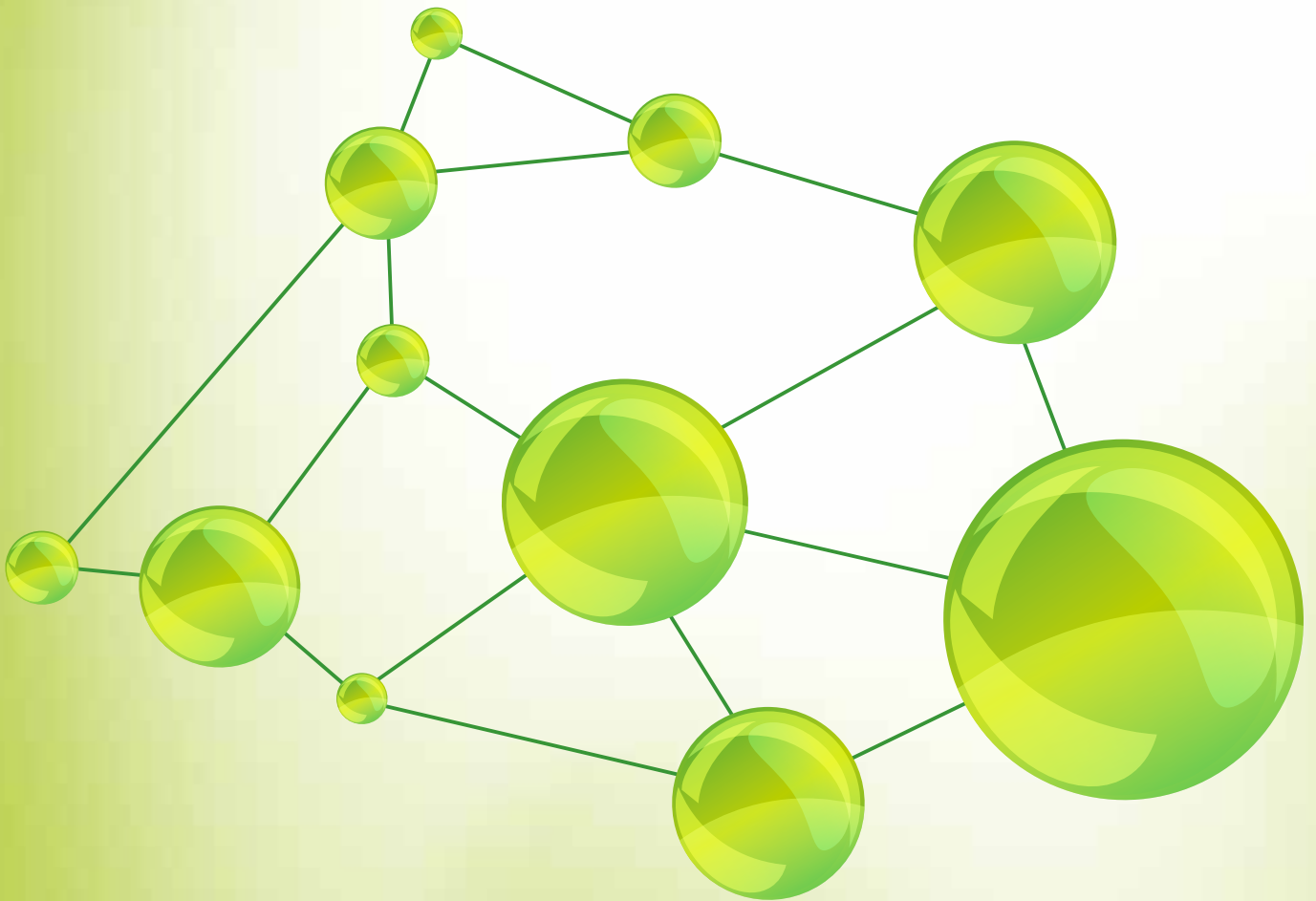
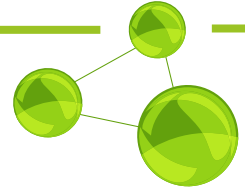


ANNUAL REPORT | 2017



**KEEP
THE
MOMENTUM**



**TO BE
THE MOST
TRUSTED
ASIAN
INVESTMENT
GROUP**



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TTA CORE VALUES

Commitment

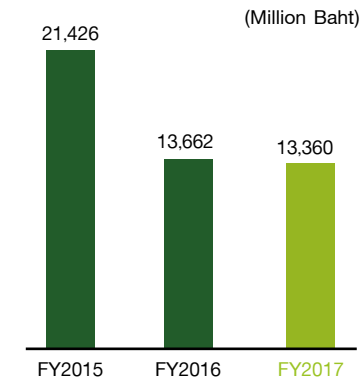
Integrity

Team Spirit

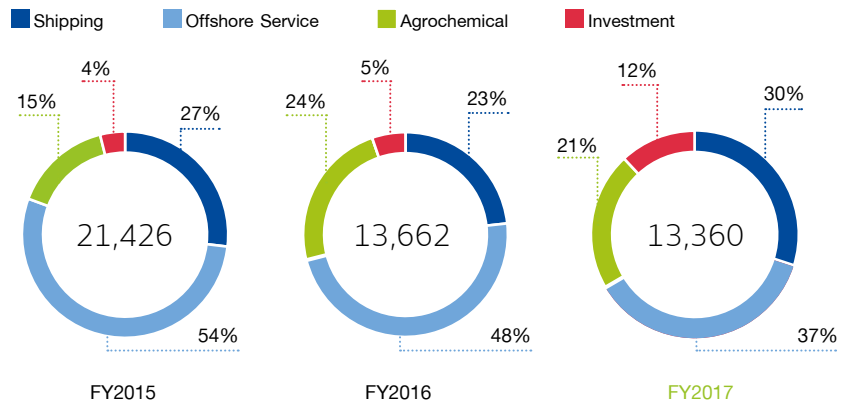
Excellence

GROUP FINANCIAL SUMMARY

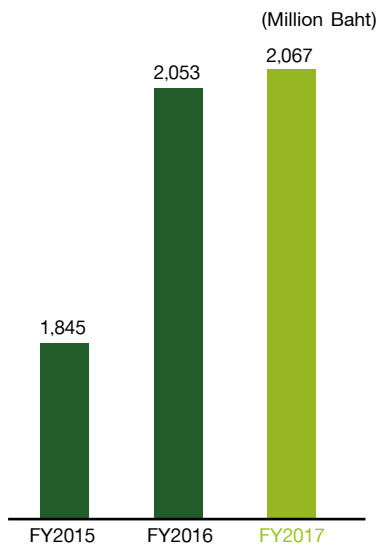
Revenues



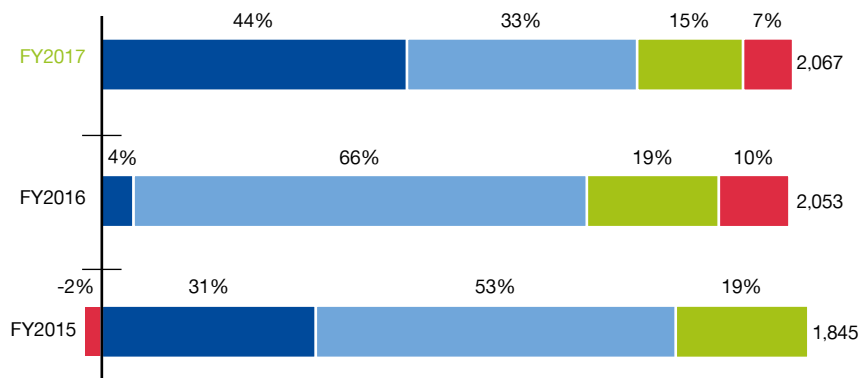
Revenue Breakdown



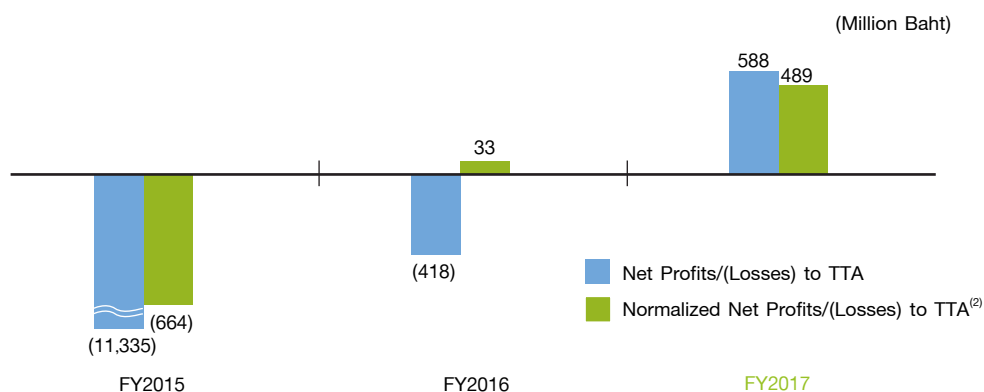
EBITDA⁽¹⁾



EBITDA⁽¹⁾ Breakdown



Net Profits/Normalized Net Profits⁽²⁾



Statement of Financial Position (Million Baht)

	FY2015	FY2016	FY2017
Total Assets	45,346	41,620	35,585
Cash, Cash Equivalents, and Current Investments	13,423	10,671	6,423
Other Current Assets	7,387	5,453	4,492
Property, Plant, and Equipment	18,387	16,801	15,561
Other Non-Current Assets	6,149	8,695	9,108
Total Liabilities	18,358	15,125	10,531
Interest Bearing Debt	14,401	12,165	8,109
Other Liabilities	3,957	2,961	2,422
Total Equity	26,988	26,495	25,054

Key Financial Ratio

	FY2015	FY2016	FY2017
Current Ratio (Times)	1.91	2.04	1.75
EBITDA to Revenues (%)	8.6%	15.0%	15.5%
Net Profits to Revenues - Normalized* (%)	-3.0%	3.0%	4.1%
Net Profits to Revenues (%)	-69.1%	-0.7%	5.2%
Return on Total Assets - Normalized* (%)	-1.3%	1.0%	1.4%
Return on Total Assets (%)	-30.5%	-0.2%	1.8%
Return on Equity - Normalized* (%)	-2.9%	0.2%	2.4%
Return on Equity (%)	-49.4%	-2.0%	2.9%
Interest Bearing Debt to Equity (Times)	0.53	0.46	0.32
Net interest Bearing Debt to Equity ⁽³⁾ (Times)	0.04	0.06	0.07

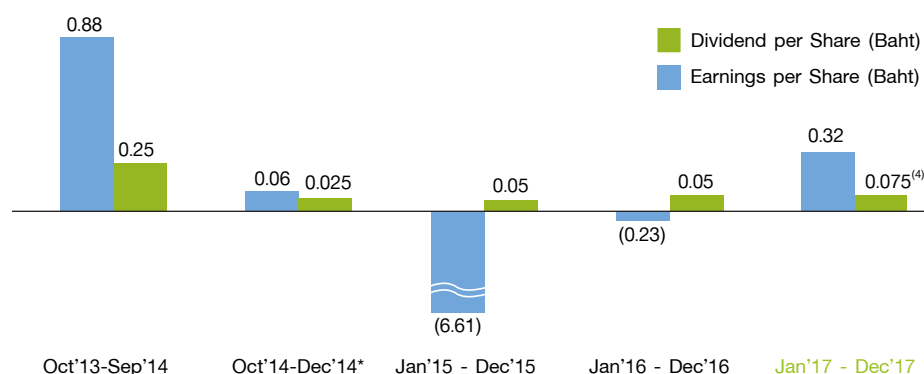
*Calculated from normalized net profits/ (losses)⁽²⁾

EPS and Dividend Payment

	Oct'13-Sep'14	Oct'14-Dec'14*	Jan'15 - Dec'15	Jan'16 - Dec'16	Jan'17- Dec'17
Earnings per Share (Baht)	0.88	0.06	(6.61)	(0.23)	0.32
Dividend per Share (Baht)	0.25	0.025	0.05	0.05	0.075 ⁽⁴⁾
Number of Shares (Million)**	1,293	1,301	1,822	1,822	1,822

*Restated

**As the end of period

⁽¹⁾ EBITDA = Earnings Before Interest, Tax, Depreciation, and Amortization⁽²⁾ Normalized net profits/(losses) = net profits/(losses)-non-recurring items⁽³⁾ Net interest bearing debt to equity = (interest bearing debt-cash and cash equivalents-current investments)/total shareholder's equity⁽⁴⁾ Subject to the approval of shareholders at the 1/2018 AGM on 25 April 2018

**“ SUSTAINABLE GROWTH REQUIRES
VISION, FINANCIAL STRENGTH
AND FLEXIBILITY. ”**



Prayudh Mahagitsiri
Honorary Chairman



MESSAGES FROM CHAIRMAN AND CEO



Prasert Bunsumpun
Chairman of the Board of Directors



Chalermchai Mahagitsiri
President and Chief Executive Officer

Dear Shareholders,

Enhancing Performance

TTA is delighted to report the improved performance of the Company in 2017. The core shipping business saw a welcome return to profitability with freight levels rising as the dry bulk freight markets entered the recovery stage of the cycle. Stronger global economic conditions resulted in increased business from key markets such as China's demand for imported iron ore and coal reached record levels. Reflecting this upward trend, the Baltic Dry Index (BDI) rebounded from its 30 year low of 290 points in February 2016 to high of 1,743 points in December 2017. Thoresen Shipping's improved performance was also driven by the continuing fleet renewal plan and drive to increase operating efficiencies in TTA's shipping business.

To enhance the Company's competitive advantage across all business groups moving forward, the management team has focused relentlessly on identifying new business opportunities, operational efficiency and financial prudence. The overall result has placed TTA in a strong position to capitalize on the improved global trading conditions moving forward through 2018.

Consolidated revenue for TTA in 2017 was stable at Baht 13.36 billion while consolidated EBITDA was at Baht 2.067 billion. Consolidated normalized net profit stood at Baht 550.3 million. Earnings per share of Baht 0.32 represented a 241% improvement from the previous year.

TTA maintained a strong balance sheet which was reflected in the year-end consolidated cash and cash equivalents and short-term investments position of Baht 6.42 billion.

Business Unit Updates

The Shipping Business Group enjoyed a strong resurgence during 2017 as the freight market continued its upward trend from the end of 2016 throughout the year.

With Thoresen Shipping's revenue in the dry bulk shipping business increasing by 26% to Baht 4.0 billion, the efficiency of shipping operations management was key to achieving an EBITDA of Baht 914.4 million and owned fleet utilization rate almost at 100%. By keeping operating cash cost essentially flat throughout the year at USD 5,042, the lift in revenue resulted in strong growth in gross profits to 287%. The rally in the freight rates also saw the company's average TCE (Time Charter Equivalent) rate having an average of USD 8,469 per day during FY2017, an increase of 64% over the previous year.

To ensure a robust platform for the next phase of the market cycle, the management team has continued its strategy of replacing older vessels with larger and more modern ones. During the year two vessels were sold while three second-hand bulk carriers were also purchased. As of 31 December 2017, the fleet comprises 21 owned vessels with a total capacity of approximately 1.13 million deadweight tons (DWT) with an average age of 11.98 years.

The Offshore Service Group experienced challenging market conditions during the year 2017. The extension of reduced oil production until the end of 2018 by OPEC, Russia and other major producers, and the demand growth anticipated by OPEC, suggests the oil market will remain undersupplied and oil prices will range between USD 55-70 per barrel throughout 2018.

Despite significant oversupply for subsea and offshore services, competitive pressure in home regional markets of the Middle East and South East Asia, Mermaid Maritime Public Company Limited ("Mermaid") performed well, recording service income of Baht 4,886.7 million in 2017, a decrease of 25% from 2016. Fleet utilization decreased throughout year 2017 to 56% for the year compared with 69% in 2016.

The company embarked on a coordinated effort to seek out new customers in new markets while continuing to retain key customers. Particular focus was placed on longer term contracts with a number of new contracts spanning 21 months to 2 years. A key contract extension worth approximately USD 96 million with a reputable oil major client was secured by a joint venture company formed between Mermaid and a local offshore services operator in a GCC country in the Middle East. The contract extension is for a firm one year plus a one-year option, and represents a stream of stable revenue over the next financial year. As a result of this success the outlook for Mermaid in 2018 looks strong with the order book at the end of year at USD 148 million.

The Agrochemical Business Group, PM Thoresen Asia Holdings Public Company Limited ("PMTA"-parent of Baconco Co., Ltd.) in Vietnam, enjoyed a solid start to the year 2017 in NPK fertilizer sales before the imposition of temporary duties on MAP and DAP fertilizer imports by the Vietnam government authority in August 2017 and unexpected heavy rain in Q4. Seeing an opportunity in the higher-margin domestic market, PMTA launched an active marketing campaign which, combined with efficient raw material control, resulted in strong local growth in fertilizer sales to 121.845 Ktons, up 6% YOY.

The factory rental business continued to operate efficiently with fully utilized space. Two more factory area leasing space approximately 20,000 sqm were completed in Q4/2017, lifting the total rental capacity to 66,420 sqm. However, the strengthening Thai Baht against the Vietnam dong and US dollar depressed the profit reported in Thai Baht. As a result, PMTA reported total revenue of Baht 2,818.1 million and net profit of Baht 191.8 million, or about 69% of the previous year.

Long-term investment strategies look beyond short-term volatility for sustainable growth. TTA must embrace and value change, responding quickly to build upon the momentum achieved in the last 12 months. Reflecting this philosophy, TTA has re-organized other businesses under Investment and core businesses into three business segments which are 1) Shipping, 2) Offshore Service, 3) Agrochemical. New business investment will be under 4) Investment, the new business segment, to signal a clearer demarcation of existing core businesses such as food & beverage,

water management and logistics, and highlight the push to diversify and transform the group as it moves forward.

Of note was the successful acquisition by PH Capital Co., Ltd., a 70% owned subsidiary company of TTA, in June 2017 to become the sole franchise operator of the iconic Pizza Hut restaurant business in Thailand. The company plans to double the number of restaurants in Thailand and renovate the existing Pizza Hut business to add a modern touch.

The joint-venture operation in water and wastewater management, TTA SUEZ Company Limited, also made good progress during the year, including the signing of a letter of Intent with the Pattaya Water Authority for a joint study on the efficiency of the distribution and transmission network and reduction in non-revenue water.

Unique Mining Services Public Company Limited (“UMS”) continued its role as an importer of high quality coal with moderate calorific value and less environmental impact to meet the needs of key clients in the food and beverage, pulp and paper and textile industries. Utilizing complete logistics management and efficient administration, the company delivers imported coal from Indonesia to customers in a timely manner, reducing their concerns of storage and supply continuity. UMS reported a net loss of Baht 90.99 million and attributable net losses to TTA of Baht 81.99 million.

Building Momentum

The global recovery continues to strengthen according to the International Monetary Fund or IMF, and global growth forecasts for 2018 and 2019 have now been revised upward by 0.2 percentage point from 3.7% to 3.9%.

Against this backdrop there has been a welcome rebalancing of supply and demand in the dry bulk

shipping industry with slowing deliveries of new ships at the same time as demand has improved. Both favorable trends are expected to continue in 2018 and management team will be leveraging the opportunities that flow from these in order to continue to build momentum.

China remains critical to the dry bulk shipping industry outlook. A return to robust steel demand is anticipated, with Chinese mills working at maximum capacity and showing an increasing preference for higher grade imported iron ore and coking coals which are both higher yielding and less polluting than domestic coal and iron ore. With its 5-year plan involving significant infrastructure spending we expect strong growth of freight markets through 2018 and beyond.

Leading economies around the world including the USA, Japan and the EU have all shared in the current broad-based recovery, presenting further opportunities for growth. These conditions present many opportunities for building on the momentum achieved in 2017.

“TTA management team’s strategy of seeking out new customers in new regions, optimizing operational performances, introducing even greater efficiency and innovation into TTA’s core businesses, and diversifying through new long-term investments means TTA is well placed to move beyond short-term challenges and volatility to build a platform for continuing growth in the future.”

The Board of Directors would like to express its sincere gratitude to all our shareholders for their continued support. We have weathered difficult conditions in recent years, and while some short-term challenges remain, we are resolute in our objective of achieving sustainable growth and long-term shareholder value.



Prasert Bunsumpun

Chairman of the Board of Directors



Chalermchai Mahagitsiri

President and Chief Executive Officer

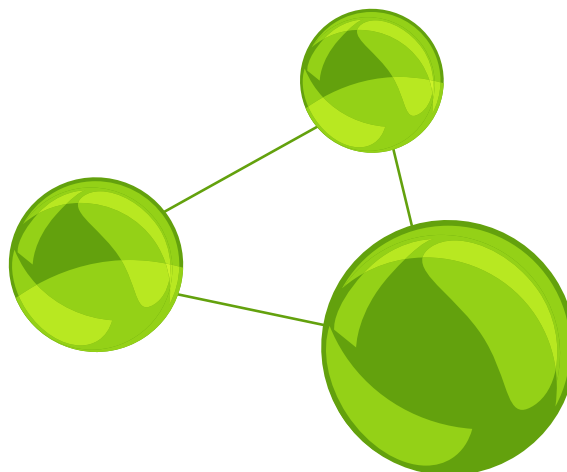
IMPORTANT CHANGES AND DEVELOPMENTS

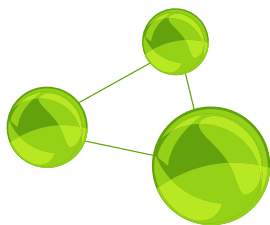
2013

- Wholly-owned subsidiary of Thoresen Thai Agencies Plc. (“TTA”), Thoresen Shipping Singapore Pte. Ltd. (“TSS”) acquired three dry bulk vessels (one second-hand and two newly built vessels). Separately, TTA subsidiary Mermaid Maritime Plc. (“Mermaid”)’s associate Asia Offshore Drilling Limited (“AOD”) took delivery of three newly built jack-up rigs.
- To better serve its European client base, TTA established Thoresen Shipping Denmark APS as a commercial office based in Copenhagen, Denmark.
- TTA raised Baht 3,964 million via a rights offering in combination with warrants to purchase ordinary shares of TTA No. 3 (“TTA-W3”).
- TTA subsidiary Mermaid raised SGD 175.78 million via a rights offering.

2014

- TSS acquired six second-hand dry bulk vessels.
- Almost wholly-owned TTA subsidiary Premo Shipping Plc. was established following an amalgamation of 45 dormant Thai shipping companies.
- TTA established PM Thoresen Asia Holdings Plc. (“PMTA”) as a holding company to own shares of Baconco Co., Ltd. (“Baconco”) on 7 June 2013, which was subsequently converted to a public company limited on 4 February 2014.
- TTA disposed 49% investment stake in Indonesia company PT Perusahaan Pelayaran Equinox (“Equinox”) on 29 January 2014.
- TTA raised Baht 4,174 million via a rights offering in combination with warrants to purchase ordinary shares of TTA No. 4 (“TTA-W4”).
- Soleado Holdings Pte. Ltd. (“Soleado”) invested in a 9% stake in a Singapore-listed Chinese canned food and fruit beverage producer and distributor company, Sino Grandness Food Industry Group Limited (“Sino Grandness”).
- TTA changed its accounting period from 1 October to 30 September of each year to 1 January to 31 December of each year following shareholder approval 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.





2015

- TTA raised Baht 7,286 million via a rights offering in combination with warrants to purchase ordinary shares of TTA No. 5 ("TTA-W5").
- TTA successfully floated PMTA on the Stock Exchange of Thailand ("SET") on 6 May 2015. Post the listing, PMTA became a 67.2% owned TTA subsidiary.
- TTA issued senior unsecured domestic debentures of Baht 2.0 billion to refinance existing loans and increase working capital.
- With the objective to develop innovation in Thailand, Mermaid and PTT Exploration and Production Public Company Limited ("PTTEP") signed a Memorandum of Understanding on 27 October 2015 to cooperate on research and development towards full functional autonomous underwater vehicles ("AUV") for petroleum exploration and production.
- PMTA secured exclusive distributorship of the highly innovative and powerful "N-Protect" urea fertilizer products from global chemical production leader, Solvay (Belgium) for Vietnam, Laos, Cambodia and some African countries.

2016

- 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.
- Through wholly-owned subsidiary Asia Coating Services Ltd. ("ACS"), TTA invested in a 30% stake in Laser Game Asia Co., Ltd. ("LGA").
- 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 to develop drinking and waste water services business in Thailand.
- Baconco received a Certificate of Compliment from Ba Ria Vung Tau Power Company recognising Baconco success on energy saving and regulation compliance.

2017

- TSS acquired three second-hand dry bulk vessels.
- TTA established 70% owned subsidiary PH Capital Co., Ltd. ("PHC") and through PHC, TTA successfully acquired the Pizza Hut business in Thailand from Yum Restaurants International (Thailand) Co., Ltd. ("YUM") on 1 June 2017. PHC is since operating all Pizza Hut restaurants in Thailand.
- TTA and TSS established Thoresen Shipping (Thailand) Co., Ltd. ("TST") to own and operate Thai-flagged vessels. One vessel was transferred from TSS to focus on Thai business.
- Mermaid purchased a 49% investment stake in Cambodia company PTGC Co., Ltd. ("PTGC") to enhance returns.

BOARD OF DIRECTORS



**Mr. Chalermchai
Mahagitsiri**

**Mr. Prasert
Bunsumpun**

**Mr. Jean Paul
Thevenin**

**Mr. Kamolsut
Dabbaransi**

**Mr. Cherdpong
Siriwit**



**Mr. Chitrapongse
Kwangsukstith**

**Ms. Ausana
Mahagitsiri**

**Mr. Somboonkiat
Kasemsuwan**

**Mr. Jitender
Pal Verma**

**Mohammed Bin
Rashed Bin Ahmad
Bin Muftah Al Nasseri**

**Mr. Santi
Bangor**

1

Mr. Prasert Bunsumpun

(Age 65)

Chairman of the Board of Directors/
Chairman of Executive Committee

Date of first appointment :

31 January 2012

(%) of shareholding as of

31 December 2017 : 0.01

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

2

Mr. Chalermchai Mahagitsiri

(Age 39)

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

Date of first appointment :

31 January 2012

(%) of shareholding as of

31 December 2017 : 22.02

(included his shares held under
custodian account)

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

Ms. Ausana Mahagitsiri's brother

3

Mr. Jean Paul Thevenin

(Age 77)

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

Date of first appointment :

30 January 2014

(%) of shareholding as of

31 December 2017 :

Own : None

Spouse : 0.0006

Total : 0.0006

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

4

Mr. Jitender Pal Verma

(Age 53)

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

Date of first appointment :

26 April 2017

(Date of joining TTA : 22 April 2015)

(%) of shareholding as of

31 December 2017 : 0.003

(shares held under Thai NVDR)

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

5

Ms. Ausana Mahagitsiri

(Age 37)

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

Date of first appointment :

31 January 2012

(%) of shareholding as of

31 December 2017 : 3.88

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

Mr. Chalermchai Mahagitsiri's sister and

Mr. Kamolsut Dabbaransi's spouse

6

Mr. Somboonkiat Kasemsuwan

(Age 72)

Independent Director/Chairman of Audit
Committee

Date of first appointment :

14 November 2016

(%) of shareholding as of

31 December 2017 : None

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

7

Mr. Santi Bangor

(Age 72)

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

31 December 2017 : None

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

8

Mr. Cherdpong Siriwit

(Age 71)

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

Date of first appointment :

30 January 2013

(%) of shareholding as of

31 December 2017 : None

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

9

**Mohammed Bin Rashed Bin Ahmad
Bin Muftah Al Nasseri**

(Age 47)

Independent Director/Member of
Nomination and Remuneration
Committee

Date of first appointment :

30 January 2013

(%) of shareholding as of

31 December 2017 : None

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

10

Mr. Chitrapongse Kwangsukstith

(Age 68)

Independent Director

Date of first appointment :

13 May 2015

(%) of shareholding as of

31 December 2017 : None

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

11

Mr. Kamolsut Dabbaransi

(Age 40)

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

Date of first appointment :

27 April 2016

(%) of shareholding as of

31 December 2017 :

Own : None

Spouse : 3.88

Total : 3.88

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

Ms. Ausana Mahagitsiri's spouse

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

EXECUTIVES



**Mr. Sigmund
Stromme**

**Mr. Jitender Pal
Verma**

**Mr. Chalermchai
Mahagitsiri**

**Mr. Ng Kit Wei,
David**

**Mr. Kamolsut
Dabbaransi**

1

**Mr. Chalermchai Mahagitsiri
(Age 39)**

Director/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 31 December 2017 : 22.02

(included his shares held under a custodian account)

Relation among family with other directors and executives :

Ms. Ausana Mahagitsiri's brother

2

**Mr. Kamolsut Dabbaransi
(Age 40)**

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

Date of first appointment as Executive : 1 August 2015
(%) of shareholding as of 31 December 2017 :

Own : None

Spouse : 3.88

Total : 3.88

Relation among family with other directors and executives :

Ms. Ausana Mahagitsiri's spouse

3

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

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

Date of first appointment as Executive : 13 May 2015

(Date of joining TTA : 22 April 2015)

(%) of shareholding as of 31 December 2017 : 0.003

(shares held under Thai NVDR)

Relation among family with other directors and executives : None

4

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

Executive Vice President - Agro and Logistics

Date of first appointment as Executive : 6 May 2015

(%) of shareholding as of

31 December 2017 : 0.0079

Relation among family with other directors and executives : None

5

**Mr. Ng Kit Wei, David
(Age 40)**

Executive Vice President, Investment, Corporate Strategy and Risk Management/Member of Risk Management Committee/Member of Investment Committee

Date of first appointment as Executive :

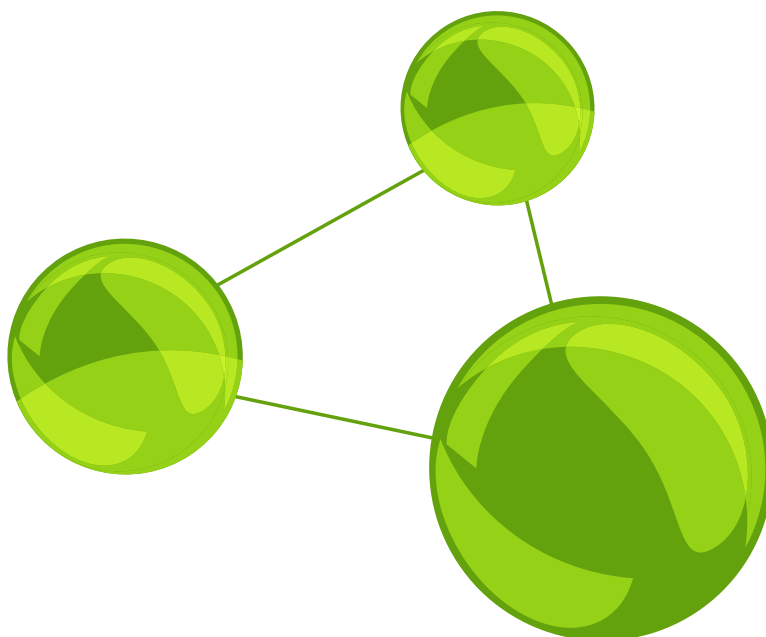
20 January 2015

(%) of shareholding as of

30 December 2017 : None

Relation among family with other directors and executives : None

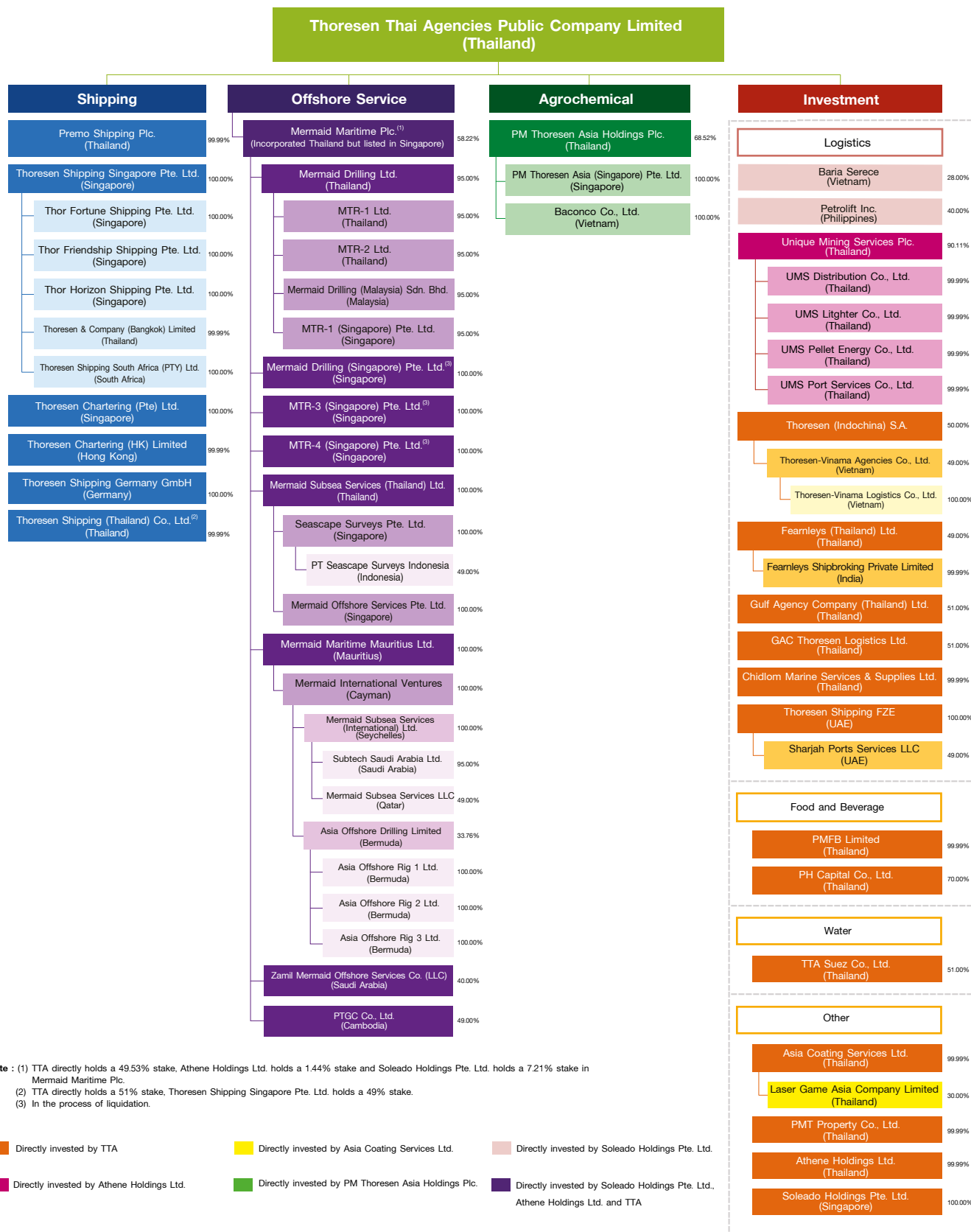
Biography of the Executives appears in the section "Details of the Board of Directors and Executives"





CORPORATE STRUCTURE

As of 31 December 2017





CORPORATE SECTION

Thoresen Thai Agencies Public Company Limited

COMPANY OVERVIEW

Thoresen Thai Agencies Public Company Limited (“TTA” or the “Company”) has grown from its humble beginnings back in 1904 as a shipping service company to now a global strategic investment holding company with presence throughout Asia, the Middle East, Europe and Africa. Listed on the Stock Exchange of Thailand (the “SET”), and a member of SET100 Index, the Company is a diversified investment holding group with primary interest in Shipping, Offshore Service, Agrochemical and Investment.

The Company started dry bulk shipping services in 1985. Its marine interest subsequently expanded when the Company 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”). The Company diversified beyond the marine sector in 2009 when it first acquired a large stake in Unique Mining Services Public Company Limited (“UMS”). Not long after, the Company acquired Vietnamese fertilizer company, Baconco Co., Ltd., which the Company has since unlocked value via the successful listing of PM Thoresen Asia Holdings Company Limited (“PMTA”) in 2015. Apart from providing shareholders new source of growth, the investments were also to allow the Company to reduce exposure to the highly cyclical marine business and diversify its earnings.

The Company 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 the Company 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 which the Company successfully raised capitals via two rounds of rights offering to achieve its objective, while Mermaid

underwent a rights issuance and private placement to bolster its balance sheet.

The Company articulated its new vision and mission in 2014 where the Company aspires “To be the most Trusted Asian Investment Group”. While the Company remains committed to its existing business, the Company wants to expand further by looking for new sustainable and resilient growth business to create value for shareholders. To this new strategic direction, the Company underwent another round of capital raising in 2015 through a Baht 7,286 million rights offering.

Notwithstanding recent very challenging years weighed by the weak marine cycles, the Company remains focused to diversify and expand. The Company strategically established a partnership with global water and waste management company, Suez Environnement South East Asia Limited (“Suez Environnement”) in 2016 to penetrate sustainable drinking water and waste water services business in Thailand. Most recently in 2017, the Company acquired the Pizza Hutt business in Thailand through its subsidiary from YUM Restaurants International (Thailand) Company Limited to enter and expand food and beverage business.

VISION & BUSINESS STRATEGY

Anchored by our vision “To be the most Trusted Asian Investment Group”, we want to 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 consistently deliver enhanced stakeholders experience, we are committed to grow and develop our core business franchise/reputation, and ensure each business continues to grow in profitability to ensure superior and sustainable financials and returns.

We are focused on our multi-business model and core competencies. We will continue to sharpen the execution of our businesses through constant improvements to optimize productivity and efficiencies. While the

unpredictable market condition facing the businesses we operate present huge challenge particularly for shipping and offshore service, we will continue to intensify efforts to recalibrate (where possible). We will look to further strengthen the competitive position of our existing portfolio companies to sustain and enhance performance focused on cost leadership and quality.

The Company ultimately aims to deliver balanced and consistent growth across businesses, and accelerate growth through diversification of strategic opportunities that generate long-term sustainable returns on capital. In the coming years, we will continue our strategic transformation efforts as we look to consolidate and diversify from existing core business. The Company 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, the Company has earmarked three attractive sectors for expansion, consumer, water and logistics/warehouse. The Company will be rigorous and be financially disciplined with huge emphasis on growth, returns and value creation in merger and acquisition or business expansion. The Company will also pursue partnerships for new business to develop organically.

As an investment holding company, the Company 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. The Company will be forward looking and have talented people and strong capabilities, right solutions and innovation and robust governance and discipline across all our business.

The Company 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, the Company is focused on managing and enhancing the value of its overall business portfolio. Been a holding company, the Group has a diversified business portfolio with main segments been Shipping, Offshore Service, Agrochemical and Investment, now reorganized compared against Transport, Energy, and Infrastructure Segment last year. The Company also recently accelerated its expansion into Food & Beverage under Investment via the acquisition of Pizza Hut restaurant chain in Thailand in 2017.

Key business portfolio as at the end of December 2017 comprises the following business groups and the key companies within the group as follows:

SHIPPING

- Thoresen Shipping Singapore Pte. Ltd. (100%)
Dry bulk shipping operator

OFFSHORE SERVICE

- Mermaid Maritime Public Company Limited (58.22%)
Subsea engineering and oil and gas offshore service specialist

AGROCHEMICAL

- PM Thoresen Asia Holdings Public Company Limited (68.52%)
Vietnamese fertilizer producer/distributor & factory area leasing service provider

INVESTMENT

- PH Capital Company Limited (70%)
Thailand food & beverage franchisee
- Unique Mining Services Public Company Limited (90.11%)
Thailand commodity logistic specialist
- Others





SHIPPING

Thoresen Shipping

Business Overview

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, Thailand and London

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 continues to come from the efficiency of our operation and the skill of our people.

During 2017 we have looked to position the company for the next phase of the market cycle, replacing older vessels with larger more modern tonnage able to greater benefit from higher earnings; increasing our commercial capability with increase staff and offices.

Major developments:

- Fleet renewal with purchase of three second hand bulk carriers

- Secured PTT 5th Transmission pipeline import project
- Sustained low cost drive,
- Improved operational efficiencies
- Retained expert independent risk measuring and weekly reporting
- Established London commercial office
- Realigning our ship owning and freight trading activities

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 2017 Thoresen Shipping owns 21 vessels: 2 Handymax and 19 Supramax vessels with a total carrying capacity of 1.13 million deadweight tons. The average age of the remaining vessels in the fleet will be 11.98 years and average DWT is 53,742 tons.

During 2017 we sold 2 unit sister ships Thor Harmony and Thor Horizon. These ships are of an older design less suited for our customers' current needs. Rather than face further investment in these vessels with dry dock and compliance with new environmental regulations. Sales were timed to benefit as much as possible from dry bulk market and the fund from sales has been quickly recycled into purchases of second hand tonnage. In addition, approximately 5.24 full-time equivalent dry bulk vessels were chartered in to meet client demand during the year.

We have been able to sustain improved earnings on our remaining handymax vessels in more challenging niche trades.

Fleet Structure FY2017

1) Number of Vessels

Number of Vessels				
Type of Vessels	Owned Vessels	No. of Chartered-in Vessels	Newbuild Vessels on Order	Total
Handymax	2	1	-	3
Supramax	19	5	-	24
TOTAL	21	6	-	27

2) Simple Average Age

Simple Average Age of Vessels				
Type of Vessels	Owned Vessels	Chartered-in Vessels	Newbuild Vessels on Order	Total
Handymax	22.59	9.5	-	16.05
Supramax	10.86	5.9	-	7.18
TOTAL	11.98	6.0	-	7.64

3) Bulk Carriers FY2017

Bulk Carriers						
Vessel Name	Original Delivery Date	DWT	Age	Design		Classification
1 Thor Endeavour	11/04/1995	42,529	22.74	Bulk Carrier	Semi-Open Hatch / Box Shape	NKK
2 Thor Enterprise	28/07/1995	42,529	22.44	Bulk Carrier	Semi-Open Hatch / Box Shape	DNV-GL
3 Thor Achiever	05/01/2010	57,015	7.99	Bulk Carrier	Standard	BV
4 Thor Brave	15/11/2012	53,506	5.13	Bulk Carrier	Open Hatch / Box Shape	ABS
5 Thor Breeze	13/08/2013	53,572	4.39	Bulk Carrier	Open Hatch / Box Shape	ABS
6 Thor Fearless	09/11/2005	54,881	12.15	Bulk Carrier	Open Hatch / Box Shape	NKK
7 Thor Fortune	15/06/2011	54,123	6.55	Bulk Carrier	Open Hatch / Box Shape	NKK
8 Thor Friendship	13/01/2010	54,123	7.97	Bulk Carrier	Open Hatch / Box Shape	NKK
9 Thor Future	3/03/2006	54,170	11.84	Bulk Carrier	Open Hatch / Box Shape	NKK
10 Thor Independence	23/10/2001	52,407	16.20	Bulk Carrier	Standard	NKK
11 Thor Infinity	01/02/2002	52,383	15.92	Bulk Carrier	Standard	NKK
12 Thor Insuvi	16/11/2005	52,489	12.13	Bulk Carrier	Standard	NKK
13 Thor Integrity	02/04/2001	52,375	16.76	Bulk Carrier	Standard	BV
14 Thor Madoc	15/07/2005	55,695	12.47	Bulk Carrier	Standard	KR
15 Thor Magnhild	28/06/2006	56,023	11.52	Bulk Carrier	Standard	NKK
16 Thor Maximus	07/10/2005	55,695	12.24	Bulk Carrier	Standard	KR
17 Thor Menelaus	25/08/2006	55,710	11.36	Bulk Carrier	Standard	KR
18 Thor Mercury	11/10/2005	55,862	12.23	Bulk Carrier	Standard	ABS
19 Thor Monadic	05/09/2006	56,026	11.33	Bulk Carrier	Standard	NKK
20 Thor Confidence	25/06/2008	58,781	9.52	Bulk Carrier	Standard	KR
21 Thor Courage	22/04/2009	58,693	8.70	Bulk Carrier	Standard	DNV-GL

TOTAL THORESEN FLEET 1,128,587 DWT

ABS : Amercian Bureau of Shipping

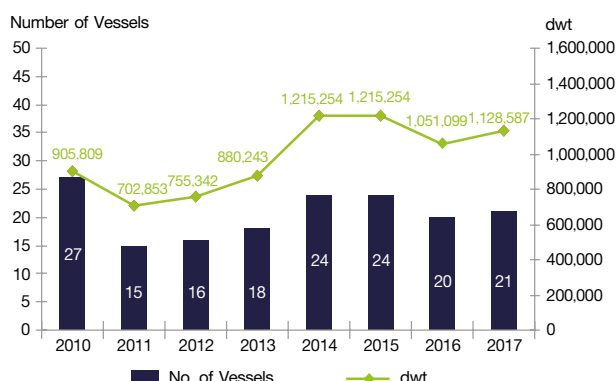
BV : Bureau Veritas

DNV-GL : Det Norske Veritas and Germanischer Lloyd

NKK : Nippon Kaiji Kyokai

KR : Korean Register of Shipping

Source : TTA

Chart: Thoresen Fleet 2010-2017

Source : TTA

Commercial Services

During 2017 freight levels have improved as supply and demand has continued to rebalance. On a firming trend we have to be more cautious re forward cargo bookings. Increasing time charter levels can lead to negative margin on cargo bookings. We keep our focus on being of service to our key customers and continue to work to align our freight trading and shipowning activities. In this way we can use our client base and cargo bookings to secure profitable business for our own ships as well as time charter arbitrage activity

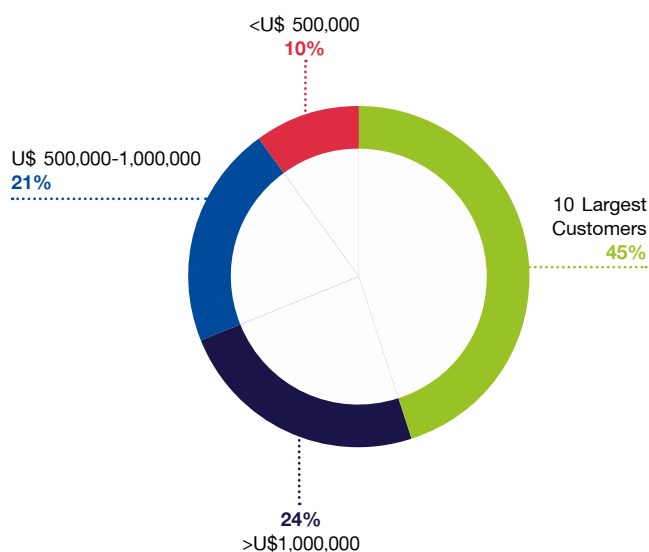
We spread our geographic risk by keeping vessels distributed between the different markets, Atlantic, Indian and Pacific Oceans. Where possible we position vessels to target seasonal grain harvests, where an increase in the number of shipments leads to an increase in freight levels. We also mix in some short period employment as hedge for the coming quarter and to out-perform the spot market.

B: Marketing and Competition**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.

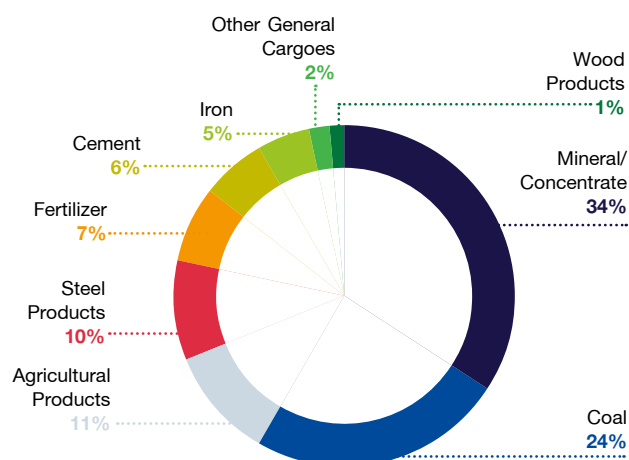
By bringing focus to both customers and their regional needs we have built a strong reputation in Indian and Pacific Oceans.

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 2017 Freight Revenues (by Client Size)

Source: TTA

Thoresen carried 9.21 million tons of cargo during 2017 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: FY2017 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 that Thoresen is very well positioned to benefit from the recovery stage of the dry bulk freight cycle.

The Dry Bulk Shipping Market

2017 has seen the dry bulk freight markets enter the recovery stage of the cycle. Levels achieved during the year allow for low cost owner such as Thoresen Shipping to be profitable.

China demand for imported iron ore and coal has been at record levels. Strong domestic steel demand, positive margins for the steel mills and Government requirements for taking capacity off line by November to curb winter air pollution, have all been good for freight for the greater part of this year.

There has strong support from long haul South American grain sales. First soya bean and then record corn harvests have meant this driver has continued more or less throughout the year.

On the supply side delivery of new buildings has slowed in the second half of the year and scrap prices were

firmer, so though activity slowed some units were still committed for demolition.

Vessel values firmed through the year and second hand tonnage prices were up between 20-30 percent by year end.

Industry and Market Outlook

The market has taken considerable steps to rebalancing during 2017 with slowing deliveries of new ships at the same time as demand has improved. It appears that both these favorable trends will continue through 2018.

For the next 12 months there is considerable transparency to the number of new building expected to deliver from shipyards. All indications are that markedly fewer vessels will deliver in 2018 than 2017. Though demolition sales are slowing scrap prices are firming, and with new regulations coming there will still be some vessels leaving the market.

On the demand side we see improving global growth creating broad based demand.

China dry bulk imports are critical to the freight markets. Policy initiatives in China can create uncertainty over real demand. Current government measures include steel mill closures during winter months in order to improve air quality, restrictions on North Korean coal and on-going cuts to out dated unprofitable and unsafe coal mines. After winter close we expect the return of robust Chinese steel demand with mills working again at maximum capacity and so preferring higher grade imported iron ore and coking coal as being both higher yielding and less polluting. Some substitution of both domestic coal and iron ore production with higher quality imports looks to continue.

Chinese infrastructure spending as was outlined at the start of the present 5 year plan in 2016 has supported freight markets strongly in 2017 and looks to continue through 2018.

Demand will also be strongly supported by other major economies such as USA, Japan and EU improving. Faster growing emerging economies are rapidly increasing their coal imports even if globally coal will eventually start to play a smaller part in the energy mix. Growing populations, growing prosperity, changing diets with higher dairy and meat content all leads to increase demand for freight from grains and fertilizers traders.

A relative slow fleet future growth on supply which the Orderbook % Fleet in the year 2017 (8.8%) compared with the year 2016 (16.9%).

Dry Bulk Carrier Orderbook as of December 2017

Bulker Orderbook	No. of Vessels	Total Capacity (million dwt)	Orderbook % Fleet
Handysize Bulker Orderbook	175	5.94	6.2%
Handymax Bulker Orderbook	171	10.36	5.3%
Panamax Bulker Orderbook	192	15.89	7.9%
Capesize Bulker Orderbook	152	39.67	12.3%
Total Bulkcarrier Orderbook	690	71.86	8.8%

Source: Clarkson

Oil Prices

Oil prices trended up during 2017. We have strict hedging strategy for forward cargo bookings using bunker swap agreements.



• OFFSHORE SERVICE





OFFSHORE SERVICE

Mermaid Maritime Public Company Limited

Business Overview

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 2017. 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 headquarter 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 the safeguard to our home market and streamlined our internal processes. Key achievements in 2017 included securing the key

existing term contract, rationalization of non-performing assets across our drilling and subsea services segments, extensive consolidation and cost efficiency improvement while remaining a high quality of services.

Positioning for Growth: In furtherance to our “Positioning for Growth” strategy, we focused on a groundwork for new market expansion which we successfully expanded our business to the new geographical in 2017 and cross selling of services through the value chain move to higher value engineering segments offering short and medium range turnkey contracts or lump sum contracts.

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 2017, the subsea fleet consists of 8 subsea support vessels (including chartered in vessels), 3 of which are specialized dive support vessels, and 16 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.

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)

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. AOD contracts have been extended to 2019 with existing customer. In 2017, 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 classifies 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 2017, both of our tender rigs, 'MTR-1' and 'MTR-2', remained stacked 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 contracts were secured until 2019 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 approximately 100% in 2017.

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 National and International oil and gas producers and suppliers, pipeline transmission companies, and offshore engineering and construction firms trust Mermaid as their partner in our home regional markets of both Middle East and South East Asia. In 2017, subsea services were provided to over 40 clients.

Clients in the Middle East remain a major contribution to Mermaid's business. A key 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 2018 with a 1 year extension option.

Mermaid's strategy "Positioning for growth" is expected to pace regional market expansion for the Subsea Division across the Middle East, and South East Asia over the next few years.

Maximize vessel utilization continues as one of top priority while at the same time, cross selling of services through the value chain 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 the client who is one of the largest oil and gas company in the world, with its current contract ending in 2019. As a result, AOD was able to achieve an outstanding utilization rate of approximately 100% 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.

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 expand business to the new geographical area and 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. 2017 – OIL MARKET REBALANCING

Overall, oil prices were more stable in 2017 when comparing to the previous year, as well as universally reaching higher values. After the sharp price fell in which the Brent oil price reached its lowest at \$27/bbl in 2016, prices started to recover to settle consistently before it exceeded the \$60/bbl benchmark in the latter half of 2017. According to the U.S. Energy Information Administration (EIA), Brent crude oil prices averaged \$54/bbl in 2017, an increase of \$10/bbl from 2016 levels, and are forecasted to average \$60/bbl in 2018.

**Chart: Brent Crude Oil Spot Price Per Barrel
Past Two Years**



Source: AXSMarine, BRS Group

The rise of the oil price during the second half of 2017 has been influenced by several key fundamentals, one of which was the supply cut deal by OPEC and its non-OPEC alliance partners. The deal which started in January 2017 yielded in a tightening oil market condition whereby the prices started a sustained rise above \$50/bbl and then above \$60/bbl in November. Also, following the agreement by OPEC and its alliance to extend supply cut to until end of 2018, analysts had raised their forecasts of 2018 average Brent oil price, as tabled below.

2018 Brent Price Forecast

Citigroup	\$54
Barclays	\$55
JP Morgan	\$60
Credit Suisse	\$60
UBS	\$60
Goldman Sachs	\$62

Source: Kennedy Marr

In the month of December 2017, oil price continued the upward trend. As the Joint OPEC-Non-OPEC Ministerial Monitoring Committee announced its members had achieved a 122% compliance within the supply cut deal, Brent Crude was traded on the spot market at over \$64/bbl monthly average. Analysts at Jefferies opined the oil market would remain undersupplied until 2019 and that inventories would fall to 5-year average levels in 3Q 2018.

However, it must be noted that, higher oil prices are bringing more supply to the market, particularly in North America and specifically shale oil. EIA has forecast that U.S. crude oil production will hit its highest average daily in history in 2018, at 10.3mb/d, and will grow to reach 11mb/d in late 2019. There has been an ongoing concern that shale will keep the oil price within a certain range whereby if it rises too high, shale producers will up their production and drag down prices again. Though the shale production costs have risen with renewed drilling activity, tightened labour market and the availability of equipment, producers have managed to lower their breakeven costs by improving technology and efficiency to the point that they are able to achieve decent rates of return at \$53/bbl and could achieve similar returns at \$60/bbl.

OPEC and all conventional producers will have to keep watching U.S. shale developments closely to see how the lower-cost producers will respond to the strengthening oil price, and take prompt actions to keep the oil price from plummeting again.

In addition, BP had released the 2017 edition of its Energy Outlook to 2035 forecasting that energy demand is expected to increase by only 30 percent over the period as increases in demand are offset by gains in energy efficiency; renewable energy is expected to become the fastest growing source of fuel, increasing four fold over the next 20 years as competitiveness continues to grow; in spite of the growth of renewable energy, fossil fuels are expected to remain the major source in 2035 at 77 percent; and global oil production is expected to become more concentrated in the Middle East, the US and Russia as low cost producers increase their share – accounting for up to 63 percent of oil production in 2035, compared to 56 percent in 2015. Oil, gas, and coal will remain the dominant sources of energy powering the world economy, accounting for more than three-quarters of total energy supplies in 2035.

2. THE OFFSHORE OIL AND GAS SECTOR

Offshore field project sanctioning reached its peak of 120 FIDs in 2012, but since then, sanctioning activity has been under pressure from the falling oil price since the latter half of 2014. Oil company E&P spending cuts caused a 33% decline in FIDs in 2015. Larger projects have been hit harder with the number of such developments in 2016 to receive an FID down by 60% on 2012.

After 2 years of the “unprecedented market downturn”, the hangover still persisted and continued to hit the sector hard. 2017 has seen a number of companies’ debt restructurings, bankruptcies, and M&As. Rystad Energy reported that, while 2017 has been a year where average service market has increased, it’s rather only for players exposed to North America and shale business. On the contrary, those players in the offshore EPCI, offshore drilling, and subsea markets have been hurt by the low project sanctioning activity in 2014-2016, as well as offshore capex being reduced by 18% in 2017.

According to Clarksons Platou Offshore, offshore field activity has been severely reduced during the downturn. 53 offshore fields have been discovered globally in 2017, which represented a decline of 56% versus the 2005-2014 average of 166 per year. Offshore start-ups

have dwindled as the backlog of under development fields has eroded and fewer projects had been sanctioned. Only 41 fields had started up as of October 2017, a fall of 51% on the 2005-2014 average of 115, global combined jack-up and floater utilization stood at 65%, a 27% down compared to same period of 2014, and a total of 129 jacks-ups and floaters remained cold stacked, 87% increase from 2014.

OSV deliveries in 2017 continued the downward trend. The year saw less than 100 newly built units delivered to their owners, with the record levels of nearly 400 vessels built in 2009 seeming unreachable any time soon. There are also about 400 OSVs in Chinese shipyards, waiting to be delivered to their owners, but as 2017 demonstrated, these deliveries will likely continue to be pushed back.

However, though deep challenges remain for 2018, all offshore players are now observing an encouraging sign for the years to come. The rising oil prices as well as the upward trend in activity, even slightly, is expected to ease off the intensity of competition allowing for more works, higher utilization for their vessels, and better operating cash flow than last year.

3. ANOTHER YEAR OF COST CUTTING

2017 is another year oil companies had been cutting their spending aggressively. Wood Mackenzie reported that cancelling projects and squeezing suppliers were common tactics used to bring down costs throughout the year. Budget tightening and cost optimization initiatives had been implemented across the industry, and the ‘lower-for-longer’, or even ‘lower-forever’ mindsets had been adopted by every oil operator.

Despite the rise of oil price during the second half of 2017, E&P companies continued to reiterate their intention to keep their cost at the optimum price levels. This means, while oil companies may have become profitable again thanks to the climbing oil prices, smaller companies in the supply chain had not, especially the offshore vessel owners which are their own issues to deal with, among the most significant is huge overcapacity. The huge oversupply of vessels will have to be absorbed first into the market before any meaningful increase in vessel charter rates take effect.

In order to win works and to last until the effect of the higher oil prices materialize in the offshore market, innovations for cost efficiency and productivity remain key to all contractors throughout 2018.

4. SUBSEA SERVICES

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.

As the offshore exploration and development activity went down, the subsea vessels market continued to remain highly over-supplied, resulting in intense price competition. Vessel charter rates were at depressed level. Offshore contractors did not have much choice but needed the works just to keep the vessels utilization. Reportedly, some contractors even subsidized their clients or offered ROV equipment for free, and charge for only personnel.

Vessels utilization had been relatively low in the year, for example, average dive support vessel utilization outside the North Sea region stood at 55%-57%, compared to 80% during the oil peak in 2014. ROV support vessel utilization stood at 66%-70%, compared to 85%-95% during the oil peak in 2014. Furthermore, later in the year the market has also anticipated the coming of the new dive support vessels from the shipyards, adding up capacity to the already over-supplied market.

Later in 2017, as the oil prices were picking up, contractors have seen indicators of increased activity and more projects being sanctioned, demand from their customers has increased compared with the same period last year, yet the offshore service vessel market was still characterized by low activity and overcapacity of vessels.

Despite the challenging business environment, broader signs for a much-needed recovery in the sector have also been moving steadily into place, though very slowly. The turnaround is also backed by the fact that oil companies are cash flow-positive at \$50/bbl, as they resume spending and exploration activities.

4.2 TYPES OF SUBSEA VESSELS

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

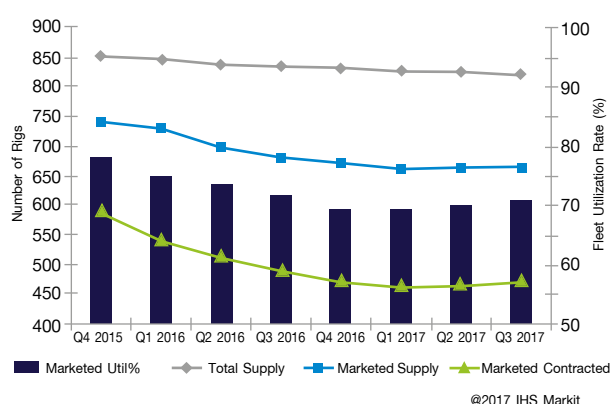
Generally, dive support vessels (DSV) within the offshore industry can range from converted vessels fitted with rudimentary air diving spreads to purpose built vessels fitted with extensive and complex saturation diving system. ROV support vessels can include vessels fitted with portable launching systems, 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 – SLIGHT IMPROVEMENT, RATES REMAINED FLAT

5.1 THE OFFSHORE DRILLING MARKET

Rig demand across the board continued to wane in 2017. IHS Markit has reported the overcapacity of offshore rigs, with slight improvement trend of utilization to merely above 70% levels in Q3. The numbers of contracted rigs were not showing much sign of development either.

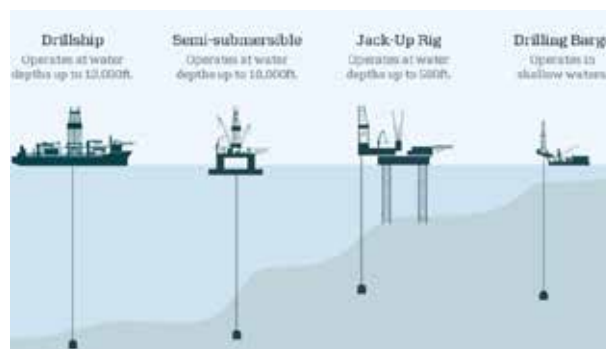
Chart : Worldwide Offshore Rig Count & Utilization (Quarterly Average)



Similarly, Bassoe Offshore reported that day rate and utilization trends for offshore drilling rigs have only improved marginally in 2017. It further opined that for 2018, oil companies will cut spending on exploration for a fifth consecutive year. Efficiency, low-cost developments, and high budget-sensitivity in exploration and production planning will continue to constrain the rig market. However they pointed out that this does not mean offshore drilling will decrease, but instead it is because oil companies can now drill more with much less cost as rig rates are still much lower than they once were. They believed that offshore drilling activity will pick up slightly, but oversupply will continue to restrain the day rates.

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

As at Q3 2017, the jack-up fleet count stood at 546 rigs of which 78 cold stacked. Of these, 301 units were contracted, with a total and marketed utilization of 55% and 64% effectively. Total utilization for the rigs >20 years old was 52% while utilization for the jack-ups that are <10 years old stood at 65%. Reflective of the oversupplied market, rig day rates were largely flat in 2017. According to Clarksons Platou Offshore, global jack-up average increased by only 6% in the year to \$83,500/day.

The order book count stood at 94 units, of which only 9 rigs of them expected to be owned and operated by their current owner. The remaining 85 units are effectively owned by the shipyards and will have to be re-sold and/or operated under bareboat leases. In addition to the existing overcapacity, a 50/50 JV between Saudi Aramco and Rowan had committed to building 20 units in Saudi Arabia with delivery from 2021. All these new jack-up units will come out to flood the market, ensuring that competition will remain fierce and rates will remain low between 2018 - 2020.

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, as well as the coming of modern builds.

Saudi Aramco had 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

Usually when the jackup market improves the tender market does too, but that was not the case in 2017. The year has seen no signs of improvement in tender drilling rig market given the oversupply as well as rivalry with modern units in the market. As at December 2017, the number of tender drilling rigs stood at 22 units, and only 10 of them were working.

6. MERMAID'S INDUSTRY POSITIONING

Mermaid takes a cautionary perspective on the oil and gas outlook over the next 12 months. With the recent oil market rebalance, 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, and geographical expansion

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 to those countries where demand growth is relatively strong.

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 2018 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, Icarus Consultants, IHS Markit, Kennedy Marr, Organization of the Petroleum Exporting Countries (OPEC), Pareto Securities Research, Rigzone, Rystad Energy, Strategic Offshore Research, US Energy Information Administration (EIA), Wood Mackenzie, Bassoe Offshore).



•• AGROCHEMICAL



AGROCHEMICAL

PM Thoresen Asia Holdings Public Company Limited

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 (P_2O_5) and potash (K_2O).



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 (P_2O_5) which provides phosphorus (P), and potash (K_2O) which provides potassium (K) as well as other supplements. Major and supplementing nutrients restore and increase soil nutrients to enhance cultivation yields and productivity. Nitrogen not only helps leaves required for photosynthesis to grow quickly but also helps producing seeds. Phosphorus encourages trunks to grow, strengthens and expands roots. Potassium is used in the transportation and production of starch to feed growing parts or to roots and stems while reducing infection.

NPK Compound Fertilizers

NPK Compound Fertilizers are composed of all three main nutrients, namely, nitrogen (N), phosphate (P_2O_5) which provides phosphorus (P), and potash (K_2O) which provides potassium (K) for plants. The N-P-K mix may vary according to purposes and each crop’s biological needs. Baconco sells NPK Compound Fertilizers both in Vietnam and overseas. These fertilizers are Baconco’s main products.

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.

2. Other Agrochemical Products

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

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

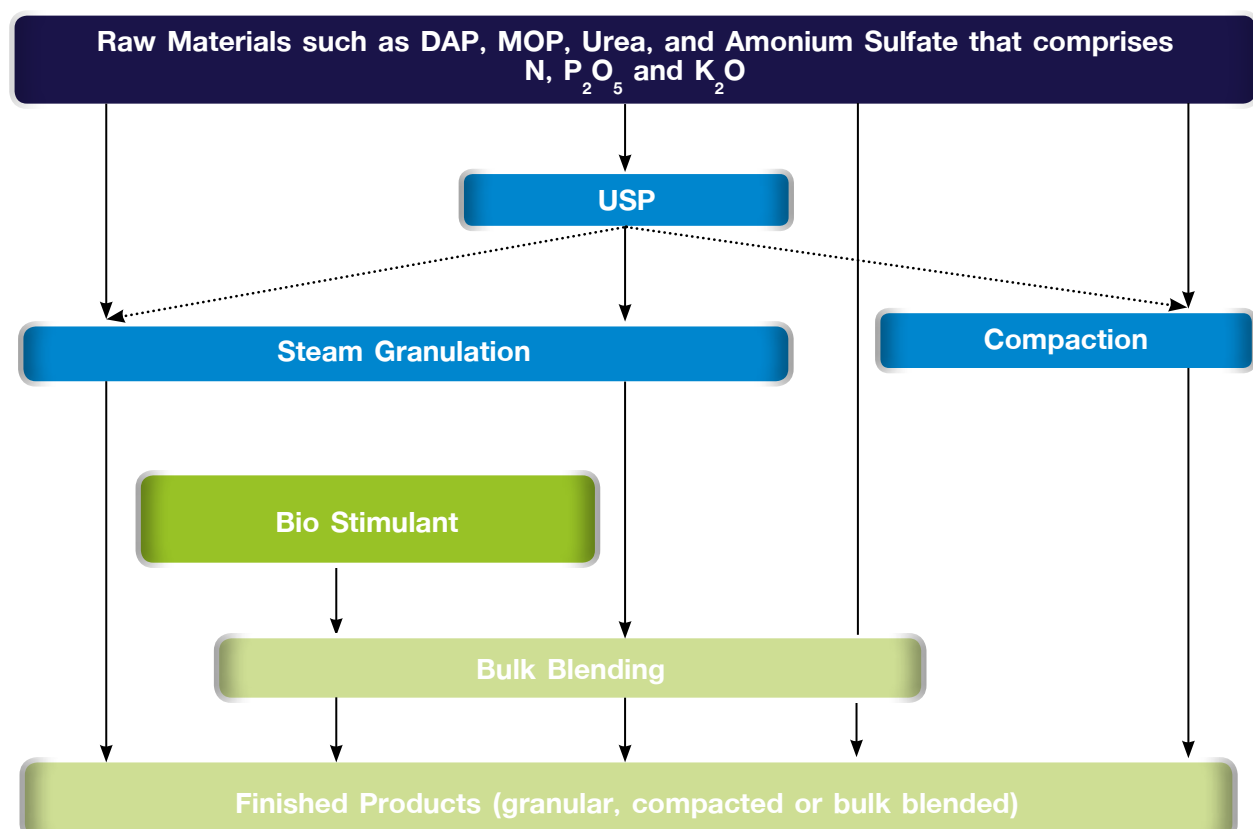
Foliar fertilizers are liquid fertilizers sprayed onto plants to be consumed through leaves which absorb nutrients faster than through roots. Foliar offers similar nutrients to the NPK Compound fertilizer; that's why foliar are commonly used with fruits and vegetables for higher and better productivity.

3. Fertilizer Production Capacity

At present, Baconco has an average production capacity of 450,000 metric tons of fertilizers per year and the average packaging capacity of 550,000 metric tons per year.

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.





Bulk Blending



Granulation Line



Packaging



Granular Fertilizer Dryer

B: Marketing and Competition

1. Target Customers & Distribution Chanel

Target Customers

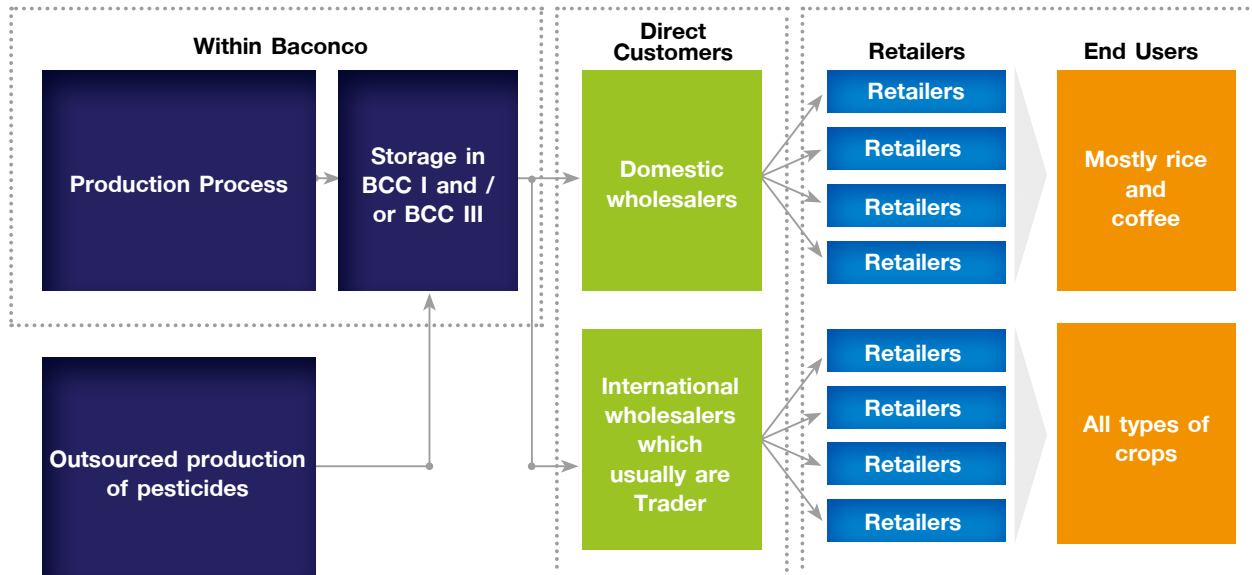
Being in the agrochemical industry, Baconco develops, manufactures, markets and sells various types of fertilizers. Baconco's main products are fertilizers which are distributed locally in Vietnam under the STORK trademark and internationally as well as other agrochemical products. Due to different business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

2. Industry & Outlook

Industry Overview and Competition

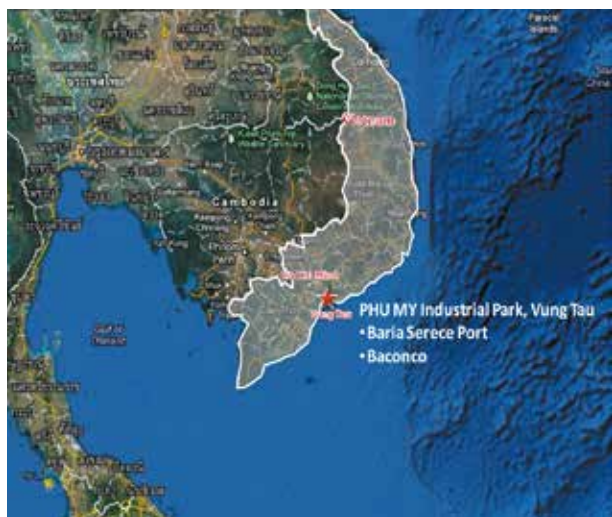
Global Fertilizer Market

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

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).

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 BUSINESS



FOOD & BEVERAGE

PIZZA HUT THAILAND FRANCHISE



SINO GRANDNESS





INVESTMENT

COAL LOGISTICS

Unique Mining Services Public Company Limited

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 in domestic 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 their 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 secured 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 in the respective following: Anthracite, Bituminous, Sub-bituminous and Lignite (considering from the calorific value, level of moisture and sulfur content).

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%), 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.

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.

(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), 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.

UMS plans to make proposals to other customers more 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 advising them the knowledge with the right attitude towards the environmental pollution by using coal which will turn customers' attention to more use of coal.

However, increasing the customer base to use more coal will take some time since installation of small boilers typically take about 3-4 months (including the import of boilers period) while the medium to large boilers take up to 8-15 months for installation after which UMS will begin selling the coal to the factories.

(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 not 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 Sakhon, Samut Prakan, Nakhon Pathom, Ratchaburi, Pathum Thani and Ayutthaya. 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. 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, textile, rubber gloves, and pulp & paper industries etc.

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, as well as providing right information on environmental impact from coal using.

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. Furthermore, the company has a strategy to expand sub-customers for sustainability of long-term income.

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, Sing Heng Seng Co., Ltd., Eastern Pearl Co., Ltd., Fico Metal and Minerals 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 gas and fuel oil especially in the countries with high economic growth rates such as Asian countries including Thailand because of its cheap price.

Global coal-producing trend in the next 10 years is expected to increase 1 billion tons, especially in Asia and Coal is also fueling energy of Southeast Asia. Coal consumption is expected to increase from 46% currently to 60% and the Proportion of coal will increase from 32% to 50% by 2040 or the next 23 years.

The United States (USA), one of the world's most energy-consuming countries, uses both fossil fuels as primary energy consisting with increasing the capacity of renewable energy such as Solar and Wind. US Energy Information Administration (EIA) opens the reports Short-Term Energy Outlook, September 2017 said that Coal production in the United States in 2017 will increase to 31% and increase to 32% by 2019.

In Japan, after earthquakes and natural disasters, this led to the suspension of almost all nuclear power plants in the country. They plans to build 46 coal power plants in the future if being unable to produce enough much more energy including imported some from China. The Government of Japan argues that Coal energy which is cheaper is the major energy security powerhouse. Japan now has to rely on imports of more than 95% of its energy. These can be self-reliant in such areas.

C: Coal Procurement Procedure

UMS has a standard procedure for product sourcing and services as below:

1. We imports coal from Indonesia, which Indonesia is one of the top three coal producer countries. We selects the quality coal mine for best coal in heat value, moisture level, ash and sulfur to match with customers' demand. Because Indonesia locates not far from Thailand, compare to others coal producer countries so the transport cost is low which UMS has lower cost of operations. UMS would issue a letter of credit to Indonesian supplier and UMS import about 50,000 tons (+/- 10%) which transport the coal by mother vessel to Thailand.

2. The Main vessel from Indonesia will anchorage at Koh Si chang. Then transfer the coal to lighters which can done 500 – 2,500 tons per lighter. The lighter will be alongside at Nakornluang site, Ayutthaya port for discharging.
3. We can deliver the coal to customer right away by barge or trucks and incase of the company has to transport to UMS storage area in Ayutthaya for screening and quality improving. Then it can be delivered to customers by land transportation.
4. We have regulation to maintain a certain inventory level for achieving customer demand.
5. The company takes 45 days for the procurement transaction from Indonesia to our warehouse in Thailand.

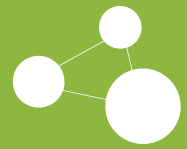
From the historical data , it is founded that coal price are adjusted according to the world prices. The company has the policy of sourcing coal from many vendors to reserve coal for achieve the business expansion and for the balancing of power to negotiate prices with other vendors which is the diversification of purchasing coal.

Besides the price factor, the reliability, the trust for the source of coal are the another factor that the company focuses heavily on the quality of coal , production , transportation coal to the port and the reputation of the supplier etc. Moreover, the company has the good relations with our partners for a long time. The company is confident that we will receive the high quality coal from our partners with continuing contract.

The company has the policy to supply good quality coal, environmentally friendly to meet the customers need. Moreover, the company has the good quality control checks since buying from supplier, mine, transportation, production line and delivery to the customers for ensuring customer satisfaction.



CSR



The Principles of Corporate Social Responsibility for Sustainable Business Development



SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

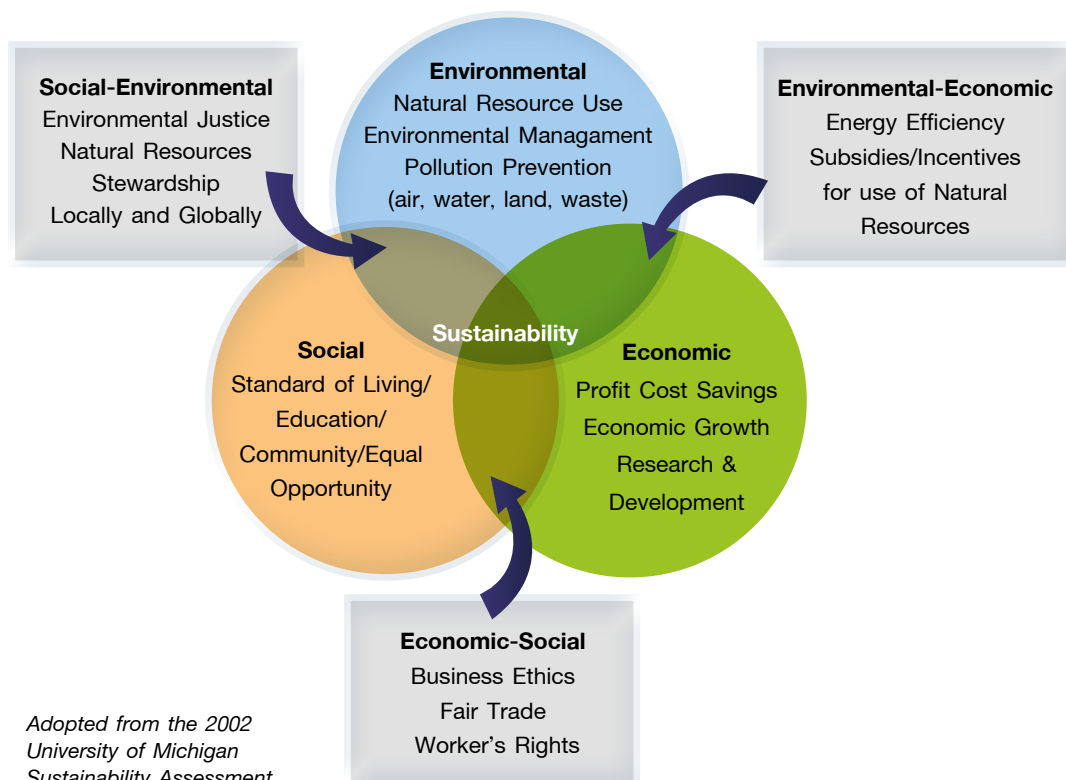
Policy

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. The Company 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. The Company 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 the Company’s business.

Mission

The Company’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 the Company to follow properly.

The Three Spheres of Sustainability



Economic Dimension

The Sustainable Value Creation concept is adopted as the sustainable business practice of the Company. 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

The Company 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 the Company to be an investment company of excellence

The Company considers employees its great asset that is significant to the company 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.

Social Dimension

The Company endeavors to make a sustainable contribution to social, community and environmental development and improves the well-being of Thai people by continuing a diverse range of social, community and environmental activities. The Company 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, the Company is committed to maximizing the value of natural resources and minimizing the environmental impacts by using efficient, energy saving and environmentally friendly technology solutions as well as boosting the environmentally responsible awareness among its employees.

Socially responsible practices for corporate sustainability

The Company 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 as follows:

1. Corporate Governance

The Company 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 the Company 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	• The Company 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.	• 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	• The Company 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.	• 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	• 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 met the generally accepted accounting principles. • An annual report is published and given to shareholders and stakeholders.	• 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 relations channel and public relations 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	• The management structure is clear and transparent. • The Board of Directors of the Company 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 the Company. 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.	• 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	• The Company 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. • The Company stays focused on working ethically with good disciplines and adheres to all applicable legislative procedures.	• 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. • The Company 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

The Company 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	• The business and investment policies are in line with all applicable laws and regulations. • The Company embraces social responsibilities in its entire business chain.	• The Company'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, the Company 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	• 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.	• The written policy is established, implemented and disclosed to all employees.

3. Anti-Corruption

The Company calls for the principles of Corporate Governance and anti-corruption in its business and investment operations. All subsidiaries of 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	• 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.	• 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	• 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. • The Company prohibits calls for and acceptance of bribery and corruption for the interest of individuals, their families, friends and acquaintances.	• The Company 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	• 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 corruption.	• Education about the business ethics policy, rules, regulations and principles are provided for new staff. • Suspected wrong doing can be reported via website and PO Box with fair investigation procedures.

4. Human Rights

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

Human rights	Implementation procedures	Activities undertaken
1. Fundamental principles and rights at work	• 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.	• 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	• 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.	• The Company prepared and implemented the whistle blowing and non-retaliation policy and procedures.

5. Labor Practices

The Company 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	• 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 to be factors of consideration and hiring decision. • 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. • Provide channel of complaint submitting to Audit Committee via website or P.O. Box for employee who is treated unfairly.	• The provident fund training program was launched for employees. • Employees were encouraged to attend useful training courses offered by highly acclaimed institutions, including Company Limited such as: - Updated taxation laws related regulations and trends in law enforcement 2018 organized by NYC Management Company Limited - TFRS15 - Revenue from Contracts with Customers organized by NYC Management - Ethics and Work Guideline under Ethics Framework for Financial Advisors organized by Association of Thai Securities Companies

Labor practices	Implementation procedures	Activities undertaken
2. Working conditions and social protection	• 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 weekly and annual leaves. • A range of health & welfare benefits including health care and safety protection, pregnancy care and maternity leave will be provided and this will enable employees to fulfill their work and family responsibilities.	• 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 related regulations.
3. The protection of health and safety at work	• 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 physical checkup.	• 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 places a high priority on its accountability to shareholders and business partners.

Accountability to shareholders and business partners	Implementation procedures	Activities undertaken
1. Focus on investment diversification	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.	The Company's subsidiary, PH Capital Co., Ltd., acquired Pizza Hut business in Thailand from Yum Restaurants International (Thailand) Co., Ltd. to enable the Group to diversify into the fast-growing and stable Food & Beverage sector.
2. Business expansion	To increase or mobilize funds in order to expand business and oversee the invested entities.	TTA, through its subsidiary, Thoresen Shipping, acquired three second-hand vessels as part of the Company's strategy to improve the efficiency of the fleet and the Company's fleet renewal program.
3. Professional business management	The business management structure and strategy are adjusted to suit the economic status, market competition and other happened factors to ensure the highest level of benefits and reduce the impact of business income at the least.	TTA has reclassified its business segments into Shipping, Offshore Service, Agrochemical, and Investment to support the company's current operations and investments.
4. Necessary disclosure	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 activities.	- 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's Opportunity Day is held on a quarterly basis. - The Analyst Meeting is held on a quarterly basis.

7. Community Involvement and Development

The Company contributes to the philanthropic cause by setting aside a CSR fund to support the charitable activities of several organizations and foundations. In 2017, 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.

The Company aims four areas of making social and community contribution. They are:

- Thai Cultural and Traditional Values Preservation
- Education and Health Support
- Development of Ethics and Social Immunity
- Public Relief and Charity

Scope of work	Initiatives	Beneficiaries	Products/Outcomes
1. Thai Cultural and Traditional Values Preservation	• TTA Group organized a final farewell with all hearts “In Remembrance of His Majesty King Bhumibol Adulyadej”	• Board of Directors • Executive Officers • Staffs	• Board of Directors, Executive Officers, and staffs had the opportunity to pay respects in remembrance of His Majesty The Late King Bhumibol Adulyadej.
2. Education and Health Support	• Maritime Award : Scholarships for Thoresen crews’ children	• Crew staffs • Thoresen (Bangkok) Co., Ltd’s crews’ children who have good grade result.	• Motivate shipping crew staff by alleviating the burden of tuition fees for their children and facilitate a better quality of life. • To inspire staffs’ children of school age to be educated and grown up to become good youth with quality.
3. Development of Ethics and Social Immunity	• “Doing Good, Stop Bullying in Schools” Project.	• Approximately 150 teachers and students • Wat Pakklong School, Ayutthaya Province • Ongkarn Utsahakham Pamai 8 School, Srisaket Province • Bantased School, Srisaket Province • Rung-A-roon school, Srisaket Province	• All participating teachers and students can understand the difference between teasing and bullying. • All participating students understand how to recognize bullying. • Bullying behavior of participating students is reduced.

Scope of work	Initiatives	Beneficiaries	Products/Outcomes
	• Use Facebook Stop BullyingTH to create awareness on the problems and effects of bullying in society.	• Teachers • Students • parents • Interested persons	• Case studies from foreign countries showing the psychological impact on children who are bullied until suicide decision. • Advice provided from psychologists and physicians on the prevention and resolution of bullying among students.
	• Display booth and participate at seminar under the topic of “Cyber Bullying Prevention” at Ministry of Digital Economy and Society.	• Students, teachers, parents • Government officials from relevant agencies • NGOs Network	• Participants have a better understanding of bullying in schools and the prevalence of cyber bullying. • Participants have better understanding about the causes and effects of cyber bullying. • Participants understand the role of mass media and the private sector in order to help the community, parents, students and teachers raise awareness of the importance of stopping bullying in schools.
4. Public Relief and Charity	• Donation to the Thai Red Cross Society in support of the charity concert, “That’s Entertainment III”	• Patients at the Princess Sirindhorn Craniofacial Center who are to have craniofacial surgeries at Chulalongkorn Hospital, the Thai Red Cross Society.	• The Craniofacial Center has a medical treatment fund for more patients.
	• Donate to the Thai Red Cross Society To support the book development project. “Awareness in Grace” by choosing Project 72 - Renewable Energy Projects, Royal Chitralada Projects and Project 73 - Royal Small Hydropower Plants.	• Thai Red Cross Society	• To promote the work of the Thai Red Cross Society and dedicate to His Majesty King Bhumibol Adulyadej.

8. Environment

The Company and all subsidiaries, particularly the shipping and logistics companies are all involved in the environment directly and indirectly. Therefore, the Company 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	Measures are prescribed for the subsidiaries in the shipping, offshore service fertilizer and coal screening groups to plan and manage activities that cause pollution in order to protect the environment.	- 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. - Unique Mining Services Plc. ("UMS") plants many trees along boundary fences of its plants to help preventing dust and increase fresh air for the community.
2. Efficient use of resources	Promote 4R concept - "Reduce", "Replace", "Reuse" and "Recycle".	- The recycling paper boards and boxes are placed in all printing areas. - Data is stored in 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.

Environment	Implementation procedures	Activities undertaken
3. Stop global warming	The TTA Group of companies is required to comply with all applicable laws, regulations and requirements stringently.	- 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. - Thoresen Shipping was awarded a certification of Monitoring Plans for the carbon dioxide emissions for the company's vessels. The certification recognizes Thoresen Shipping's regular monitoring, recording and disclosure of carbon dioxide emissions ("CO₂"), in accordance with the EU MRV.

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, 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	Examine whether the business procedures cause risk or affect the society and environment.	- Innovations built upon what acquired from the operation of Thoresen Shipping are; <u>Measures to reduce pollution emissions and greenhouse effects</u> - The use of low sulfur fuel that has a mixture of low sulfur and special liquid to ensure 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. .

Innovations on social responsibility	Implementation procedures	Activities undertaken
		<u>Energy efficiency measure</u> • The innovative application that identifies a proper rate of a vessel's draught for each water course 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 in-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. Public disclosure	• A wide range of information is disclosed to all stakeholders through the Company's website, annual report and internal communication channels.	• Information is communicated via the Company's official website, annual report and other public relations channels.

10. Social Responsibility Report

The Company 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 the Company's commitment. (The Company makes effort to boost positive outcomes and eradicate negative impacts.) The Company 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 proposed to review and revise the Company’s Corporate Governance Policy, which was approved by the Board on 13 November 2017.

The Company’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 the Company’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 the Company has generally followed the corporate governance practices discussed herein.

The CG practices for the year 2017 were as follows:

1. Rights of Shareholders

The Company is accountable and recognizes the duty to ensure fair treatment to all shareholders to safeguard their rights, the Company complies with all applicable laws and regulations.

SHAREHOLDERS’ MEETINGS

The Company 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, the Company 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.

The Company held the Annual General Meeting of Shareholders (the “1/2017 AGM”) on 26 April 2017 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

At the Board of Directors meeting No. 4/2017 held on 15 March 2017, the Board resolved to call the 1/2017 AGM on 26 April 2017 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 15 March 2017.

The Company provided opportunity to shareholders to ensure sufficient time to scrutinize meeting notice or request additional information ahead of the meetings. The notice and relevant documents to the 1/2017 AGM were sent to shareholders and the SET on 15 March 2017, which was at least fourteen days prior to the meeting. Going forward, the Company made best efforts to send all meeting notices to shareholders more than twenty-one days in advance prior to the meeting as per the corporate governance's best practices. The notice was also made available on the Company's website in advance in Thai and English 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 1/2017 AGM and relevant documents, written in both Thai and English, were available to download on the Company's website at <http://www.thoresen.com> from 24 March 2017 thirty-two days in advance prior to the meeting.

The Company also advertises the shareholders' meeting notice in at least one Thai language and one English language in a newspaper for three consecutive days prior to the shareholders' meeting date to inform shareholders to prepare in advance before participating in the meeting. The notice of the 1/2017 AGM both Thai and English was advertised in a newspaper for three days on 17-19 April 2017.

Details such as date, time and place of the meeting, the meeting agendas with rationale and opinion of the Board on each agenda item in the notice of the annual general meeting, including 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. Envelopes were made readily available for shareholders to mail their proxy forms.

(ii) Date of shareholders' meeting

At the date of shareholders' meeting, the Company facilitated registration by separating lines between individual shareholders and juristic persons. The Company used a bar code system to register meeting attendees and to count votes. To check and verify the attendants' supporting documents, the Company started accepting registrations for 2 hours before the meeting.

(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. The Company conducts the meeting in accordance with the agenda and offers an equal opportunity for each shareholder to cast their vote.

In the 1/2017 AGM which held on 26 April 2017, to support Thai speaking shareholders, the Company managed to have the interpreter in case foreign directors report the Company's performance or answer the shareholders' questions in English. Moreover, legal advisors from A.C. Bangkok Law Office 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. At the meeting, the Chairman conducted the meeting in compliance with all the requirements imposed by the law. He provided the shareholders with clarifications on all the meeting procedures including vote counting methods and exercise of voting rights. Under each agenda item, the Chairman gave the shareholders an opportunity for giving opinions and suggestions as well as asking questions. In response to the questions, the Chairman and the executives gave the shareholders appropriate answers and explanations. The shareholders were requested to vote and adopt resolutions on all agenda items.

The Company 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 2017, the Company was rated Excellent, with a score for the quality of the

1/2017 AGM arrangement, held on 26 April 2017, of 96.00 points. The Company's score was higher than the average score of 91.97 points from total of 618 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 the Company's website at <http://www.thoresen.com>.

The Company prepared and submitted the minutes of 1/2017 AGM to the SET and the Department of Business Development, Ministry of Commerce within the required timeframe. The minutes were also posted on the Company's website.

2. Equitable Treatment of Shareholders

(2.1) Equitable Treatment

The Company realizes to protect and due care for the interests of all major and minor shareholders as fairly basis. In addition, the Company sets policy for equitable treatment to all shareholders for attending and vote in the shareholders' meetings, sharing in profits, regularly and timely obtained adequate information, business performance and management policy. In the shareholders' meeting, each shareholder shall have one vote on each share. Proxy form and requiring documents were delivered together with invitation letter for shareholders who would like to appoint a proxy. Proxy form, which contains detail of voting as approve, disapprove or abstain, as well as details of independent directors also are attached for shareholders consideration as alternative proxy. In addition, voting cards were provided for each agenda especially the agenda of appointment of directors of which being appointed by individual. In every Shareholder's meeting, the meetings were conducted to be in line with the agenda without any additional topic from what have been expressed in the invitation letter otherwise rights of the shareholders who could not participate in the meeting by themselves will be deprived.

(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 the Company. This includes a complete prohibition against using material insider information to buy or sell the Company's securities for their own interest and against giving insider information to other persons or entities to buy or sell the Company's securities as well.

The Company requires that directors and executives report trading transactions in the Company'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 the Company'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 the Company for monitoring potential related party or connected transactions. New directors and senior executives of the Company 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 the Company within fourteen days after changes occurred.

Directors, executives, and employees must refrain from any transactions that may lead to a conflict of interest with the Company. Any directors, executives, and employees who have conflict of interests 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

The Company always makes an effort to maximize shareholders' long-term benefits through careful consideration of business risks. The Company 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; The Company 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. The Company 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, the Company 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 2017, 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 staff training in relation to environment for sea staffs about Vessel Fuel Performance Management Course and Marine Energy Efficiency Management Course.

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 2017, 26 courses were held, covering both technical skills and soft skills. The Company strongly believes that improvement of employees' capabilities will ultimately increase the Company's competitiveness in the long run.

In 2017, the Company's employees attended various courses such as Corporate Finance Law 2017, Taxation procedures, Updated taxation laws and related regulations, IT Audit for Non IT Auditor and The Comparison of accounting and revenue department for new TFRS, with 480 training hours in total or 5.33 hours/person/year averagely.

Summary of training hours in 2017

Training Hours by Level	Overall Training Hours	Average Training Hours
Top management	248 hours	27.55 Hours/Person/Year
Mid-level management	112 hours	3.5 Hours/Person/Year
Operational level officers	120 hours	2.44 Hours/Person/Year
Total training hours	480 hours	5.33 Hours/Person/Year

(C) COUNTERPARTIES

The Company 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: The Company treats competitors fairly, by operating its business with integrity and professionalism, as follows:

- The Company will not commit any action that violates or breaches the law governing trade competition; and
- The Company 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: The Company is always committed to maintaining sustainable relationships with its creditors and credit guarantees with fair and equitable policy, by providing accurate, transparent, and traceable information for them, and strictly adhering to the terms and conditions made with creditors, in terms of payment of the principal, interest, and fees, maintenance of the financial ratio, and other conditions. If the Company fails to comply with any such condition, the Company will promptly notify the creditor, in order to mutually agree on a solution. During the last year, there was no payment default occurred.

Business Partners: The Company 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. The Company 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

The Company 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's 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 the Company. 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.

The Company 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 Stake-holders

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 once a week. All letters (if any) will be forwarded to the Audit Committee for report to the Board at the quarterly meeting.

In 2017, the Company did not receive any complaint by insider and outsider.

4. Information Disclosure and Transparency

The Company 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. The Company 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

The Company has strong determination to reveal accurate complete, consistent and updated information, both financial and general information that related to Company's business. The Complete, consistent and updated information will truly reflect Company's financial performance and future business direction. Such information were disclosed to shareholders, investors and any related parties via SET Portal system, Company's website (www.thoresen.com), press release, Company's Annual Report as well as participating in the "Opportunity Day" which is arranged by SET.

4.2 Remuneration of Directors and Executives

Policy of Directors' Remuneration and Executives has been clearly and transparently set to be comparable to the general practice in the same industry and be appealing enough to attract and retain qualified directors. The directors who also are appointed to be the member of any sub Committees will be paid appropriately more in accordance with the extra work. The Nomination and Remuneration Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders.

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 of Directors is responsible for the Company's consolidated financial statements and any financial information which are disclosed in the Company's annual report. Such financial statements were prepared in accordance with the general acceptance-accounting standard in Thailand with appropriated financial policy. The reports were carefully considered and prepared with sufficient information in the notes to the financial statements. For more assurance and reliability, the financial statements have been audited and commented independently by the authorized auditors of SEC.

The Board of Directors also set out and maintained for the efficiency of the Company's internal control system to ensure that the financial information had been correctly and accurately booked and sufficient to maintain the Company's assets and be aware of weak point in order to prevent whether from any dishonesty or significant error. The Board of Directors had appointed the Audit Committee of which comprised independent directors to be responsible for the quality of the financial statements and the internal control system and disclosed such opinion in the Annual Report under the Report of the Audit Committee. The opinion of the Audit Committee has already been disclosed in the annual report. Moreover, Report of the Board of Directors' responsibility on the Company's Financial Statements was also attached in the Company's Annual Report.

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, the Corporate Governance Committee, and the Investment 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 2017, the Company met and provided information to interested parties on various occasions as follows:

1. One-on-one meetings with investors, and analysts 9 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, Management Discussion and Analysis reports (MD&A), 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, 23 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 25 disclosures;
5. Press releases 9 releases;
6. Photo releases regarding the Company’s activities 6 releases; and
7. Media relations activities 22 times; 16 activities, 5 local media interviews, 1 press conference.

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 communicate with the Audit Committee through the reporting from Internal Audit Department. 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, LumpineeSub-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.

The Board must be composed of members of various professions and experiences which are beneficial to business operations of the Company, i.e. accounting/finance, management, strategic planning, legal and corporate governance without having any gender discrimination. 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 the Company or any of its subsidiaries, is independent from management and major shareholders, and has no business dealings with the Company, 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 percent 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 percent 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 2017 consisted of the following persons:

Members of the Board as of 31 December 2017

Name	Position	First Appointment Date
1. Mr. Prasert Bunsumpun	Chairman of the Board/Chairman of Executive Committee	31 Jan. 2012
2. Mr. Chalermchai Mahagitsiri	Director/President and Chief Executive Officer/Member of Executive Committee/Chairman of Investment Committee	31 Jan. 2012
3. Mr. Jean Paul Thevenin	Director/Member of Executive Committee/Member of Risk Management Committee/Member of Investment Committee	30 Jan. 2014
4. Ms. Ausana Mahagitsiri	Director/Member of Nomination and Remuneration Committee/Member of Corporate Governance Committee	31 Jan. 2012
5. Mr. Jitender Pal Verma	Director/Senior Executive Vice President and Group CFO/Member of Executive Committee/Member of Corporate Governance Committee/Member of Risk Management Committee/Member of Investment Committee	26 Apr. 2017
6. Mr. Somboonkiat Kasemsuwan	Independent Director/Chairman of Audit Committee	14 Nov. 2016
7. Mr. Santi Bangor	Independent Director/Chairman of Nomination and Remuneration Committee/Chairman of Corporate Governance Committee/Member of Audit Committee	31 Jan. 2012
8. Mr. Cherdpong Siriwit	Independent Director/Chairman of Risk Management Committee/Member of Audit Committee	30 Jan. 2013
9. Mr. Chitrapongse Kwangsukstith	Independent Director	13 May 2015
10. Mr. Mohammed Rashed Ahmad M. Al Nasser	Independent Director/Member of Nomination and Remuneration Committee	30 Jan. 2013
11. Mr. Kamolsut Dabbaransi	Director	27 Apr. 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. The Board of Directors' meeting on 13 November 2017 determined the policy that the independent directors shall be in post no longer than 3 terms except getting a unanimous approval from the Nomination and Remuneration Committee due to his/her contribution to the Company

and the Committee ensures that the extra term will not cause or impact to the independent of such director.

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.

Non-Executive Directors Meeting

Non-Executive Directors should have a separate meeting in the absence of the management of Company as often as required for discussion of any necessary topic. For convenience of the meeting, Company Secretary will be appointed as the secretary of the meeting.

In 2017, the Company held nine Board meetings and held unofficial onemeeting 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 Mrs. Vorapin Isaradharm as the Company Secretary on 15 August 2017 to take responsibility for matters connected with meetings of the Board and the shareholders and to contribute

to good 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 Secretary has management and legal background with experience benefit to the Company business. Moreover, she has been participated in many programs of Thai Institute of Directors Association ("IOD") which are related to the position as well as having lots of seminars from the Securities and Exchange Commission, Thailand ("SEC") and the Stock Exchange of Thailand ("SET").

(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 2017

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

All AC members are independent directors. In 2017, the AC convened seven meetings.

AC's duties and responsibilities include:

- 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.
 - Promote the development of financial reporting systems in compliance with International Financial Reporting Standards and consider and endorse the significant change in accounting policy of TTA and subsidiaries prior to proposing to Board of Directors for approval.
- Review the appropriateness and effectiveness of internal control systems and internal audit functions by coordinating with the external auditors and internal auditors to ensure the adequacy of the internal control systems and internal audit functions as follows:
 - Review the activities and organizational structure of the internal audit function which reports functionally to the Audit Committee and Audit Committee review the execution of the Internal Audit Office for the performance assessment to ensure 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.
- 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.
- 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 auditor. The Company has a policy to safeguard the independence of the external auditors by limiting non-audit services to define audit-related and tax services. The selection of the external auditor shall be considered bidding for new external auditors every 4 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.
 12. Proceed the process of overseeing and receiving complaint or information submitted directly by stakeholders.
 13. Hire external parties temporarily or as needed basis to ensure that Internal Audit function has adequate resources to complete the required works effectively and timely.

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 1/2017 AGM on 26 April 2017, the shareholders approved the following items:

1. The appointment of Mrs. Siripen Sukcharoenyingyong, CPA No. 3636, Mr. Charoen Phosamritlert, CPA No. 4068, Miss Pornthip Rimdusit, CPA No. 5565, or Mr. Banthit Tangpakorn, CPA No. 8509 of KPMG Phoomchai Audit Ltd. to be the Company's auditors for the fiscal year 2017 ended 31 December 2017 (1 January – 31 December 2017).
2. The audit fee at the amount of Baht 3.70 million to review and audit the Company'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 2017

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

In 2017, the EC convened eight meetings to acknowledge the Company and main business' annual performance, considering business plans, reviewing investment strategy and annual budget for presentation to the Board.

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.

(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.

Members of the NRC as of 31 December 2017

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.AINasseri	Member	14 Feb. 2013

In 2017, 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 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 2017

No.	Name	Position	First Appointment Date
1	Mr. Santi Bangor	Chairman	14 Feb. 2012
2	Ms. Ausana Mahagitsiri	Member	14 Feb. 2012
3	Mr. Jitender Pal Verma	Member	15 May 2017

In 2017, the CGC convened one meeting to acknowledge the CG assessment result by IOD and review CG policy of the Company.

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

(B.6) Risk Management Committee

Providing an independent oversight on the risk exposures faced by the Group, the Risk Management Committee assists the Board where the Committee oversees the implementation of the Group risk management, including establishing risk appetite, as well as senior management implementation of appropriate systems to ensure that 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 that appropriate mitigation plans are in place and implemented.

Other core responsibilities include:

- Review and approve risk management framework, policies, strategies and plans
- Improves and determines risk management governance and reporting
- Ensure appropriate risk management processes are in place, including the formulation and subsequent updating of appropriate group wide policies
- Review and monitor the Company's risk exposure
- Share quarterly risk information to the Audit Committee for audit planning purposes

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

Members of the RMC as of 31 December 2017

No.	Name	Position	First Appointment Date
1	Mr. Cherdpong Siriwit ^{/1}	Chairman	15 May 2017
2	Mr. Jean-Paul Thevenin	Member	15 May 2017
3	Mr. Jitender Pal Verma	Member	19 Oct. 2015
4	Mr. Ng Kit Wei, David	Member	19 Oct. 2015

Note: ^{/1} Mr. Cherdpong Siriwit was firstly appointed as RMC member on 26 November 2014 and he became as RMC Chairman on 15 May 2017.

In 2017, there were four RMC meetings convened for the Group.

To facilitate risk governance support, the Company 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 Corporate Risk - responsible for overseeing and coordinating risk assessment and mitigation on an enterprise-wide basis where it would help identifying key business risk, provide for appropriate oversight of the businesses' management of these risks, and enforce through policies and procedures; and respective Business Unit Risk Management Committee, which led by their executive officers and drive the implementation of risk program within its business unit, enables more early risk detection and more proactive risk management for the business unit to own and manage their business risk.

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

(B.7) Investment Committee

The Company's Board of Directors appointed the Investment Committee ("IC") on 27 April 2015. 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 Financial Officer and Director of Corporate Finance and Treasury as shown in table below.

Members of the IC as of 31 December 2017

No.	Name	Position	First Appointment Date
1	Mr. Chalermchai Mahagitsiri	Chairman	27 Apr. 2015
2	Mr. Jean Paul Thevenin	Member	27 Apr. 2015
3	Mr. Jitender Pal Verma	Member	27 Apr. 2015
4	Mr. Ng Kit Wei, David	Member	15 May 2017
5	Mr. Wacharapoom Tang-anant	Member	15 May 2017

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 2017, there were nine Board meetings. Principal meeting agendas were: consideration of the

Company'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.

Moreover, the Board in its meeting on 13 November 2017 has resolved that in every Board of Directors' Meeting, directors and management are required to report the change of their holding in TTA security from the date of previous meeting to existing date. Such report is required as a fixed agenda of the meeting.

Attendance Record of the Board and Committees for Year 2017

Name	Meeting Attendance for year 2017						Appointment during FY2017
	Board of Directors (Total 9)	Audit Committee (Total 7)	Executive Committee (Total 8)	Nomination and Remuneration Committee (Total 3)	Corporate Governance Committee (Total 1)	Risk Management Committee (Total 4)	
1. Mr. Prasert Bunsumpun	8/9	-	8/8	-	-	-	-
2. Mr. Chalermchai Mahagitsiri	9/9	-	7/8	-	-	-	-
3. Mr. Jean Paul Thevenin	8/9	-	8/8	-	-	2/3	RMC member on 15 May 2017
4. Ms. Ausana Mahagitsiri	7/9	-	-	2/3	1/1	-	-
5. Mr. Jitender Pal Verma	4/4	-	8/8	-	1/1	4/4	Board member on 26 Apr. 2017 and CGC member on 15 May 2017
Mr. Chia Wan Huat Joseph	4/5	-	2/3	-	-	1/1	Resigned from the Board on 27 Apr. 2017, including the position in EC, RMC, CGC and IC
6. Mr. Somboonkiat Kasemsuwan	9/9	7/7	-	-	-	-	-
7. Mr. Santi Bangor	9/9	7/7	-	3/3	1/1	-	-
8. Mr. Cherdpong Siriwit	8/9	7/7	-	-	-	4/4	RMC Chairman on 15 May 2017
9. Mr. Chitrapongse Kwangsukstith	8/9	-	-	-	-	-	-
10. Mr. Mohammed Rashed Ahmad M. Al Nasser	5/9	-	-	1/3	-	-	-
11. Mr. Kamolsut Dabbaransi	7/9	-	-	-	-	-	-

In 2017, a total of nine Board meetings were held consisting of six regular meetings and three special meetings. There were two Board of Directors meetings mainly to consider a connected transaction. Mr. Chalermchai Mahagitsiri, Ms. Ausana Mahagitsiri and Mr. Kamolsut Dabbaransi, the Company's directors who are the connected persons, did not attend the two meetings in compliance with the SET Connected Transaction Notification.

Directors who could not attend the meeting due to missions abroad or other missions 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 2017. 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 2017, the assessment results as a whole were "Very Good" with a percentage at 88.54, and the assessment results on an individual basis were "Excellent" with a percentage at 90.45. 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

In 2017, sub-committees namely, Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee, and Risk Management Committee, conducted a formal evaluation of their own performance. 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 2017, the assessment result as a whole and an individual basis of the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee were each "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, it 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, briefings on the Company's policies and key business operations are given to the new Board members. 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' Association ("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"), Monitoring the Quality of Financial Reporting ("MFR"), the Board's Role in Mergers and Acquisition ("M&A") and Diploma Examination ("Diploma Exam").

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

Summary of IOD courses which the Company's directors attended

Director	IOD course attended
1. Mr. Prasert Bunsumpun	RCP 28/2012, DAP 26/2004
2. Mr. Chalermchai Mahagitsiri	DAP 30/2004, DCP 53/2005
3. Mr. Jean Paul Thevenin	DAP 74/2008
4. Ms. Ausana Mahagitsiri	DAP 30/2014
5. Mr. Jitender Pal Verma	DCP 78/2006, M&A 1/2011, Diploma Exam 49/2016
6. Mr. Somboonkiat Kasemsuwan	DCP 96/2007
7. Mr. Santi Bangor	DCP 12/2011, RCC 16/2013, ACP 42/2013, 4M (MFM 9/2013, MIR 14/2013, MIA 14/2013, MFR 17/2013)
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 2017, the Company encouraged directors to attend training courses i.e. Mr. Chalermchai Mahagitsiri attended the Digital Edge Fusion (DEF) 1, 2017 and Academy of Business Creativity (ABC) Program 4, 2016 organized by Sripatum University.

(G) BUSINESS ETHICS AND CODE OF CONDUCT

The Company's Ethical and Operational Guidelines

The Company 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 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.

The Company 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 comprise of:

(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 the Company as follows:

(a) The vision statement of the Company is “To be the most Trusted Asian Investment Group, consistently delivering enhanced stakeholder experience”; and

(b) The mission statement of the Company 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.



RISK FACTORS

Risk is an integral component of business, and it is characterized by both threat and opportunity. TTA is committed to ensuring that systematic and holistic management of risks and opportunities is a core capability and an integral part of all group activities, and that a risk aware corporate culture is fostered in all decision making. Through the consistent application of dynamic risk program, TTA manages risk in order to enhance opportunities and reduce threats to achieve competitive advantage.

TTA defines risks as events or developments that may adversely affect the achievement of company values, objectives and goals. TTA Board of Directors has approved a risk management framework, TTA Enterprise Risk Management Framework (“TTA ERM”) which sets out the overall approach to governance and management of risks in accordance with the globally recognized risk management industry under the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

The Board of Directors retains the ultimate responsibility for the overall risk management process and for determining what an appropriate and acceptable risk level should be - overall appetite set in line with the Group’s objectives and goals and significant risks facing the Group including strategic, operational, financial and legal and compliance risks are evaluated, monitored and responded to. Throughout the year, the Board and the Committees to which it has delegated responsibility dedicate attention and resources to ensure risk management program is properly implemented within the Group, and this includes reviewing and discussing specific risk issues in greater detail.

While the Group can continuously seek to strengthen its risk practices, risk will never succeed as much if the organization does not practise 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 and contribute to a stronger risk culture which will ultimately help add value to the organisation.

1. Strategic

1.1 Strategy Implementation

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, TTA regularly engages external consultants and experts to continuously challenge and validate the Group strategic direction and position.

To improve performances, TTA regularly monitors and analyses its business portfolio. Every month, TTA Executive Committee and Officers meet with business units, among others, to monitor not only the performance but also to exchange views and adjust business plans and short-term strategies to ensure confidence in reaching such goals.

1.2 Cyclical Market/Industry

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 financial position as well as 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 (and countercyclical) industry.

1.3 New Investment

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 evaluate the opportunities and key risks presented by potential investments. Rigorous M&A guidelines, including due diligence procedures are applied to the evaluation and execution of all acquisitions that require the approval of the Board.

1.4 Joint Venture/Strategic Partnership

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. 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

Based on TTA Core Values, TTA General Business Code of Conduct provides the primary standards of ethical conduct that TTA requires of the Group, its individual companies and employees. Everyone at TTA is expected to do the right thing, in the right way - only this approach would ensure the success of the Group strategic priorities and enhanced reputation even as the Group looks to sustainably grow business. 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.

For this reason, TTA has put in place extensive processes and tools to address such risks including anti-corruption, transparency and fair business practice adherence. Employees are constantly reminded and made aware of TTA zero tolerance on non-compliance policy which all parties need to adhere and follow,

and any non-compliance compromising the Group is severely dealt with.

2. Operational

2.1 Supply Chain

In many areas, TTA is dependent on suppliers and their ability to deliver a product or a service at the right time and of the right quality. For some of these inputs, the relatively stronger bargaining power or limited number of suppliers may pose some risk, though for most, the group generally diversify and use a wide range of suppliers and monitors them to avoid situations that might jeopardize the group bargaining position, which may adversely impact input cost or availability altogether.

2.2 Counterparty Credit Obligation

Credit risk arises when counterparties fail to fulfill their credit 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.

2.3 Human Capital

Recruiting, retaining and developing a competent workforce and managing key talent throughout the Group are crucial to the success of the Group. Competition for personnel is intense, especially in particular markets, and the Group may not be successful in attracting or retaining qualified personnel. The loss of key employees, the group's inability to attract new or adequately trained employees, or a delay in hiring key personnel could seriously harm the Group business and impede the group and its business divisions from reaching their strategic objectives and face material adverse effects on the business, financial conditions and profitability.

TTA manages the risks and loss of key talents through a combination of different actions. Some of the activities aim at providing a better overview of the whole workforce of the Group, making the TTA employer brand better known both internally and externally, offering competitive remuneration packages and intensifying the efforts to identify and develop talents. Finally, the group actively focuses on talent and management assessments, including succession planning for key positions.

2.4 Occupational Health, Safety and Environment (“HSE”) Risk

Failure to maintain high levels of safety management can result in harm to the group employees or contractors, and also to communities near the group operations and the environment. Impacts in addition to physical injury, health effects and environmental damage could include liability to employees or third parties, impairment of the group reputation, or inability to attract and retain skilled employees. Government authorities could additionally enforce the closure of business operations on temporary basis.

With health and safety never to be compromised, TTA businesses are all required to strictly monitor, measure, and meet compliance with applicable HSE standards. TTA businesses measure its performance in health and safety through lag indicators on accidents and near-misses, and lead indicators on safety observations. The target in safety is zero accidents but demanding milestones have also been set for accident and incident rates. If certain business fails to comply with HSE standards, corrective and preventive measures would be undertaken to mitigate the risk.

2.5 Business Disruption

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

3.1 Financial Market

TTA is exposed to several financial market risks, including those related to currency, commodity prices and interest rates which are inherently volatile and unpredictable. With the objective to have cost effective funding and reduce earnings volatility, the Group manages financial risks using 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 Liquidity/Funding

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 active group 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.

3.3 Dividends from subsidiaries and associated companies

Being a Holding Company, TTA relies on dividend income 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; which without such dividends, the Group may have difficulty servicing its debts.

While TTA manages the risk by diligently planning its liquidity/funding requirement at the Holding Company level, TTA have been working to balance the dividend risk with its deliberate diversification strategy focused on multiple industries that can offer different cash generation stream and resilient cashflow/payback.

4. Compliance and External

4.1 Global Market

With operations extending across the globe, TTA continuously assess and monitor country- specific risks of the countries in which it operates, including considering potential change in 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 where needed, for the group to respond and formulate appropriate risk management strategies.

4.2 Natural Catastrophe

Earthquakes, floods, or storms could affect the Group operations, and assets, and result in significant environmental incident, commercial loss or business interruption. To mitigate the risk, the Group has proactively put in place emergency and business continuity plans and where possible, take on adequate insurance cover to reduce or mitigate any losses.

4.3 Regulatory Change

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 adverse development of legal/regulatory risk.

4.4 Community Relation and Social Responsibility

Social risks may harm existing operations and the execution of new investments. Failure to successfully manage relationships with local communities and non-governmental organisations (NGOs) could disrupt TTA operations and adversely affect the group-potential impacts include reputational impacts and negative media coverage, harm to communities, adverse disruption of operations even to the extent the business may lose the licence to operate.

TTA strives to identify and minimise such social risks, and this includes always emphasizing preventive measures to avoid any adverse social/environmental impact and ensure sustainable business growth. TTA also actively follows in the development of environmental and other legislation to forward plan and minimise any adverse effects on its business.



AUDIT COMMITTEE REPORT

For the year ended 31 December 2017

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 compliance with required regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2017, the Committee held 7 meetings. The key responsibilities of the Committee are to assist the Board of Directors 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 auditor; and assessing the auditor’s performance and effectiveness. The Committee regularly reports the Committee’s activities and recommendations to the Board of Directors. Whenever the Committee has any questions or considers that there should be a corrective action or improvement required concerning any aspect of risk management and internal control, financial reporting, or audit-related activities, the Committee shall promptly report these matters to the Board of Directors. The Committee’s significant activities have been summarized below.

1. Review of Financial Statements

The Committee reviewed TTA’s quarterly and annual financial statements and consolidated financial statements this year, including inter-company transactions and items with potential conflicts of interest with the senior management and the external auditor. The committee asked the external auditor about the accuracy and completeness of the financial statements, adjustment of key journal entries and account estimations affecting the statements, adequacy and suitability of account recording, audit scope, information disclosure that was accurate, complete, and adequate,

as well as the external auditor’s independence. All these ensured that the preparation of the financial statements followed legal requirements and accounting standards under generally accepted accounting principles that are reliable and timely, and that adequate information was disclosed in such statements for the benefit of financial statement users.

The committee discussed exclusively with the external auditor on one occasion without presence of the Company’s management to discuss about the external auditor’s audit plans, independence to fulfill its responsibilities, and its opinion, with a focus on an additional in its report of KAMs (Key Audit Matters) under the new accounting standard including any suspicious information indicating potential fraud under 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 2017, the external auditor did not make any significant observations and did not find the suspicious circumstance. Then, the Committee is of the opinion that the Company has a proper financial reporting process to disclose its financial information without information that is in conflict with the material facts and prepared in accordance with Thai Financial Reporting Standards.

2. Review of Internal Control

The Committee considered the adequacy and the effectiveness of internal control from internal audit reports presented by the Internal Audit Department and the external auditor’s opinion on a quarterly basis by reviewing operation, resource consumption, safeguarding of assets, preventive or reduction of errors or damage, losses, waste, or fraud, credibility of financial reports, compliance with law and relevant regulations as well as follow up the progress in corrective actions or improvement of internal control system. 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 and there are no significant deficiencies identified.

3. Review of Regulatory Compliance

This year the Committee focused on the management policy in support of systematic corporate good governance and supported the development of a compliance framework to prevent any operation that not comply with applicable laws or regulations. The Internal Auditors have also reviewed the connected transactions or transactions that may lead to conflicts of interests ensuring that such transactions are transparency, reasonable, fair, without conflict of interest, in all material respects, and for the highest benefit of the Company as well as compliance with the Securities and Exchange Commission, the Stock Exchange of Thailand regulations requirements, and other regulatory bodies. The result of the review has been reported to the Committee and the Board of Directors respectively. 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 and established "the TTA group internal audit organization" this year as well as promoted the adoption of standard framework as TTA Group Internal Audit Policy in order to ensure efficiency and effectiveness in the internal audit of the entire Group. The internal auditor of each subsidiary also reported the significant audit observations and progress of corrective actions to the Committee.

In addition, the Committee reviewed the Internal Audit Department's strategy, annual internal audit plans, including its performance and audit engagement reports. The Committee provided recommendations and monitored corrective actions for significant issues for good governance and adequate internal control as well as reviewed the Audit Committee Charter and the Internal Audit Charter. Moreover, the Committee also reviewed the Internal Audit Department's annual budget, personnel development and training plans to possess proper knowledge and professional skills. Also reviewed independence of internal audit, adequacy and suitability of resource, and evaluated the performance of Head of the Internal Audit Department.

6. Appointment of the External Auditor

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 endorsed the appointment of Miss. Pornthip Rimdusit, Certified Public Accountant Registration No. 5565; and/or Mr. Banthit Tangpakorn, Certified Public Accountant Registration No. 8509; and/or Mr. Watchara Pattarapitak, Certified Public Accountant Registration No. 6669; all of KPMG Phoomchai Audit Ltd., as the external auditors of the Company for the year 2018 together with the audit fee for TTA and the Group companies amounting to Baht 3.85 million and Baht 20.14 million respectively for the Board's concurrence and the shareholders' approval at the AGM 2018.

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 carried out its duties and responsibilities stated in its charter with competence, care, prudence, and adequate independence while providing creative views and recommendations for the equitable benefit of all stakeholders. The Committee is of the opinion that the Company's financial reports were accurate, reliable, and in alignment with generally accepted accounting standards as well as in compliance with relevant laws and regulations, risk management as company defined and a suitable, effective internal control and internal audit systems.

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 31 December 2017

“TTA consistently recognizes the importance of internal control. The Board of Directors appoints the Audit Committee to ensure that the Group internal control supports the achievement of business operations, accurate and reliable financial reporting, and compliance according to laws and regulations. The Audit Committee assigns the Internal Audit Department to assess the adequacy and effectiveness of internal control”

The Company designed and followed the internal control and compliance system adequately in order to minimize exposure from key risks potentially harmful to the company’s operations. Once control deficiencies are detected, they will be addressed and the internal control and compliance system continuously 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 auditor.

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 the AC and the Board. The AC monitors resolution of any identified control issues through to a satisfactory conclusion. In addition, regular reports are made to the AC and the Board by management, internal audit and compliance functions covering in particular business, financial, operational controls and compliance.

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

The Company recognizes the importance of risk management and preparation for potential risks under changes caused by both internal and external factors that threaten its business activities at department, business unit, and corporate levels. Risk assessment enables the Company to monitor critical risks in a fast-changing scenario in a systematic and timely manner in order to find right solutions to those risks. The management and staff of the Company all take part in assessing risk factors and monitoring risks by assessing the likelihood and the size of negative impact including risks of corruptions. Preventive measures and

a recovery plan are identified to promptly respond to the risks. The Company also reinforces and communicates the importance of risk management continuously across its organization to prepare for uncertainty. The Company's risk management department is responsible for monitoring the progress made in implementing measures and a recovery plan, and preparing risk management reports reviewed by the Risk Management Committee which are submitted to the Board of Directors on a quarterly basis.

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 to 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 appropriate 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 the 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 responsible to evaluate the performance of senior executives of Internal Audit with Chief Executive Officer.

At Board Meeting No.2/2018, held on 5 March 2018 with the Audit Committee present, the Board assessed the above five components of the Company's internal control systems. The Board concluded that the Company's internal control systems were found to be adequate and effective with sufficient of internal audit staffs to effectively conduct the audit tasks, with no material deficiency.

KPMG Phoomchai Audit Ltd., the Company's external auditor, who concluded the audit of the financial statements for year ended on 31 December 2017, concluded that there was no material deficiency in the Company's accounting and financial control system.

FINANCIAL HIGHLIGHTS

	For the Year Ended 31 Dec. 2017	For the Year Ended 31 Dec. 2016	For the Year Ended 31 Dec. 2015
(Baht in millions, except share, per share data, and ratios)			
Income Statement Data:			
Voyage revenues	4,007.40	3,176.91	5,756.14
Voyage expenses ^{/1}	(1,874.30)	1,768.08	3,588.69
Vessel operating expenses - owner expenses ^{/1}	(1,044.96)	1,127.51	1,323.19
Offshore services revenues	4,886.71	6,533.38	11,527.29
Offshore services expenses	(3,636.83)	4,808.56	9,594.86
Sales	4,116.85	3,613.65	3,793.50
Cost of sales ^{/1}	(3,204.16)	2,886.10	3,151.91
Revenues from service companies and other sources ^{/1}	446.17	526.85	446.10
Depreciation and amortisation	(1,111.27)	1,164.64	1,779.33
General and administrative expenses ^{/1}	(1,510.04)	1,552.21	2,433.09
Interest expenses	(380.30)	475.25	501.25
Interest income	154.34	134.59	78.89
Equity income from associates and joint ventures ^{/1}	338.36	552.49	822.61
Foreign exchange gains (losses) ^{/1}	111.45	(10.13)	244.11
Net income (losses)	588.35	(418.29)	(11,335.10)
Per Share Data:			
Net income (losses) - basic	0.32	(0.23)	(6.61)
Cash dividends declared ^{/2}	0.075	0.05	0.05
Net book value	10.83	11.45	11.86
Balance Sheet Data (at end of year):			
Cash and short-term investments	6,423.14	10,670.75	13,423.01
Vessels, rigs, machinery, and equipment - net of depreciation	13,668.80	14,809.80	16,493.28
Total assets	35,584.77	41,620.00	45,346.40
Total liabilities	10,530.79	15,125.38	18,358.04
Issued and paid-up share capital (Baht)	1,822,464,006	1,822,454,100	1,822,454,100
Total shareholders' equity	25,053.98	26,494.62	26,988.36
Other Financial Data:			
Net cash flows provided by operating activities	1,480.62	2,371.35	635.46
Net cash flows provided by (used in) investing activities	(497.88)	1,720.29	(8,051.25)
Net cash flows provided by (used in) financing activities	(3,194.35)	(3,029.78)	5,554.81
Capital expenditures :			
Property, plant and equipment, and intangible assets	2,003.62	578.77	1,332.84
Financial Ratios:			
Return on shareholders' equity (%) [*]	2.90%	-1.97%	-49.43%
Return on total assets (%) [*]	1.79%	-0.22%	-30.50%
Net profit margin (%)	5.17%	-0.71%	-69.07%
Total interest bearing debt to total capitalisation	0.24	0.31	0.35
Net interest bearing debt to net capitalisation	0.06	0.05	0.03

Note: ^{/1}Exclude one-off items

^{/2}The dividend payment for the year ended 31 December 2017 is subject to the shareholders' approval at the AGM 1/2018 to be held on 25 April 2018.

^{*}Annualised



INCOME STRUCTURE

Group of Business	Generated by	% of Shareholding by TTA	Revenue (Baht)					
			For the year ended 31 Dec. 2015	%	For the year ended 31 Dec. 2016	%	For the year ended 31 Dec. 2017	%
Shipping	Shipping	100	5,765,685,998	27	3,176,912,332	23	4,007,397,043	29
Offshore Service	Mermaid	58.2	11,527,292,397	53	6,533,377,554	46	4,918,923,124	35
Coal/Investment	UMS ¹	90.1	577,509,567	3	483,055,531	3	448,118,629	3
Fertilizer/Agrochemical	Baconco ²	100	3,307,625,800	15	3,232,904,661	23	2,871,765,483	21
Others/Investment	GTL/CMSS	51/99.9	247,644,163	1	235,597,337	2	1,146,056,725	8
Other Revenues			272,872,806	1	433,318,568	3	487,453,403	4
Total			21,698,630,731	100	14,095,165,983	100	13,879,714,407	100

Note: ¹indirectly held through Athene Holdings Ltd.

²indirectly held through PM Thoresen Asia Holdings Plc.



MANAGEMENT DISCUSSION AND ANALYSIS FOR FY2017

Thoresen Thai Agencies Public Company Limited

Performance Summary

in million Baht	4Q/16	3Q/17	4Q/17	% YoY	% QoQ	FY16	FY17	% YoY
Revenues	3,597.5	3,113.0	3,547.2	-1%	14%	13,661.8	13,360.1	-2%
Gross Profits/(Losses)	840.0	753.1	1,061.0	26%	41%	2,880.2	3,425.1	19%
Equity Income	102.9	68.4	129.5	26%	89%	552.5	338.4	-39%
EBITDA	617.6	383.0	685.5	11%	79%	2,053.3	2,067.0	1%
Net Profits/(Losses)	(124.8)	25.6	277.0	322%	982%	(96.9)	692.0	814%
Net Profits/(Losses) to TTA	(163.9)	49.1	237.3	245%	383%	(418.3)	588.4	241%
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)	(0.09)	0.03	0.13	245%	383%	(0.23)	0.32	241%
Normalized Net Profits/(Losses)	267.5	-15.1	253.9	-5%	1776%	414.3	550.3	33%
Normalized Net Profits/(Losses) to TTA	167.9	20.5	214.2	28%	945%	32.6	489.2	1402%
Gross Margin (%)	23%	24%	30%			21%	26%	
EBITDA Margin (%)	17%	12%	19%			15%	15%	
Net Profit Margin (%)	-3%	1%	8%			-1%	5%	

*Normalized Net Profits/(Losses) = Net Profits/(Losses) - Non-Recurring Items

Consolidated Performance Highlights

In FY17, revenues were recorded at Baht 13,360.1 million, in line with last year result but with improved margin. Shipping, Offshore Service, Agrochemical, and Investment contributed 30%, 37%, 21% and 12% to the consolidated revenues, respectively. Gross profits amounted to 3,425.1 million, which increased 19%YoY. Gross margin also improved from 21% in FY16 to 26% in FY17 because of higher margin from Shipping. However, equity income decreased 39%YoY to Baht 338.4 million, due to the day rate reduction as per the latest contract renewal of an associate company under Offshore Service. Therefore, EBITDA was Baht 2,067.0 million. In FY16, losses from Shipping and non-recurring (non-cash) items primarily from impairment charges and write-offs from Shipping and Offshore

Service resulted in net losses to TTA of Baht 418.3 million whilst in FY17, net profits to TTA were recorded at Baht 588.4 million, growing 241%YoY, mainly due to significantly improved freight rate under Shipping and lower finance costs.

Significant Events/Changes during FY17

- Acquired three second-hand vessels and sold two old vessels as per its continued thrust to renew fleet.
- Reclassify the business segments into Shipping, Offshore Service, Agrochemical, and Investment.
- TTA, through its subsidiary, acquired Pizza Hut business in Thailand from Yum Restaurants International (Thailand) Co., Ltd. to enable the Group to diversify into fast-growing and stable Food & Beverage sector.

Business Segment Summary

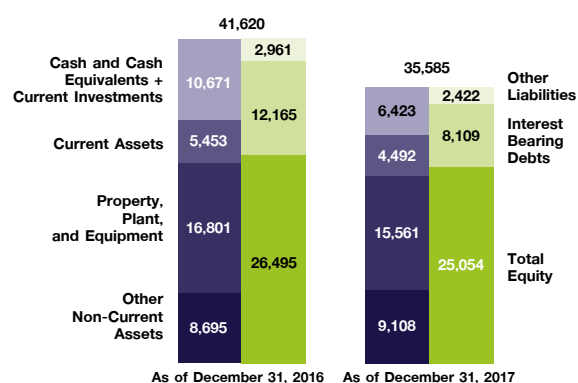
Shipping's freight revenues in FY17 were recorded at Baht 4,007.4 million, which increased 26%YoY due to improved average TCE rate from US\$ 5,155 per day in FY16 to US\$ 8,469 per day in FY17. Continued uptrend in freight market was reflected in higher Baltic Dry Index (BDI) from its 30 year-lowest level at 290 points in February 2016 to an average of 1,145 points in 2017. In FY17, TCE rate significantly improved and operating cash cost remained flat, so gross margin rose materially YoY from 9% to 27% while in FY16, the freight rate was bottom and there were an impairment charge of Baht 308.0 million. As a result, there was a turnaround from net loss to TTA of Baht 874.4 million in FY16 to net profits to TTA of Baht 408.1 million in FY17.

Offshore Service's revenues in FY17 were recorded at Baht 4,886.7 million, which decreased by 25%YoY. The decrease resulted from the lower vessel utilization rate from 69% in FY16 to 56% in FY17. Management made efforts to save costs by rightsizing operations and this helped SG&A to decrease by 10%. Equity income, secured under 3-year contracts, decreased to Baht 157.9 million due to a reduction in day rates under renewed contracts. Accordingly, EBITDA decreased 49%YoY to Baht 690.6 million. Therefore, Offshore Service reported net profits to TTA of Baht 84.1 million, decreasing 76%YoY. Order book at year-end 2017 was US\$ 147.8 million with scheduled delivery mostly in 2018.

Agrochemical's sales revenues amounted to Baht 2,818.1 million, which decreased 11%YoY due to lower export sales volume. Despite lower revenues and higher raw material costs resulted from the temporary increase in import duties, gross margin (spread) in FY17 improved YoY from 28% to 29% due to continued focus on higher-margin domestic market and efficient raw material management. The demand for factory area

for leasing is still high with 100% occupancy rate. To serve an increasing demand, approximately additional 20,000 sq.m. area has been constructed and completed in late 2017 and resulted in total factory area for leasing of 66,420 sq.m. at year-end 2017. There was unrealized loss on exchange rate of Baht 14.5 million in FY17. Agrochemical contributed net profits to TTA of Baht 131.4 million, declining 30%YoY in FY17.

Financial Position



As at December 31, 2017, TTA had total assets of Baht 35,584.8 million, decreased by Baht 6,035.2 million from the end of 2016, mainly because of cash repayment of debentures and foreign currency translation differences for foreign operations. Cash, cash equivalents, and current investments (cash on hand) remained high at Baht 6,423.1 million. Total liabilities were Baht 10,530.8 million, decreased by Baht 4,594.6 million from the end of 2016 primarily due to repayment of due debentures and long-term borrowings. Retained earnings increased by Baht 502.2 million from year-end 2016 to Baht 628.6 million due to positive earnings while other component of equity, which largely was foreign currency translation differences for foreign operations, decreased to Baht 1,226.7 million; therefore, total equity decreased to Baht 25,054.0 million at year-end 2017. Strong capital structure was reflected by low net interest bearing debt to total equity (IBD/E) of 0.07 times.

Shipping

Performance Summary

in million Baht (MB)	4Q/16	3Q/17	4Q/17	%YoY	%QoQ	FY16	FY17	%YoY
Freight Revenues	820.4	896.3	1,131.9	38%	26%	3,176.9	4,007.4	26%
Vessel Operating Expenses	663.3	639.4	780.6	18%	22%	2,895.6	2,919.3	1%
Gross Profits/(Losses)	157.1	256.9	351.2	124%	37%	281.3	1,088.1	287%
Other Income	6.3	13.1	9.5	51%	-27%	31.7	47.4	50%
Gains/(Losses) on Investment	-	-	0.0	0%	0%	(0.2)	0.0	1.1
SG&A	43.8	56.4	63.0	44%	12%	225.7	221.1	-2%
EBITDA from Operation	119.6	213.5	297.8	149%	39%	87.1	914.4	950%
Equity Income	-	-	-	0%	0%	-	-	0%
EBITDA	119.6	213.5	297.8	149%	39%	87.1	914.4	950%
Depreciation & Amortization	99.0	95.4	93.9	-5%	-2%	402.9	364.8	-9%
EBIT	20.6	118.1	203.9	888%	73%	(315.8)	549.6	274%
Finance Costs	42.5	36.2	35.4	-17%	-2%	171.5	148.8	-13%
Gains/(Losses) from Foreign Exchange	81.8	(5.4)	1.0	-99%	118%	(16.4)	(10.6)	35%
Non-Recurring Items - Impairment on Assets	(240.5)	-	-	100%	0%	(308.0)	-	100%
Non-Recurring Items - Others	(7.4)	(0.2)	23.7	420%	12480%	(56.6)	23.1	141%
Profits/(Losses) before Income Tax	(188.0)	76.3	193.2	203%	153%	(868.2)	413.2	148%
Income Tax Expenses	3.6	2.1	0.5	-87%	-78%	6.2	5.1	-17%
Net Profits/(Losses)	(191.6)	74.2	192.8	201%	160%	(874.4)	408.1	147%
Normalized Net Profits/(Losses)	56.3	74.4	169.0	200%	127%	(509.9)	385.0	176%
Gross Margin (%)	19%	29%	31%			9%	27%	
EBITDA Margin (%)	15%	24%	26%			3%	23%	
Net Profit Margin (%)	-23%	8%	17%			-28%	10%	

*TTA held 100.00% of issued and paid up capital of TSG at year-end 2017.

**As consolidated on TTA's P&L

***Normalized Net Profits/(Losses) = Net Profits/(Losses) - Non-Recurring Items

Fleet Data Summary

	4Q/16	3Q/17	4Q/17	%YoY	%QoQ	FY16	FY17	%YoY
Average DWT (Tons)	53,188	53,188	53,742	1%	1%	52,555	53,742	2%
Calendar days for owned fleet ⁽¹⁾	1,921	1,921	1,969	2%	2%	7,946	7,485	-6%
Available service days for owned fleet ⁽²⁾	1,897	1,897	1,836	-3%	-3%	7,763	7,296	-6%
Operating days for owned fleet ⁽³⁾	1,878	1,878	1,836	-2%	-2%	7,713	7,225	-6%
Owned fleet utilization ⁽⁴⁾	99.0%	99.0%	100.0%	1%	1%	99.4%	99.0%	0%
Voyage days for chartered-in fleet	316	316	624	98%	98%	2,690	1,914	-29%
Average number of vessels ⁽⁵⁾	23.8	23.8	26.7	12%	12%	28.4	25.0	-12%
Market Rate (USD/Day)								
BDI Index	994	1,137	1,509	52%	33%	673	1,145	70%
BSI Index	795	843	977	23%	16%	596	844	42%
Mkt TC Avg BSI	8,317	9,243	10,727	29%	16%	6,236	9,168	47%
Average Daily Operating Results ⁽⁶⁾ (USD/Day)								
Highest TCE Rate	16,179	16,460	18,112	12%	10%	16,179	18,112	12%
Thoresen TCE Rate ⁽⁷⁾	6,511	8,288	9,982	53%	20%	5,155	8,469	64%
TCE Rate of Owned Fleet	6,653	8,152	10,173	53%	25%	5,206	8,392	61%
TCE Rate of Chartered-In	(141)	136	(192)	-36%	-241%	(50)	76	251%
Expenses								
Vessel operating expenses (Owner's expenses)	3,472	3,648	3,775	9%	3%	3,565	3,620	2%
Dry-docking expenses	567	537	539	-5%	0%	546	542	-1%
General and administrative expenses	678	892	985	45%	11%	825	881	7%
Cash costs	4,717	5,077	5,300	12%	4%	4,936	5,042	2%
Finance costs, net	658	572	553	-16%	-3%	626	593	-5%
Depreciation	1,533	1,506	1,470	-4%	-2%	1,472	1,453	-1%
Income taxes	56	33	7	-87%	-78%	23	20	-10%
Total costs	6,964	7,188	7,330	5%	2%	7,057	7,109	1%
Operating Results	(453)	1,100	2,651	685%	141%	(1,901)	1,360	172%
USD/THB Rate (Daily Average)	35.39	33.39	32.95	-7%	-1%	35.30	33.94	-4%

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

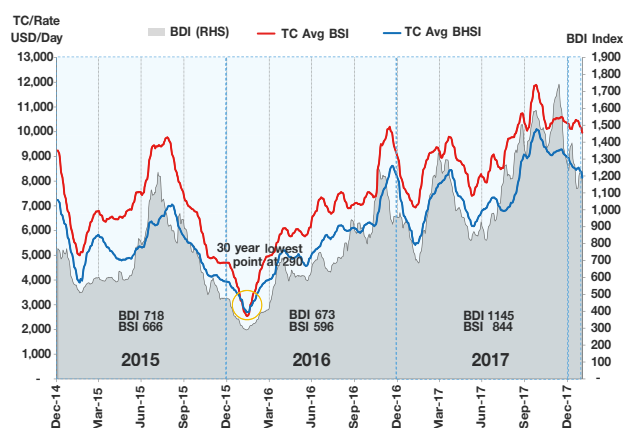
Note:

- 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 utilization 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) The per day basis is calculated based on available service days for owned fleet
- 7) Thoresen TCE Rate = Owned Vessel TCE Rate + Chartered-In Rate

TCE Rate = Time-Charter Equivalent Rate
 TC Rate = Time-Charter Rate
 HSI = The Baltic Exchange Handysize Index

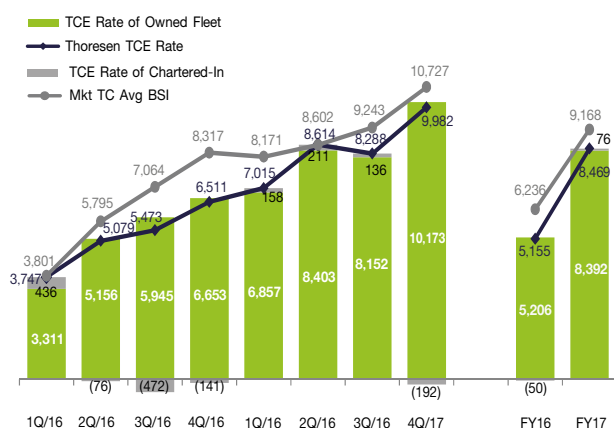
BDI = The Baltic Exchange Dry Index
 BSI = The Baltic Exchange Supramax Index

Dry Bulk Market Index



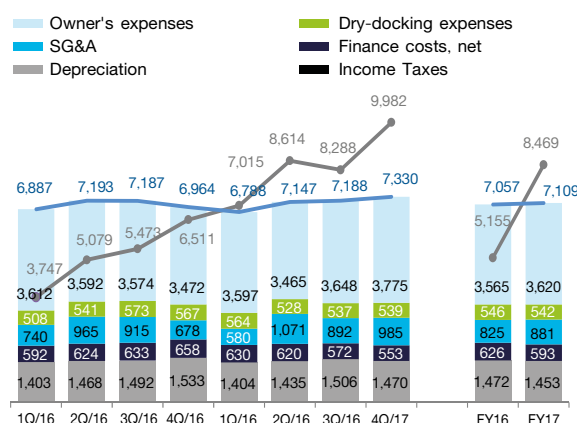
Baltic Dry index (BDI) has continually been on uptrend and picked up from its lowest level at 290 points in February 2016 to the highest level of 1,743 points in December 2017 with an average of 1,145 points for the year 2017, because of continued growth in the Chinese iron ore imports, as well as growth in global seaborne coal and minor bulk trade. The growth on Chinese iron ore imports was supported by the robust growth in steel production and ongoing shift to the higher-quality imported iron ore.

Market TC Avg BSI VS Thoresen's Average TCE Rate



In FY17, freight revenues increased by 26%YoY to Baht 4,007.4 million, driven by the improved freight rate. Average TCE rate was at US\$ 8,469 per day and the highest TCE rate was at US\$ 18,112 per day. Average TCE rate increased 64%YoY from US\$ 5,155 per day in FY16. Operating cash costs remained flat YoY to US\$ 5,042 per day. Gross profits amounted to Baht 1,088.1 million, which increased 287%YoY, and gross margin improved from 9% in FY16 to 27% in FY17. Accordingly, EBITDA was Baht 914.4 million, improving 950%YoY. **In conclusion, Shipping reported a turnaround from net loss of Baht 874.4 million in FY16 to net profits of Baht 408.1 million, 147% growth in FY17.**

Revenue VS Cost Structure (US\$ per vessel day)



As part of on-going fleet renewal plan to develop a modern dry bulk fleet and to increase operating efficiencies, 3 second-hand vessels were acquired and 2 vessels were sold in 2017. Shipping operated an average of 25.0 vessels, comprising 19.8 owned vessels and 5.2 chartered-in vessels in FY17, decreasing from an aggregated average fleet of 28.4 vessels (21.1 owned vessels and 7.3 chartered-in vessels) in FY16. The decrease was mainly due to less availability of proper chartered-in vessels. As at year-end 2017, Shipping owned 21 vessels with an average size of 53,742 DWT and an average age of 11.98 years.

Offshore Service

Performance Summary

in million Baht	4Q/16	3Q/17	4Q/17	%YoY	%QoQ	FY16	FY17	%YoY
Revenues	1,562.7	976.0	1,102.7	-29%	13%	6,533.4	4,886.7	-25%
Total Costs	1,158.9	798.2	759.0	-35%	-5%	4,808.6	3,636.8	-24%
Gross Profits/(Losses)	403.8	177.8	343.7	-15%	93%	1,724.8	1,249.9	-28%
Other Income	47.9	15.0	9.3	-81%	-38%	67.4	34.9	-48%
SG&A	232.1	181.6	175.7	-24%	-3%	839.3	752.0	-10%
EBITDA from Operation	219.6	11.3	177.3	-19%	1476%	952.9	532.8	-44%
Equity Income	62.0	37.5	38.2	-38%	2%	407.6	157.9	-61%
EBITDA	281.6	48.8	215.5	-23%	342%	1,360.5	690.6	-49%
Depreciation & Amortization	154.6	129.5	127.0	-18%	-2%	599.2	537.8	-10%
EBIT	127.0	(80.7)	88.5	-30%	210%	761.3	152.8	-80%
Finance Costs	31.5	30.6	29.6	-6%	-3%	122.7	121.6	-1%
Gains/(Losses) from Foreign Exchange	0.4	4.1	11.7	3095%	183%	9.9	36.9	271%
Non-Recurring Items - Others	(144.8)	32.2	0.0	100%	-100%	(143.8)	77.8	154%
Profits/(Losses) before Income Tax	(48.9)	(75.0)	70.7	245%	194%	504.8	145.9	-71%
Income Tax Expenses	(73.7)	(5.6)	7.4	110%	232%	(100.3)	1.8	102%
Net Profits/(Losses)	24.8	(69.4)	63.3	155%	191%	605.0	144.1	-76%
Net Profits/(Losses) Attributable to Non-Controlling Interest	(12.3)	29.8	(26.8)	-117%	-190%	(255.2)	(60.0)	77%
Net Profits/(Losses) to TTA	12.5	(39.6)	36.5	192%	192%	349.8	84.1	-76%
Normalized Net Profits/(Losses)	169.6	(101.6)	63.3	-63%	162%	748.8	66.3	-91%
Normalized Net Profits/(Losses) To TTA	96.8	(58.4)	36.5	-62%	162%	433.5	38.9	-91%
Gross Margin (%)	26%	18%	31%			26%	26%	
EBITDA Margin (%)	18%	5%	20%			21%	14%	
Net Profit Margin (%)	2%	-7%	6%			9%	3%	

*TTA directly and indirectly held 58.22% of issued and paid up capital of MML at year-end 2017.

**Normalized Net Profits/(Losses) = Net Profits/(Losses) - Non-Recurring Items

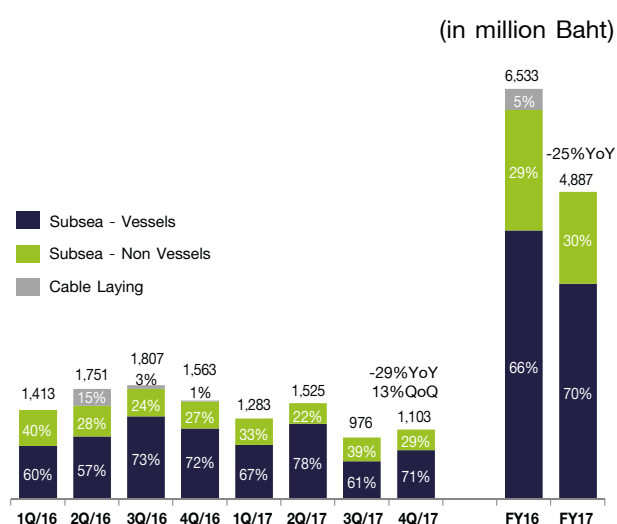
Brent Crude Oil (US\$/Barrel)



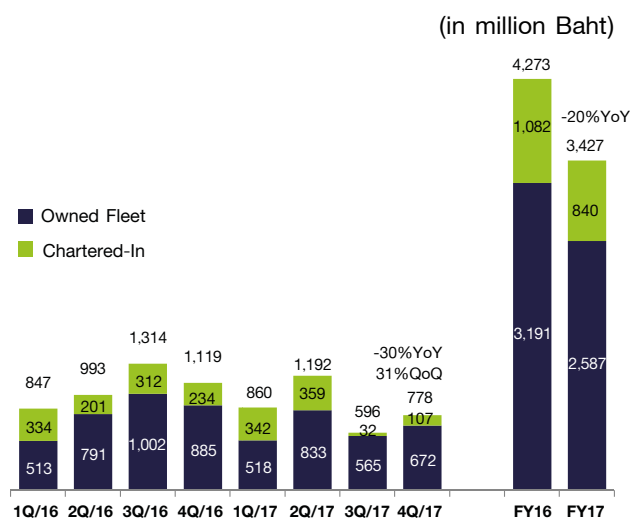
Source: CO1:COM

Brent crude oil price slowly rose from the lowest level at US\$ 28 per barrel last year and surged in 4Q/17 to the highest level at US\$ 67 per barrel. The ascent of crude oil's price in late 2017 was caused by a combination of a steady improvement in the global demand and growing tension in the Middle East. Brent crude oil was volatily traded in the range between US\$ 45 - 67 per barrel with the average of US\$ 55 per barrel during 2017.

Revenue Breakdown by Services

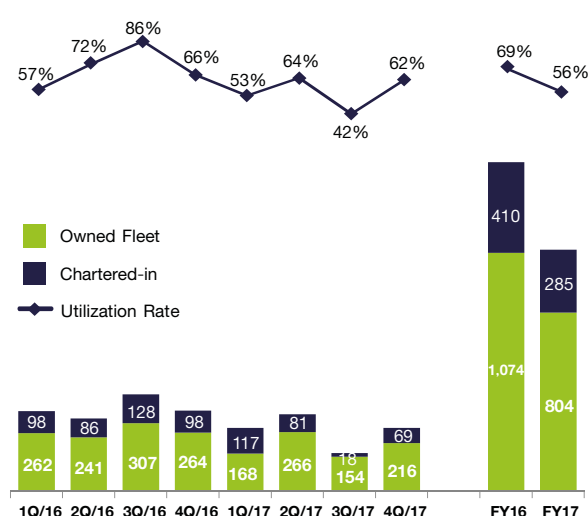


Subsea IRM - Vessels Revenue Breakdown



In FY17, Offshore Service recorded revenues of Baht 4,886.7 million, which declined 25%YoY mainly due to lower utilization rate from 69% in FY16 to 56% in FY17. Gross profits amounted to Baht 1,249.9 million, decreasing 28%YoY. Equity income was lower because of a reduction in day rates under new contracts. Accordingly, EBITDA decreased by 49% to Baht 690.6 million. As a result of cost saving implementation, SG&A decreased by 10%. In conclusion, **Offshore Service** reported net profits of Baht 144.1 million and attributable net profits to TTA of Baht 84.1 million for FY17. Order book at year-end 2017 was US\$ 147.8 million with scheduled delivery mostly in 2018.

Vessel Working Days & U-Rate⁽¹⁾



⁽¹⁾ Excluding three non-performing vessels, which is currently in cold stack.

For drilling business, two very old tender rigs, which are operated under one of its subsidiaries, have remained in cold stack and are being marketed for sale while three high specification jack-up drilling rigs, operated under one of its associates, have performed strongly with a 100% utilization in FY17 as all three rigs have been awarded an extension of three-year contracts, expiring in 2019. In addition, Offshore Service holds a 33.8 percent equity stake in this associate, and the remaining 66.2 percent is held by Seadrill Limited (“Seadrill”). Seadrill and certain of its subsidiaries have filed prearranged Chapter 11 cases in the Southern District of Texas together with an agreed restructuring plan in September 2017. To date, this associate and its subsidiaries have not filed for Chapter 11 and have also been granted a temporary waiver and forbearance from any defaults which may have arisen under its credit facility. The associate’s business operations are also expected to be largely unaffected by Seadrill’s Chapter 11 filing.

Agrochemical

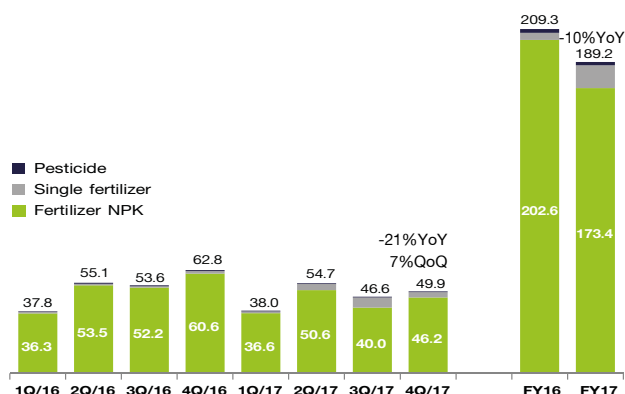
Performance Summary

in million Baht	4Q/16	3Q/17	4Q/17	% YoY	% QoQ	FY16	FY17	% YoY
Sales Revenues	954.0	735.1	753.3	-21%	2%	3,177.7	2,818.1	-11%
Raw Material Costs	654.0	519.9	524.4	-20%	1%	2,280.5	2,001.7	-12%
Gross Profits/(Losses)	300.0	215.2	228.9	-24%	6%	897.2	816.4	-9%
Service & Other Income	16.6	16.1	14.9	-10%	-8%	57.0	58.8	3%
Operating Cost	73.6	68.4	66.4	-10%	-3%	244.3	252.4	3%
Cost of Providing Services	6.2	7.3	6.9	12%	-5%	19.8	27.0	36%
SG&A	86.6	70.0	76.0	-12%	9%	293.8	277.3	-6%
EBITDA	150.2	85.6	94.5	-37%	10%	396.4	318.5	-20%
Depreciation & Amortization	16.5	15.9	16.0	-3%	1%	65.8	63.5	-4%
EBIT	133.7	69.7	78.5	-41%	13%	330.6	255.1	-23%
Finance Costs	0.3	0.9	0.9	263%	-1%	5.8	2.2	-61%
Gains/(Losses) from Foreign Exchange	7.3	(1.8)	(2.6)	-136%	-44%	3.6	(14.5)	-499%
Profits/(Losses) before Income Tax	140.8	67.0	74.9	-47%	12%	328.5	238.4	-27%
Income Tax Expenses	29.9	10.1	16.3	-46%	62%	51.5	46.6	-9%
Net Profits/(Losses)	110.9	56.9	58.6	-47%	3%	277.0	191.8	-31%
Net Profits/(Losses) Attributable								
To Non-Controlling Interests	35.0	17.9	18.5	-47%	3%	89.1	60.4	-32%
To TTA	75.9	39.0	40.2	-47%	3%	188.0	131.4	-30%
Normalized Net Profits/(Losses)								
Normalized Net Profits/(Losses) to TTA								
Gross Margin (%)	31%	29%	30%			28%	29%	
EBITDA Margin (%)	16%	12%	13%			12%	11%	
Net Profit Margin (%)	12%	8%	8%			9%	7%	

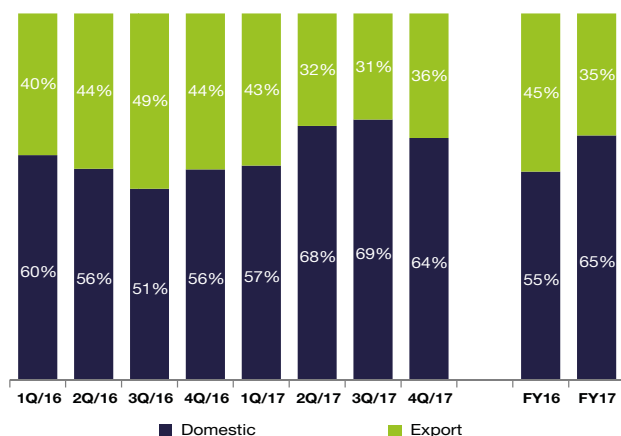
*TTA held 68.52% of issued and paid up capital of PMTA at year-end 2017.

**Gross Profits = Sales Revenues - Raw Material Costs

Total Sales Volume by Product (KTons)



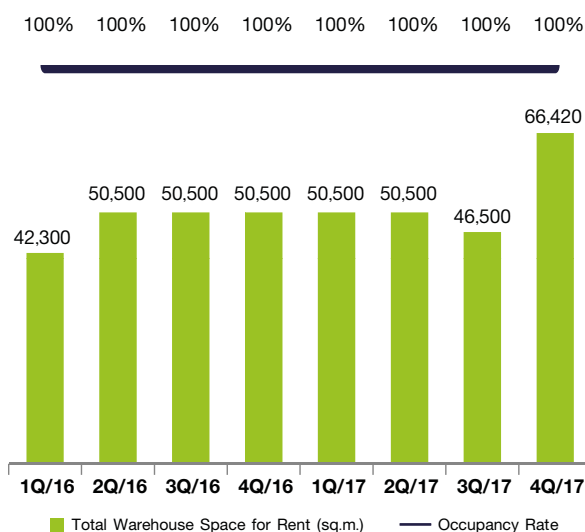
Fertilizer Sales Volume by Market (%)



In FY17, Agrochemical recorded sales revenue of Baht 2,818.1 million, decreased 11%YoY due to lower export sales volume. Although the delay in Winter-Spring rice season became a challenge to sustain the domestic volume in 4Q/17, domestic fertilizer sales volume increased 6%YoY from 114.8 KTons in FY16 to 121.8 KTons in FY17 as a result of active sales and marketing while export fertilizer sales volume decreased 29%YoY to 65.3 KTons due to lower demand especially from Philippines. Gross profits (spread) were Baht 816.4 million, which decreased 9%YoY. Despite lower sales volume and the temporary increase in import duties into Vietnam of the main raw materials (DAP and MAP), effective in 3Q/17, Agrochemical was able to achieve higher gross margin (spread) from 28% in FY16 to 29% in FY17 due to continued focus on the higher-margin domestic market and efficient raw material management. The proportion of domestic fertilizer sales volume to total fertilizer sales volume increased from 55% in

FY16 to 65% in FY17. Net profits decreased YoY because of lower export sales volume, as well as unrealized loss on exchange rate of Baht 14.5 million. **Consequently, Agrochemical reported net profits of Baht 191.8 million and attributable net profits to TTA of Baht 131.4 million in FY17.**

Factory Area for Leasing & Occupancy Rate



Besides fertilizer, Agrochemical also has factory area for leasing. In 4Q/17, total rental space increased to 66,420 sq.m. with the commencement of new warehouses (Baconco 5-B and 5-C), and they have been fully occupied.

Investment

- Investment Sector focused on Food & Beverage (F&B), Water, and Logistics and still have minor impact to consolidated net profits.
- F&B: PHC, the sole franchisee of Pizza Hut business in Thailand, reported the total-system-sales growth of 22%YoY, primarily from outlet expansion, mostly in non-urban areas, and the same-store-sales growth of 12%YoY for the period from acquisition date to the end of 2017. At 31 December 2017, there were 108 outlets in total, which increased by 13 new outlets since the acquisition in June 2017.
- Water: TTA Suez signed Letter of Intent (LOI) with PWA for the joint study on the efficiency of the distribution & transmission network and the reduction of Non Revenue Water (NRW) in order to manage water resources in Pattaya area.



STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

27 February 2018

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 2017 ended 31 December 2017 (1 January – 31 December 2017) 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 2017, 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 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Business acquisition	
Refer to Notes 3(a) and 4 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
In 2017, the Group completed its acquisition of a business in Thailand, resulting in the recording of a gain on bargain purchase in the consolidated statement of income for the year ended 31 December 2017. As the accounting for the business combination is complex and the identification and fair value measurement of assets acquired and liabilities assumed required significant judgment, and the amount of the consideration transferred is significant to the consolidated financial statements, this is a focus area in my audit.	My audit procedures included: ● reading the sale and purchase agreement and analysis memorandum of business combination prepared by the Group to understand key terms and conditions; ● assessing the independence and competency of the expert engaged by the Group for the identification and fair value determination of consideration transferred, assets acquired and liabilities assumed; ● involving KPMG valuation specialists to evaluate the valuation methodology, and key assumptions applied in estimating the discount rate, such as the cost of debt; ● evaluating the key assumptions used in the valuation, such as estimation of future revenue; and ● considering the adequacy of the Group's disclosures in accordance with the relevant Thai Financial Reporting Standards.

Valuation of property, plant and equipment, investments in subsidiaries and associate, and loan to a subsidiary	
Refer to Notes 3(l), 12, 13, 17 and 28 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
As the exploration and offshore drilling businesses are in downturn and a subsidiary's prolonged loss from operations and decline in coal sales volume was observed, these were impairment indicators suggesting the carrying amounts of the related property, plant and equipment, the investments in certain subsidiaries and an associate, and loan to a subsidiary as of 31 December 2017 to 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 discount rate and revenue growth rate. As the calculation of value in use involves significant management judgment and the results might have had a significant impact to the consolidated and separate financial statements, this is a focus area in my audit.	My audit procedures included: - making inquiries of management and obtaining related documents to understand the process by which management has derived its value in use estimates; - comparing forecast revenues to those achieved in prior periods; - involving KPMG valuation specialists to evaluate the valuation methodology, and key assumptions applied in estimating the discount rate, such as the cost of debt; - performing sensitivity tests by varying key assumptions; and - considering the adequacy of the Group's disclosures in accordance with the relevant Thai Financial Reporting Standards.

Revenue from freight charges	
Refer to Notes 3(r) and 25 to the consolidated and separate financial statements.	
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 recognized 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: - testing the design and implementation of the Group's controls over freight charges, as well as sampling testing for their operating effectiveness; - inspecting the significant terms of chartering agreements to assess whether they were consistent with the detailed calculations made by management; - assessing the stage of completion of each voyage by agreeing the amounts recognized to confirmatory evidence on a sample basis, which included agreeing the actual lapsed time of each voyage and considering the Group's historical experience of similar voyages to support the expected time remaining to be incurred; and - considering the adequacy of the Group's disclosures in accordance with the relevant Thai Financial Reporting Standards.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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



(Pornthip Rimdusit)
Certified Public Accountant
Registration No. 5565

KPMG Phoomchai Audit Ltd.
Bangkok
27 February 2018



STATEMENT OF FINANCIAL POSITION

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents	6	4,332,417	6,954,814	222,704	1,480,647
Current investments	7	2,090,718	3,715,938	286,993	802,124
Trade accounts receivable	5,8	2,699,525	3,072,588	-	-
Other receivables		176,479	178,988	236	3,069
Receivables from related parties	5	28	749	30,174	7,019
Short-term loans to related parties	5	-	-	4,673,796	7,081,971
Current portion of long-term					
loans to related parties	5	-	-	51,000	10,500
Deferred contract costs	9	-	60,723	-	-
Inventories	10	815,344	588,884	-	-
Vessel supplies and spare parts		290,800	302,213	-	-
Prepayments		121,658	118,109	4,430	4,676
Other current assets	11	388,329	1,130,871	16,721	19,799
Total current assets		10,915,298	16,123,877	5,286,054	9,409,805
Non-current assets					
Available-for-sale investments	7	635,985	584,824	-	-
Investments in associates	12	3,741,180	3,705,242	79,068	17,868
Investments in subsidiaries	13	-	-	23,484,936	24,247,347
Investments in joint ventures	12	1,174,921	1,228,957	21,004	21,004
Other long-term investments	7	-	716,614	-	-
Long-term loans to related parties	5	-	-	114,000	4,500
Investment properties	16	1,906,612	1,837,076	-	-
Property, plant, and equipment	17	15,561,464	16,577,662	130,284	137,962
Goodwill	15	67,527	74,035	-	-
Intangible assets	18	171,694	28,626	-	11,587
Deferred tax assets	19	315,363	326,343	145,054	171,782
Other non-current assets	20	1,094,726	416,746	12,164	11,495
Total non-current assets		24,669,472	25,496,125	23,986,510	24,623,545
Total assets		35,584,770	41,620,002	29,272,564	34,033,350

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



STATEMENT OF FINANCIAL POSITION

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Current liabilities					
Bank overdrafts and short-term					
borrowings from financial institutions	6,21	148,128	283,075	-	-
Trade accounts payable		730,150	757,061	6,472	4,916
Other payables		173,359	172,437	92	10
Payables to related parties	5	26,609	12,014	59,909	60,729
Advances from customers		98,640	62,202	-	-
Short-term borrowings from related parties	5,21	-	21,800	1,266,381	3,543,051
Current portion of long-term borrowings	21	1,864,082	2,451,282	-	-
Current portion of finance lease liabilities	21	13,912	11,015	-	-
Current portion of bonds	21	1,998,618	2,365,753	1,998,618	2,365,753
Current tax payable		25,196	44,032	-	-
Accrued expenses		962,191	1,536,207	34,886	59,058
Other current liabilities		201,027	182,995	5,903	17,042
Total current liabilities		6,241,912	7,899,873	3,372,261	6,050,559
Non-current liabilities					
Long-term borrowings	21	4,050,774	4,892,293	-	-
Bonds	21	-	2,110,699	-	2,110,699
Finance lease liabilities	21	33,493	28,860	-	-
Deferred tax liabilities	19	22,250	23,029	-	-
Non-current provisions for employee					
benefits	22	147,209	170,628	9,950	15,820
Other non-current liabilities		35,152	-	-	-
Total non-current liabilities		4,288,878	7,225,509	9,950	2,126,519
Total liabilities		10,530,790	15,125,382	3,382,211	8,177,078

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		Separate financial	
		statements		statements	
		31 December		31 December	
Liabilities and equity	Note	2017	2016	2017	2016
(in thousand Baht)					
Equity					
Share capital					
Authorized share capital	23	1,998,447	2,110,160	1,998,447	2,110,160
Issued and paid-up share capital		1,822,464	1,822,454	1,822,464	1,822,454
Share premium on ordinary shares		16,060,007	16,059,845	16,060,007	16,059,845
Retained earnings					
Appropriated - legal reserves	24	116,760	110,340	116,760	110,340
Unappropriated		511,879	16,121	7,886,706	7,849,731
Other components of equity	24	1,226,701	2,861,063	4,416	13,902
Equity attributable to owners					
of the parent		19,737,811	20,869,823	25,890,353	25,856,272
Non-controlling interests	14	5,316,169	5,624,797	-	-
Total equity		25,053,980	26,494,620	25,890,353	25,856,272
Total liabilities and equity					
		35,584,770	41,620,002	29,272,564	34,033,350

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



STATEMENT OF INCOME

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
	<i>Note</i>	<i>(in thousand Baht)</i>			
Revenues					
Revenues from services					
Freight charges		4,007,397	3,176,912	-	-
Offshore service income		4,918,923	6,533,378	-	-
Service and commission income		349,094	337,905	-	-
Revenues from sales		4,116,847	3,613,652	-	-
Total revenues	25	13,392,261	13,661,847	-	-
Costs					
Cost of providing services					
Vessel operating expenses		3,281,060	3,294,483	-	-
Offshore service expenses		4,135,946	5,372,726	-	-
Service and commission expenses		242,790	237,847	-	-
Cost of sales	10	3,288,529	2,947,353	-	-
Total costs		10,948,325	11,852,409	-	-
Gross profits		2,443,936	1,809,438	-	-
Other income	26	487,453	433,319	561,095	398,919
Profits before expenses		2,931,389	2,242,757	561,095	398,919
Selling expenses		436,811	242,356	-	-
Administrative expenses		1,640,053	1,841,522	271,530	275,276
Impairment charges and write-offs	28	-	307,968	-	-
Total expenses		2,076,864	2,391,846	271,530	275,276
Operating profits (losses)	25	854,525	(149,089)	289,565	123,643
Share of profit of associates and joint ventures	12	338,364	552,486	-	-
Profits before finance costs and income tax expenses		1,192,889	403,397	289,565	123,643
Finance costs		402,803	530,136	133,739	219,783
Profits (losses) before income tax expenses		790,086	(126,739)	155,826	(96,140)
Tax expense (income)	29	98,051	(29,831)	27,542	8,029
Profits (losses) for the year		692,035	(96,908)	128,284	(104,169)
Profits (losses) attributable to:					
Owners of parent	30	588,355	(418,291)	128,284	(104,169)
Non-controlling interests	14	103,680	321,383	-	-
		692,035	(96,908)	128,284	(104,169)
Basic earnings (losses) per share (in Baht)	30				
Basic earnings (losses) per share		0.32	(0.23)	0.07	(0.06)

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		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
<i>Note</i>		<i>(in thousand Baht)</i>		
Profits (losses) for the year	692,035	(96,908)	128,284	(104,169)
Other comprehensive income (expenses)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	(2,076,616)	(174,723)	-	-
Gains (losses) on remeasurement of investments held as available for sale	(86,702)	(122,317)	(11,857)	46,469
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	17,774	19,446	2,371	(9,294)
Total items that will be reclassified subsequently to profit or loss	(2,145,544)	(277,594)	(9,486)	37,175
<i>Items that will not be reclassified to profit or loss</i>				
Gains on remeasurements of defined benefit plans	3,792	5,176	7,787	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	(698)	(2,102)	(1,557)	-
Total items that will not be reclassified to profit or loss	3,094	3,074	6,230	-
Other comprehensive income (expenses) for the year, net of tax	(2,142,450)	(274,520)	(3,256)	37,175
Total comprehensive income (expenses) for the year	(1,450,415)	(371,428)	125,028	(66,994)
Total comprehensive income (expenses) attributable to:				
Owners of parent	(1,041,065)	(658,627)	125,028	(66,994)
Non-controlling interests	(409,350)	287,199	-	-
	(1,450,415)	(371,428)	125,028	(66,994)

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

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

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

	Note	Separate financial statements					
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity	
				Legal reserves	Unappropriated (in thousand Baht)	Fair value change in available-for-sale investments, net of tax	Total other components of equity
Year ended 31 December 2016							
Balance at 1 January 2016		1,822,464	16,059,845	110,340	8,045,019	(23,273)	(23,273)
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Dividends paid to shareholders	31	-	-	-	(91,119)	-	-
Total contributions by and distributions to owners		-	-	-	(91,119)	-	-
Comprehensive income (expenses) for the year							
Profit or loss		-	-	-	(104,169)	-	-
Other comprehensive income		-	-	-	-	37,175	37,175
Total comprehensive income (expenses) for the year		-	-	-	(104,169)	37,175	37,175
Balance as at 31 December 2016		1,822,464	16,059,845	110,340	7,849,731	13,902	13,902
Year ended 31 December 2017							
Balance at 1 January 2017		1,822,464	16,059,845	110,340	7,849,731	13,902	13,902
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Issue of ordinary shares	23	10	162	-	-	-	-
Dividends paid to shareholders	31	-	-	-	(91,119)	-	-
Total contributions by and distributions to owners		10	162	-	(91,119)	-	-
Comprehensive income (expenses) for the year							
Profit or loss		-	-	-	128,284	-	-
Other comprehensive income (expenses)		-	-	-	6,230	(9,486)	(9,486)
Total comprehensive income (expenses) for the year		-	-	-	134,514	(9,486)	(9,486)
Transfer to legal reserve		-	-	6,420	(6,420)	-	-
Balance as at 31 December 2017		1,822,464	16,060,007	116,760	7,886,706	4,416	4,416

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



STATEMENT OF CASH FLOWS

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Cash flows from operating activities					
Profits (losses) for the year		692,035	(96,908)	128,284	(104,169)
<i>Adjustments to reconcile profits (losses) to cash receipts (payments)</i>					
Depreciation and amortisation of property, plant, and equipment,					
intangible assets and investment properties	16,17,18	1,373,792	1,458,048	20,881	25,544
(Reversal of) bad and doubtful debts expenses	8	(48,392)	18,571	-	-
Other amortisation and provisions (reversal)		(28,558)	261,784	(7,467)	(12,501)
Reversal of decline in value of inventories	10	(541)	(22,149)	-	-
Write-off on property, plant and equipment, and intangible assets		11,128	7,455	-	-
Impairment charges	28	-	307,968	-	-
Employee benefit obligations	4,22	9,956	18,612	5,768	4,454
Gain on bargain purchase	4	(38,761)	-	-	-
Finance costs		402,803	530,136	133,739	219,783
Tax expense (income)	29	98,051	(29,831)	27,542	8,029
Net (gains) losses on disposals of property, plant, and equipment,					
and intangible assets		(21,746)	56,463	-	-
Dividend income from other investments	26	(40,133)	(105,805)	(6,655)	(58,963)
Dividend income from subsidiaries, associates and joint ventures	26	-	-	(349,411)	(162,433)
Net gains on disposals of current investments	26	-	(87,300)	-	(90,750)
Net gains on disposals of available-for-sale investments	26	-	(9,323)	-	-
Net (gains) losses on disposals of investments in subsidiaries	26	(3,502)	(13,156)	4,440	(3,500)
Gains from change in fair value of financial assets held for trading	26	(15,679)	-	(15,690)	-
Share of profit of associates and joint ventures	12	(338,364)	(552,486)	-	-
Unrealised (gains) losses on exchange rates		(51,158)	(59,692)	129,136	(46,900)
Realised (gains) losses on exchange rates		(460,024)	36,854	(459,731)	35,783
Unrealised losses from interest rate swap agreements		2,072	2,356	2,072	2,356
		1,542,979	1,721,597	(387,092)	(183,267)
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		598,841	1,671,944	-	-
Other receivables		(15,582)	44,662	2,833	(3)
Receivables from related parties		(425,142)	3,667	(23,155)	2,763
Inventories		(155,522)	177,238	-	-
Vessel supplies and spare parts		(92,837)	(7,261)	-	-
Prepayments		(14,117)	14,976	246	(289)
Other current assets		537,474	(266,218)	1,912	9,618
Other non-current assets		(158,946)	140,518	(669)	1,537
Trade accounts payable		33,001	(187,912)	1,556	1,058
Payables to related parties		15,621	2,418	(12,201)	(3,194)
Other payables		73,388	(13,060)	-	-
Advances from customers		42,842	(86,573)	-	-
Accrued expenses		(417,553)	(364,633)	(8,871)	2,754
Other current liabilities		31,270	(304,557)	(11,140)	6,429
Other non-current liabilities		4,997	-	-	-
Cash generated from (used in) operating activities		1,600,714	2,546,806	(436,581)	(162,594)
Employee benefits paid	22	(37,305)	(25,810)	(3,851)	(6,092)
Taxes paid		(82,789)	(149,645)	(1,426)	(4,358)
Net cash from (used in) operating activities		1,480,620	2,371,351	(441,858)	(173,044)

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



STATEMENT OF CASH FLOWS

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Cash flows from investing activities					
Net proceeds from current investments		2,226,049	3,935,129	511,734	4,815,674
Dividends received from current investments		40,133	105,074	6,655	58,963
Payment for available-for-sale investments		(140,168)	(850,603)	-	-
Dividends received from available-for-sale investments		-	7,038	-	-
Increase in advance payment from investment		(564,562)	-	-	-
Net proceeds (payments) for short-term loans to related parties		-	-	2,316,253	(1,743,596)
Proceeds from disposals of investment in subsidiaries, associates and joint ventures		-	28,000	347	28,000
Payments for investments in subsidiaries, associates and joint ventures		(148,201)	(63,611)	(5,622,762)	(1,103,796)
Dividends received from subsidiaries, associates and joint ventures		85,129	393,401	138,562	162,433
Proceeds from repayment of long-term loans to related parties		-	2,073	3,962,053	2,073
Payments for long-term loans to related parties		-	-	(150,000)	-
Acquisition of investment properties		(84,634)	(1,591,218)	-	-
Proceeds from sale of property, plant, and equipment and intangible assets		315,659	333,779	-	-
Acquisition of property, plant, and equipment and intangible assets		(2,003,619)	(578,770)	(1,534)	(1,339)
Payment for acquisition of business	4	(223,670)	-	-	-
Net cash from (used in) investing activities		(497,884)	1,720,292	1,161,308	2,218,412
Cash flows from financing activities					
Proceeds from increase of investment from non-controlling interests of subsidiaries		138,000	32,403	-	-
Net (increase) decrease in restricted cash at bank for long-term borrowings		196,650	(299,906)	-	-
Net proceeds (repayments) of short-term borrowings from related parties		(21,800)	18,500	255,775	(36,000)
Repayments of short-term borrowings from financial institutions		(10,382)	(101,143)	-	-
Proceeds from long-term borrowings	21	798,814	120,000	-	-
Repayments of long-term borrowings and finance lease liabilities		(1,748,782)	(2,148,545)	-	(360,000)
Repayment of bonds	21	(2,000,000)	-	(2,000,000)	-
Proceeds from increase of share capital	23	172	-	172	-
Dividends paid to owners of the Company	31	(91,119)	(91,119)	(91,119)	(91,119)
Dividends paid to non-controlling interests		(37,278)	(37,005)	-	-
Payments for settlement of cross currency and interest rate swap agreements		(3,088)	(44,604)	(3,088)	(44,604)
Finance costs paid		(415,538)	(478,363)	(135,954)	(168,248)
Net cash used in financing activities		(3,194,351)	(3,029,782)	(1,974,214)	(699,971)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(2,211,615)	1,061,861	(1,254,764)	1,345,397
Foreign currency translation differences for foreign operations		(390,944)	(34,108)	-	-
Effect of exchange rate changes on balances held in foreign currencies		(17,762)	(7,106)	(3,179)	8,283
Net increase (decrease) in cash and cash equivalents		(2,620,321)	1,020,647	(1,257,943)	1,353,680
Cash and cash equivalents at beginning of year		6,952,738	5,932,091	1,480,647	126,967
Cash and cash equivalents at ending of year	6	4,332,417	6,952,738	222,704	1,480,647

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	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Non-cash transactions				
Unpaid liabilities from purchase of property, plant, and equipment and intangible assets	41,994	119,858	-	10
Other receivables from disposal of property, plant, and equipment and intangible assets	49	-	-	-
Investment in a subsidiary by offsetting with short-term borrowing to/from and amount due from/to subsidiaries	-	-	-	2,423,715
Dividend payables	3,954	3,955	3,954	3,955
Decrease in short-term borrowing from related party against decrease in subsidiary's share capital	-	-	2,184,993	-
Decrease in short-term borrowing from related party against dividend received from subsidiary	-	-	210,848	-

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

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These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 27 February 2018.

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, warehouse and logistics services, and food and beverage. The Group’s activities can be separated into four main categories, namely shipping, offshore service, agrochemical and investment.

Details of the Company’s subsidiaries, associates, and joint ventures as at 31 December 2017 and 2016 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 2017. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements. The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Investments in other debt and equity securities	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 3(o)

(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 judgment and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgments, 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 recognized prospectively.

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

Note 3	Significant accounting policies (<i>r</i>) <i>Revenue</i> : stage of completion of each voyage
Note 4	Acquisitions of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;
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; and
Note 28	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 these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 33	Financial instruments

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries and the Group's interests in associates and joint ventures (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, as describe in subsidiaries section, other than those with entities under common control.

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 recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognized in profit or loss immediately.

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 recognized 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 recognized 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 initially recognized 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 exchange rates at the dates of the transactions.

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

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

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

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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 non-current assets or other non-current 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) 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 recognized 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 recognized directly in equity. Impairment losses and foreign exchange differences are recognized in profit or loss. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized 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 recognized 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.

(i) 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 measured 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.

(i) Property, plant and equipment*Recognition and measurement**Owned assets*

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. 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.

Any gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized 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 recognized 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 derecognized. The costs of the day-to-day servicing of property, plant, and equipment are recognized 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.

(k) 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 3(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 recognized at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortization and impairment losses (if any).

Franchise license

Franchise license acquired in a business combination are recognized at fair value at the acquisition date. Franchise license have a finite useful life and are measured at cost less accumulated amortization and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

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

Amortization is recognized 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
Franchise license	10	years

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

(f) 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 recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

When a decline in the fair value of an available-for-sale investment has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized 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 recognized in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized 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 amortization, if no impairment loss had been recognized.

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognized 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 recognized in profit or loss over the period of the borrowings on an effective interest basis.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) 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 recognized as an employee benefit expense in the periods during which services are rendered by employees.

Defined benefit plans

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

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

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

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

Other long-term employee benefits

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

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 recognized 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.

(p) Provisions

A provision is recognized 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 recognized 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.

(q) Share capital

Ordinary shares

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

(r) 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 recognized as revenues at the completion of the voyage. Where a voyage is incomplete as of the statements of financial position date, freight charges are recognized 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 recognized 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 recognized 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 recognized in the same period as the expenses.

Sale of goods

Revenue from sales of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized 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 recognized is the net amount of commission made by the Group.

Rental income

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

Dividend income

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

Interest income

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

(s) Finance costs

Finance costs comprise interest expense on borrowings, losses on disposal of available-for-sale financial assets, and fair value losses on financial assets measured at fair value through profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(t) Lease payments

Payments made under operating leases are recognized 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.

(u) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized 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 recognized 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 recognized 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 judgments about future events. New information may become available that causes the Group to change its judgment 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 recognized 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.

(v) 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.

(w) Dividend distribution

Dividend to the Company’s shareholders is recognized 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.

(x) 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.

4 Acquisitions of subsidiary*Acquisition of Pizza Hut business*

On 1 June 2017, the Group, through its 70% owned subsidiary, PH Capital Co., Ltd. (“PHC”) completed the purchase of Pizza Hut business in Thailand from Yum Restaurants International (Thailand) Co., Ltd. (“YRIT”) for total consideration of Baht 223.7 million which includes a reimbursement amount to be paid subsequent to the completion of this transaction according to the Asset Sale and Purchase Agreement (“APA”) dated 16 February 2017.

The purchase of Pizza Hut business will enable the Group to diversify into fast-growing and stable Food & Beverage sector.

The Group has applied Thai Financial Reporting Standard (“TFRS”) No. 3 (revised 2016) *Business Combinations* to recognise the purchase of Pizza Hut business as business combination. The following summarises the consideration transferred and the recognized amounts of assets acquired and liabilities assumed.

	Fair value <i>(in million Baht)</i>
Inventories	92.43
Property, plant and equipment	174.41
Intangible assets	31.75
Deferred tax assets	4.04
Non-current provisions for employee benefit obligations	(8.13)
Other non-current liabilities	(32.07)
Fair value of net identifiable assets acquired	
and liabilities assumed	262.43
Gain on bargain purchase	(38.76)
Total consideration	223.67

The Company engaged an independent appraiser to appraise the fair value of identifiable assets acquired and liabilities assumed, and allocation of acquisition-date fair value at the acquisition date. The process of appraisal of the fair value and allocation had been completed during the year ended 31 December 2017.

During the period from acquisition date to 31 December 2017, the Pizza Hut business contributed revenue of Baht 892.35 million and net loss of Baht 31.99 million to the Group’s results. If the acquisition had occurred on 1 January 2017, management estimates that consolidated revenue would have been Baht 13,959.71 million and consolidated profit contributed to owners of parent for the year ended 31 December 2017 would have been Baht 571.25 million. In determining these amounts, management has assumed that the fair value of business on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2017.

On 1 June 2017, PHC also entered into an International Franchise Agreement (“IFA”) and a Development Agreement with YRIT and PHC recognized fees of Baht 139 million paid under both agreements as intangible assets. The continuing fee and marketing and advertising fee as required by IFA are charged to profit and loss when incurred.

In addition, the Company and PM Capital Co., Ltd., collectively known as PHC’s shareholders, entered into separate undertaking agreements with YRIT guaranteeing obligations of PHC subject to a cap at certain amount and the guarantees remain effective throughout the term of the IFA, other franchise agreements and the Development Agreement.

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.
PM Capital Co., Ltd.	Thai	One of the Company's directors is a major shareholder.

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
Selling and administrative expense	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	
	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
Subsidiaries				
IT service and office and office equipment rental income	-	-	19,641	19,385
Other income	-	-	1,600	914
Interest income	-	-	67,232	34,741
IT service and service expenses	-	-	1,798	1,502
Interest expenses	-	-	11,381	3,567
Joint ventures				
IT service and office and office equipment rental income	53,691	55,164	-	-
Offshore service income	2,364,498	2,710,325	-	-
Other income	-	17	-	17
Interest income	-	47	-	47
Offshore service expenses	2,581	11,758	-	-
Cost of sales	71,067	59,195	-	-
Selling expenses	68,703	80,945	-	-
Administrative expenses	1	8	-	-
Management and administrative fees	1,467	2,661	-	-
Interest expense	1,267	917	-	-

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
Associates				
IT service and office and office equipment				
rental income	-	1,570	-	1,570
Other income	-	3	-	3
Vessel operating expenses	-	177	-	-
Cost of sales	12,035	9,821	-	-
Selling expenses	8,575	12,215	-	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	178,612	174,880	54,696	56,696
Post-employment benefits	11,819	11,668	11,543	11,543
Total key management personnel compensation	190,431	186,548	66,239	68,239

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	2017	2016	2017	2016
		(in thousand Baht)			
<i>Trade accounts receivable</i>					
Joint ventures	8	1,480,217	1,141,973	-	-
<i>Receivables from related parties</i>					
Subsidiaries		-	-	30,683	7,526
Joint ventures		249,865	274,665	36	37
		249,865	274,665	30,719	7,563
Less allowance for doubtful accounts		(249,837)	(273,916)	(545)	(544)
Net		28	749	30,174	7,019
<i>Short-term loans to related parties</i>					
Subsidiaries		-	-	4,673,796	7,254,111
Joint venture		140,528	154,072	-	-
		140,528	154,072	4,673,796	7,254,111
Less allowance for impairment	13	(140,528)	(154,072)	-	(172,140)
Net		-	-	4,673,796	7,081,971

The Company

Short-term loans to subsidiaries are at call and unsecured, which loans to subsidiaries bear interest at 1.5% to 4.7% per annum (31 December 2016: 1.5% to 4.7% per annum).

The Company's short-term loans to subsidiaries bear effective interest rates at 1.5% to 4.8% 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	
	Note	2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Short-term loans to related parties					
Subsidiaries					
At 1 January		-	-	7,081,971	5,517,012
Additions		-	-	266,427	2,165,950
Repayments		-	-	(2,582,680)	(550,199)
Realised gain on exchange rates		-	-	-	524
Reversal of impairment		-	-	172,140	-
Decrease against decrease in short-term loan from subsidiary		-	-	(17,734)	-
Foreign currency transaction differences		-	-	(246,328)	(51,316)
At 31 December		-	-	4,673,796	7,081,971
Long-term loans to related parties					
Subsidiaries		-	-	165,000	3,977,053
Joint venture		581,720	637,786	-	-
		581,720	637,786	165,000	3,977,053
Less allowance for impairment	13	(581,720)	(637,786)	-	(3,962,053)
Net		-	-	165,000	15,000

The Company

On 26 January 2017, the Company entered into a secured long-term loan agreement with a subsidiary of the Company in Baht currency totalling Baht 150 million with interest rate at 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 the first draw down loan.

The Company's long-term loans to subsidiaries bear effective interest rates at 8.4% to 9.3% per annum.

As at 31 December 2016, long-term loans to subsidiaries represented unsecured long-term loans in Baht currency totalling Baht 3,977 million, which loans to a subsidiary carry interest at MOR plus a certain margin per annum. These loans of Baht 3,962 million were repaid during the year ended 31 December 2017.

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

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Long-term loans to related parties					
Subsidiaries					
At 1 January		-	-	15,000	15,000
Additions		-	-	150,000	-
Repayment		-	-	(3,962,053)	-
Reversal of impairment		-	-	3,962,053	-
At 31 December		-	-	165,000	15,000
Less current portion of long-term loans		-	-	(51,000)	(10,500)
Long-term loans - net of current portion		-	-	114,000	4,500
Joint ventures					
At 1 January		-	2,073	-	2,073
Repayments		-	(2,073)	-	(2,073)
At 31 December		-	-	-	-

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
Payables to related parties				
Subsidiaries	-	-	59,909	60,729
Joint ventures	24,313	11,159	-	-
Associates	2,296	855	-	-
	26,609	12,014	59,909	60,729
Short-term borrowings from related parties				
Subsidiaries	-	-	1,266,381	3,543,051
Joint ventures	-	21,800	-	-
	-	21,800	1,266,381	3,543,051

The Company

Short-term borrowings from subsidiaries are unsecured and repayable at call, which loans from subsidiaries bear interest at 1.5% to 2.2% per annum (31 December 2016: 1.3% to 2.2% per annum). These loans of Baht 2,185 million were settled by offset with share capital reduction of one subsidiary during the year ended 31 December 2017.

The Company's short-term borrowings from subsidiaries bear effective interest rates at 1.5% to 2.2% per annum.

Consolidated

As at 31 December 2016, short-term borrowings from a joint venture are unsecured and repayable at call. The loans bear interest at MOR plus a certain margin per annum.

Movements of short-term borrowings from related parties during the year ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
Short-term borrowings from related parties				
Subsidiaries				
At 1 January	-	-	3,543,051	1,403,305
Additions	-	-	255,782	-
Repayment	-	-	-	(36,000)
Increase (decrease) against increase (decrease) in subsidiary's share capital	-	-	(2,185,000)	2,185,000
Decrease against decrease in short-term loan to subsidiary	-	-	(17,734)	-
Decrease against dividend received from subsidiary	-	-	(210,848)	-
Unrealised gains on exchange rate	-	-	(118,870)	(9,254)
At 31 December	-	-	1,266,381	3,543,051
Joint ventures				
At 1 January	21,800	3,300	-	-
Additions	1,000	26,500	-	-
Repayments	(22,800)	(8,000)	-	-
At 31 December	-	21,800	-	-

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cash on hand	19,676	16,393	50	30
Deposits at banks	4,312,741	6,938,421	222,654	1,480,617
Cash and cash equivalents in the statement of financial position	4,332,417	6,954,814	222,704	1,480,647
Bank overdrafts	-	(2,076)	-	-
Cash and cash equivalents in the statement of cash flows	4,332,417	6,952,738	222,704	1,480,647

As at 31 December 2017, deposits at bank bear interest at the rates between 0.1% to 2.2% per annum (31 December 2016: 0.1% to 1.9% per annum).

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Current investments				
Equity securities held for trading	129,319	154,893	129,319	154,893
Debt securities held for trading	60,738	251,021	60,738	211,021
Equity securities available for sale	71,589	127,137	71,589	127,137
Debt securities available for sale	884,838	1,720,375	-	150,307
Other debt securities held to maturity	91,111	228,363	91,111	228,363
Fixed term deposits	267,464	1,307,984	-	-
Convertible loan	653,618	-	-	-
	2,158,677	3,789,773	352,757	871,721
Accumulated changes in fair value	(67,959)	(73,835)	(65,764)	(69,597)
Total	2,090,718	3,715,938	286,993	802,124
Long-term investments				
Equity securities available for sale	920,809	795,503	-	-
Long-term loan	-	716,614	-	-
	920,809	1,512,117	-	-
Accumulated changes in fair value	(284,824)	(210,679)	-	-
Total	635,985	1,301,438	-	-
Total	2,726,703	5,017,376	286,993	802,124

As at 31 December 2017, the Company has a debt security held to maturity in amount of Baht 91.1 million which was due on 30 January 2018. The Company has decided not to roll-over such debt security held to maturity and is in the process to demand the payment.

Right offering of Sino Grandness Food Industry Group Limited ("SGFI") ordinary shares

On 10 March 2017, SGFI, a company listed on Singapore Exchange ("SGX"), completed its renounceable non-underwritten rights issue ("Rights Issue") of up to 306.1 million new ordinary shares in the capital of SGFI at an issue price of SGD 0.21 for each Rights share on the basis of five Rights Shares for every eleven existing ordinary shares in the capital of SGFI on the SGX. Soleado, a wholly-owned subsidiary of the Company subscribed for 25.3 million Rights Shares for the total consideration of SGD 5.4 million or Baht 132 million, bringing the Group's total interest in SGFI decreased from 10.14% to 9.55%.

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

The convertible loan granted by Soleado, a wholly owned subsidiary of the Company to SGFI of USD 20 million (equivalent to Baht 653.6 million) has been presented as a current asset as at 31 December 2017 due to maturity of the convertible loan is within one year. According to the convertible 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.

At the Extraordinary General Meeting of SGFI held on 8 June 2017, the shareholder unanimously approved to issue new share at the adjusted maximum conversion price of SGD 0.444 pursuant to the conversion option. The maximum number of new shares to be allotted and issued to Soleado at option of Soleado is 72.7 million new shares. As of the date of approval of these financial statements, Soleado has not yet exercised this conversion option.

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 an investment company

During the year 2017, Asia Coating Services Ltd. ("ACS"), a 99.9% subsidiary, has invested 8.85% stake in an investment company at subscription amount of SGD 717,880 (equivalent to Baht 17.7 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	
	2017	2016	2017	2016
	(in million Baht)			
Equity securities held for trading				
At 1 January	64.8	524.8	64.8	524.8
Purchases during the year	51.1	20.5	51.1	20.5
Sales during the year	(76.7)	(456.0)	(76.7)	(456.0)
Valuation adjustment	18.5	(24.5)	18.5	(24.5)
At 31 December	57.7	64.8	57.7	64.8
Debt securities held for trading				
At 1 January	254.2	2,564.8	214.2	2,564.8
Purchases during the year	77.2	810.2	72.2	670.2
Sales during the year	(267.5)	(3,109.3)	(222.5)	(3,009.3)
Valuation adjustment	(2.8)	(11.5)	(2.8)	(11.5)
At 31 December	61.1	254.2	61.1	214.2
Equity securities available for sale				
<i>Current investments</i>				
At 1 January	136.9	649.3	136.9	649.3
Purchases during the year	8.4	465.8	8.4	465.8
Sales during the year	(63.9)	(1,009.8)	(63.9)	(1,009.8)
Valuation adjustment	(4.3)	31.6	(4.3)	31.6
At 31 December	77.1	136.9	77.1	136.9
<i>Long-term investments</i>				
At 1 January	584.8	663.2	-	-
Purchases during the year	149.7	187.0	-	-
Sales during the year	-	(36.0)	-	-
Unrealised gains (losses) on exchange rate	56.5	(13.1)	-	-
Valuation adjustment	(94.0)	(205.2)	-	-
Foreign currency translation differences	(61.0)	(11.1)	-	-
At 31 December	636.0	584.8	-	-
Debt securities available for sale				
At 1 January	1,723.7	2,715.6	157.9	1,042.8
Purchases during the year	295.7	1,256.6	61.1	497.0
Sales during the year	(1,012.5)	(2,291.2)	(211.4)	(1,394.7)
Unrealised losses on exchange rate	-	(2.1)	-	(2.1)
Valuation adjustment	(5.5)	55.9	(7.6)	14.9
Foreign currency translation differences	(118.8)	(11.1)	-	-
At 31 December	882.6	1,723.7	-	157.9

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

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
31 December 2017		(in million Baht)			
Current investments					
Equity securities held for trading	57.7	49.9	7.8	-	57.7
Debt securities held for trading	61.1	-	61.1	-	61.1
Equity securities available for sale	77.1	-	77.1	-	77.1
Debt securities available for sale	882.6	-	882.6	-	882.6
Convertible loan	653.6	-	-	752.6	752.6
Long-term investment					
Equity securities available for sale	636.0	455.2	-	180.8	636.0

Consolidated financial statements					
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
31 December 2016					
		(in million Baht)			
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
Convertible loan	716.6	-	-	716.6	716.6

		Separate financial statements			
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
31 December 2017		(in million Baht)			
Current investments					
Equity securities held for trading	57.7	49.9	7.8	-	57.7
Debt securities held for trading	61.1	-	61.1	-	61.1
Equity securities available for sale	77.1	-	77.1	-	77.1

	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
31 December 2016		(in million Baht)			
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

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 the convertible loan is determined by an independent valuer, using the component model approach which separately identifies the straight loan value and a call option value. The fair value is within Level 3 of fair value hierarchy. The significant unobservable input is the discount rate used which is 5.47%.

8 Trade accounts receivable

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Related parties					
Trade accounts receivable	5	<u>1,480,217</u>	<u>1,141,973</u>	<u>-</u>	<u>-</u>
Other parties					
Trade accounts receivable		1,311,198	1,896,277	-	-
Retention receivable		52,029	168,233	-	-
Accrued income		<u>113,905</u>	<u>172,321</u>	<u>-</u>	<u>-</u>
		1,477,132	2,236,831	-	-
Less allowance for doubtful accounts		<u>(257,824)</u>	<u>(306,216)</u>	<u>-</u>	<u>-</u>
Net		<u>1,219,308</u>	<u>1,930,615</u>	<u>-</u>	<u>-</u>
Total		<u>2,699,525</u>	<u>3,072,588</u>	<u>-</u>	<u>-</u>
(Reversal of) bad and doubtful					
debts expense for the year		<u>(48,392)</u>	<u>18,571</u>	<u>-</u>	<u>-</u>

Aging analysis for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
Related parties				
Within credit terms	393,424	430,096	-	-
Overdue:				
Less than 3 months	610,196	598,838	-	-
3 - 6 months	476,597	113,039	-	-
	1,480,217	1,141,973	-	-
Other parties				
Within credit terms	737,605	965,203	-	-
Overdue:				
Less than 3 months	244,377	571,941	-	-
3 - 6 months	22,022	14,906	-	-
6 - 12 months	30,146	14,059	-	-
Over 12 months	277,048	330,168	-	-
	1,311,198	1,896,277	-	-
Less allowance for doubtful accounts	(257,824)	(306,216)	-	-
Net	1,053,374	1,590,061	-	-
Total	2,533,591	2,732,034	-	-

The normal credit term granted by the Group ranges from 5 days to 120 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	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 January	60,723	134,750
Amortization on deferred contract costs	(57,517)	(71,855)
Foreign currency translation differences	(3,206)	(2,172)
At 31 December	-	60,723

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, 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 joint venture of MMPLC, Zamil Mermaid Offshore Services Co. (LLC) ("ZMOS"), and was recognized 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 recognized, 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% 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.

As at 31 December 2017, the deferred contract costs have been fully amortised.

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Inventories	1,076,773	856,539	-	-
Tools and supplies	59,369	53,684	-	-
Total	1,136,142	910,223	-	-
Less allowance for decline in value of inventories	(320,798)	(321,339)	-	-
Net	815,344	588,884	-	-

Inventories recognized as an expense in cost of sales:				
- Cost	3,289,070	2,969,502	-	-
- Reversal of allowance for decline in value of inventories	(541)	(22,149)	-	-
Net	3,288,529	2,947,353	-	-

As at 31 December 2017, inventories with carrying amount of VND 203 billion, or equivalent to Baht 284 million (31 December 2016: VND 192 billion or equivalent to Baht 307 million), were pledged with a bank as security for the utilised loan facility from a bank of VND 300 billion or equivalent to Baht 420 million (31 December 2016: VND 300 billion or equivalent to Baht 480 million).

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
Prepaid tax and value added tax refundable, net	286,088	503,555	-	4,358
Cash at bank collateralised for loans	-	591,728	-	-
Insurance claim	65,141	23,247	-	-
Others, net	37,100	12,341	16,721	15,441
Total	388,329	1,130,871	16,721	19,799

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	
			2017	2016
Name of associates				
The Company				
Shipping				
- Thoresen Shipping (Thailand) Co., Ltd. (“TST”)(1)	Commercial dry bulk shipping activities	Thailand	51.0	-
Investment				
- Fearnleys (Thailand) Ltd. With subsidiaries as follows:	Ship brokerage	Thailand	49.0	49.0
- PT. Fearnleys Indonesia	”	Indonesia		
- Fearnleys Shipbroking Private Limited	”	India		
Consolidated				
Offshore service				
- Asia Offshore Drilling Limited (invested by MMPLC) With subsidiaries as follows:	Drilling services	Bermuda	33.8	33.8
- Asia Offshore Rig 1 Limited	”	Bermuda		
- Asia Offshore Rig 2 Limited	”	Bermuda		
- Asia Offshore Rig 3 Limited	”	Bermuda		
Investment				
- Sharjah Ports Services LLC (invested by Thoresen Shipping FZE)	Port operations	UAE	49.0	49.0
- Baria Serace (invested by Soleado)	”	Vietnam	28.0	20.0
- Laser Game Asia Company Limited (invested by ACS)	Lifestyle & Entertainment	Thailand	30.0	30.0

Name of associates / joint ventures	Nature of business	Country of incorporation	% Ownership interest	
			2017	2016
Name of joint ventures				
The Company				
Investment				
- Thoresen (Indochina) S.A.	Ship agency	Panama	50.0	50.0
With a subsidiary as follows:				
- Thoresen-Vinama Agencies Co., Ltd.	Ship agency and related services transportation	Vietnam		
With a subsidiary as follows:				
- Thoresen-Vinama Logistics Co.,Ltd.	Bonded warehouse and related services transportation	Vietnam		
- 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	51.0
Consolidated				
Offshore service				
- 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
Investment				
- Petrolift Inc. (invested by Soleado)	Maritime transportation	Philippines	40.0	40.0

(1) TST is indirect subsidiary of the Group because it is held by TTA 51% and TSS 49%

Movements during the years ended 31 December of investments in associates and joint ventures were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
Associates				
At 1 January	3,705,242	3,323,861	17,868	42,368
Acquisition	148,201	36,000	61,200	-
Disposal	-	(14,632)	-	(24,500)
Dividend income	(51,651)	(48,666)	-	-
Share of profit of associates	267,530	426,389	-	-
Foreign currency translation differences	(328,142)	(17,710)	-	-
At 31 December	3,741,180	3,705,242	79,068	17,868
Joint ventures				
At 1 January	1,228,957	1,250,691	21,004	19,984
Acquisition	-	1,020	-	1,020
Dividend income	(33,477)	(102,802)	-	-
Share of profit of joint ventures	70,834	126,097	-	-
Share of other comprehensive income (expense) of joint ventures	(411)	2,235	-	-
Fair value reserves	75	-	-	-
Foreign currency translation differences	(91,057)	(48,284)	-	-
At 31 December	1,174,921	1,228,957	21,004	21,004

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Total				
At 1 January	4,934,199	4,574,552	38,872	62,352
Acquisitions	148,201	37,020	61,200	1,020
Disposal	-	(14,632)	-	(24,500)
Dividend income	(85,128)	(151,468)	-	-
Share of profit of associates and joint ventures	338,364	552,486	-	-
Share of other comprehensive income (expense) of associates and joint ventures	(411)	2,235	-	-
Fair value reserves	75	-	-	-
Foreign currency translation differences	(419,199)	(65,994)	-	-
At 31 December	4,916,101	4,934,199	100,072	38,872

During the year ended 31 December 2017 there were the following acquisitions of investments in associates:

The Company

Investment in TST

At the Board of Directors' Meeting of the Company held on 15 May 2017, the Board approved to establish a new company, Thoresen Shipping (Thailand) Co., Ltd. ("TST"), by subscribing 51% registered share capital at the total amount of Baht 61.2 million. The remaining 49% of TST's registered share capital was subscribed by TSS, a wholly owned subsidiary of the Company. In the Company's separate financial statements, TST is presented as the Company's investment in an associate because the Company has significant influence over TST, and TSS has de facto control over TST. In the Group's consolidated financial statements, the results of TST are consolidated due to the Group's 100% interest in TST.

Consolidated

Subsidiary - Soleado

Additional investment in Baria Serece

On 29 December 2016, Soleado agreed an additional investment in 8% of the issued and paid up capital of Baria Serece, an associated company of the Group, for a consideration of USD 4.2 million or Baht 148.2 million, bringing the Group's total interest in Baria Serece to 28%. The transaction was completed on 12 January 2017.

Associate - MMPLC

Investment in associates

The ultimate parent company and its subsidiaries (outside the Group) of the MMPLC Group's associates has began Chapter 11 restructuring proceedings in the US, and has entered into a debt restructuring agreement with the majority of its secured bank lenders. As part of the debt restructuring agreement, the MMPLC Group's associates have been granted temporary waiver and forbearance from any defaults which may have arisen under its bank credit facilities. All debts of the Group's associates are secured by the operating assets of the MMPLC Group's associates, and are guaranteed by the ultimate parent company (outside the Group) of the MMPLC Group's associates.

Investments in associates and joint ventures as at 31 December 2017 and 2016, 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	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2016
(In million Baht)												
Associates												
14	14	18	18	50	50	-	-	50	50	-	-	-
Fearnleys (Thailand) Ltd.												
147	147	55	55	103	112	-	-	103	112	-	-	-
Sharjah Ports Services LLC												
(Invested by Thoresen Shipping FZE)												
Asia Offshore Drilling Limited												
1,978	1,978	2,964	2,964	2,906	3,023	-	-	2,906	3,023	-	-	-
(Invested by MMPLC)												
326	326	482	334	651	485	-	-	651	485	52	49	49
Barta Serce (Invested by Soleado)												
Laser Game Asia Company Limited												
20	20	36	36	31	35	-	-	31	35	-	-	-
(Invested by ACS)												
		3,555	3,407	3,741	3,705	-	-	3,741	3,705	52	49	49
Joint ventures												
9	9	9	9	190	200	-	-	190	200	33	17	17
Thoresen (Indochina) S.A.												
22	22	11	11	26	18	-	-	26	18	-	-	-
Gulf Agency Company (Thailand) Ltd.												
2	2	1	1	1	1	-	-	1	1	-	-	-
TTA SUEZ Company Limited												
975	975	930	930	891	940	-	-	891	940	-	85	85
Petrolift Inc.(Invested by Soleado)												
Zamil Mermaid Offshore Services												
18	18	7	7	67	70	-	-	67	70	-	-	-
Co. (LLC) (Invested by MMPLC)												
		958	958	1,175	1,229	-	-	1,175	1,229	33	102	102
Total												
		4,513	4,365	4,916	4,934	-	-	4,916	4,934	85	151	151

Separate financial statements											
Paid-up capital		Cost		Impairment				At cost - net		Dividend income	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
(in million Baht)											
Associates											
120	-	61	-	-	-	61	-	-	-	-	-
14	14	18	18	-	-	18	18	-	-	-	-
		<u>79</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>79</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Joint ventures											
9	9	9	9	-	-	9	9	33	17		
22	22	11	11	-	-	11	11	-	-		
2	2	1	1	-	-	1	1	-	-		
		<u>21</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>	<u>33</u>	<u>17</u>		
Total											
		<u>100</u>	<u>39</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>39</u>	<u>33</u>	<u>17</u>		

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.	
	2017	2016	2017	2016	2017	2016
Revenue	2,023	2,726	869	708	903	1,129
Profits from continuing operations	459	1,117	418	326	44	135
Other comprehensive income	-	-	-	-	-	6
Total comprehensive income (100%)	459	1,117	418	326	44	141
Total comprehensive income of the Group's interest	155	377	117	65	18	56
Foreign currency translation differences	(272)	(15)	(47)	(1)	(67)	(42)
Group's share of total comprehensive income (expenses)	(117)	362	70	64	(49)	14

	Asia Offshore Drilling Limited		Baria Serece		Petrolift Inc.	
	2017	2016	2017	2016	2017	2016
Current assets	1,609	1,532	673	986	547	545
Non-current assets	14,373	16,318	905	1,000	2,130	2,536
Current liabilities	(7,373)	(1,710)	(133)	(601)	(416)	(397)
Non-current liabilities	-	(7,187)	(7)	(8)	(642)	(941)
Net assets (100%)	8,609	8,953	1,438	1,377	1,619	1,743
Group's share of net assets (% hold)	2,906	3,023	403	275	648	697
Carrying amount of interest in associate/joint venture	2,906	3,023	403	275	648	697

	Asia Offshore Drilling Limited		Baria Serece		Petrolift Inc.	
	2017	2016	2017	2016	2017	2016
	<i>(in million Baht)</i>					
Group's interest in net assets of investee at 1 January	3,023	2,661	275	260	697	768
Total comprehensive income (expenses) attributable to the Group	(117)	362	70	64	(49)	14
Acquisition during the year	-	-	110	-	-	-
Dividend income during the year	-	-	(52)	(49)	-	(85)
Group's interest in net assets of investee at end of year	2,906	3,023	403	275	648	697
Goodwill	-	-	248	210	243	243
Carrying amount of interest in investee at 31 December	2,906	3,023	651	485	891	940

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	
	2017	2016	2017	2016
<i>(in million Baht)</i>				
Carrying amount of interests in immaterial associates and joint ventures	183	197	284	289
Group's share of:				
- Profit (loss) from continuing operations	10	(20)	42	70
- Other comprehensive income	-	-	-	-
Total comprehensive income (expenses)	10	(20)	42	70

13 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2017 and 2016 comprise investments in the following companies:

Name of subsidiaries	Nature of Business	Country of Incorporation	% Ownership interest	
			2017	2016
Shipping				
- 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
- Thoresen Shipping Denmark APS ("TSD") ⁽¹⁾	Commercial dry bulk shipping activities	Denmark	-	100.0
- Thoresen Shipping South Africa (PTY) Ltd. ⁽¹⁾	"	South Africa	-	100.0
- Thoresen & Company (Bangkok) Limited	Ship management	Thailand	99.9	99.9
- Thoresen Shipping (Thailand) Co., Ltd. ⁽⁶⁾	Commercial dry bulk shipping activities	Thailand	99.9	-
- Thoresen Chartering (HK) Ltd. ⁽²⁾	International maritime transportation	Hong Kong	99.9	99.9
- Thoresen Shipping Germany GmbH	"	Germany	100.0	100.0
- Herakles Shipping Co., Ltd. ⁽¹⁾	"	Thailand	-	99.9
- Heron Shipping Co., Ltd. ⁽¹⁾	"	Thailand	-	99.9
- Thoresen Chartering (PTE) Ltd. ⁽²⁾	Ship brokerage	Singapore	100.0	100.0
Offshore service				
- Mermaid Maritime Public Company Limited ("MMPLC")	Offshore services investments	Thailand	58.2	58.2
With subsidiaries as follows:				
- Mermaid Subsea Services (Thailand) Ltd. ("MSST")	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:				

Name of subsidiaries	Nature of Business	Country of Incorporation	% Ownership Interest	
			2017	2016
Offshore service (continued)				
- Seascope Surveys (Thailand) Ltd. ⁽¹⁾	Subsea service provider, hydrographic survey and positioning to the offshore oil and gas industry	Thailand	-	100.0
- Seascope Surveys Pte. Ltd.	"	Singapore	100.0	100.0
With a subsidiary as follows:				
- PT Seascope Surveys Indonesia ⁽⁴⁾	"	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. ⁽¹⁾	"	Singapore	-	95.0
- Mermaid Drilling (Singapore) Pte. Ltd. ⁽¹⁾	Production and exploration drilling services	Singapore	-	100.0
- MTR-3 (Singapore) Pte. Ltd. ⁽⁵⁾	"	Singapore	-	100.0
- MTR-4 (Singapore) Pte. Ltd. ⁽⁵⁾	"	Singapore	-	100.0
- Mermaid MTN Pte. Ltd. ⁽¹⁾	"	Singapore	-	100.0
- Mermaid Maritime Mauritius Ltd.	Investment holding	Mauritius	100.0	100.0
With a subsidiary as follows:				
- 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 ⁽³⁾	"	Qatar	49.0	49.0
With an associate as follows:				
- 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 follows:				
- Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for offshore oil and gas industry	Saudi Arabia		
Agrochemical				
- PM Thoresen Asia Holdings Public Company Limited ("PMTA")	Holding company	Thailand	68.5	68.5
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

Name of subsidiaries	Nature of Business	Country of Incorporation	% Ownership interest	
			2017	2016
Investment				
- Soleado Holdings Pte. Ltd. ("Soleado")	Holding company	Singapore	100.0	100.0
With an associate as follows:				
- Baria Serece	Port operations	Vietnam		
With a joint venture as follows:				
- Petrolift Inc.	Maritime transportation services	Philippines		
- Athene Holdings Ltd. ("ATH")	Holding company	Thailand	99.9	99.9
- Asia Coating Services Ltd. ("ACS")	"	Thailand	99.9	99.9
With an associate as follows:				
- Laser Game Asia Company Limited	Lifestyle & Entertainment	Thailand		
- 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	90.1
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
- Thoresen Shipping FZE	Ship agency	UAE	100.0	100.0
With an associate as follows:				
- Sharjah Ports Services LLC	Port operations	UAE		
- PMFB Ltd.	Food and beverage trading	Thailand	99.9	99.9
- PMT Property Co., Ltd.	Property management	Thailand	99.9	99.9
- PH Capital Co., Ltd.	Food and beverage	Thailand	70.0	-

(1) Liquidated in 2017.

(2) Operation ceased as of 31 December 2017 and 2016.

(3) Group interest is 100% after taking account of nominee holdings.

(4) Group interest is 95% after taking account of nominee holdings.

(5) In the process of liquidation.

(6) TST is held by TTA 51% and TSS 49%

Movements during the years ended 31 December of investments in subsidiaries were as follows:

	Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 January	24,247,347	20,720,857
Acquisitions	5,561,562	3,526,490
Decrease in share capital of subsidiary	(2,189,382)	-
Liquidations	(1,999)	-
Allowance for impairment, net	(4,132,592)	-
At 31 December	23,484,936	24,247,347

During the year ended 31 December 2017, there were the following changes in investments in subsidiaries:

The Company

Investment in PH Capital Co., Ltd.

At the Board of Directors' Meeting 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. ("PHC") 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.

Deregistration of subsidiaries

Herakles Shipping Co., Ltd. and Heron Shipping Co., Ltd. were deregistered during the year ended 31 December 2017.

Subsidiary - ATH

Increase in share capital

At the Board of Directors' Meeting held on 16 December 2016, the Board approved the increase of share capital in ATH, a wholly-owned subsidiary of the Company, at the amount of Baht 4,967 million and settled the loans of ATH due to the Company. The increase in share capital in ATH and loan settlement were completed on 17 January 2017. The Company recognized an impairment loss of Baht 4,134 million on the investment in ATH as the recoverable amount of the investment was lower than its carrying amount as at 31 December 2017. The expense recognized on allowance for impairment of investment in ATH was wholly offset by income recognized on reversal of impairment on long-term and short-term loans to ATH in profit or loss.

Subsidiary - MMPLC

Decrease in share capital of a subsidiary

At the Extraordinary General Meeting of shareholders of Mermaid Subsea Services (Thailand) Ltd. ("MSST") approved on 27 February 2017, MSST had registered to decrease its share capital by Baht 3,250 million with the Department of Business Development on 4 April 2017.

Deregistration of subsidiaries

MTR-2 (Singapore) Pte. Ltd. and Mermaid MTN Pte. Ltd. were deregistered on 10 January 2017. Seascope Surveys (Thailand) Ltd. was liquidated on 21 February 2017. Mermaid Drilling (Singapore) Pte. Ltd. was deregistered on 18 December 2017.

On 31 December 2017, MTR - 3 (Singapore) Pte. Ltd. and MTR - 4 (Singapore) Pte. Ltd., are in the process of striking-off.

Subsidiary – TSS

Increase in share capital

At the Extraordinary General Meeting of shareholders held on 20 December 2016, the shareholders of TSS approved to increase the ordinary shares 11,120,000 shares at SGD 1 dollar each or equivalent to Baht 272.5 million. The shares were registered on 16 June 2017 and the Company subscribed the entire increase in capital.

Establishment of a new subsidiary

At the Board of Directors' Meeting of the Company and Thoresen Shipping Singapore Pte. Ltd. ("TSS") held on 15 May 2017, the Company and TSS approved to establish a new subsidiary company, Thoresen Shipping (Thailand) Co., Ltd. ("TST"), with the registered share capital of 12 million ordinary shares at the total amount of Baht 120 million which held by the Company and TSS with proportion of 51% and 49%, respectively. The new company was registered with the Department of Business Development ("DBD") on 14 July 2017.

Subsidiary – Premo

Decrease in share capital of a subsidiary

At the Extraordinary General Meeting of shareholders held on 27 January 2017, the shareholders of Premo approved to decrease share capital by Baht 1,665 million. The shares were registered with the Department of Business Development on 4 April 2017.

At the Extraordinary General Meeting of shareholders held on 28 April 2017, the shareholders of Premo approved to decrease share capital by Baht 415 million. Premo had registered to decrease its share capital with the Department of Business Development on 5 July 2017.

At the Extraordinary General Meeting of shareholders held on 1 August 2017, the shareholders of Premo approved to decrease share capital by Baht 105 million. Premo had registered to decrease its share capital with the Department of Business Development on 5 October 2017.

Subsidiary - PHC

Increase in share capital

At the Board of Directors' Meeting held on 5 May 2017, the Board of PHC approved the increase of share capital in PHC by 40 million shares with a par value of Baht 10 each. As a result, the total share capital increased from Baht 60 million to Baht 460 million and it was registered with the Department of Business Development ("DBD") on 8 June 2017. The Company then subscribed in PHC's capital increase in proportion of the Company's shareholding in PHC.

Investments in directly owned subsidiaries of the Company as at 31 December 2017 and 2016, and dividend income from those investments for the years then ended were as follows:

Name of subsidiaries	Separate financial statements									
	Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<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.	5,067	100	5,067	100	(4,234)	(100)	833	-	-	-
PM Thoresen Asia Holdings										
Public Company Limited	1,012	1,012	728	728	-	-	728	728	81	76
Premo Shipping Public Company Limited	35	2,220	35	2,225	-	-	35	2,225	19	-
Thoresen Shipping Singapore Pte. Ltd.	15,263	14,990	15,263	14,990	(2,709)	(2,709)	12,554	12,281	-	-
Thoresen Chartering (HK) Ltd.	3	3	3	3	-	-	3	3	211	-
Thoresen Shipping Germany GmbH	1	1	1	1	(1)	(1)	-	-	-	-
Herakles Shipping Co., Ltd.	-	2	-	1	-	(1)	-	-	-	-
Heron Shipping Co., Ltd.	-	1	-	1	-	(1)	-	-	-	-
Thoresen Chartering (Pte) Ltd.	2	2	2	2	-	-	2	2	5	-
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	-	-
Mernaial Maritime Public Company Limited	1,413	1,413	5,889	5,889	-	-	5,889	5,889	-	-
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	1	-	-	1	1	-	-
PH Capital Co., Ltd.	460	-	322	-	-	-	322	-	-	-
Total	90,633	27,263	7,148	(3,016)	23,485	24,247	316	76		

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 2017 and 2016 are as below:

	2017	2016
Mermaid Maritime Public Company Limited	SGD 105 million	SGD 123 million
Unique Mining Services Public Company Limited	Baht 771 million	Baht 1,216 million
PM Thoresen Asia Holdings Public Company Limited	Baht 1,310 million	Baht 1,324 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 2017			
	MMPLC	PMTA	Other individually immaterial subsidiaries	Total
	<i>(in million Baht)</i>			
Non-controlling interest percentage	41.8%	31.5%		
Current assets	4,634	1,369	493	6,496
Non-current assets	10,109	677	1,611	12,397
Current liabilities	(1,271)	(431)	(1,200)	(2,902)
Non-current liabilities	(2,291)	(15)	(356)	(2,662)
	11,181	1,600	548	13,329
	18	-	-	18
Less: non-controlling interest in subsidiaries' financial statements				
Net assets	11,199	1,600	548	13,347
Carrying amount of non-controlling interest	4,662	493	161	5,316
Revenue	5,194	2,848	1,571	9,613
Profits (losses)	145	188	(105)	228
Other comprehensive expenses	(1,081)	(195)	-	(1,276)
Total comprehensive expenses	(936)	(7)	(105)	(1,048)
Profits (losses) allocated to non-controlling interest	60	60	(16)	104
Other comprehensive expenses allocated to non-controlling interest	(450)	(61)	-	(511)
Cash flows from (used in) operating activities	178	(12)	242	408
Cash flows from (used in) investing activities	276	(151)	(602)	(477)
Cash flows from (used in) financing activities	(445)	(3)	518	70
(including dividends to non-controlling interest)				
Net increase (decrease) in cash and cash equivalents	9	(166)	158	1

	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
Profits (losses)	601	270	(91)	780
Other comprehensive income (expenses)	(71)	(14)	1	(84)
Total comprehensive income (expenses)	530	256	(90)	696
Profits (losses) allocated to non-controlling interest	255	89	(23)	321
Other comprehensive expenses allocated to non-controlling interest	(30)	(4)	-	(34)
Cash flows from (used in) operating activities	1,742	429	(62)	2,109
Cash flows 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

15 Goodwill

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cost				
At 1 January	3,848,362	3,850,976	-	-
Foreign currency translation differences	(31,926)	(2,614)	-	-
At 31 December	3,816,436	3,848,362	-	-
Impairment losses				
At 1 January	3,774,327	3,776,408	-	-
Foreign currency translation differences	(25,418)	(2,081)	-	-
At 31 December	3,748,909	3,774,327	-	-
Net book value				
At 1 January	74,035	74,568	-	-
At 31 December	67,527	74,035	-	-

As at 31 December 2016 and 2017, all of the Group's goodwill had been fully impaired, with the exception of goodwill from the Mermaid Subsea Services (International) ("MSSI") cash-generating unit ("CGU") which was unimpaired and amounted to Baht 67.5 million as at 31 December 2017 (2016: Baht 74.0 million). The recoverable amount of MSSI CGU estimated using the value in use method was greater than the total carrying amount of MSSI CGU and the goodwill allocated to it. As a result, goodwill allocated to MSSI CGU was not impaired as at 31 December 2016 and 2017. The cash flows were projected over a period of 25 years before a terminal growth rate was applied to reflect management's estimate of the cyclic nature of day rates earned by MSSI CGU. The key assumptions used in the estimation of MSSI CGU's value in use were as follows:

Key assumptions	Value	Approach used to determine the value
Discount rate	10.75%	External sources of information
Terminal value growth rate	0%	Constant inflation
EBITDA growth	Up to 10.0%	Past experience

16 Investment properties

	Note	Consolidated financial statements		
		Land	Buildings and land improvements	Total
		<i>(in thousand Baht)</i>		
Cost				
At 1 January 2016		-	-	-
Additions		1,591,218	-	1,591,218
Reclassification from property, plant and equipment	17	108,513	274,366	382,879
Foreign currency translation differences		109	557	666
At 31 December 2016 and 1 January 2017		1,699,840	274,923	1,974,763
Additions		84,634	-	84,634
Foreign currency translation differences		(782)	(4,004)	(4,786)
At 31 December 2017		1,783,692	270,919	2,054,611

		Consolidated financial statements		
	Note	Land	Buildings and land improvements	Total
			(in thousand Baht)	
<i>Depreciation</i>				
At 1 January 2016		-	-	-
Reclassification from property, plant and equipment	17	-	137,293	137,293
Foreign currency translation differences		-	394	394
At 31 December 2016 and 1 January 2017		-	137,687	137,687
Depreciation charge for the year		-	13,244	13,244
Foreign currency translation differences		-	(2,932)	(2,932)
At 31 December 2017		-	147,999	147,999
<i>Net book value</i>				
At 1 January 2016		-	-	-
At 31 December 2016 and 1 January 2017		1,699,840	137,236	1,837,076
At 31 December 2017		1,783,692	122,920	1,906,612

The fair value of investment properties as at 31 December 2017 of Baht 2,490.8 million (31 December 2016: Baht 2,484 million) was determined by independent professional valuers. The fair value measurements for investment properties have been categorised as a Level 3 fair values based on the inputs to the valuation techniques used.

Investment properties comprise of the properties which have been transferred from property, plant and equipment (see note 17) to investment properties, since they have not been utilised in business operation, and held for a currently undetermined future use. Some properties are leased to third parties.

Measurement of fair value

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuer, having appropriate recognized 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 leased out buildings 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.

The fair value measurement of land improvements and buildings was based on the forced sale value approach.

17 Property, plant, and equipment

Consolidated financial statements												
			Buildings and factories	Building improvements	Ocean vessels, support vessels, and tender rigs	Dry-docking	Furniture, fixtures, machinery, and equipment	Motor vehicles	Motor launches	Barges	Construction in progress	Total
(in thousand Baht)												
Cost												
At 1 January 2016		610,681	1,625,924	204,530	34,718,064	2,075,388	5,284,804	170,621	42,525	137,317	2,747,466	47,587,320
Additions		-	8,291	32,290	13,172	157,238	141,908	23,132	4,604	31	292,978	673,644
Transfer		-	44,113	-	-	-	111,639	-	55,141	-	(210,893)	-
Reclassify to investment properties	16	(108,513)	(261,069)	(13,297)	-	-	-	-	-	-	-	(382,879)
Disposals and write-offs		-	-	-	(2,050,606)	(158,806)	(46,067)	(8,281)	-	-	(2,486,164)	(4,749,924)
Foreign currency translation differences		(326)	(1,721)	91	(263,478)	(13,001)	(27,846)	(6,246)	600	-	(58,552)	(370,479)
At 31 December 2016 and 1 January 2017		501,842	1,415,538	223,614	32,417,152	2,060,819	5,444,438	179,226	102,870	137,348	284,835	42,767,682
Additions		194	3,186	82,278	1,166,652	85,622	176,559	25,489	122	60	253,294	1,793,456
Acquisition through business combination	4	-	-	63,026	-	-	106,819	1,990	-	-	2,573	174,408
Transfer		-	330,590	-	-	-	75,547	-	-	-	(406,137)	-
Disposals and write-offs		-	(633)	(1,085)	(1,900,186)	(171,011)	(38,751)	(14,315)	-	-	(2,806)	(2,128,787)
Foreign currency translation differences		(1,858)	(102,631)	(3,773)	(2,171,565)	154,746	(122,920)	(11,518)	(5,957)	-	(3,246)	(2,268,722)
At 31 December 2017		500,178	1,646,050	364,060	29,512,053	2,130,176	5,641,692	180,872	97,035	137,408	128,513	40,398,037

Consolidated financial statements											
		Land	Buildings and factories	Building improvements	Ocean vessels, support vessels, supply vessels, and tender rigs	Dry-docking	Motor vehicles	Motor launches	Barges	Construction in progress	Total
(in thousand Baht)											
Depreciation and Impairment charges											
At 1 January 2016		-	685,244	166,315	20,344,405	1,391,749	107,583	22,072	56,280	2,596,231	29,210,705
Depreciation charge for the year		-	80,423	10,798	708,368	293,413	21,059	8,374	2,087	-	1,432,886
Impairment charges, net	28	-	-	-	307,968	-	-	-	-	-	307,968
Reclassify to investment properties	16	-	(131,116)	(6,177)	-	-	-	-	-	-	(137,293)
Disposals and write-offs		-	-	-	(1,709,025)	(139,253)	(7,813)	-	-	(2,482,344)	(4,380,198)
Foreign currency translation differences		-	(988)	(226)	(144,057)	(15,726)	(6,254)	(31)	-	(56,104)	(244,048)
At 31 December 2016 and 1 January 2017		-	643,563	170,710	19,507,659	1,530,183	114,575	30,415	56,387	56,783	26,190,020
Depreciation charge for the year		-	75,922	25,207	631,789	262,305	20,689	11,005	2,001	-	1,328,587
Disposals and write-offs		-	-	(134)	(1,631,080)	(170,540)	(13,887)	-	-	-	(1,846,290)
Foreign currency translation differences		-	(31,607)	(585)	(1,103,813)	191,734	(4,571)	-	-	-	(895,744)
At 31 December 2017		-	687,878	195,198	17,404,555	1,813,682	116,806	41,420	60,388	56,783	24,776,573
Net book value											
At 1 January 2016		610,881	930,680	38,215	14,373,659	683,639	63,038	20,453	81,037	148,235	18,386,615
At 31 December 2016 and 1 January 2017		501,842	771,975	52,904	12,909,493	530,636	64,651	72,455	79,981	225,052	16,577,662
At 31 December 2017		500,178	958,172	188,882	12,107,498	316,494	64,096	55,615	77,040	66,730	15,561,464

	Separate financial statements			
	Land	Buildings	Building improvements	Furniture, fixtures, and equipment
	<i>(in thousand Baht)</i>			
Cost				
At 1 January 2016	82,847	201,846	90,325	70,206
Additions	-	-	-	541
At 31 December 2016 and 1 January 2017	82,847	201,846	90,325	70,747
Additions	-	-	408	848
At 31 December 2017	82,847	201,846	90,733	71,595
Depreciation				
At 1 January 2016	-	149,746	81,974	66,004
Depreciation charge for the year	-	6,444	2,426	1,744
At 31 December 2016 and 1 January 2017	-	156,190	84,400	67,748
Depreciation charge for the year	-	5,325	2,128	1,481
At 31 December 2017	-	161,515	86,528	69,229
Net book value				
At 1 January 2016	82,847	52,100	8,351	4,202
At 31 December 2016 and 1 January 2017	82,847	45,656	5,925	2,999
At 31 December 2017	82,847	40,331	4,205	2,366

Significant movements of property, plant and equipment of the Group during the year ended 31 December 2017 were as follows:

Significant additions, disposals and write-offs:

Significant changes were i) payments for vessel, vessels upgrade and dry-docking of vessels; ii) payments for warehouse construction iii) payments for support vessels equipment iv) assets acquired from Pizza Hut business and v) disposal of vessel.

Mortgaged assets

Property, plant and equipment as of 31 December 2017 used as collateral for loan facilities can be summarised as follows:

- Ocean vessels with a net book value of USD 170.5 million (31 December 2016: USD 205.9 million) are mortgaged with financial institutions as collateral for their loans at a total value of USD 96.4 million (31 December 2016: USD 114.6 million).
- Subsea vessels and a tender rig with a net book value of USD 125.2 million (31 December 2016: USD 128.1 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 2016: USD 110.0 million).
- One barge with a net book value of Baht 12.6 million (31 December 2016: zero) is mortgaged with a bank as collateral for its unused bank overdraft facility of Baht 10 million (31 December 2016: Baht 10.0 million).
- Certain land, buildings and machinery of the Group with a net book value of Baht 217 million, USD 1.7 million and VND 98,327 million (31 December 2016: Baht 361.6 million, USD 2.0 million and VND 104,714 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 290 million (31 December 2016: Baht 445.0 million).

18 Intangible assets

	Consolidated financial statements				
	Customer relationship	Computer software	Franchise license	Others	Total
	(in thousand Baht)				
Cost					
At 1 January 2016	564,895	344,098	-	8,806	917,799
Additions	-	3,271	-	-	3,271
Transfers	-	(527)	-	-	(527)
Foreign currency translation					
Differences	-	(511)	-	-	(511)
At 31 December 2016 and					
1 January 2017	564,895	346,331	-	8,806	920,032
Additions	-	8,914	-	-	8,914
Acquisition through business combination (note 4)	-	-	139,069	31,750	170,819
Disposals and write-offs	-	(5,481)	-	-	(5,481)
Foreign currency translation differences	(2,088)	11,544	-	(1,100)	8,356
At 31 December 2017	562,807	361,308	139,069	39,456	1,102,640

	Consolidated financial statements				
	Customer relationship	Computer software	Franchise license	Others	Total
	(in thousand Baht)				
Amortization and impairment charges					
At 1 January 2016	564,895	294,410	-	7,620	866,925
Amortization charge for the year	-	23,976	-	1,186	25,162
Disposals and write-offs	-	(262)	-	-	(262)
Foreign currency translation differences	-	(419)	-	-	(419)
At 31 December 2016 and 1 January 2017	564,895	317,705	-	8,806	891,406
Amortization charge for the year	-	19,625	8,112	4,224	31,961
Disposals and write-offs	-	(1,695)	-	-	(1,695)
Foreign currency translation differences	(2,088)	12,462	-	(1,100)	9,274
At 31 December 2017	562,807	348,097	8,112	11,930	930,946
Net book value					
At 1 January 2016	-	49,688	-	1,186	50,874
At 31 December 2016 and 1 January 2017	-	28,626	-	-	28,626
At 31 December 2017	-	13,211	130,957	27,526	171,694
	Separate financial statements				
	Computer software				
	(in thousand Baht)				
Cost					
At 1 January 2016					193,225
Additions					57
At 31 December 2016 and 1 January 2017					193,282
Additions					360
At 31 December 2017					193,642
Amortization and impairment charges					
At 1 January 2016					166,765
Amortization charge for the year					14,930
At 31 December 2016 and 1 January 2017					181,695
Amortization charge for the year					11,947
At 31 December 2017					193,642
Net book value					
At 1 January 2016					26,460
At 31 December 2016 and 1 January 2017					11,587
At 31 December 2017					-

19 Deferred tax

Deferred tax assets and liabilities as at 31 December were attributable to the following:

	Consolidated financial statements					
	Assets		Liabilities		Net	
	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>					
Short-term investments	48,728	36,538	(1,104)	(3,476)	47,624	33,062
Trade accounts receivables	137	100	-	(136)	137	(36)
Property, plant, and equipment	18,484	12,266	(26,344)	(22,985)	(7,860)	(10,719)
Intangible assets	2,545	-	-	(178)	2,545	(178)
Bonds	-	96,534	-	-	-	96,534
Non-current provision for employee benefits	22,828	21,661	(1,597)	(1,944)	21,231	19,717
Loss carry forward	198,663	133,484	-	-	198,663	133,484
Others	30,875	31,689	(102)	(239)	30,773	31,450
Total	322,260	332,272	(29,147)	(28,958)	293,113	303,314
Set off of tax	(6,897)	(5,929)	6,897	5,929	-	-
Net deferred tax assets (liabilities)	315,363	326,343	(22,250)	(23,029)	293,113	303,314

	Separate financial statements					
	Assets		Liabilities		Net	
	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>					
Short-term investments	-	-	(1,105)	(3,476)	(1,105)	(3,476)
Intangible assets	7,764	5,804	-	-	7,764	5,804
Bonds	-	96,534	-	-	-	96,534
Non-current provision for employee benefits	1,990	3,164	-	-	1,990	3,164
Loss carry forward	133,973	66,756	-	-	133,973	66,756
Others	2,432	3,000	-	-	2,432	3,000
Total	146,159	175,258	(1,105)	(3,476)	145,054	171,782
Set off of tax	(1,105)	(3,476)	1,105	3,476	-	-
Net deferred tax assets	145,054	171,782	-	-	145,054	171,782

Movements in total deferred tax assets and liabilities during the years ended 31 December were as follows:

	Consolidated financial statements					
	Charged / (credited to:)					
	At 1 January 2017	Profit or loss	Business combination	Other comprehensive income	Exchange differences	At 31 December 2017
	<i>(in thousand Baht)</i>					
Short-term investments	33,062	-	-	17,774	(3,212)	47,624
Trade accounts receivables	(36)	173	-	-	-	137
Property, plant, and equipment	(10,719)	9,909	-	-	(7,050)	(7,860)
Intangible assets	(178)	309	2,414	-	-	2,545
Bonds	96,534	(96,534)	-	-	-	-
Non-current provision for employee benefits	19,717	586	1,626	(698)	-	21,231
Loss carry forward	133,484	65,179	-	-	-	198,663
Others	31,450	367	-	-	(1,044)	30,773
Total	303,314	(20,011)	4,040	17,076	(11,306)	293,113

	Consolidated financial statements					
	At 1 January 2016	Profit or loss	Charged / (credited to:)			At 31 December 2016
			Business combination	Other comprehensive income	Exchange differences	
			(in thousand Baht)			
Short-term investments	13,672	-	-	19,446	(56)	33,062
Trade accounts receivables	26	(62)	-	-	-	(36)
Property, plant, and equipment	(81,370)	69,590	-	-	1,061	(10,719)
Intangible assets	(178)	-	-	-	-	(178)
Bonds	112,346	(15,812)	-	-	-	96,534
Non-current provision for employee benefits	21,952	(2,505)	-	(2,102)	2,372	19,717
Loss carry forward	119,563	13,921	-	-	-	133,484
Others	(9,964)	41,414	-	-	-	31,450
Total	176,047	106,546	-	17,344	3,377	303,314

	Separate financial statements		
	Charged / (credited to):		
	At 1 January 2017	Profit or loss Other comprehensive income	At 31 December 2017
	<i>(in thousand Baht)</i>		
Short-term investments	(3,476)	-	2,371
Property, plant and equipment	5,804	1,960	-
Bonds	96,534	(96,534)	-
Non-current provision for employee benefits	3,164	383	(1,557)
Loss carry forward	66,756	67,217	-
Others	3,000	(568)	-
Total	171,782	(27,542)	814
			145,054

	Separate financial statements		
	Charged / (credited to):		
	At 1 January 2016	Profit or loss Other comprehensive income	At 31 December 2016
	<i>(in thousand Baht)</i>		
Short-term investments	5,818	-	(9,294)
Property, plant and equipment	2,471	3,333	-
Bonds	112,346	(15,812)	-
Non-current provision for employee benefits	3,492	(328)	-
Loss carry forward	61,851	4,905	-
Others	3,127	(127)	-
Total	189,105	(8,029)	(9,294)
			171,782

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognized in the financial statements were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Deductible temporary differences	78,152	2,332,120	-	1,395,494
Unused tax losses	179,576	1,433,012	-	-
Total	257,728	3,765,132	-	1,395,494

The majority tax losses will expire from 2018 to 2023. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized 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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Restricted deposits at financial institutions over 1 year	467,412	368,683	-	-
Advance payment for investment	564,562	-	-	-
Others	62,752	48,063	12,164	11,495
Total	1,094,726	416,746	12,164	11,495

Restricted deposits at financial institutions

The restricted deposits at financial institutions mainly comprises the following:

As at 31 December 2017, Baht 254.9 million (2016: Baht 202.5 million) restricted deposit at a financial institution was pledged against long-term loans with financial institutions by subsidiaries. The restricted deposit must be maintained at a minimum amount of the next two principal and interest payment after the two-year grace period expired in September 2013.

As at 31 December 2017, Baht 49.0 million (2016: Baht 82.9 million) restricted deposit at a financial institution was pledged against long-term loans with financial institutions by subsidiaries. The restricted deposit must be maintained as a collateral for the long-term borrowings during the facility period.

As at 31 December 2017, Baht 143.8 million (2016: nil) restricted deposit at a financial institution was deposited by a subsidiary to secure the certain performance guarantee of a subsidiary.

As at 31 December 2017, Baht 19.7 million (2016: Baht 83.3 million) restricted deposit at a financial institution was deposited by a subsidiary to secure the performance guarantee from the financial institution.

Advance payment for investment

On 19 December 2017, a subsidiary had entered into a share sale and purchase agreement ("SPA") with a third party for the purchase of 49% of the total issued shares in PTGC Co., Ltd., a company incorporated in Cambodia. Total purchase price per SPA agreement is USD 19.7 million or equivalent to Baht 643.8 million. As at 31 December 2017, the subsidiary paid an advance payment for investment USD 17.3 million or equivalent to Baht 564.7 million. The remaining purchase price will be paid once both parties complete the conditions as specified in the agreement.

21 Interest-bearing liabilities

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Current					
Bank overdrafts	6	-	2,076	-	-
Short-term borrowings		148,128	280,999	-	-
Short-term borrowings from related parties	5	-	21,800	1,266,381	3,543,051
Current portion of long-term borrowings		1,864,082	2,451,282	-	-
Current portion of bonds		1,998,618	2,365,753	1,998,618	2,365,753
Current portion of finance lease liabilities		13,912	11,015	-	-
		4,024,740	5,132,925	3,264,999	5,908,804
Non-current					
Long-term borrowings		4,050,774	4,892,293	-	-
Bonds		-	2,110,699	-	2,110,699
Finance lease liabilities		33,493	28,860	-	-
		4,084,267	7,031,852	-	2,110,699
Total		8,109,007	12,164,777	3,264,999	8,019,503

The periods to maturity of long-term borrowings as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
Within one year	1,864,082	2,451,282	-	-
After one year but within five years	3,531,523	4,892,293	-	-
After five years	519,251	-	-	-
Total	5,914,856	7,343,575	-	-

*The Company***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 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 June 2017, the Company repaid the 2010 bond tranche 2 bond liabilities in full and settled the related cross currency and interest rate swap contracts. As at 31 December 2017, the Company has the outstanding balance of unsecured Thai Baht bond in amount of Baht 1,998.6 million (*31 December 2016: Baht 4,476.5 million*).

The cancellation of cross currency swap

On 19 July 2017, the Company terminated cross currency swap agreement for the outstanding bond amounting to Baht 2,000 million with the notional amount USD 59.22 million. In consideration of the cancellation, the Company agrees to pay the sum of fee amounting to Baht 3 million to the bank for value date on 21 July 2017.

The details of the outstanding bonds as at 31 December 2017 are as follows:

Issued year	Number of units	Face value/ unit (Baht)	Interest rate (% per annum)	Maturity dated
2015	2,000,000	1,000	4.25	17 July 2018

The interests on the bond liabilities are repayable every three months 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	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 January	4,476,452	4,496,034
Repayments	(2,000,000)	-
Realised gains on exchange rate	(462,819)	(31,389)
Reversal of premium	(22,741)	-
Amortization on discount on bonds	4,909	8,716
Amortization on deferred arrangement fee	2,817	3,091
At 31 December	1,998,618	4,476,452
<i>Less current portion of bonds</i>	<i>(1,998,618)</i>	<i>(2,365,753)</i>
Bonds - net of current portion	-	2,110,699

*Consolidated***Short-term borrowings**

During the year ended 31 December 2017, a subsidiary was unable to fulfill its trust receipts with a financial institution of Baht 62.8 million. As a result, the financial institution asked that subsidiary to repay all outstanding debts with it of Baht 200.0 million, withdrew all short-term borrowing facilities and deducted Baht 200.0 million from the savings deposit account of its parent company, which was already pledged as collateral for its short-term borrowing facilities with the financial institution.

As at 31 December 2017, the Group has secured short-term borrowings from financial institutions in form of promissory notes, trust receipts and short-term borrowings amounting to Baht 148.1 million (*31 December 2016: Baht 281.0 million*) which are secured by subsidiaries' saving deposit, partial land and construction thereon, partial machinery, inventories and guaranteed by a subsidiary. The loans bear interest at the rates between 2.80% to 5.75% per annum (*31 December 2016: 2.75% to 5.75% per annum*).

The Group's short-term borrowings from financial institutions bear effective interest rates at 2.8% to 5.75% per annum.

Long-term borrowings

Movements of long-term borrowings during the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	7,343,575	9,502,197	-	418,652
Additions	798,814	120,000	-	-
Repayments	(1,740,124)	(2,139,524)	-	(360,000)
Transfer from short-term borrowing	103,469	-	-	-
Unrealised gains on exchange rates	(2,405)	(59,106)	-	(58,985)
Amortization on discount on long-term borrowings	-	333	-	333
Foreign currency translation differences	(592,206)	(84,208)	-	-
Amortization on deferred arrangement fee	3,733	3,883	-	-
At 31 December	5,914,856	7,343,575	-	-
<i>Less current portion of long-term borrowings</i>	<i>(1,864,082)</i>	<i>(2,451,282)</i>	<i>-</i>	<i>-</i>
Long-term borrowings - net of current portion	4,050,774	4,892,293	-	-

During the year ended 31 December 2017, a subsidiary entered into a loan agreement with financial institution in the amount of USD 23 million or equivalent to Baht 751.7 million to refinance the loans with another financial institution. The loan bears interest at 3-month LIBOR plus 2.55%. The principle is repayable every 3 months over 7 years.

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 96.4 million as at 31 December 2017 *(31 December 2016: USD 114.5 million)* with repayment terms within 5 - 17 years from the vessel delivery date. As at 31 December 2017, interest rates and securities on the loans are as follows:
 - The loan balance of USD 16.6 million *(31 December 2016: USD 20.1 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 79.8 million *(31 December 2016: USD 94.4 million)*: LIBOR plus a certain margin and is secured by a mortgage of twelve 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 80.0 million as at 31 December 2017 *(31 December 2016: USD 90.0 million)* with repayment terms within 8 - 10 years. As at 31 December 2017, the interest rate is USD-LIBOR plus a certain margin *(31 December 2016: 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 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 and buildings and are guaranteed by the Company. These loans were fully paid during the year ended 31 December 2017.

As at 31 December 2017, 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 2016) - 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 reporting date 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 428.1 million (31 December 2016: Baht 594.4 million) according to repayment schedule of the loans was presented as current liabilities as of 31 December 2017.

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 borrowings carrying a floating rate, which is considered to be market rate, are taken to approximate their fair values.

The Group's long-term borrowings from financial institutions bear effective interest rate at 4.24% to 5.91% per annum.

22 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Statements of financial position Non-current provisions for:				
Defined benefit plan	138,214	162,506	8,977	14,754
Other long-term employee benefits	8,995	8,122	973	1,066
Total	147,209	170,628	9,950	15,820
Statement of comprehensive income:				
Recognized in profit or loss:				
Defined benefit plan	8,439	16,886	5,800	4,147
Other long-term employee benefits	1,517	1,726	(32)	307
Total	9,956	18,612	5,768	4,454
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Recognized in other comprehensive income:				
Actuarial gains recognized in the year	(4,203)	(569)	(7,787)	-
Cumulative actuarial gains recognized	(10,805)	(6,602)	(7,787)	-

Defined benefit plan

The Company and subsidiaries in Thailand

The Company and subsidiaries in Thailand operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

Subsidiaries in Vietnam

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

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

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

The movements in the defined benefit obligations during the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	170,628	178,395	15,820	17,458
Include in profit or loss:				
Current service costs	28,931	39,933	5,365	3,658
Past service costs	2,671	(7,439)	-	-
Interest on obligation	5,152	4,595	774	455
Loss on settlement	-	2,005	-	341
Remeasurement of other long-term benefit	(24)	-	(371)	-
Curtailment gain	(17,613)	(19,485)	-	-
Foreign currency translation differences	(9,161)	(997)	-	-
	9,956	18,612	5,768	4,454
Included in other comprehensive income:				
Actuarial gain	(4,203)	(569)	(7,787)	-
	(4,203)	(569)	(7,787)	-
Other				
Benefit paid by the plan	(37,305)	(25,810)	(3,851)	(6,092)
Business combination (note 4)	8,133	-	-	-
	(29,172)	(25,810)	(3,851)	(6,092)
At 31 December	147,209	170,628	9,950	15,820

Actuarial gains and losses recognized in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Demographic assumptions	1,660	(1,322)	819	-
Financial assumptions	4,975	514	151	-
Experience adjustment	(10,838)	239	(8,757)	-
Total	(4,203)	(569)	(7,787)	-

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	1.4% - 7.7%	1.7% - 9.1%	2.7% - 3.0%	3.5%
Future salary increases	2% - 8%	4.5% - 8.0%	6.0%	6.0%
Resignation rate	0% - 63.6%	0% - 30%	1.7% - 22.9%	0% - 23.0%

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

Sensitivity analysis

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

	Consolidated		Separate	
	financial statements		financial statements	
	(in thousand Baht)			
At 31 December 2017	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(33,359)	50,051	(8,996)	11,066
Future salary growth (1% movement)	44,638	(28,833)	9,948	(8,130)
Resignation rate (1% movement)	(39,620)	43,537	(9,904)	10,008
Future mortality (1% movement)	41,381	(41,307)	9,945	(9,963)
At 31 December 2016				
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)
Life expectancy (1 year movement)	930	(898)	334	(332)

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>	2017		2016	
		Number	Amount <i>(thousand shares / thousand Baht)</i>	Number	Amount
Authorized					
At 1 January					
- ordinary shares	1	2,110,160	2,110,160	2,276,847	2,276,847
Reduction of shares	1	(114,213)	(114,213)	(166,687)	(166,687)
Increase of new shares	1	2,500	2,500	-	-
At 31 December					
- ordinary shares	1	1,998,447	1,998,447	2,110,160	2,110,160
	Par value per share <i>(in Baht)</i>	2017		2016	
		Number	Amount <i>(thousand shares / thousand Baht)</i>	Number	Amount
Issued and paid-up					
At 1 January					
- ordinary shares	1	1,822,454	1,822,454	1,822,454	1,822,454
Exercise of warrants	1	10	10	-	-
At 31 December					
- ordinary shares	1	1,822,464	1,822,464	1,822,454	1,822,454

Reduction and increase of authorized share capital

At the Annual General Meeting of shareholders held on 26 April 2017, the shareholders approved the following resolutions.

- The reduction in the registered capital of the Company by cancelling 114,213,367 authorized but unissued shares, resulting in a decrease from the existing authorized share capital of Baht 2,110,160,255 to a new authorized share capital of Baht 1,995,946,888 divided into 1,995,946,888 ordinary shares each of par value of Baht 1.
- The increase in the registered capital of the Company by issuing 2,500,000 authorized, resulting in a increase from the existing authorized share capital of Baht 1,995,946,888 to a new authorized share capital of Baht 1,998,446,888 divided into 1,998,446,888 ordinary shares each of par value of Baht 1.

Exercise of warrants

During the year ended 31 December 2017, TTA-W4 was exercised and registered as paid-up share capital in the amount of Baht 171,962 resulting in an increase of the Company's paid-up share capital to Baht 1,822.5 million.

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		Average exercise price	
	per warrant (in Baht)	Number of units'000	per warrant (in Baht)	Number of units'000
At 1 January 2017	18.5	271,650	18.5	271,650
Exercise of warrants	18.5	(9)	18.5	(9)
Expired warrants	18.5	(98,158)	18.5	(98,158)
At 31 December 2017	18.5	173,483	18.5	173,483

On 4 May 2017, the Company adjusted the Exercise Price and Exercise Ratio of TTA-W5 to be as follows:

TTA-W5	
Exercise price prior to the adjustment	: Baht 18.3830 per 1 ordinary share
New exercise price after the adjustment	: Baht 18.2851 per 1 ordinary share
Exercise ratio prior to the adjustment	: 1 Unit of Warrant to 1.0064 ordinary share
New exercise ratio after the adjustment	: 1 Unit of Warrant to 1.0118 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 authorized 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 derecognized 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 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	Shipping
Segment 2	Offshore service
Segment 3	Agrochemical
Segment 4	Investment

From 1 July 2017, the Group has changed the basis of presentation and disclosure of segment information resulting in the Group presenting segment information in respect of the following segments: Shipping, Offshore service, Agrochemical and Investment. Previously, the Group presented segment information in respect of the following: Transport, Infrastructure, Energy, and Holding. The new basis has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2016, which are included in the Group's financial statements for the year ended 31 December 2017 for comparative purposes, has been re-presented accordingly.

	Consolidated financial statements				
	For the year ended 31 December 2016				
	Shipping	Offshore service	Agrochemical	Investment	Elimination of inter-segment transactions
			(in thousand Baht)		
					Total
Revenues from operations	3,184,029	6,533,378	3,232,905	718,652	13,661,847
Revenues from inter-segment	(7,117)	-	-	-	-
From outside customers	3,176,912	6,533,378	3,232,905	718,652	13,661,847
Depreciation and amortization	552,391	743,103	65,830	96,759	1,458,048
Operating profits (losses)	(696,688)	219,854	334,253	476,172	(149,089)
Share of profit of associates and joint ventures	-	407,628	-	144,858	552,486
Finance costs	(171,535)	(122,705)	(5,755)	(267,206)	(530,136)
Tax (expenses) benefits	(6,210)	100,264	(51,469)	(12,754)	29,831
Net profits (losses) for the year	(874,433)	605,041	277,029	341,070	(96,908)
Other material non-cash items:					
- Impairment charges and write-offs	(307,968)	-	-	-	(307,968)
Total assets	14,243,750	16,915,199	2,012,085	44,892,332	41,620,002
Total liabilities	(4,741,730)	(4,795,550)	(323,512)	(20,132,729)	(15,125,382)

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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Asia	10,636,549	11,203,421	23,839,657	24,495,246
Africa	1,491,391	1,206,985	514,452	674,536
America	601,587	474,487	-	-
Europe	401,667	560,997	-	-
Other	261,067	215,957	315,363	326,343
Total	13,392,261	13,661,847	24,669,472	25,496,125

Major customer

Revenues from the major customer of the Group's Offshore service segment for the year ended 31 December 2017, represents approximately Baht 2,368.9 million (31 December 2016: Baht 3,476.7 million) of the Group's total revenues.

26 Other income

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Dividend income	40,133	105,805	356,066	221,396
Gains on disposals of property, plant and equipment and intangible assets	21,746	-	-	-
Gains on disposals of investments in a subsidiary and an associate	3,502	13,156	-	3,500
Net gains on disposals of current investments	-	87,300	-	90,750
Net gains on disposals of available-for-sale investments	-	9,323	-	-
Gains from changes in fair values of financial assets held for trading	15,679	-	15,690	-
Gain on exchange rates	113,893	-	76,079	-
Interest income	154,345	134,593	81,546	60,416
Gain on bargain purchase	38,761	-	-	-
Others	99,394	83,142	31,714	22,857
Total	487,453	433,319	561,095	398,919

27 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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Expenses included in vessel operating expenses				
Voyage expenses	1,095,323	1,172,714	-	-
Vessel supplies and spare parts expenses and repair and maintenance expenses	265,349	265,666	-	-
Crew and staff costs	509,078	540,972	-	-
Charter hire	778,979	528,261	-	-
Depreciation and amortization	498,537	548,413	-	-
Expenses included in offshore service expenses				
Vessel expenses and repair and maintenance expenses	1,418,198	1,732,124	-	-
Crew, staff costs, and subcontractor costs	1,663,605	2,131,336	-	-
Charter hire and equipment rental	58,459	289,497	-	-
Depreciation and amortization	624,897	708,052	-	-
Expenses included in costs of sales				
Cost of raw materials	2,695,341	2,667,774	-	-
Supplies and spare parts expenses and repair and maintenance expenses	45,994	44,286	-	-
Staff costs	311,146	112,043	-	-
Depreciation and amortization	78,655	61,249	-	-
Expenses included in service, selling, and administrative expenses				
Staff costs	1,163,213	1,067,854	162,385	170,746
Professional fees	70,065	68,676	19,878	18,123
Office and office equipment rental	65,269	77,140	7,672	7,112
Depreciation and amortization	171,703	140,334	20,881	25,544

28 Impairment charges and write-offs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Impairment charges and write-offs on:				
Non-current assets				
Property, plant and equipment	-	307,968	-	-
	-	307,968	-	-
Total	-	307,968	-	-

Impairment evaluation***Property, plant and equipment******TSS and its subsidiary***

During the year ended 31 December 2016, TSS and its subsidiary recognized an impairment charge of USD 8.7 million (equivalent of Baht 308.0 million) on vessels that were sold in 2016 and subsequently 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 air 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.

29 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 recognized in profit or loss

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Current tax expense					
Current year		74,511	73,859	-	-
Under provided in prior years		3,529	2,856	1,556	479
		<u>78,040</u>	<u>76,715</u>	<u>1,556</u>	<u>479</u>
Deferred tax expense					
Movements in temporary differences	19	20,011	(106,546)	27,542	8,029
		<u>20,011</u>	<u>(106,546)</u>	<u>27,542</u>	<u>8,029</u>
Total income tax expense (benefits)					
		98,051	(29,831)	29,098	8,508

Income tax recognized in other comprehensive income

	Consolidated financial statements					
	Before tax	2017 Tax (expense) benefit	Net of tax	Before tax	2016 Tax (expense) benefit	Net of tax
<i>(in thousand Baht)</i>						
Change in fair value available-for-sale investments	(86,702)	17,774	(68,928)	(122,317)	19,446	(102,871)
Change in defined benefit plan actuarial gains	3,792	(698)	3,094	5,176	(2,102)	3,074
Total	(82,910)	17,076	(65,834)	(117,141)	17,344	(99,797)

	Separate financial statements					
	2017			2016		
	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	(11,857)	2,371	(9,486)	46,469	(9,294)	37,175
Change in defined benefit plan actuarial gains	7,787	(1,557)	6,230	-	-	-
Total	(4,070)	814	(3,256)	46,469	(9,294)	37,175

Reconciliation of effective tax rate

	Consolidated financial statements			
	2017		2016	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profits (losses) before income tax expense		790,086		(126,739)
Income tax using the Thai corporation tax rate	20	158,017	20	(25,348)
Change in tax rate		(3,369)		(96,663)
Effect of different tax rates in foreign jurisdictions		151,578		(54,823)
Income not subject to tax		(102,060)		(167,638)
Expenses not deductible for tax purposes		16,733		109,138
Recognition of previously unrecognized tax losses		(60,302)		(101,396)
Current year losses and temporary differences for which no deferred tax asset was recognized		6,229		285,398
Withholding tax not recoverable written-off		-		12,796
Under provided in prior years		3,529		2,856
Effect of different functional currency of accounting and tax from subsidiaries		(72,304)		5,849
Total	12	98,051	24	(29,831)

	Separate financial statements			
	2017		2016	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profits (losses) before income tax expense		155,826		(96,140)
Income tax using the Thai corporation tax rate	20	31,165	20	(19,228)
Income not subject to tax		(12,137)		(41,398)
Expenses not deductible for tax purposes		6,958		68,176
Under provided in prior years		1,556		479
Total	18	27,542	(8)	8,029

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.

30 Earnings (losses) per share

Basic earnings (losses) per share

The calculation of basic earnings (losses) per share for the years ended 31 December was based on the profits (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	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profits (losses) for the year attributable to equity holders of the Company (basic)	588,355	(418,291)	128,284	(104,169)
Number of ordinary shares outstanding at 1 January	1,822,454	1,822,454	1,822,454	1,822,454
Effect of new shares issued during the year	8	-	8	-
Weighted average number of ordinary shares outstanding (basic)	1,822,462	1,822,454	1,822,462	1,822,454
Basic earnings (losses) per share (in Baht)	0.32	(0.23)	0.07	(0.06)

Diluted earnings per share

There was no potential dilution in earnings per share from the warrant for the year ended 31 December 2017, because the average share price during the year was lower than the exercise price.

31 Dividends

For the year ended 31 December 2017

At the Annual General Meeting of Shareholders held on 26 April 2017, the shareholders approved the payment of an annual dividend for the year ended 31 December 2016 of Baht 0.05 per share, amounting to Baht 91.1 million. The dividend payment was made to shareholders on 23 May 2017.

For the year ended 31 December 2016

At the Annual General Meeting of Shareholders 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.

32 Promotional privileges

As at 31 December 2017, two subsidiaries 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 subsidiaries must comply with the conditions and restrictions provided in the promotional certificates.

33 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 is primarily exposed to interest rate risk from its borrowings (see note 21). The Company is primarily exposed to interest rate from its loans to subsidiaries (see note 5). The Group mitigates this risk by ensuring that the majority of its borrowings are at floating 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	
	2017	2016	2017	2016
	(in thousand Baht)			
Thai Baht				
Cash and cash equivalents	568,756	399,063	-	-
Trade accounts receivable	-	147	-	-
Trade accounts payable	(11,138)	(15,950)	-	-
Other accounts payable	(110,878)	(83,442)	-	-
Net exposure	446,740	299,818	-	-
United States Dollars				
Cash and cash equivalents	236,784	413,122	46,912	248,546
Short-term investments	16,408	520,866	-	500,751
Trade accounts receivable	75,858	137,862	-	-
Receivables from related parties	1,474,527	1,136,283	207	-
Short-term loans to related parties	-	-	1,633,364	3,280,610
Short-term loans from related parties	(106,128)	-	(999,875)	(1,325,793)
Trade accounts payable	(111,702)	(150,675)	(363)	(2)
Other accounts payable	(25)	-	-	-
Payables to related parties	(148)	(440)	(1,826)	-
Advances from customers	(38)	-	-	-
Long-term borrowings	(146,170)	(17,281)	-	-
Bonds	-	(4,476,452)	-	(4,476,452)
Net exposure	1,439,366	(2,436,715)	678,419	(1,772,340)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Singapore Dollars				
Cash and cash equivalents	76,480	109,781	257	262
Trade accounts receivable	1,207	130	-	-
Short-term loans to related parties	-	-	715,032	743,153
Available-for-sale investments	472,580	405,670	-	-
Trade accounts payable	(14,681)	(15,069)	(56)	-
Other accounts payable	(19,757)	(2,727)	-	-
Payables to related parties	-	-	(50,130)	(50,832)
Net exposure	515,829	497,785	665,103	692,583
British Pound				
Short-term investments	15,502	15,528	15,502	15,528
Net exposure	15,502	15,528	15,502	15,528
Indonesian Rupiah				
Cash and cash equivalents	2,658	4,820	-	-
Trade accounts receivable	8,499	63,087	-	-
Trade accounts payable	(9,688)	(9,303)	-	-
Other accounts payable	(16,747)	(230,841)	-	-
Finance lease liabilities	(3,019)	(442)	-	-
Net exposure	(18,297)	(172,679)	-	-

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) Bunker swap contracts

During 2017, 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 283.5 - USD 368.4 (31 December 2016: USD 252.0 - USD 323.5). As at 31 December 2017, the outstanding bunker quantities were 4,800 metric tonnes (31 December 2016: 14,750 metric tonnes).

The fair value of bunker swap contracts were USD 0.3 million (31 December 2016: USD 0.8 million) according to broker quotes assigned as 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) 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. As at 31 December 2017, there are no outstanding forward freight agreements (31 December 2016: freight rates at a range USD 7,200 - USD 7,250 per day and the outstanding forward freight agreements to sell are 40 days).

The fair value of forward freight agreements were USD 0.004 million as at 31 December 2016 determined on broker quotes assigned as level 2 fair value using the same approach described in 33(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 33(a) to 33(b), the fair value of financial assets and liabilities as of 31 December 2017 are taken to approximate the carrying values due to the relatively short-term maturity of these financial assets and liabilities.

34 Commitments and contingent liabilities

34.1 Capital commitments

The Group has significant capital commitments towards building, machinery, warehouse construction, ship building, dry-docking, vessel equipment and restaurant outlets contracts but not yet recognized as liabilities as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million)</i>			
- USD	2.48	0.5	-	-
- VND	13,446.8	62,566.2	-	-
- THB	11.0	-	-	-

34.2 Other commitments

a) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases of vessels, land and restaurant outlets are as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Not later than 1 year	252,847	542,688	-	-
Later than 1 year but not later than 5 years	321,250	169,026	-	-
Later than 5 years	276,367	331,759	-	-
Total	850,464	1,043,473	-	-

b) Purchase contract for steam coal

As at 31 December 2017, a subsidiary has outstanding commitments relating to purchase contract for steam coal with foreign coal suppliers for the specific volume plus or minus 10%. The coal price shall be adjusted, subjected to the quality of the coal, as specified by a formula in the agreements.

c) **Sale contract for steam coal**

As at 31 December 2017, a subsidiary has outstanding commitments relating to sale contracts for steam coal with domestic enterprises for the specific volume plus or minus 10% at a fix price per contract.

34.3 Contingent liabilities

a) **Guarantees**

The Company and the Group have given the following guarantees in the normal course of business:

	31 December 2017	
	Consolidated	
	financial statements	
	Baht million	USD million
Letter of guarantees issued by bank on behalf of the Group	27.3	13.6
Guarantee given by the Group to financial institutions to guarantee credit facilities and purchases of raw materials	-	199.4
	31 December 2017	
	Separate	
	financial statements	
	Baht million	USD million
Guarantee given by the Company to financial institutions to guarantee credit facilities	-	96.4
	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

b) **Other contingent liabilities**

As at 31 December 2017, a subsidiary had other contingent liabilities of approximately USD 2.0 million (31 December 2016: USD 2.0 million).

35 Events after the reporting period

The Company

Bond issuance

At the Annual General Meeting of Shareholders held on 26 April 2017, the shareholders approved to issue and offer all or any types of debentures in an amount of no more than Baht 5,000 million. On 20 February 2018, the Company has submitted the filing for bond issuance not exceeding Baht 2,500 million to the Securities and Exchange Commission.

Subsidiary – TSS

Disposal of vessel

On 23 January 2018, TSS entered into a MOA with Sunlight Shipping LLC (Marshall Company), guaranteed by their parent company (Osman Management DMSS (Dubai Company)), to sell Thor Endeavour. Management expects to deliver the vessel on 28 February 2018.

Acquisition of vessel

On 30 January 2018, TSS entered into a MOA with UCL Albion Limited to acquire a second hand vessel named “Albion”. The delivery of this vessel is scheduled for the mid of March 2018.

Subsidiary – TST

New loan

On 12 January 2018, TST entered into a loan agreement with EXIM bank for USD 6 million with an interest rate of LIBOR+3% per annum. The principle is repayable every 3 months over 7 years until the final repayment in December 2024.

Subsidiary – MML

Acquisition of a subsidiary

At the Board of Directors’ meeting of MSST held on 12 January 2018, the Board of Directors approved to set up a new foreign subsidiary, Mermaid Subsea Services (Malaysia) Sdn. Bhd. (“MSSM”), which is 100% owned by MSST. The main business of this subsidiary is to provide offshore services for Offshore oil and gas industry. The subsidiary has total authorized share capital of Malaysian Ringgit 100 thousand. The incorporation was completed in January 2018.

Deregistration of subsidiaries

MTR-3 (Singapore) Pte. Ltd. and MTR-4 (Singapore) Pte. Ltd. were deregistered on 5 February 2018.

Subsidiary – PHC

Increase share capital

At the Extraordinary General Meeting of Shareholders of PHC held on 27 December 2017, the shareholders approved to increase PHC’s share capital by approximately Baht 200 million. It will increase PHC’s share capital from Baht 460 million to Baht 660 million by issuing 20 million shares at par value of Baht 10, of which TTA shares will subscribe for 70% of share increase, amounting to Baht 140 million. PHC is currently in the process to register the additional share capital of Baht 200 million and have partially called up Baht 70 million for the first payment on 15 January 2018.

*Subsidiary – PMTA**Dividend declaration*

At the Board of Directors' meeting of PMTA held on 26 February 2018, the Board of Directors approved to propose the appropriation of dividend of the year ended 31 December 2017 of Baht 1 per share, amounting to Baht 101.2 million, to the Annual General Meeting of Shareholders which will be held in April 2018.

36 Reclassification of accounts

Certain accounts in the 2016 financial statements have been reclassified to conform to the presentation in the 2017 financial statements as follows:

	2016 Consolidated financial statements		
	Before reclass.	Reclass.	After reclass.
	<i>(in thousand Baht)</i>		
<i>Statement of financial position</i>			
Available-for-sale investments	-	584,824	584,824
Other long-term investments	1,301,438	(584,824)	716,614
Investment properties	1,613,445	223,631	1,837,076
Property, plant, and equipment	16,801,293	(223,631)	16,577,662
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.



RELATED PARTY TRANSACTIONS

For the year ended 31 December 2017

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 Dec. 2017	31 Dec. 2016	
1. Mermaid Subsea Services (International) Ltd. ("MSSI")	Zamil Mermaid Offshore Services Company (LLC) ("ZMOS")	TTA holds a 58.2% (31 December 2016: 58.2%) stake in Mermaid Maritime Plc. ("Mermaid"), and Mermaid holds a 100% stake in MSSI and a 40% stake in ZMOS.	ZMOS engaged MSSI for offshore services to Saudi Aramco.	2,364,498,256 (Recorded as service income)	2,710,324,655 (Recorded as service income)	Same price as normally charged to a third party.
2. Mermaid Subsea Services (Thailand) Ltd. ("MSST")	Gulf Agency Company (Thailand) Ltd. ("GAC")	TTA holds a 58.2% (31 December 2016: 58.2%) stake in Mermaid Maritime Plc. ("Mermaid") and a 51% stake in GAC. Mermaid holds a 100% stake in MSST.	MSST engaged GAC for customs clearance of goods and transportation.	2,580,542 (Recorded as cost of services)	11,757,940 (Recorded as cost of services)	Same price as normally charged to a third party.
3. Baconco Co., Ltd. ("Baconco")	Thoresen (Indochina) S.A. ("TI")	TTA holds a 68.5% (31 December 2016: 68.5%) stake in PM Thoresen Asia Holdings Plc. ("PMTA") and PMTA holds a 100% stake in Baconco. TTA also holds a 50% stake in TI.	Baconco received maritime transportation service from TI.	56,182,140 (Recorded as transportation expense)	70,962,425 (Recorded as transportation expense)	Same price as normally charged to a third party.
4. Baconco Co., Ltd. ("Baconco")	Thoresen Vinama Agencies Co., Ltd. ("TVA")	TTA holds a 68.5% (31 December 2016: 68.5%) stake in PM Thoresen Asia Holdings Plc. ("PMTA") and PMTA holds a 100% stake in Baconco. TTA also holds a 50% stake in Thoresen (Indochina) S.A. ("TI") and TI holds a 49% stake in TVA.	Baconco rent out factory area to TVA.	53,690,892 (Recorded as rental income)	55,164,352 (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 Dec. 2017	31 Dec. 2016	
5. Baconco Co., Ltd. ("Baconco")	Thoresen Vinama Agencies Co., Ltd. ("TVA")	TTA holds a 68.5% (31 December 2016: 68.5%) stake in PM Thoresen Asia Holdings Plc. ("PMTA") and PMTA holds a 100% stake in Baconco. TTA also holds a 50% stake in Thoresen (Indochina) S.A. ("TI") and TI holds a 49% stake in TVA.	Baconco received transportation service from TVA.	36,793,384 (Recorded as transportation expense)	21,357,794 (Recorded as transportation expense)	Same price as normally charged to a third party.
6. Baconco Co., Ltd. ("Baconco")	Thoresen Vinama Logistic Co., Ltd. ("TVL")	TTA holds a 68.5% (31 December 2016: 68.5%) stake in PM Thoresen Asia Holdings Plc. ("PMTA") and PMTA holds a 100% stake in Baconco. TTA also holds a 50% stake in Thoresen (Indochina) S.A. ("TI") and TI holds a 49% stake in Thoresen Vinama Agencies Co., Ltd. ("TVA") and TVA also holds a 100% stake in TVL.	Baconco received transportation service from TVL.	46,794,477 (Recorded as transportation expense)	47,819,176 (Recorded as transportation expense)	Same price as normally charged to a third party.
7. Baconco Co., Ltd. ("Baconco")	Baria Serece ("Baria")	TTA holds a 68.5% (31 December 2016: 68.5%) stake in PMTA and PMTA holds a 100% stake in Baconco. TTA also holds a 100% stake in Soleado Holdings Pte.Ltd. ("Soleado") and Soleado holds a 28% stake in Baria.	Baconco received service related to port from Baria.	20,610,071 (Recorded as transportation expense)	22,036,059 (Recorded as transportation expense)	Same price as normally charged to a third party.
8. GAC Thoresen Logistics Ltd. ("GTL")	Gulf Agency Company (Thailand) Ltd. ("GAC")	TTA holds a 51% stake in GTL and 51% stake in GAC.	GAC provided management services to GTL.	1,466,815 (Recorded as administrative expense)	2,660,596 (Recorded as administrative 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 Dec. 2017	31 Dec. 2016	
1. Thoresen Thai Agencies Plc. ("TTA")	Mermaid Maritime Plc. ("Mermaid")	TTA holds a 58.2% (31 December 2016: 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 from Mermaid.	1,731,840 (Recorded as rental-office expenses)	1,502,160 (Recorded as rental-office expenses)	In line with market.
2. Thoresen Thai Agencies Plc. ("TTA")	Mermaid Maritime Plc. ("Mermaid")	TTA holds a 58.2% (31 December 2016: 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 to Mermaid.	1,881,240 (Recorded as rental and facilities income)	2,890,500 (Recorded as rental and facilities income)	In line with market.
3. Thoresen Thai Agencies Plc. ("TTA")	PM Thoresen Asia Holdings Plc. ("PMTA")	TTA holds a 68.5% (31 December 2016: 68.5%) 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 to PMTA.	984,150 (Recorded as rental and facilities income)	984,150 (Recorded as rental and facilities income)	In line with market.
4. Thoresen Thai Agencies Plc. ("TTA")	PM Thoresen Asia Holdings Plc. ("PMTA")	TTA holds a 68.5% (31 December 2016: 68.5%) stake in PM Thoresen Asia Holdings Plc. ("PMTA") and Mr. Chalermchai Mahagitsiri is director and shareholder of both TTA and PMTA.	TTA provided IT service to PMTA.	65,520 (Recorded as IT support income)	65,520 (Recorded as IT support income)	In line with market.

Companies	Related Party Companies/Entities	Relationship	Description of Transactions	Transaction Amount (Baht)		Pricing Policy
				31 Dec. 2017	31 Dec. 2016	
5. Thoresen Thai Agencies Plc. ("TTA")	PM Thoresen Asia Holdings Plc. ("PMTA")	TTA holds a 68.5% stake in PM Thoresen Asia Holdings Plc. ("PMTA") and Mr. Chalermchai Mahagitsiri is director and shareholder of both TTA and PMTA.	TTA provided other service to PMTA.	170,383 (Recorded as other income)	11,670 (Recorded as other income)	In line with market.
6. Thoresen Thai Agencies Plc. ("TTA")	PH Capital Co., Ltd ("PHC")	PHC has stakeholder from TTA and PM Capital Co., Ltd. ("PMC") which hold 70% and 30% respectively. Ms. Ausana Mahagitsiri is shareholder of both TTA and PMC.	TTA leased office space to PHC.	2,407,950 (Recorded as rental and facilities income)	- (No transaction in 2016)	In line with market.
7. Thoresen Thai Agencies Plc. ("TTA")	PH Macaron (Thailand) Co., Ltd.	TTA and PH Macaron Co., Ltd. have common directors being Mr. Chalermchai Mahagitsiri and Ms. Ausana Mahagitsiri.	TTA purchased goods as gifts for new year and TTA shareholders' meeting from PH Macaron Co., Ltd.	213,602 (Recorded as Gift/ New year gift)	494,725 (Recorded as Gift New year gift)	Same price as normally charged to a third party.
8. Thoresen Thai Agencies Plc. ("TTA")	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.	726,966 (Recorded as Entertainment)	833,581 (Recorded as Entertainment)	Same price as normally charged to a third party.
9. Thoresen Thai Agencies Plc. ("TTA")	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.	206,856 (Recorded as Entertainment)	202,928 (Recorded as Entertainment)	Same price as normally charged to a third party.
10. Thoresen Thai Agencies Plc. ("TTA")	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.	446,545 (Recorded as Entertainment)	287,154 (Recorded as Entertainment)	Same price as normally charged to a third party.
11. Thoresen Thai Agencies Plc. ("TTA")	Four-One Entertainment Co., Ltd.	TTA and Four-One Entertainment Co., Ltd. have common directors being Mr. Chalermchai Mahagitsiri and Ms. Ausana Mahagitsiri.	TTA engaged organizer service from Four-One Entertainment Co., Ltd. for Team Building and New Year Party for staffs.	4,060,055.06 (Recorded as other staff benefit)	- (No transaction in 2016)	Same price as normally charged to a third party.

Necessity and Rationale of Related Party Transactions

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

Approval Measures or Procedures of Related Party Transactions

If the Company or its subsidiary is to execute an agreement or if there is any related party transaction between the Company and its subsidiary, affiliated company, related company, third party and/or anyone with possible conflict of interests, the Board of Directors

requires the Company 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 the Company 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 the Company 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 five financial years is as follows:

Financial Year	For the year ended 31 December			For the three - month period ended 31 December 2014 (Restated)	For the year ended 30 September 2014
	2017	2016	2015		
Earnings per share (Baht)	0.32	(0.23)	(6.61)	0.06	0.88
Dividend per share (Baht)	0.075 ^{/3}	0.05 ^{/2}	0.05 ^{/2}	0.025 ^{/1}	0.25 ^{/1}

Note : ^{/1} The Company paid dividend from the retained earnings.

^{/2} 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.

^{/3} The dividend payment for FY 2017 is subject to the shareholders' approval at the AGM 1/2018 to be held on 25 April 2018.

REMUNERATION OF AUDITORS

Audit Fee

For the financial year 2017 ended 31 December 2017 (1 January – 31 December 2017)

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	15,101,322	3,465,500	18,566,822
Total Audit Fee (by auditing firm)	18,801,322	3,465,500	22,266,822

Non-Audit Service Fees

For the financial year 2017 ended 31 December 2017 (1 January – 31 December 2017)

Unit: Thai Baht

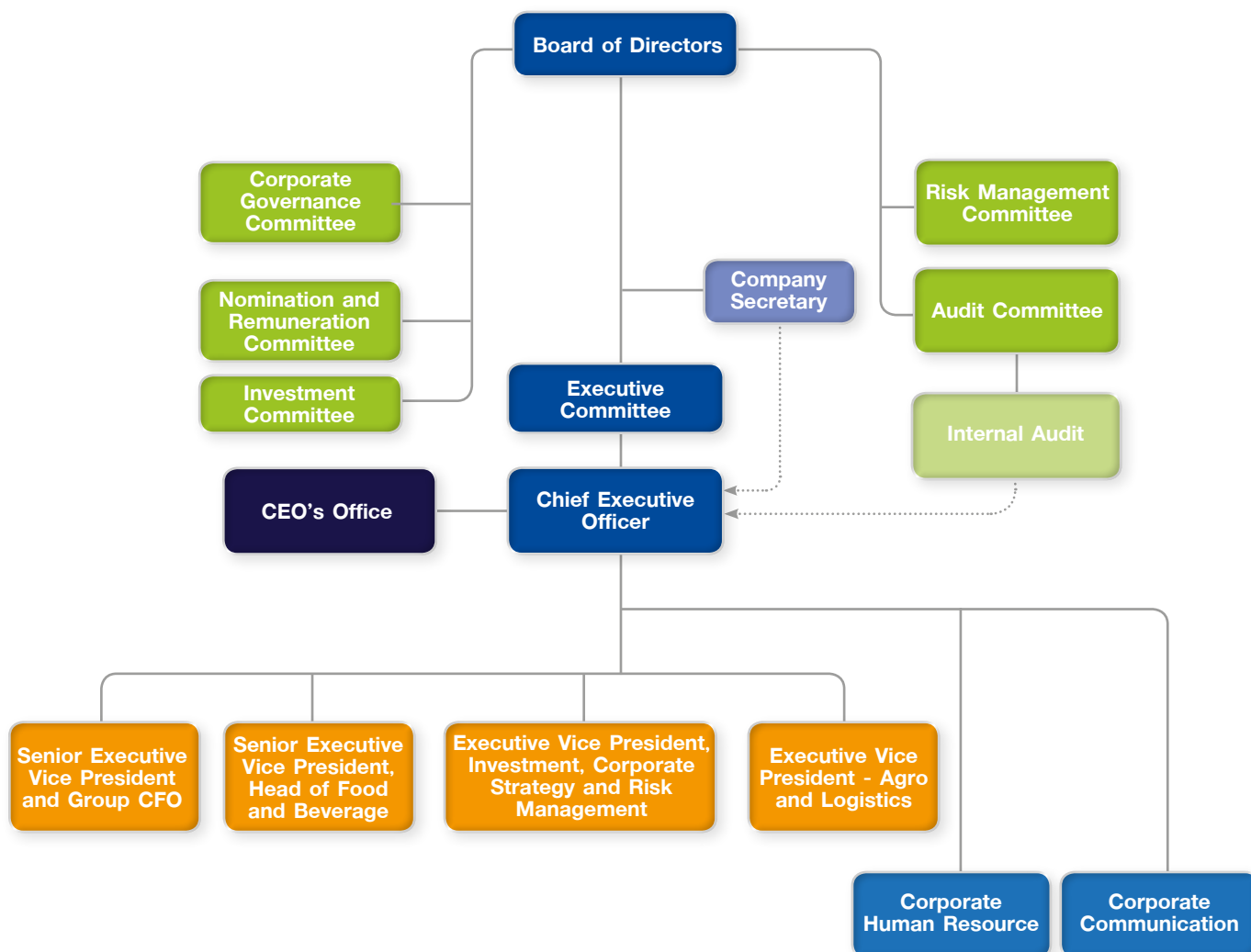
Company	Non - Audit Service Fees for KPMG	Non - Audit Service Fees for other auditing firms	Total Fee (by company)
TTA	66,126	240,750	306,876
TTA's Subsidiaries	2,272,926	555,485	2,828,411
Total Non-Audit Service Fees (by auditing firm)	2,339,052	796,235	3,135,287

Note: Non-audit service fees for the financial year 2017 ended 31 December 2017 (1 January – 31 December 2017) 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 2017



Board of Directors of Thoresen Thai Agencies Public Company Limited as of 31 December 2017

No.	Name	Position	First Appointment Date
1.	Mr. Prasert Bunsumpun	Chairman of the Board/Chairman of Executive Committee	31 Jan. 2012
2.	Mr. Chalermchai Mahagitsiri	Director/President and Chief Executive Officer /Member of Executive Committee/ Chairman of Investment Committee	31 Jan. 2012
3.	Mr. Jean Paul Thevenin	Director/Member of Executive Committee/ Member of Risk Management Committee/ Member of Investment Committee	30 Jan. 2014
4.	Ms. Ausana Mahagitsiri	Director/Member of Nomination and Remuneration Committee/Member of Corporate Governance Committee	31 Jan. 2012
5.	Mr. Jitender Pal Verma ^{/1}	Director/Senior Executive Vice President and Group CFO/Member of Executive Committee/Member of Corporate Governance Committee/ Member of Risk Management Committee/Member of Investment Committee	26 Apr. 2017
6.	Mr. Somboonkiat Kasemsuwan	Independent Director/Chairman of Audit Committee	14 Nov. 2016
7.	Mr. Santi Bangor	Independent Director/Chairman of Nomination and Remuneration Committee/Chairman of Corporate Governance Committee/Member of Audit Committee	31 Jan. 2012
8.	Mr. Cherdpong Siriwit	Independent Director/Chairman of Risk Management Committee/ Member of Audit Committee	30 Jan. 2013
9.	Mr. Chitrapongse Kwangsukstith	Independent Director	13 May 2015
10.	Mr. Mohammed Rashed Ahmad M. Al Nasser	Independent Director/Member of Nomination and Remuneration Committee	30 Jan. 2013
11.	Mr. Kamolsut Dabbaransi	Director	27 Apr.2016

Note: ^{/1} Mr. Jitender Pal Verma was appointed a Board member on 26 April 2017.

Authorized Directors

The directors who are authorized to sign on behalf of the Company are: Mr. Jean Paul Thevenin or Mr. Jitender Pal Verma 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”.

Meeting of the Board and Sub-Committees

Attendance Record of the Board and Committees for Year 2017

Name	Meeting Attendance for Year 2017					
	Board of Directors	Audit Committee	Executive Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee
	(Total 9)	(Total 7)	(Total 8)	(Total 3)	(Total 1)	(Total 4)
1. Mr. Prasert Bunsumpun	8/9	-	8/8	-	-	-
2. Mr. Chalermchai Mahagitsiri	9/9	-	7/8	-	-	-
3. Mr. Jean Paul Thevenin	8/9	-	8/8	-	-	2/3
4. Ms. Ausana Mahagitsiri	7/9	-	-	2/3	1/1	-
5. Mr. Jitender Pal Verma ^{/1}	4/4	-	8/8	-	1/1	4/4
Mr. Chia Wan Huat Joseph ^{/2}	4/5	-	2/3	-	-	1/1
6. Mr. Somboonkiat Kasemsuwan	9/9	7/7	-	-	-	-
7. Mr. Santi Bangor	9/9	7/7	-	3/3	1/1	-
8. Mr. Cherdpong Siriwit	8/9	7/7	-	-	-	4/4
9. Mr. Chitrapongse Kwangsukstith	8/9	-	-	-	-	-
10. Mr. Mohammed Rashed Ahmad M.Al Nasser	5/9	-	-	1/3	-	-
11. Mr. Kamolsut Dabbaransi	7/9	-	-	-	-	-

Note: ^{/1} Mr. Jitender Pal Verma was appointed a Board member on 26 April 2017.

^{/2} Mr. Chia Wan Huat Joseph resigned from the Board effective on 27 April 2017.

Executives

Executives of Thoresen Thai Agencies Public Company Limited as of 31 December 2017

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 Mrs. Vorapin Isaradharm as the Company Secretary on 15 August 2017. 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 senior 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 1/2017 AGM on 26 April 2017 approved the remunerations in 2017 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.

Details of remuneration of directors and members of sub-committee for year 2017 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 non-executive director
	Attendance fee per meeting	Baht 54,000 - Chairperson Baht 31,500 per director non-executive 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.

For year 2017, the remuneration in the form of monthly standard fee and meeting allowance paid to directors and members of sub-committees was Baht 7.83 million and the remuneration in the form of bonus paid to non-executive directors was Baht 2.17 million of which the amount is in line with the director bonus policy as described in the table above, which is not exceeding the remuneration budget of Baht 10 million as approved by the shareholders at the AGM 1/2017 on 26 April 2017. The details of remuneration and bonus for directors and sub-committees are shown in the table below.

Remuneration and Bonus for the Board of Directors and Sub-Committees of TTA for Year 2017

Unit: Baht

Board of Directors			Attendance Fee for Year 2017						Total
Name	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	421,320	432,000	-	800,000	-	-	-	3,453,320
2. Mr. Chalermchai Mahagitsiri	-	-	-	-	-	-	-	-	-
3. Mr. Jean Paul Thevenin	294,000	250,000	252,000	-	224,000	-	-	25,200	1,045,200
4. Ms. Ausana Mahagitsiri	294,000	250,000	157,500	-	-	42,000	12,600	-	756,100
5. Mr. Jitender Pal Verma ¹	-	-	-	-	-	-	-	-	-
Mr. Chia Wan Huat Joseph ²	-	-	-	-	-	-	-	-	-
6. Mr. Somboonkiat Kasemsuwan	294,000	250,000	283,500	235,200	-	-	-	-	1,062,700
7. Mr. Santi Bangor	294,000	250,000	283,500	196,000	-	75,600	15,120	-	1,114,220
8. Mr. Cherdpong Siriwit	294,000	250,000	252,000	196,000	-	-	-	57,960	1,049,960
9. Mr. Chitrapongse Kwangsukstith	294,000	250,000	252,000	-	-	-	-	-	796,000
10. Mr. Mohammed Rashed Ahmad M. Al Nasser	294,000	250,000	157,500	-	-	21,000	-	-	722,500
11. Mr. Kamolsut Dabbaransi	-	-	-	-	-	-	-	-	-
Total	3,858,000	2,171,320	2,070,000	627,200	1,024,000	138,600	27,720	83,160	10,000,000

Note: ^{/1} Mr. Jitender Pal Verma was appointed a Board member on 26 April 2017.^{/2} Mr. Chia Wan Huat Joseph resigned from the Board effective on 27 April 2017.

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. 2017		For the Year Ended 31 Dec. 2016	
	Total number of executives during the year	Amount (million Baht)	Total number of executives during the year	Amount (million Baht)
Total salary and bonus	4	37.85	4	41.274
Other benefits (which include social security and provident fund contributions by TTA)	4	2.44	4	2.620

Personnel

As of 31 December 2017, TTA has a total direct workforce of 90, consisting of one President and Chief Executive Officer, 4 Executive Vice Presidents, and 86 employees as detailed below.

Main Business Units	Number of Employees (Only TTA)
1. Corporate Finance and Accounting, Investor Relationship and Legal	21
2. Corporate Human Resource	6
3. Group Supports and CEO's office	49
4. Group Business Development	8
5. Corporate Risk Management and Internal Audit	6
Total	90

Group of Business	Number of Employees
1. Shipping	81
2. Offshore Service	275
3. Agrochemical	551
4. Investment	2,331

- Total number of employees of TTA and its subsidiaries was 3,328 (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 fiscal year 2017 ended 31 December 2017 was Baht 849,304,014 (For the fiscal year 2016 ended 31 December 2016 : Baht 790,663,105).
- TTA contributed the provident funds and social security funds to its employees (excluding the crew on-board) for the fiscal year 2017 ended 31 December 2017 at the total amount of Baht 32,910,658 (For the fiscal year 2016 ended 31 December 2016: Baht 17,697,816).
- Individual Development Plan is provided under the topic of "Corporate Governance Report".



DETAILS OF THE BOARD OF DIRECTORS AND EXECUTIVES

BIOGRAPHY OF THE BOARD OF DIRECTORS

Mr. Prasert Bunsumpun (Age 65)

Chairman of the Board of Directors/Chairman of Executive Committee

Date of first appointment : 31 January 2012

(%) of shareholding as of 31 December 2017 : 0.01

Relation among family with other directors and executives : None

Educations

- 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

Trainings/Certifications

- 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 experiences

Positions in Listed Companies in SET

- | | |
|----------------|---|
| 2017 - Present | : Independent Director/Chairman of the Board of Directors, SVI Plc. |
| 2015 - Present | : Independent Director/ Chairman of Executive Committee, Thaicom Plc. |
| 2012 - Present | : Director/Chairman of the Board of Directors, Thoresen Thai Agencies Plc. |
| 2011 - Present | : Independent Director/Chairman, PTT Global Chemical Plc. |
| 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 Plc. |
| 2013 - 2017 | : Director/Member of the Enterprise Risk Management Committee, PTT Plc. |
| 2011 - 2015 | : Independent Director/Chairman of the Board of Executive Directors, Krung Thai Bank Plc. |
| 2007 - 2011 | : Director, PTT Aromatics and Refining Plc. |
| 2006 - 2013 | : Director/Chairman/Chairman of the Executive Board of Directors, IRPC Plc. |
| 2005 - 2011 | : Director/Chairman, PTT Chemical Plc. |
| 2003 - 2011 | : Director/ President and Chief Executive Officer, PTT Plc. |
| 2000 - 2011 | : Director/Chairman, PTT Exploration and Production Plc. |

Positions in Listed Companies in Other Countries

- | | |
|----------------|---|
| 2012 - Present | : Chairman of the Board of Directors/Chairman of Executive Committee, Mermaid Maritime Plc. |
|----------------|---|

Positions in Other Companies/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 |

Mr. Chalermchai Mahagitsiri (Age 39)

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

Date of first appointment : 31 January 2012

(%) of shareholding as of 31 December 2017 : 22.02 (included his shares held under a custodian account)

Relation among family with other directors and executives : Ms. Ausana Mahagitsiri's brother

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
- Academy of Business Creativity (ABC), by Sripatum University, Class 4, 2016
- Digital Edge Fusion (DEF), by Sripatum University, Class 1, 2017

Working experience

Positions in Listed Companies in SET

- 2018 - Present : Director, Ferrum Plc.
- 2013 - Present : Chairman of the Board of Directors, PM Thoresen Asia Holdings Plc.
- 2012 - Present : Vice Chairman, Unique Mining Services Plc.
- 2012 - Present : Director/President and Chief Executive Officer, Thoresen Thai Agencies Plc.
- 2011 - Present : Director, Posco-Thainox Plc.
- 2011 - Present : Vice Chairman, Thai Film Industries Plc.
- 2009 - 2011 : Director and Vice Chairman, Posco - Thainox Plc.

Positions in Listed Companies in Other Countries

- 2012 - Present : Chief Executive Officer/Executive Vice Chairman, Mermaid Maritime Plc.

Positions in Other Companies/Organizations

- 2017 - Present : Director, Thoresen Shipping (Thailand) Co., Ltd.
- 2016 - Present : Director, Mermaid Subsea Services Saudi Arabia Co., Ltd.
- 2016 - Present : Director, PMT Property Co., Ltd.
- 2016 - Present : Director, Laser Game Asia Co., Ltd.
- 2016 - Present : Director, TTA Suez Co., Ltd.
- 2016 - Present : Director, Natural Bev. Co., Ltd.
- 2015 - Present : Director, Sino Grandness Food Industry Group Ltd.
- 2014 - Present : Director, Mermaid Subsea Services LLC
- 2014 - Present : Director, Mermaid International Venture
- 2014 - Present : Director, Premo Shipping Plc.
- 2014 - Present : Director, Thoresen Shipping FZE
- 2014 - Present : Director, Mermaid Maritime Mauritius Ltd.
- 2014 - Present : Director, Chidlom Marine Services & Supplies Ltd.
- 2014 - Present : Director, Gulf Agency Company (Thailand) Ltd.
- 2014 - Present : Director, GAC Thoresen Logistics Ltd.

Positions in Other Companies/Organizations

2014 - Present	: Director, PH Macaron Co., Ltd.
2014 - Present	: Director, Athene Holdings Ltd.
2014 - Present	: Director, Thoresen & Company (Bangkok) Ltd.
2014 - Present	: Director, Fearnleys (Thailand) Ltd.
2013 - Present	: Director, PM Thoresen Asia (Singapore) Pte. Ltd.
2013 - Present	: Director, Baconco Co., Ltd.
2013 - Present	: Director, Thoresen (Indochina) S.A.
2013 - Present	: Director, MTR-1 Ltd.
2013 - Present	: Director, PM Quality Food and Beverage Co., Ltd.
2013 - Present	: Director, Thoresen Shipping Singapore Pte. Ltd.
2013 - Present	: Director, Mermaid Drilling Ltd.
2013 - Present	: Director, Asia Offshore Drilling Ltd.
2013 - Present	: Director, Asia Offshore Rig 1 Ltd.
2013 - Present	: Director, Asia Offshore Rig 2 Ltd.
2013 - Present	: Director, Asia Offshore Rig 3 Ltd.
2013 - Present	: Director, Mermaid Subsea Services (Thailand) Ltd.
2013 - Present	: Director, Four One One (411) FUN Co., Ltd.
2012 - Present	: Director, MTR-2 Ltd.
2012 - Present	: Director, Mermaid Subsea Services (International) Ltd.
2012 - Present	: Director, MTR-1 (Singapore) Pte. Ltd.
2012 - Present	: Director, Coffee Gallery Co., Ltd.
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 - 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 Co., Ltd.
2005 - Present	: Director, PM Corp Co., Ltd.
2002 - Present	: Director, Lakewood Kitchen Co., Ltd.
2002 - Present	: Director, ACME Camps Co., Ltd.
1998 - Present	: Managing Director, Lakewood Country Club Co., Ltd.
1998 - Present	: Director, Lakewood Land Co., Ltd.
Present	: Director, Quality Coffee Products Co., Ltd.

Mr. Jean Paul Thevenin (Age 77)

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

Date of first appointment : 30 January 2014

(%) of shareholding as of 31 December 2017:

Own : None

Spouse : 0.0006

Total : 0.0006

Relation among family with other directors and executives : None

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

Positions in Listed Companies in SET

2014 - Present : Director, Thoresen Thai Agencies Plc.
2005 - 2010 : Managing Director, Thainox Stainless Plc.

Positions in Listed Companies in Other Countries

2013 - Present : Director, Mermaid Maritime Plc.

Positions in Other Companies/Organizations

2017 - Present : Director, Mermaid Subsea Services Saudi Arabia Co., Ltd.
2017 - Present : Director, Petrolift Inc.
2016 - Present : Director, PMT Property Co., Ltd.
2016 - Present : Director, TTA Suez Co., Ltd.
2015 - Present : Director, Mermaid Subsea Services (International) Ltd.
2015 - Present : Director, Thoresen Shipping Singapore Pte. Ltd.
2015 - Present : Director, Mermaid Offshore Services Pte. Ltd.
2015 - Present : Director, Mermaid Subsea Services (Thailand) Ltd.
2014 - Present : Director, Mermaid Drilling Ltd.
2014 - Present : Director, MTR-1 Ltd.
2014 - Present : Director, MTR-2 Ltd.
1998 - 2004 : President, Franco - Thai Chamber of Commerce

Mr. Jitender Pal Verma (Age 53)

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

Date of first appointment : 26 April 2017 (Date of joining TTA : 22 April 2015)

(%) of shareholding as of 31 December 2017 : 0.003 (shares held under Thai NVDR)

Relation among family with other directors and executives : None

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**Positions in Listed Companies in SET**

- 2017 - Present : Director, PM Thoresen Asia Holdings Plc.
- 2017 - Present : Director/Senior Executive Vice President and Group CFO, Thoresen Thai Agencies Plc.
- 2005 - 2011 : CFO and Acting Managing Director, Thainox Stainless Plc. (now renamed as POSCO - Thainox Plc.)

Positions in Listed Companies in Other Countries

- 2016 - Present : Non-Executive Director, Mermaid Maritime Plc.
- 2011 - 2015 : Board's Member, Executive Director & CFO, Jindal Stainless Ltd.

Positions in Other Companies/Organizations

- 2017 - Present : Director, Thoresen Indochina S.A.
- 2017 - Present : Director, Thoresen Shipping (Thailand) Co., Ltd
- 2017 - Present : Director, Baconco Co., Ltd.
- 2017 - Present : Director, Mermaid Drilling (Malaysia) Sdn. Bhd.
- 2017 - Present : Director, PH Capital Co., Ltd.
- 2017 - Present : Director, MTR-2 Ltd.
- 2017 - Present : Director, MTR-1 Ltd.
- 2017 - Present : Director, MTR-1 (Singapore) Pte. Ltd.
- 2017 - Present : Director, Mermaid Drilling (Singapore) Pte. Ltd.
- 2017 - Present : Director, Seascope Surveys Pte. Ltd.
- 2017 - Present : Director, Mermaid Subsea Services LLC
- 2016 - Present : Director, Mermaid Subsea Services Saudi Arabia Co., Ltd.
- 2016 - Present : Director, Mermaid Subsea Services (Thailand) Ltd.
- 2016 - Present : Director, Mermaid Subsea Services (International) Ltd.
- 2016 - Present : Director, PMT Property Co., Ltd.
- 2016 - Present : Director, Petrolift Inc.
- 2016 - Present : Director, Thoresen & Company (Bangkok) Ltd.
- 2016 - Present : Director, Chidlom Marine Services & Supplies Ltd.
- 2016 - Present : Director, Gulf Agency Company (Thailand) Ltd.
- 2016 - Present : Director, GAC Thoresen Logistics Ltd.
- 2016 - Present : Director, Fearnleys (Thailand) Ltd.
- 2015 - Present : Director, Mermaid Drilling Ltd.
- 2015 - Present : Board's Member, Soleado Holdings Pte. Ltd., Singapore
- 2015 - Present : Board's Member, Thoresen Shipping FZE, U.A.E
- 2015 - 2016 : Board's Member, Thoresen Shipping Singapore Pte. Ltd., Singapore
- 2003 - 2005 : Finance Director Asia, Dole Asia, Philippines
- 2002 - 2003 : Asia Regional Treasurer, Dole Food Company, Hong Kong
- 1998 - 2002 : Finance Director and Controller, Dole Thailand Limited, Thailand
- 1996 - 1998 : Finance Director, Seagate Technology, Thailand
- 1988 - 1996 : Various other positions in Thailand and overseas at progressive levels

Ms. Ausana Mahagitsiri (Age 37)

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

Date of first appointment : 31 January 2012

(%) of shareholding as of 31 December 2017 : 3.88

Relation among family with other directors and executives :

Mr. Chalermchai Mahagitsiri's sister and Mr. Kamolsut Dabbaransi's spouse

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

Positions in Listed Companies in SET

- 2013 - Present : Director, Thai Film Industries Plc.
 2012 - Present : Director, Thoresen Thai Agencies Plc.

Positions in Listed Companies in Other Countries

-None-

Positions in Other Companies/Organizations

- 2017 - Present : Director, PH Capital Co., Ltd.
 2017 - Present : Director, PM Capital Co., Ltd.
 2016 - Present : Director, PMT Property Co., Ltd.
 2016 - Present : Director, House of Truffle Co., Ltd.
 2016 - Present : Director, Natural Bev. Co., Ltd.
 2016 - Present : Director, Premo Shipping Plc.
 2014 - Present : Director, Chidlom Marine Services & Supplies Ltd.
 2014 - Present : Director, GAC Thoresen Logistics Ltd.
 2014 - Present : Director, Athene Holdings Ltd.
 2014 - Present : Director, Soleado Holdings Pte. Ltd.
 2014 - Present : Director, Thoresen Shipping Singapore Pte. Ltd.
 2014 - Present : Director, PH Macaron (Thailand) Co., Ltd.
 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 Co., Ltd.
 2002 - Present : Director, Lakewood Kitchen Co., Ltd.
 1998 - Present : Director, Lakewood Country Club Co., Ltd.
 1998 - Present : Director, Lakewood Land Co., Ltd.

Mr. Somboonkiat Kasemsuwan (Age 72)**Independent Director/Chairman of Audit Committee****Date of first appointment :** 14 November 2016**(%) of shareholding as of 31 December 2017 :** None**Relation among family with other directors and executives :** 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**Positions in Listed Companies in SET**

- | | | |
|----------------|---|--|
| 2016 - Present | : | Independent Director, Thoresen Thai Agencies Plc. |
| 2014 - 2016 | : | Chairman of Audit Committee, and Member of Nomination and Remuneration Committee, PM Thoresen Asia Holdings Plc. |
| 2004 - 2015 | : | Chairman, Advance Finance Plc. |
| 1989 - 1994 | : | Executive Director, The Bangkok Bank of Commerce Plc. |
| 1987 - 1989 | : | Director and Senior Executive Vice President, The Bangkok Bank of Commerce Plc. |

Positions in Listed Companies in Other Countries

-None-

Positions in Other Companies/Organizations

- | | | |
|-------------|---|---|
| 2013 - 2014 | : | Chairman of Audit Committee, PM Thoresen Asia Holdings Ltd. |
| 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) |

Mr. Santi Bangor (Age 72)

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 31 December 2017 : None

Relation among family with other directors and executives : 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

Positions in Listed Companies in SET

- 2013 - Present : Independent Director/Chairman of the Corporate Governance Committee, People's Garment Plc.
- 2012 - Present : Independent Director, Thoresen Thai Agencies Plc.
- 2010 - Present : Member of the Audit Committee, People's Garment Plc.

Positions in Listed Companies in Other Countries

-None-

Positions in Other Companies/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

Mr. Cherdpong Siriwit (Age 71)**Independent Director/Chairman of Risk Management Committee/Member of Audit Committee****Date of first appointment :** 30 January 2013**(%) of shareholding as of 31 December 2017 :** None**Relation among family with other directors and executives :** 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**Positions in Listed Companies in SET**

2013 - Present	: Independent Director, Thoresen Thai Agencies Plc.
2011 - 2014	: Chairman of Corporate Governance Committee, IRPC Plc.
2010 - Present	: Chairman, Solartron Plc.
2009 - Present	: Chairman and Audit Committee, Advance Finance Plc.
2009 - 2016	: Chairman of Audit Committee, IRPC Plc.
2009 - 2016	: Independent Director, IRPC Plc.
2006 - 2009	: Independent Director/Audit Committee/Remuneration Director, PTT Chemical Plc.
2005 - 2007	: Chairman, Rayong Refinery Plc.
2004 - 2008	: Chairman, PTT Exploration and Production Plc.
2004 - 2008	: Chairman, Thai Oil Plc.
2003 - 2007	: Chairman, PTT Plc.
2003 - 2007	: Chairman, Ratchaburi Electricity Generating Holding Plc.

Positions in Listed Companies in Other Countries

-None-

Positions in Other Companies/Organizations

2012 - Present	: Chairman, Thai Sugar Millers Corporation Ltd.
2003 - 2004	: Chairman, Electricity Generating Authority of Thailand (EGAT)
2002 - 2006	: Permanent Secretary, Ministry of Energy

Mohammed Bin Rashed Bin Ahmad Bin Muftah Al Nasseri (Age 47)

Independent Director/Member of Nomination and Remuneration Committee

Date of first appointment : 30 January 2013

(%) of shareholding as of 31 December 2017 : None

Relation among family with other directors and executives : None

Education

License of Law, Emirates University

Training/Certification

- None -

Working experience

Positions in Listed Companies in SET

2013 - Present : Independent Director, Thoresen Thai Agencies Plc.

Positions in Listed Companies in Other Countries

-None-

Positions in Other Companies/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

Mr. Chitrapongse Kwangsukstith (Age 68)**Independent Director****Date of first appointment :** 13 May 2015**(%) of shareholding as of 31 December 2017 :** None**Relation among family with other directors and executives :** None**Education**

- Doctor of Engineering (Industrial Engineering), Lamar University, USA, 1979
- Master of Engineering (Industrial Engineering), Lamar University, USA, 1974
- Bachelor of Engineering (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**Positions in Listed Companies in SET**

- | | | |
|----------------|---|--|
| 2015 - Present | : | Independent Director, Thoresen Thai Agencies Plc. |
| 2014 - Present | : | Director, Member and Alternate Chairman of Board Risk Committee, CIMB Thai Bank Plc. |
| 2008 - 2009 | : | Chief Operating Officer, Upstream Petroleum and Gas Business Group, PTT Plc. |
| 2003 - 2007 | : | Senior Executive Vice President, Exploration & Production and Gas Business Unit, PTT Plc. |
| 2000 - 2003 | : | Senior Executive Vice President, PTT Plc., working as President, PTT Exploration & Production Plc. |

Positions in Listed Companies in Other Countries

-None-

Positions in Other Companies/Organizations

- | | | |
|-------------|---|--|
| 2012 - 2014 | : | Chairman of the Board, PTT Energy Resources Ltd. |
| 2009 - 2012 | : | Chairman and Acting President of PTT Energy Resources Ltd. |

Mr. Kamolsut Dabbaransi (Age 40)

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

Date of first appointment : 27 April 2016

(%) of shareholding as of 31 December 2017 :

Own : None

Spouse : 3.88

Total : 3.88

Relation among family with other directors and executives : Ms. Ausana Mahagitsiri's spouse

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

Positions in Listed Companies in SET

2016 - Present : Director, The Royal Ceramic Industry Plc.

2016 - Present : Director, Thoresen Thai Agencies Plc.

Positions in Listed Companies in Other Countries

-None-

Positions in Other Companies/Organizations

2016 - Present : Director, Asia Coating Ltd.

2016 - Present : Director, PMT Property Co., Ltd.

2016 - Present : Director, Laser Game Asia Co., Ltd.

2016 - Present : Director, House of Truffle Co., Ltd.

2016 - Present : Director, PMFB Ltd.

2014 - Present : Director, PH Macaron (Thailand) Co., Ltd.

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.

BIOGRAPHY OF THE EXECUTIVES

Mr. Chalermchai Mahagitsiri (Age 39)

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 31 December 2017 : 22.02

(included his shares held under a custodian account)

Relation among family with other directors and executives :

Ms. Ausana Mahagitsiri's brother

His biography appears in the section
“Details of the Board of Directors
and Executives”

Mr. Kamolsut Dabbaransi (Age 40)

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

Date of first appointment as Executive :

1 August 2015

(%) of shareholding as of 31 December 2017 :

Own : None

Spouse : 3.88

Total : 3.88

Relation among family with other directors and executives :

Ms. Ausana Mahagitsiri's spouse

His biography appears in the section
“Details of the Board of Directors
and Executives”

Mr. Jitender Pal Verma (Age 53)

Director/Senior Executive Vice President and Group CFO/
Member of Executive Committee/Member of Corporate
Governance 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 31 December 2017 : 0.003

(shares held under Thai NVDR)

Relation among family with other directors and executives :

None

His biography appears in the section
“Details of the Board of Directors
and Executives”

Mr. Sigmund Stromme (Age 61)

Executive Vice President - Agro and Logistics

Date of appointment : 6 May 2015

(%) of shareholding as of 31 December 2017 : 0.0079

Relation among family with other directors and executives : None

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

Positions in Listed Companies in SET

- | | |
|----------------|--|
| 2015 - Present | : Executive Vice President - Agro and Logistics, Thoresen Thai Agencies Plc. |
| 2015 - Present | : Director/Managing Director/Executive Committee/Nomination and Remuneration Committee, PM Thoresen Asia Holdings Public Company Limited |

Positions in Listed Companies in Other Countries

-None-

Positions in Other Companies/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 - Present | : Director, Petrolift Inc. |
| 2015 - 2016 | : Director, Thoresen Shipping and Logistics Ltd. |
| 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 |

Mr. Ng Kit Wei, David (Age 40)

Executive Vice President, Investment, Corporate Strategy and Risk Management/Member of Risk Management Committee/Member of Investment Committee

Date of appointment as Executive : 20 January 2015

(%) of shareholding as of 31 December 2017 : None

Relation among family with other directors and executives : None

Education

- Bachelor of Commerce & Management, Lincoln University, New Zealand, 1998

Training/Certification

- Chartered Financial Analyst (CFA), CFA Institute
- CPA Australia

Working experience**Positions in Listed Companies in SET**

2015 - Present : Executive Vice President, Investment, Corporate Strategy and Risk Management, Thoresen Thai Agencies Plc.

Positions in Listed Companies in Other Countries

-None-

Positions in Other Companies/Organizations

2017 - Present	: Director, PH Capital Co., Ltd.
2016 - Present	: Director, TTA Suez Co., Ltd.
2015 - Present	: Director, UMS Distribution Co., Ltd.
2015 - Present	: Director, UMS Lighter Co., Ltd.
2015 - Present	: Director, UMS Pellet Energy Co., Ltd.
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

REPORT ON THE SECURITIES HOLDING OF THE DIRECTORS AND EXECUTIVES

Securities Holding by TTA's Directors as of 31 December 2017

Name	No. of Shares			No. of Warrants # TTA-W5		
	As of 31 Dec 2016	As of 31 Dec 2017	Changes During the Year	As of 31 Dec 2016	As of 31 Dec 2017	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	-	38,430,826	38,430,826	-
3. Mr. Jean Paul Thevenin	-	-	-	-	-	-
Spouse and Minor Child	11,200	11,200	-	1,066	1,066	-
4. Ms. Ausana Mahagitsiri	70,795,737	70,795,737	-	6,742,451	6,742,451	-
Spouse and Minor Child	-	-	-	-	-	-
5. Mr. Jitender Pal Verma	55,000	55,000	-	33	33	-
Spouse and Minor Child	-	-	-	-	-	-
6. Mr. Somboonkiat Kasemsuwan	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-
7. Mr. Santi Bangor	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-
8. Mr. Cherdpong Siriwit	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-
9. Mr. Chitrapongse Kwangsuksith	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-
10. Mr. Mohammed Rashed Ahmad M. Al Nasser	-	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-	-
11. Mr. Kamolsut Dabbaransi	-	-	-	-	-	-
Spouse and Minor Child	70,795,737	70,795,737	-	6,742,451	6,742,451	-

Securities Holding by TTA's Executives as of 31 December 2017

Name	No. of Shares			No. of Warrants # TTA-W5		
	As of 31 Dec 2016	As of 31 Dec 2017	Changes During the Year	As of 31 Dec 2016	As of 31 Dec 2017	Changes During the Year
1. Mr. Chalermchai Mahagitsiri	401,348,382	401,348,382	-	38,430,826	38,430,826	-
2. Mr. Kamolsut Dabbaransi	-	-	-	-	-	-
Spouse and Minor Child	70,795,737	70,795,737	-	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 29 December 2017, 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.	Thai NVDR Co., Ltd.	66,142,615	3.63
5.	Mr. Prateep Tangmatitham	41,533,807	2.28
6.	Mr. Pipat Tiathawat	32,000,000	1.76
7.	Mrs. Suvimol Mahagitsiri	28,065,223	1.54
8.	Mrs. Somsong Laphananrat	22,716,400	1.25
9.	DBS Bank Ltd.	22,689,600	1.24
10.	HSBC (Singapore) Nominees Pte. Ltd.	22,567,789	1.24
Total		707,959,553	38.85
Other shareholders		1,114,504,453	61.15
Grand Total		1,822,464,006	100.00

Note : * He has another 150,000,000 shares held under a custodian account, representing 8.23% of total number of shares.

The authorized and paid-up capital of TTA as of 29 December 2017 were Baht 1,998,446,888 and Baht 1,822,464,006 respectively, having a par value of Baht 1 per share.

TTA's Share Distribution

The share distribution by nationality of TTA as of 29 December 2017, 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	23,292	1,550,150,309	85.06
Foreign	118	272,313,697	14.94
Total of Shareholders	23,410	1,822,464,006	100.00



COMPANY INVESTMENTS

Investments in other companies exceeding 10% of other companies' shares as of 31 December 2017 are as follows:

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
SHIPPING					
Type of Business : Ship Management					
1	Thoresen & Company (Bangkok) Limited 26/26-27 Orakarn Building, 10 th Floor Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan Bangkok 10330 Tel. : +66 (0) 2250-8437 Fax : +66 (0) 2655-5631	Ordinary Preference Group A Group B	9,470,000 1,530,000 1,500,000	9,470,000 1,529,944 1,500,000	99.99 ¹
2	Premo Shipping Plc. 26/32-34 Orakarn Building, 10 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2250-0569 Fax : +66 (0) 2655-5631	Ordinary	35,000,000	349,977	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	614,909,306	614,909,306	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

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
SHIPPING					
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 Stavendamm 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 (Thailand) Co., Ltd. 26/26-27 Orakarn Building, 8 th Floor Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan Bangkok 10330 Tel. : +66 (0) 2250-0569 Fax : +66 (0) 2655-5631	Ordinary	12,000,000	6,120,000 5,879,990 ^{/1}	99.99
Type of Business : Ship Brokerage					
10	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
OFFSHORE SERVICE					
11	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 ^{/4} 102,509,593 ^{/5}	58.22
12	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
13	MTR-1 Ltd. 26/28-29 Orakarn Building, 9 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2255-3115-6	Ordinary	24,000,000	22,800,000	95.00
14	MTR-2 Ltd. 26/28-29 Orakarn Building, 9 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2255-3115-6	Ordinary	35,000,000	33,250,000	95.00

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
OFFSHORE SERVICE					
15	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
16	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
17	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
18	MTR-3 (Singapore) Pte. Ltd. 80 Robinson Road #02-00, Singapore 068898	Ordinary	22,000,100	22,000,100	100.00
19	MTR-4 (Singapore) Pte. Ltd. 80 Robinson Road #02-00, Singapore 068898	Ordinary	22,000,079	22,000,079	100.00
20	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
21	Seascope Surveys Pte. Ltd. 8 Loyang Drive, Loyang Industrial Estate Singapore (508939)	Ordinary	100	100	100.00
22	PT Seascope Surveys Indonesia JL T.B. Simatupang, Kav. 1 S, Cilandak, Timur Jakarta, 12560, Indonesia	Ordinary	800	392	49.00
23	Mermaid Offshore Services Pte. Ltd. 80 Robinson Road #02-00, Singapore 068898	Ordinary	20,400,100	20,400,100	100.00
24	Mermaid Maritime Mauritius Ltd. C/O Abax Corporate Services Ltd. 6 th Floor, Tower A, 1 CyberCity, Ebene, Mauritius	Ordinary	1	1	100.00
25	Mermaid International Ventures Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands	Ordinary	100	100	100.00
26	Mermaid Subsea Services (International) Ltd. Suite 15, 1st Floor Oliaji Trade Centre Fransis Rachel Street, Box 1004, Victoria, Mahe Seychelles	Ordinary	1	1	100.00

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
OFFSHORE SERVICE					
27	Subtech Saudi Arabia Ltd. Al Khobar, Al Shoaiby Building Al Hizam and Al Akhzar Area Prince Hamoud Raod, PO Box 1280, 31952 Kingdom of Saudi Arabia	Ordinary	5,000	4,750	95.00
28	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
29	Asia Offshore Drilling Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	600,000,100	20,256,425	33.76
30	Asia Offshore Rig 1 Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	36,000,000	36,000,000	100.00
31	Asia Offshore Rig 2 Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	36,000,000	36,000,000	100.00
32	Asia Offshore Rig 3 Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	36,000,000	36,000,000	100.00
33	Zamil Mermaid Offshore Services Company LLC Khobar, P.O. Box 1922, Kingdom of Saudi Arabia ZIP Code 31952	Ordinary	2,000	800	40.00
34	PTGC Co., Ltd. J41, Street 99R, Toul Sakae Village Sangkat Toul Sanglike, Khan Russey Keo Phnom Penh, Kingdom of Cambodia Tel : +855 087336668	Ordinary	1,200,000	588,000	49.00
AGROCHEMICAL					
35	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
36	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
37	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

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
INVESTMENT					
Type of Business : Logistics					
38	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
39	Petrolift Inc. 7F, 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
40	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
41	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
42	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
43	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
44	UMS Port Services Co., Ltd. 108 Moo 2 Khlong Sakae Sub District Tumbol Khlong Sakae, Amphoe Nakhon Luang Province 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
45	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

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
INVESTMENT					
Type of Business : Logistics					
46	Thoresen-Vinama Agencies Co., Ltd. 19-25 Nguyen Hue, Ben Nghe Ward District 1, Ho Chiminh City, Vietnam		Charter capital is VND 8,412,697,789		49.00
47	Fearnleys (Thailand) Ltd. 26/55 Orakarn Building, 15 th 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
48	Fearnleys Shipbroking Private Limited 7 th Floor, Badheka Chambers 31, Manohardas Street, Fort Mumbai, India 400 001	Ordinary	10,000	9,990	99.90 ⁸
49	Gulf Agency Company (Thailand) 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	22,000	11,215	51.00
50	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
51	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
52	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
53	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

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
INVESTMENT					
Type of Business : Food and Beverage					
54	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
55	PH Capital Co., Ltd. 26/24-25 Orakarn Building, 8 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2254-8437 Fax : +66 (0) 2655-5631	Ordinary	6,000,000	4,119,999	70.00
Type of Business : Water					
56	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
Type of Business : Other					
57	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
58	Laser Game Asia Ltd. 1 Room No. 7, Soi Sukhumvit 22, Sukhumvit Road Klongton, Klongtoey, Bangkok, 10110 Tel. : +66 (0) 2663-7703	Ordinary Preference	19,600 20,400	5,880 6,120	} 30.00 ⁷
59	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

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
INVESTMENT					
Type of Business : Other					
60	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
61	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

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.

^{/8} indirectly held through Fearnleys (Thailand) Ltd.



CORPORATE INFORMATION

As of 31 December 2017

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 Holding with 4 core business groups: Shipping, Offshore Service, Agrochemical, and Investment
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 1,998,446,888
Paid up Capital	: Baht 1,822,464,006
No. of Issued Shares	: 1,822,464,006 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.
48th - 51st Floors, Empire Tower
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>.

Thoresen Thai Agencies Plc.

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