Floor, Tower A, 1 CyberCity, Ebene, Mauritius	Ordinary	1	1	100.00
28	Mermaid International Ventures Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands	Ordinary	100	100	100.00
29	Mermaid Subsea Services (International) Ltd. Suite 15, 1 st Floor Oliaji Trade Centre Fransis Rachel Street, Box 1004, Victoria, Mahe Seychelles	Ordinary	1	1	100.00
30	Mermaid Subsea Services Saudi Arabia Co., Ltd. Al Khobar, Al Shoaiby Building Al Hizam and Al Akhzar Area Prince Hamoud Road, PO Box 1280, 31952 Kingdom of Saudi Arabia	Ordinary	5,000	4,750	95.00
31	Mermaid Subsea Services LLC 3 rd floor, Sh. Jassim Bin Jaber Al-Thani Building Abdullah Bin Jassim Street, Doha, Qatar	Ordinary	200	98	49.00
32	Asia Offshore Drilling Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	600,000,100	20,256,425	33.76
33	Asia Offshore Rig 1 Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	36,000,000	36,000,000	100.00
34	Asia Offshore Rig 2 Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	36,000,000	36,000,000	100.00

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding
35	Asia Offshore Rig 3 Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	36,000,000	36,000,000	100.00
36	Mermaid Subsea Services (Thailand) Ltd. 26/28-29 Orakarn Building, 9 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2255-3115-6	Ordinary	538,000,000	538,000,000	100.00
37	Seascope Surveys Pte. Ltd. 8 Loyang Drive, Loyang Industrial Estate Singapore (508939)	Ordinary	100	100	100.00
38	PT Seascope Surveys Indonesia JL T.B. Simatupang, Kav. 1 S, Cilandak, Timur Jakarta, 12560, Indonesia	Ordinary	800	392	49.00
39	Seascope Surveys (Thailand) Ltd. 26/28-29 Orakarn Building, 9 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2255-3115-6	Ordinary	3,400,000	3,400,000	100.00
40	Mermaid Offshore Services Pte. Ltd. 80 Robinson Road #02-00, Singapore 068898	Ordinary	20,400,100	20,400,100	100.00
41	Mermaid MTN Pte. Ltd. 80 Robinson Road #02-00, Singapore 068898	Ordinary	100	100	100.00
42	Zamil Mermaid Offshore Services Company LLC Khobar, P.O. Box 1922, ZIP Code 31952	Ordinary	2,000	800	40.00

Infrastructure

Type of Business : Ship Supplies, Logistics, Ship Stevedoring and Transportation

43	Chidlom Marine Services & Supplies Ltd. 26/22-23 Orakarn Building, 7 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2250-0569 Fax : +66 (0) 2655-5631	Ordinary	700,000	699,993	99.99
44	GAC Thoresen Logistics Ltd. 26/30-31 Orakarn Building, 9 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2650-7400 Fax : +66 (0) 2650-7401	Ordinary	750,000	382,496	51.00

Type of Business : Port Operations

45	Sharjah Ports Services LLC P.O.Box 510, Port Khalid Sharjah, United Arab Emirates Tel. : 971-6-528 1327	Ordinary	150,000	73,500	49.00 ³
46	Baria Serece Phu My Borough, Tan Thanh District Baria Vung Tau Province, Vietnam Tel. : +84 64 3876 603 Fax : +84 64 3876 600	Ordinary	2,039,080	407,816	20.00 ⁵

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding
Type of Business : Coal Logistics Business					
47	Unique Mining Services Plc. 26/54-55 Orakarn Building, 15 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2655-7501-2 Fax : +66 (0) 2655-7503-5	Ordinary	503,384,438	453,610,136	90.11 ^{/4}
48	UMS Distribution Co., Ltd. 26/54-55 Orakarn Building, 15 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2655-7501-2 Fax : +66 (0) 2655-7503-5	Ordinary	2,000,000	1,999,993	99.99
49	UMS Lighter Co., Ltd. 26/54-55 Orakarn Building, 15 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2655-7501-2 Fax : +66 (0) 2655-7503-5	Ordinary	11,000,000	10,999,994	99.99
50	UMS Pellet Energy Co., Ltd. 26/54-55 Orakarn Building, 15 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2655-7501-2 Fax : +66 (0) 2655-7503-5	Ordinary	1,800,000	1,799,994	99.99
51	UMS Port Services Co., Ltd. 108 Moo 2 Tumbol Khlong Sakae, Amphoe Nakhon Luang Ayutthaya, 13260 Tel. : +66 (0) 3572-4210, +66 (0) 3572-4204 Fax : +66 035-724-281	Ordinary	1,800,000	1,799,993	99.99
Type of Business : Fertilizers Business					
52	Baconco Co., Ltd. Phu My I Industrial Park, Tan Thanh Town Baria Vung Tau Province, Vietnam Tel. : +84 64 3893 399 Fax: +84 64 3876 030	Charter capital is VND 377,072,638,790			100.00 ^{/6}
53	PM Thoresen Asia (Singapore) Pte. Ltd. 3 Church Street, #22-06 Samsung Hub Singapore, 049483 Tel : +65 6578-7000 Fax : +65 6578-7007	Ordinary	40,000	40,000	100.00 ^{/6}
Others					
Type of Business : Investment Holdings					
54	Soleado Holdings Pte. Ltd. 3 Church Street, #22-06 Samsung Hub Singapore, 049483 Tel. : +65 6578-7000 Fax : +65 6578-7007	Ordinary	130,000,000	130,000,000	100.00

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding
55	Athene Holdings Ltd. 26/32 Orakarn Building, 10 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2254-8437 Fax : +66 (0) 2655-5631	Ordinary	1,000,000	999,993	99.99
56	PM Thoresen Asia Holdings Plc. 26/26-27 Orakarn Building, 8 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2254-8437 Fax : +66 (0) 2655-5631	Ordinary	101,200,000	69,338,498	68.52
Type of Business : Others					
57	PMFB Ltd. 26/22-23 Orakarn Building, 7 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2254-8437 Fax : +66 (0) 2655-5631	Ordinary	600,000	599,993	99.99
58	Sino Grandness Food Industry Group Limited 56th Floor, Block A, Union Plaza No.5022 Binhe Road, Futian District, Shenzhen The People's Republic of China 518033 Tel. : + 86 755 82821186	Ordinary	673,344,828	68,275,735	10.14 ⁵
59	Asia Coating Services Ltd. 26/22-23 Orakarn Building, 7 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2250-0569 Fax : +66 (0) 2655-5631	Ordinary	800,000	799,993	99.99
60	Laser Game Asia Ltd. 1 Room No. 7, Soi Sukhumvit 22, Sukhumvit Road, Klongton, Klongtoey, Bangkok, 10110 Tel. : +66 (0) 2663-7703	Ordinary	19,600	5,880	30.00 ⁷
		Preference	20,400	6,120	
61	TTA SUEZ Co., Ltd. 26/22-23 Orakarn Building, 7 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2250-0569 Fax : +66 (0) 2655-5631	Ordinary	200,000	101,997	51.00
62	PMT Property Co., Ltd. 26/22-23 Orakarn Building, 7 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2250-0569 Fax : +66 (0) 2655-5631	Ordinary	100,000	99,997	99.99

Note: /1 indirectly held through Thoresen Shipping Singapore Pte. Ltd.

/2 indirectly held through Thoresen (Indochina) S.A.

/3 indirectly held through Thoresen Shipping FZE

/4 indirectly held through Athene Holdings Ltd.

/5 indirectly held through Soleado Holdings Pte. Ltd.

/6 indirectly held through PM Thoresen Asia Holdings Plc.

/7 indirectly held through Asia Coating Services Ltd.

► GLOSSARY

The following are definitions of key terms used in this annual report.

Glossary of Maritime Terms:

BHSI	The Baltic Handysize Index is a measure of the strength of smaller dry bulk vessel spot freight earnings (basis 28,000 dwt bulk carriers). It was established on a trial basis in May 2006 and was formally launched in January 2007.
BSI	The Baltic Supramax Index ("BSI") (basis 52,000 dwt bulk carriers) was officially launched in January 2006.
Bulk Vessels/Carriers	Vessels which are specially designed and built to carry large volumes of cargo in bulk cargo form.
Charter	The hire of vessel or drilling rig for a specified period of time or in the case of bulk carriers to carry cargo for a fixed fee from a loading port to a discharging port. The contract for a charter is called a charterparty.
Charterer	The individual or company hiring a vessel.
Charter Hire Rate	A sum of money paid to the vessel or drilling rig owner by a charterer under a charterparty for the use of a vessel or drilling rig.
Classification Society	An independent organization which certifies that a vessel or drilling rig has been built and maintained in accordance with the rules of such organization and complies with the applicable rules and regulations of the country of such vessel or drilling rig and the international conventions of which that country is a member.
Deadweight Tonne ("dwt")	A unit of a vessel's capacity for cargo, fuel oil, stores and crew, measured in metric tons of 1,000 kilograms. A vessel's dwt, or total deadweight, is the total weight the vessel can carry when loaded to a particular load line.
Deepwater	For dive support vessels, this refers to water depths beyond 300 metres. For drilling, this comprises "5th Generation Deepwater", which refers to the latest generation of semisubmersible rigs and drillships possessing the latest technical drilling capabilities and the ability to operate in water depths in excess of 7,000 feet. "Other Deepwater" refers to semisubmersible rigs and drillships that possess the ability to drill in water depths greater than 4,500 feet.
Dive Support Vessel	Specially equipped vessel that performs services and acts as an operational base for divers, remotely operated vehicles, and specialized equipment.
DP2	Dynamic position 2 - redundancy allows the vessel to maintain position even with failure of one component or subsystem, required for vessels which support manned diving operations.
Dry Bulk	Non-liquid cargoes of commodities shipped in an unpackaged state.
Dry-docking	The removal of a vessel or drilling rig from the water for inspection and/ or repair of submerged parts.
Dynamic Position ("DP")	Computer-directed thruster systems that use satellite-based positioning and other positioning technologies to ensure the proper counteraction to wind, current, and wave forces enabling the vessel to maintain its position without the use of anchors.

Freight Rates	A price at which a certain cargo is delivered from one point to another. The price depends on the form of the cargo, the mode of transport (truck, ship, train, aircraft), the weight of the cargo, and the distance to the delivery destination. Many shipping services, especially air carriers, use dimensional weight for calculating the price, which takes into account both weight and volume of the cargo.
Handymax	A dry bulk carrier of approximately 35,000 to 60,000 dwt.
Handysize	A dry bulk carrier having a carrying capacity of up to approximately 35,000 dwt.
Hull	The shell or body of a vessel.
International Maritime Organization ("IMO")	A United Nations agency that issues international trade standards for shipping.
Metric Tonne	A unit of measurement equal to 1,000 kilograms.
Newbuilding	A newly constructed vessel.
Orderbook	A reference to currently placed orders for the construction of vessels or drilling rigs (e.g., the Handymax orderbook).
Panamax	A dry bulk carrier of approximately 60,000 to 80,000 dwt of maximum length, depth and draft capable of passing fully loaded through the Panama Canal.
Remotely Operated Vehicles ("ROV")	Robotic vehicles used to complement, support, and increase the efficiency of diving and sub-sea operations and for tasks beyond the capability of manned diving operations.
Scrapping	The disposal of old or damaged vessel tonnage by way of sale as scrap metal.
Short-Term Time Charter	A time charter which lasts less than approximately twelve months.
Supramax	A bulk carrier with a capacity less than 60,000 dwt. Supramax vessels are relatively bigger in size with 50,000 to 60,000 dwt. It is well suited for small ports with length and draught restrictions, or ports lacking transshipment infrastructure
Tender Rig	A tender rig is a purpose-built self-erecting drilling tender barge with a flat bottom, raked sterns, and raked bow hull shape. It is designed as a cost-efficient and flexible drilling system for development scenarios involving multiple well slot fixed offshore platforms whereby the rig moves from platform to platform using its own drilling equipment set which is lifted by its own crane. Lifting operations can be made onto platforms up to a height of 90 feet above sea level.
Time Charter	Contract for hire of a vessel. A charter under which the vessel owner is paid charter hire rate on a per day basis for a certain period of time, the vessel owner being responsible for providing the crew and paying operating costs while the charterer is responsible for paying the voyage costs. Any delays at port or during the voyages are the responsibility of the charterer, save for certain specific exceptions such as loss of time arising from vessel breakdown and routine maintenance.
Voyage Charter	Contract for hire of a vessel under which a vessel owner is paid freight on the basis of moving cargo from a loading port to a discharge port. The vessel owner is responsible for paying both operating costs and voyage costs. The charterer is typically responsible for any delay at the loading or discharging ports.

Glossary of Coal Terms:

Anthracite	Coals with a volatile-carbon ratio equal to 0.12 or less. It has a bright black luster and is coal of the highest rank.
Bituminous Coal	A general term descriptive of coal intermediate in rank between sub-bituminous and semi-anthracite and including coking coals. Bituminous coals may be either bright or dull and are usually banded in appearance.
Calorific Value	Quantity of heat produced when a unit weight of coal burns. Calorific value is measured in British thermal units per pound or calories per gram.
Coal Mine	An area of land and all structures, facilities, machinery, tools, equipment, shafts, slopes, tunnels, excavations and other property, real or personal, placed upon, under or above the surface of such land by any person, used in, or to be used in, or resulting from the work of extracting in such area bituminous coal, lignite, or anthracite from its natural deposits in the earth by any means or method and the work of preparing the coal so extracted and includes custom coal preparation facilities.
Lignite	A brownish-black coal composed of vegetable matter which has been altered more than in peat, but less than in sub-bituminous coal.
Specific Energy (Calorific Value)	The energy in kilocalories released per kg of coal burned.
Sub-bituminous	Sub-bituminous coals may be dull, dark brown to black, soft and crumbly at the lower end of the range, to bright jet-black, hard, and relatively strong at the upper end. They contain 15-30% inherent moisture by weight and are non-coking (undergo little swelling upon heating).
Sulfur	Forms sulfur dioxide during coal combustion.
TOE	Tonne of Oil Equivalent. A unit of energy: the amount of energy released by burning one tonne of crude oil, approximately 42 GJ. TOE is sometimes used for large amounts of energy, as it can be more intuitive to visualize, say, the energy released by burning 1,000 tonnes of oil than 42,000 billion joules (the SI unit of energy).

Glossary of Fertilizer Terms:

Urea	The most common nitrogen fertilizer in the world. Formula $\text{CO}(\text{NH}_2)_2$, can be prilled or granular, and obtained by chemical process (natural gas into ammonia, and then urea).
NPK	Stands for "Nitrogen Phosphorus Potassium", used to mention the compound fertilizers associating the three main fertilizing nutrients, to be differentiated from the single fertilizers.
Blending	Or "bulk blending" is a physical process mixing single fertilizers together to obtain NPK fertilizers.
Granulation	Process using steam, water and heat to manufacture NPK fertilizers, thereafter called granulated fertilizers.
Compaction	Process using heat and pressure to manufacture NPK fertilizers, thereafter called compacted fertilizers.

▶▶CORPORATE INFORMATION

As of 31 December 2016

Name of Company	: Thoresen Thai Agencies Public Company Limited
Initial	: TTA
Registration No.	: 0107537002737
Date of Establishment	: 16 August 1983
Date of Conversion to Public Company Limited	: 15 December 1994
Date of Listing Ordinary Shares in SET	: 25 September 1995
Type of Business	: Investment Holdings with 3 business segments: Transport, Energy and Infrastructure
Office Address	: 26/26-27 Orakarn Building 8 th Floor, Soi Chidlom Ploenchit Road, Bangkok 10330, Thailand Telephone: +66 (0) 2254-8437 Facsimile: +66 (0) 2655-5631 Email: tta@thoresen.com Website: http://www.thoresen.com
Investor Relations Department	: Telephone: +66 (0) 2254-8437 ext 292 Facsimile: +66 (0) 2655-5631 Email: Investors@thoresen.com
Company Secretary Office	: Telephone: +66 (0) 2254-8437 ext 144 Facsimile: +66 (0) 2655-5631 Email: COR@thoresen.com
Internal Audit Department	: Telephone: +66 (0) 2254-8437 ext 515 Facsimile: +66 (0) 2655-5635
Ordinary Shares	
Registered Capital	: Baht 2,110,160,255
Paid up Capital	: Baht 1,822,454,100
No. of Issued Shares	: 1,822,454,100 ordinary shares
Par Value	: Baht 1 per share

Reference Persons

Securities Registrar

: Thailand Securities Depository Co., Ltd. ("TSD")
 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>

Debenture Registrar

: Siam Commercial Bank Plc.
 9 Ratchadaphisek Road, Jatujak, Bangkok, 10900 Thailand
 Telephone: +66 (0) 2544-1000
 Facsimile: +66 (0) 2544-2658

Auditor

: KPMG Phoomchai Audit Ltd.
 195 South Sathorn Road, Yannawa, Sathorn,
 Bangkok 10120, Thailand
 Telephone: +66 (0) 2677-2000
 Facsimile: +66 (0) 2677-2222

Legal Advisor

: Baker & McKenzie Ltd.
 5th Floor, 22nd - 25th Floor, Abdulrahim Place
 990 Rama IV Road, Silom, Bangrak
 Bangkok 10500, Thailand
 Telephone: +66 (0) 2636-2000
 Facsimile: +66 (0) 2636-2111

Remark: Investors can study additional details of the issuer from the Company's Annual Information Disclosure Form (Form 56-1) on the SEC's website at <http://www.sec.or.th> or on the Company's website at <http://www.thoresen.com>.

The background is a solid blue color. Overlaid on this are several thin, white, intersecting lines that form various geometric shapes, including triangles and polygons, creating a dynamic and abstract pattern.

DIRECTING THE FUTURE

Thoresen Thai Agencies Plc.

26/26-27 Orakarn Building, 8th Floor, Soi Chidlom
Ploenchit Road, Kwaeng Lumpinee, Khet Pathumwan
Bangkok 10330 Thailand
Telephone : +66 (0) 2250-0569-74, +66 (0) 2254-8437
Fax : +66 (0) 2655-5631
Website : <http://www.thoresen.com>