



Thoresen Thai Agencies
Public Company Limited


ANNUAL REPORT 2018

Captaining Towards Growth



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A portrait of Prayudh Mahagitsiri, an older man with dark hair, wearing a grey suit, white shirt, and a yellow tie with a small dark pattern. He is standing outdoors with a blurred cityscape in the background. The text is overlaid on the lower left of the image.

“Business growth is never a magic or an accident; it is the result of high intention, sincere effort, intelligent direction, skillful execution and the vision to see obstacles as opportunities.”

Prayudh Mahagitsiri
Honorary Chairman

Vision

To be the most Trusted Asian Investment Group, consistently delivering enhanced stakeholder experience.

Mission

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

Core Values

Integrity

Team Spirit

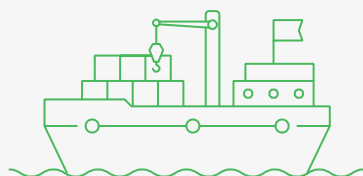
Excellence

Commitment

Strategic Business Units

Shipping

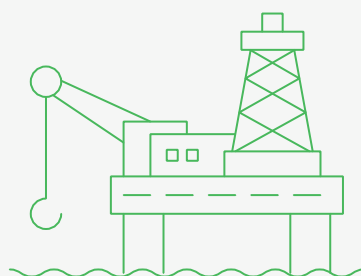
100%



Thoresen Shipping

Offshore Service

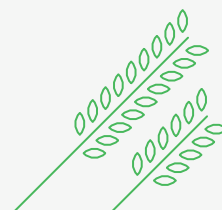
58.2%



Mermaid Maritime

Agrochemical

68.5%



PM Thoresen Asia

Investment

92.9%



Unique Mining Services

80.5%



Asia Infrastructure Management (Thailand)

70%



PH Capital

70%

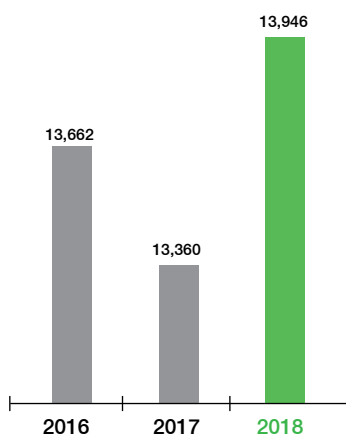


Siam Taco

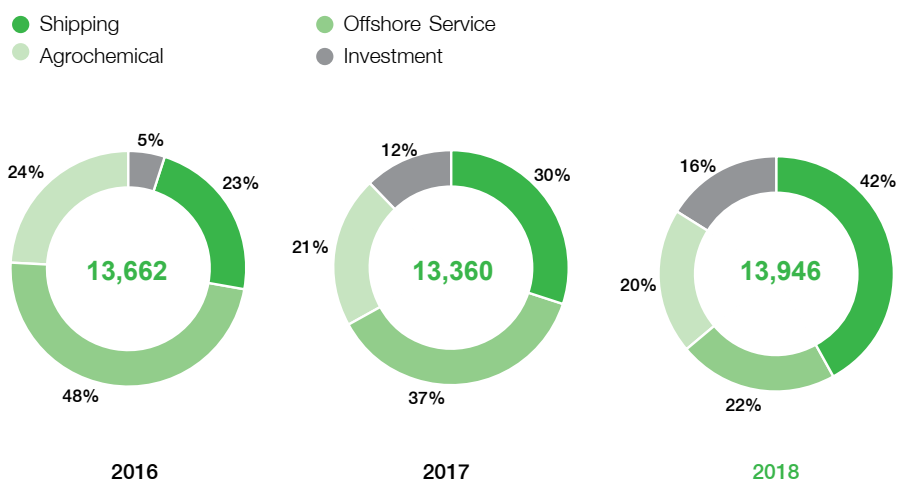
Group Financial Summary

Revenues

(Million Baht)

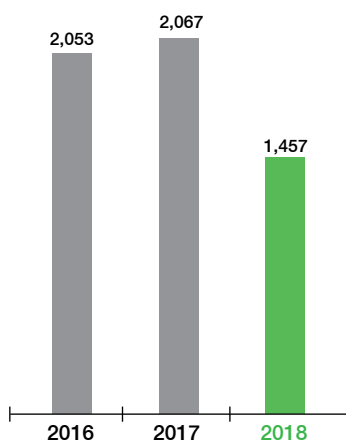


Revenue Breakdown

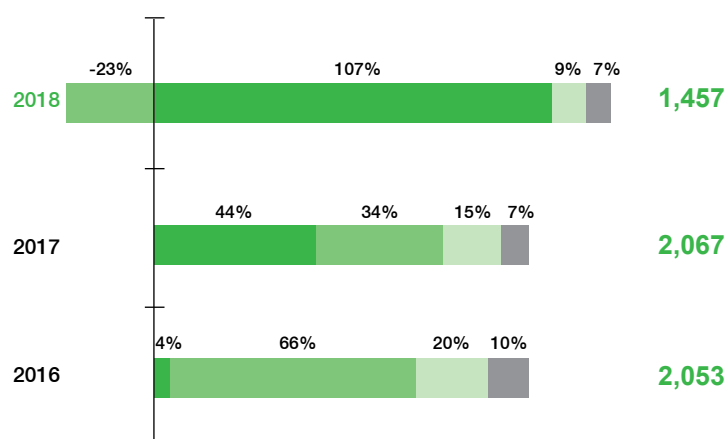


EBITDA⁽¹⁾

(Million Baht)

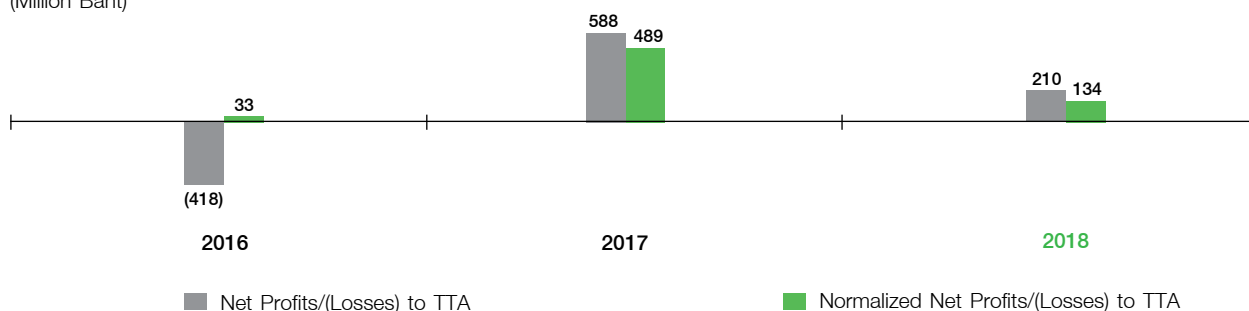


EBITDA⁽¹⁾ Breakdown



Net Profits/Normalized Net Profits⁽²⁾

(Million Baht)



Statement of Financial Position (Million Baht)

	2016	2017	2018
Total Assets	41,620	35,585	37,112
Cash under Management ⁽³⁾	10,671	6,423	6,867
Other Current Assets	5,453	4,492	4,832
Tangible Assets ⁽⁴⁾	18,415	17,468	17,628
Other Non-Current Assets	7,081	7,202	7,785
Total Liabilities	15,125	10,531	12,525
Interest Bearing Debt	12,165	8,109	9,825
Other Liabilities	2,960	2,422	2,700
Total Equity	26,495	25,054	24,587

Key Financial Ratio

	2016	2017	2018
EBITDA to Revenues (%)	15.0%	15.5%	10.5%
Net Profits to Revenues - to TTA (%)	-3.1%	4.4%	1.5%
Net Profits to Revenues (%)	-0.7%	5.2%	-1.3%
Return on Total Assets (%)	-0.2%	1.8%	-0.5%
Return on Equity (%)	-2.0%	2.9%	1.1%
Current Ratio (Times)	2.04	1.75	2.44
Interest Bearing Debt to Equity (Times)	0.46	0.32	0.40
Net interest Bearing Debt to Equity ⁽⁵⁾ (Times)	0.06	0.07	0.12

EPS and Dividend Payment

	2015	2016	2017	2018
Earnings per Share (Baht)	(6.61)	(0.23)	0.32	0.12
Dividend per Share (Baht)	0.05	0.05	0.075	0.05 ⁽⁶⁾
Number of Shares (Million Shares)*	1,822	1,822	1,822	1,822

*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⁾ Cash, cash equivalents, and current investments

⁽⁴⁾ Property, plant, equipment, and investment properties

⁽⁵⁾ Net interest bearing debt to equity = (Interest bearing debt – cash and cash equivalents – current investments)/ total shareholder's equity

⁽⁶⁾ Subject to the approval of shareholders at the 1/2019 AGM on 24 April 2019

Important Changes and Developments

2014

- Thoresen Shipping Singapore Pte. Ltd. ("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.
- Thoresen Thai Agencies Plc. ("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 Maritime Plc. ("Mermaid"), a 58.22% owned subsidiary of TTA, 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.

2018

- TSS acquired two second-hand dry bulk vessels.
- TTA, through its 70% owned subsidiary Siam Taco Co., Ltd. ("STC"), was granted the rights to enter into a Franchise Agreement (The Agreement was signed in early 2019) with Taco Bell Restaurants Asia Pte. Ltd. ("TBRA") to operate Taco Bell restaurants in Thailand and to grow its business into fast-growing and stable food retail sector.
- TTA issued 2 tranches of senior unsecured domestic debentures in the total amount of Baht 3,305.2 million to repay maturing debentures and for working capital.
- TTA acquired an 80.5% stake in a Thai water service specialist, Asia Infrastructure Management (Thailand) Co., Ltd. ("AIM"), to create synergy with existing Water Business.
- Asia Coating Services Ltd. ("ACS"), 99.99% owned subsidiary of TTA, acquired a 16.67% stake in Alpha Digital Pte. Ltd. ("Alpha") in Singapore to invest in V-Finance Technologies Ltd. ("V-Finance"), a company incorporated in Israel.
- TTA won Asia's Most Influential Companies Award at the Asia Corporate Excellence & Sustainability Awards 2018 ("ACES Awards 2018"), organized by MORS Group to recognize Asia's leading organizations and entrepreneurs who exemplify a strong and sustainable growth.

Awards and Recognitions

ACES Awards 2018 Asia's Most Influential Companies Award

TTA received Asia's Most Influential Companies Award at Asia Corporate Excellence & Sustainability Awards (ACES Awards) 2018, an event organized by MORS Group which aims to honor visionary organizations that showcase impressive bottom lines and strong financial status, conduct corporate governance, and give importance to human resource development as well as environment and society.



Messages from Chairman & CEO



Prasert Bunsumpun
Chairman of the Board of Directors

Chalermchai Mahagitsiri
President and Chief Executive Officer

Dear Shareholders,

The overall performance of TTA in 2018 was positive, particularly in the Shipping Segment that achieved higher revenues. The Offshore Service and Agrochemical Segments still faced financial challenges, therefore had streamlined its businesses for more efficiency to be ready for generating revenues in 2019. Meanwhile, the Investment Segment continued to emphasize on food and beverage, and water management business, all of which are expected to be an important source of income for TTA in the future.

Captaining Towards Growth

2018 was a remarkable year in which TTA's businesses reported growth and new achievements. It was a golden year for dry bulk sector due to global economic growth and low levels of new ship delivery, reflected by higher Baltic Dry Index (BDI) which increased from an average of 1,145 points in 2017 to an average of 1,353 points in 2018. Thoresen Shipping's outstanding performance was driven by higher freight rate and higher fleet capacity gained from continued fleet renewal plan.

The offshore service industry still has an oversupply of subsea vessels in the market which impacts price, but there is a small improvement in the drilling market. In response to the market conditions, Mermaid Maritime Public Company Limited or Mermaid has taken measures to improve cost efficiency, productivity and continuously aims to focus on its core business of IRM.

PM Thoresen Asia Holdings Public Company Limited or PMTA saw a sluggish demand for fertilizers in the domestic market. However, export fertilizer sales volume and domestic pesticide sales volume rose to higher levels.

Amid global economic disruptions, the Investment Segment may be the key to assist TTA in times of difficulties. In 2018, this Segment was expanded further as the Company was granted the right to enter into the franchise agreement with a subsidiary of Yum! Brands Inc. to be the sole franchisee of Taco Bell, a world-famous Mexican-inspired restaurant chain, in Thailand. This was in addition to an earlier franchise of Pizza Hut Business in 2017.

At year-end 2018, TTA's consolidated revenues was Baht 13,946.3 million, slightly increased year-on-year. EBITDA was positive at Baht 1,457.5 million. Furthermore, despite a decline in gross profits due to lower margin of Offshore Service Segment, the Company reported net profits of Baht 210.0 million, which had been positive for the second consecutive year.

Business Unit Updates

The Shipping Business Group

Thoresen Shipping achieved a ten-year-high net profits of Baht 1,047.2 million in 2018, supported by a balance of supply and demand growths in the bulker sector as well as new customers in Atlantic Ocean and increased demand in Indian and Pacific Oceans.

In 2018, the freight revenues increased by 45% year-on-year to Baht 5,816.5 million, driven by the improved freight rate and higher fleet capacity. The average TCE rate also improved 37% year-on-year to USD 11,591 per day, which outperformed net market TC rate by 9%. These positive figures resulted in EBITDA of Baht 1,551.4 million.

To response to higher demand in the market, Thoresen Shipping had acquired two vessels and sold two old vessels, which resulted in higher fleet capacity, higher efficiency and younger fleet age. At year-end 2018, Shipping Segment owned 21 vessels with an average size of 55,285 DWT and an average age of 11.71 years.

Looking forward to the year 2019, Thoresen Shipping will continue its fleet renewal plan and is now preparing its fleet to be ready for the forthcoming IMO global sulphur limit in 2020.

The Offshore Service Group

Mermaid Maritime Public Company Limited or Mermaid faced another challenging year in 2018 due to competitive environment and oil price volatility. In 2018, Brent crude oil price had traded volatily between USD 50 and 86 per barrel, causing the majority of customers to be reluctant to commit to new projects.

In 2018, Mermaid reported total revenues of Baht 3,071.9 million, decreased year-on-year by 37%. The lower incomes was due to lower non-vessel subsea projects, lower demand of chartered-in vessels and the absence of Mermaid's all four performing vessels that had been sent for dry-docking. Nevertheless, Mermaid's performing vessel utilization rate was stable at 52%. Besides, Mermaid's order book at the end of 2018 was USD 95 million, of which 65% were national oil company ("NOC") accounts.

For drilling business, two old tender rigs had been sold to reduce costs from non-performing assets. Although, three high specification jack-up drilling rigs owned by an associate have performed strongly with near 100% utilization, and all three rigs remain contracted in the Middle East with dates ending in 2019 and a chance for renewal.

The offshore service market will remain competitive next year. Mermaid is focusing on delivering a wider range of integrated subsea services and increasing its fleet capability by venturing into new markets such as Mediterranean, North Sea, West Africa and the Americas.

The Agrochemical Business Group

PM Thoresen Asia Holdings Public Company Limited (“PMTA” - parent of Baconco Company Limited in Vietnam), faced challenges from low agricultural price over major crops that forced farmers to save money and shift toward lower-price fertilizers and, as a consequence, domestic demand for fertilizers became sluggish. However, the export sales volume had increased 3% year-on-year due to the recovery from Philippines and new market in Myanmar.

Combining revenues from the aforementioned fertilizer business, pesticide business which grew 12% year-on-year to Baht 181.9 million, and factory area leasing business which grew 16% year-on-year to Baht 67.6 million, PMTA reported net profits at Baht 37.9 million, and net profits attributable to TTA at Baht 26.0 million.

The Investment Business Group

PH Capital Company Limited, a subsidiary in which TTA holds 70% and received a sole Pizza Hut franchise in Thailand from Yum! Brands Inc. in 2017, had successfully expanded Pizza Hut to a total of 137 outlets nationwide at year-end 2018, increasing 29 outlets from the end of 2017.

In 2018, Siam Taco Company Limited, a subsidiary in which TTA holds 70%, was granted a right to enter into a franchise agreement with Taco Bell Restaurants Asia Pte. Ltd., a subsidiary of Yum! Brands Inc., to operate Taco Bell, a world-famous Mexican-inspired restaurant, with a plan to expand the business to 40 outlets within next five years.

TTA also looked for expansion in the water management business, by acquiring 80.5% stake in Asia Infrastructure Management (Thailand) Company Limited or AIM, a Thai water contractor/service company. In addition, AIM owns a concession to sell tap water in Luang Phrabang, Laos, via a 66.7%-owned subsidiary, Asia Nampapa Luangprabang Company Limited.

Pushing Forward

As the global economic situation significantly impacts the shipping and offshore service industries, the Company will continuously pursue opportunities to keep up with the evolving marketplace, and optimize expertise, relationship and business strategy to creating long- term strong financial performance and values for stakeholders.

Finally, the Board of Directors would like to express its sincere gratitude for all our shareholders, customers and business partners for their continued support and trust. The Company also would like to thank the management team and employees for their commitment, dedication and unwavering efforts which led to business growth in the past year.

TTA is well placed to push forward beyond short-term volatilities to build a solid platform and achieve its goal: “To be the most Trusted Asian Investment Group, consistently delivering enhanced stakeholder experience.”



Prasert Bunsumpun
Chairman of the Board of Directors



Chalermchai Mahagitsiri
President and Chief Executive Officer

Board of Directors

**Mr. Prasert
Bunsumpun**

Chairman of the Board
of Directors/Chairman
of Executive Committee



**Mr. Chalermchai
Mahagitsiri**

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



Mr. Jean Paul Thevenin

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



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



Ms. Ausana Mahagitsiri

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



Mr. Kamolsut Dabbaransi

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



Mr. Somboonkiat Kasemsuwan

Independent Director/Chairman of
Audit Committee



Mr. Santi Bangor

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



Mr. Cherdpong Siriwit

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



**Mr. Chitrapongse
Kwangsukstith**

Independent Director



**Mr. Mohammed Rashed
Ahmad M. Al Nasser**

Independent Director/Member of
Nomination and Remuneration Committee

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

Executives



**Mr. Chalermchai
Mahagitsiri**

President and Chief Executive Officer



**Mr. Jitender
Pal Verma**

Senior Executive
Vice President &
Group CFO

**Mr. Kamolsut
Dabbaransi**

Senior Executive
Vice President,
Head of Food &
Beverage

**Mr. Sigmund
Stromme**

Executive Vice
President - Agro
and Logistics

**Mr. Vincent
Siaw**

Executive Vice
President, Legal &
International
Projects

**Mr. Ng Kit
Wei, David**

Executive Vice
President, Investment,
Corporate Strategy &
Risk Management

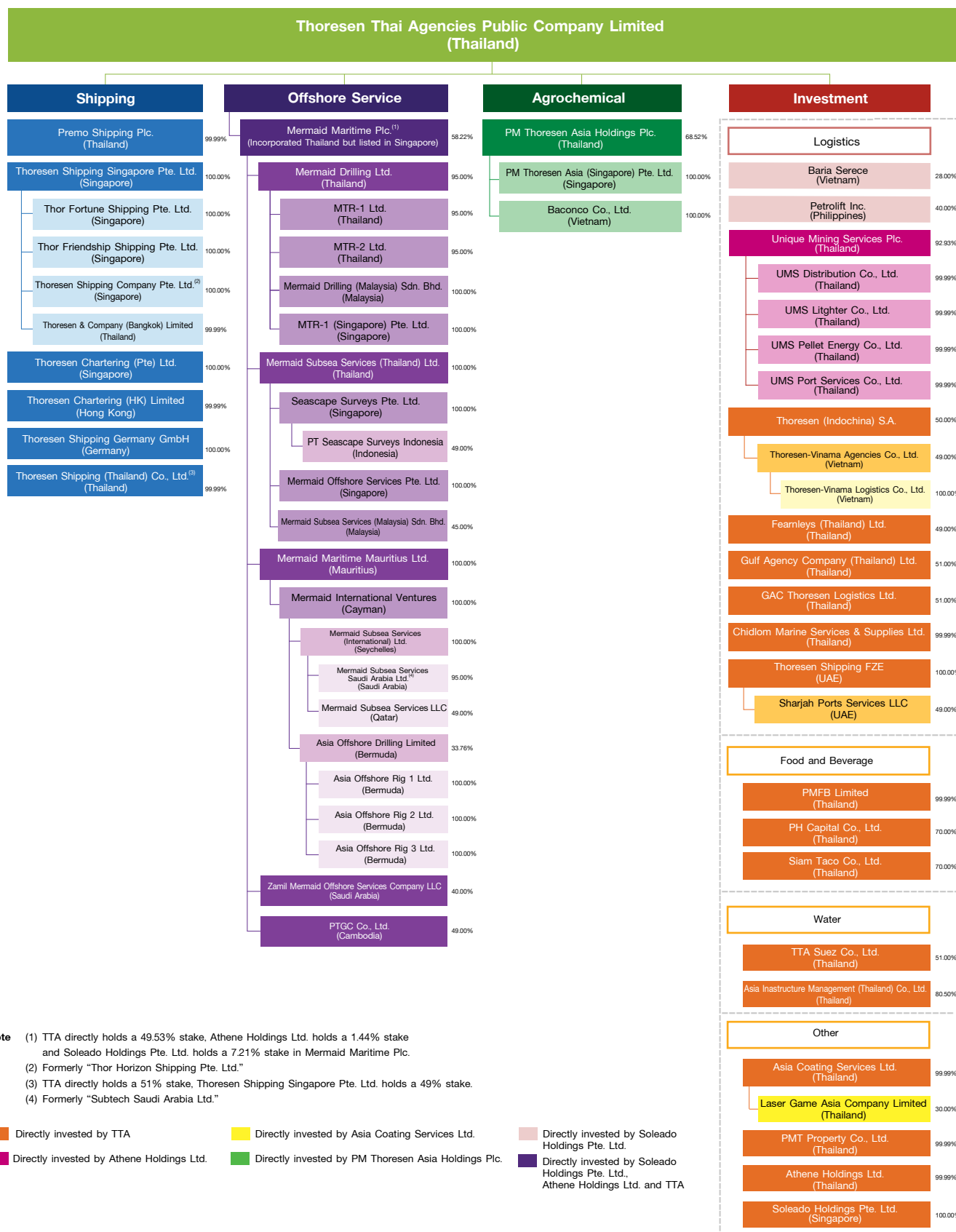
**Mr. Somchai
Apinyanukul**

Executive Vice
President, Group
Human Resources

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

Corporate Structure

As of 31 December 2018



Company Overview

Corporate Section

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED

Thoresen Thai Agencies Public Company Limited ("TTA" or the "Company"), established in 1983, 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 and Europe. Listed on the Stock Exchange of Thailand (the "SET") in 1995, 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 the Stock Exchange of Thailand in 2015. Apart from providing shareholders new source of growth, these 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.

The Company has since successfully entered and expanded into food and beverage and water management business in Thailand. The Company food and beverage business jump started in 2017 with the acquisition of the Pizza Hut business in Thailand from YUM Restaurants International (Thailand) Company Limited, and this subsequently landed the Company the Taco Bell food franchise for Thailand from the same franchisor. For water management services, having established a strategic partnership with global water and waste management company, Suez Environnement South East Asia Limited ("SUEZ") in 2016, the Company strategically acquired a controlling stake in Thai water management specialist, Asia Infrastructure Management (Thailand) Co., Ltd. ("AIM") in 2018. This will not only strengthen its strategic partnership with SUEZ but the Company will now be in strong position to fully capitalize on the growing business opportunities for the sector in Thailand and the region.

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 and reputation, and ensure each business continues to grow in profitability to ensure superior and sustainable financials and returns.

We focus 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 volatility 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 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 develop our core business as well as seek 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 growth; food and beverage, water management services and logistics/warehouse. The Company will be rigorous and be financially disciplined with huge emphasis on growth, returns and value creation in any 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

Been a holding company, the Group has a diversified business with main segments being Shipping, Offshore Service, Agrochemical and Investment. With the ultimate goal to create and sustain shareholder value, the Company is focused on managing and enhancing the value of its overall business portfolio and to diversify beyond existing core business, the Company has since reorganized new or smaller growing businesses within subsegments in Investment focused on Food and Beverage, Water and Logistics, among others.

Key business portfolio as at the end of December 2018 comprised 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 management service provider

INVESTMENT

- PH Capital Company Limited (70%)
Thailand food and beverage/franchisee
- Siam Taco Company Limited (70%)
Thailand food and beverage/franchisee
- Asia Infrastructure Management (Thailand) Co., Ltd. (80.5%)
Thailand/Indochina water management service specialist
- Unique Mining Services Public Company Limited (92.93%)
Thailand commodity logistic specialist
- Others

Business Review and Outlook

TTA Highlight 2018 Business



Shipping



Offshore Service



Agrochemical

PMTA
PMThoresenAsia



Food and Beverage



Shipping

Thoresen Shipping

Business Review

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

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

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

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

Thoresen vessels, and those we charter in, are fitted with cranes which enable self-loading and self-discharging 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 are not available to larger, more conventional bulk carriers.

Dry bulk freight markets are very competitive as the global fleet has grown at a fast pace over the last 10 years. Our competitive advantage continues to come from the efficiency of our operation and the skills of our people.

Since 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 and by increasing our commercial capability with more staffs and offices.

Major developments in 2018:

- Fleet renewal - replacing two 23 years old 42,529 dwt ships with two 10 years old 58,000 dwt ships.

- Sustained cost efficiency program delivering one of the lowest daily vessel operating expenses in the industry.
- Improved operational efficiencies
- Retained expert independent risk measuring and weekly reporting
- Increased the headcount in 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 22 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, risk measuring, and reporting software that allows for careful control of the bottom line.

A : PRODUCTS AND SERVICES

Fleet Structure and Commercial Services

At the end of 2018 Thoresen Shipping owned 21 Supramax vessels with a total carrying capacity of 1.16 million deadweight tons. The average age of the remaining vessels in the fleet is 11.71 years and average DWT is 55,285 tons.

During 2018 we sold 2 unit sister ships Thor Endeavour and Thor Enterprise. These ships are of an older design less suited for our customers' current need. Both ships were well maintained and in compliance with all international regulations. They were sold separately to Middle Eastern based buyers for further trading of these ships. Thoresen Shipping was able to book a profit from these sales. In addition, approximately 10.6 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 Supramax vessels in more challenging niche trades.

Fleet Structure (as end December 2018)

1. Number of Vessels

Number of Vessels				
Type of Vessels	Owned Vessels	No. of Chartered in Vessel	Newbuild Vessels on Order	Total
Handymax	-	1	-	1
Supramax	21	16	-	37
TOTAL	21	17	-	38

2. Simple Average Age

Simple Average Age of Vessels				
Type of Vessels	Owned Vessels	No. of Chartered in Vessel	Newbuild Vessels on Order	Total
Handymax	-	17	-	17
Supramax	11.71	6.85	-	9.02
TOTAL	11.71	7.22	-	9.19

3. Bulk Carriers

BULK CARRIERS 2018							
Vessel Name	Original Delivery Date	DWT	Age		Design	Classification	
1 Thor Achiever	05/01/10	57,015	8.99	Bulk Carrier	Standard	BV	
2 Thor Brave	15/11/12	53,506	6.13	Bulk Carrier	Open Hatch / Box Shape	ABS	
3 Thor Breeze	13/08/13	53,572	5.39	Bulk Carrier	Open Hatch / Box Shape	ABS	
4 Thor Fearless	09/11/05	54,881	13.15	Bulk Carrier	Open Hatch / Box Shape	NKK	
5 Thor Fortune	15/06/11	54,123	7.55	Bulk Carrier	Open Hatch / Box Shape	NKK	
6 Thor Friendship	13/01/10	54,123	8.97	Bulk Carrier	Open Hatch / Box Shape	NKK	
7 Thor Future	03/03/06	54,170	12.84	Bulk Carrier	Open Hatch / Box Shape	NKK	
8 Thor Independence	23/10/01	52,407	17.20	Bulk Carrier	Standard	NKK	
9 Thor Infinity	01/02/02	52,383	16.92	Bulk Carrier	Standard	NKK	
10 Thor Insuvi	16/11/05	52,489	13.13	Bulk Carrier	Standard	NKK	
11 Thor Integrity	02/04/01	52,375	17.76	Bulk Carrier	Standard	BV	
12 Thor Madoc	15/07/05	55,695	13.47	Bulk Carrier	Standard	KR	
13 Thor Magnhild	28/06/06	56,023	12.52	Bulk Carrier	Standard	NKK	
14 Thor Maximus	07/10/05	55,695	13.24	Bulk Carrier	Standard	KR	
15 Thor Menelaus	25/08/06	55,710	12.36	Bulk Carrier	Standard	KR	
16 Thor Mercury	11/10/05	55,862	13.23	Bulk Carrier	Standard	ABS	
17 Thor Monadic	05/09/06	56,026	12.33	Bulk Carrier	Standard	NKK	
18 Thor Confidence	25/06/08	58,781	10.52	Bulk Carrier	Standard	KR	
19 Thor Courage	22/04/09	58,693	9.70	Bulk Carrier	Standard	DNV-GL	
20 Thor Caliber	19/12/08	58,732	10.04	Bulk Carrier	Standard	NKK	
21 Thor Chaiyo	16/07/08	58,731	10.47	Bulk Carrier	Standard	NKK	
TOTAL THORESEN FLEET		1,160,992	DWT				

ABS : Amercian Bureau of Shipping

BV : Bureau Veritas

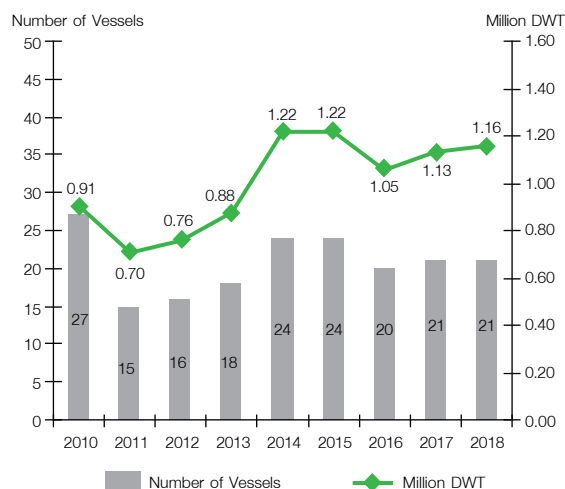
DNV-GL : Det Norske Veritas and Germanischer Lloyd

NKK : Nippon Kaiji Kyokai

KR : Korean Register of Shipping

Source : TTA

Chart : Thoresen Fleet 2010-2018



Source : TTA

Commercial Services

During 2018 freight levels have improved as supply and demand has continued to rebalance. On a firming trend we have to be more cautious regarding 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 charterarbitrage 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

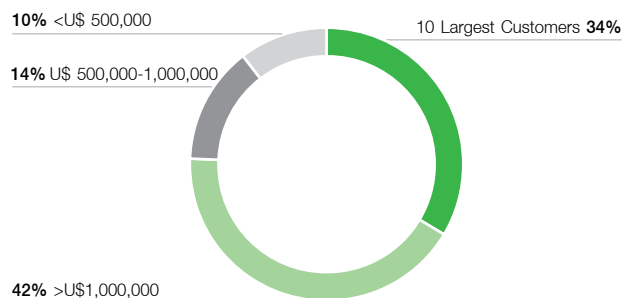
Cargo Operations and Customer Focus

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 and now develop a client base in the Atlantic as well.

We are one of the world's largest specialist carriers of coated line pipe. Thoresen Shipping has both the necessary vessel type and operational expertise to provide freight for this niche segment.

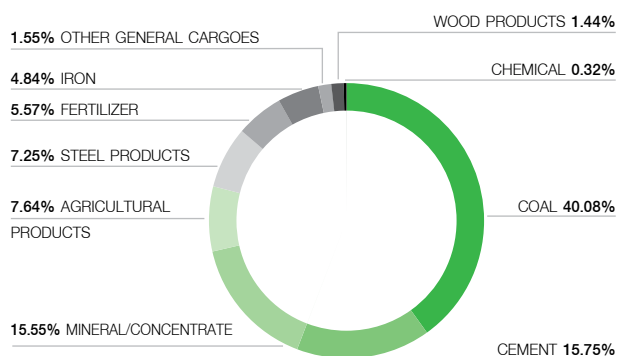
Chart : FY2018 Freight Revenues (by Client Size)



Source : TTA

Thoresen carried 14.42 million tons of cargo during 2018 divided roughly 60/40 between major bulks such as coal, mineral/concentrate and agricultural products, and minor bulk such as steels, fertilizer, cement and others.

Chart : FY2018 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.

Thoresen Shipping has a solid platform of experienced on-board staffs, who with our Bangkok based Marine Operations Department contribute to ensuring we operate with one of the lowest daily vessel operating expenses in the industry.

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 different stages of the dry bulk freight cycle.

The Dry Bulk Shipping Market

Industry and Market Outlook

After two years of rebalancing, the market in 2018 has traded in a range where a cost effective ship owning platform like Thoresen Shipping can deliver good profits.

Delivery of new buildings to the market has been the lowest for 10 years. And though the deletion of units by recycling has also slowed significantly, global fleet growth has been low enough to support higher earnings.

For most of the year Chinese steel mills continued to enjoy strong margins though these started to fall in September. It was a similar story with Chinese coal imports which were significantly up on last year until the final months of 2018. Chinese government policies to limit coal imports to the same quantity as 2017, and also to again address clean air issues by slowing industrial activity during winter months, has meant a sharp drop off at the year end.

Freight levels for the most part of the year seemed to be able to shrug off the uncertainty created by USA and China trade tariffs. Some areas were negatively impacted as grain trading patterns changed and some steel trading activity slowed. Brazilian soya bean sales benefitted from a lack of USA sales to China. This was very notable at the end of the year as the Brazilian harvest completed and was not then replaced by an increase in USA soya bean sales to China. Hopefully by end February 2019 China and USA trade talks will lead to a deal which allows for China to make good on a promise to buy significant quantities of agricultural products from the USA.

After increasing during first half of the year, vessel values then plateaued before losing some ground towards the year end. A new Chinese regulation that limits Chinese buyers to ships with Tier II main engines was announced in the middle of the year with almost immediate effect. Buyers wanting to enter vessels into the Chinese registry and so be able to trade in the enormous Chinese coastal coal market were no longer limited by an 18 year age restriction, but rather to a main engine type only commonly available in ships built 2012 onwards.

For 2019 we expect a tick up in the number of new building deliveries from the lows of 2018. We also expect an increase in deletions as older units are sent for recycling. Both ballast water treatment regulations and forthcoming IMO 2020 fuel requirements means owners of older units will be cautious about further investment before taking vessels through special surveys for further trading. Overall we expect the supply side to stay under control in the coming year or two.

The demand side is very dependent on global economic growth and especially growth in China and emerging markets. While there is more uncertainty in many key areas the IMF forecast for global economic growth still remains above the average. Overall we expect levels in 2019 to be marginally less than in 2018. With USA and China trade negotiations reaching a critical stage in Q1 and also China coal imports remaining reduced until after their New Year we expect a slow start to the year. With good harvests in both Argentina and Brazil we expect increasing support March onwards from long haul grain sales.

From last quarter 2018 ships will need to clean out their bunker tanks of any residues of high Sulphur fuel and replenish with low Sulphur alternative for 1st January 2020 deadline. Low Sulphur fuel grades will be more expensive and so the cost of shipping bulk commodities worldwide will increase. We expect increased cargo trading activity during the middle of the year as buyers where possible build stockpiles ahead of 2020.

The new building order book is still under control as owners are cautious to place new building contracts in light of uncertainty of which design is needed to meet new environmental regulations. Bank finance is still tight as many traditional shipping banks have reduced their exposure to the sector. Total order book is 7.8% of existing fleet compared to 8.8% last year and 16.9% in 2016.

Dry Bulk Carrier Orderbook as of December 2018

Bulk Orderbook	No. of vessels	Total Capacity (million dwt)	Orderbook % Fleet
Handysize Bulker Orderbook	200	6.74	7.0%
Handymax Bulker Orderbook	248	15.21	7.8%
Panamax Bulker Orderbook	237	19.56	9.7%
Capesize Bulker Orderbook	179	46.48	14.4%
Total Bulkcarrier Orderbook	864	87.99	10.8%

Source : Clarksons

Oil Prices

Oil prices trended up first 10 months of 2018 before a sharp downward correction in the last quarter. We have strict fuel price hedging strategy for forward cargo bookings using bunker swap agreements.

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 2018. 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. 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 2018 included securing the key existing contract extension, 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 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 centers 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 2018, the subsea fleet consists of 7 subsea support vessels, 3 of which are specialized dive support vessels, and 15 ROV systems, including deep water and ultra-deep water heavy construction class systems. Apart from its key assets, the Subsea Division has a workforce up to 1,000 professional divers, technician, surveyors, marine personnel and support staff to work on its subsea engineering projects in addition to a permanent workforce.

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

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

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 2018, we achieved a 99.7% 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.	AOD-I	Premium Jack-Up Rig	2013	2010
2.	AOD-II	Premium Jack-Up Rig	2013	2010
3.	AOD-III	Premium Jack-Up Rig	2013	2011

Drilling rigs require classification from a recognized classification society, which classifies them based on structural integrity and safety. AOD's jack-up rigs are subject to classification by ABS.

Fleet Services

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 99.7% in 2018.

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 2018, subsea services were provided to over 30 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 2019. We are currently working for contract renewal in 2019.

Mermaid's strategy "Positioning for growth" is expected to pace regional market expansion into other markets for the Subsea Division such as North Sea, West Africa and Mediterranean 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 99.7% 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

2.1 2018 – YEAR OF HIGHLY VOLATILE OIL PRICES

2018 has been a year of mixed fortunes for oil and gas. Brent Crude increased by more than 20 percent and hit a four-year high of USD 86 per barrel in October 2018, but throughout the rest of the year was dragged down to as low as USD 50-55 per barrel in December 2018. According to the U.S. Energy Information Administration (EIA), Brent Crude oil averaged USD 72 per barrel in 2018, an increase of nearly USD 17 per barrel from 2017 levels. Nevertheless, Brent ended the year at USD 54 per barrel, nearly USD 13 per barrel lower than it began the year.

EIA reported that there were several factors contributing to the rapid decline in prices. The near-record levels of production from 3 largest producers in November 2018, the concerns over the pace of global economic growth, and the crude oil being more available to the global markets than expected due to the United States' waivers to some of Iran's largest customers to continue importing for six months. Similarly, Rystad Energy reported that the oversupplied market as well as the oil price collapse towards the end of 2018 were the result from the contributions of US shale production coupled with higher than expected oil production from OPEC+ countries, and overestimated supply losses from Iran.

In the Short-Term Energy Outlook, EIA has estimated that total world crude and other liquids production would average 100.4 million barrels per day in 2018, an increase of 2.4 million barrels per day from 2017. EIA also forecasted that the Organization of the Petroleum Exporting Countries' (OPEC) total production will average 39.2 million barrels per day in 2018, a slight decrease from 39.3 million barrels per day in 2017, while it estimated that global oil consumption increased by about 1.5 million barrels per day in 2018 to 100.1 million barrels per day.

To curb oversupply issue, OPEC and other producing countries, including Russia, announced in December 2018 that they would cut production by 1.2 million barrels per day from October 2018 levels during the first six months of 2019. Despite that, as concerns over the world economic outlook and increasing oil production persist, some organizations have revised their average Brent price for 2019 downwards. Forecasts for average Brent oil price in 2019 are tabled below.

2019 Brent Price Forecast

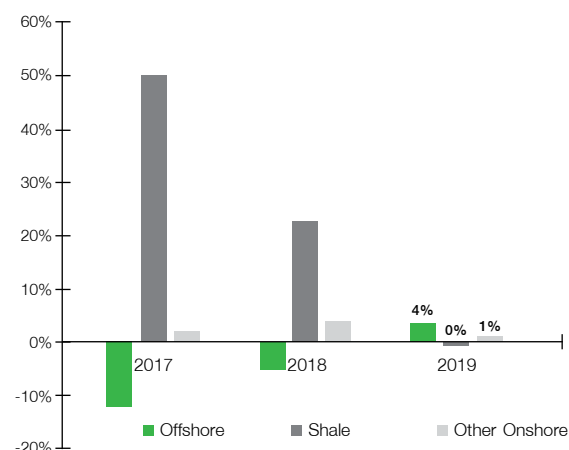
Citi	USD 60
U.S. Energy Information Administration	USD 61
Goldman Sachs	USD 70
Barclays	USD 72
JP Morgan	USD 73
Reuters poll of 38 analysts & economists	USD 74.5
S&P Global Platts poll of 11 banks & brokers	USD 75.5

Source: Kennedy Marr

Rystad Energy opined that the production cuts will contribute to a more balanced market in 2019. In 2020, the gasoil market will tighten due to the International Maritime Organization (IMO) 2020 sulfur cap in shipping fuels, supporting higher oil prices despite the oversupply. To help balance the market, global liquids additions are to stand at 1.8 million barrels per day in 2019, compared to 2.2 million barrels per day in 2018.

On the investment side, gradual recovery is expected to continue in 2019. Rystad Energy forecasted that offshore spending will outgrow spending on onshore shale activities in 2019. Since oil prices fell in late 2018, shale budgets for 2019 have been cut drastically. Spending services for the shale industry is likely to stay flat. On the other hand, the contractors in the offshore service market and the maintenance, modifications and operations sector are to benefit from this trend reversal, and is projected to grow by 4 percent in 2019.

Chart: Oilfield Service Growth Resource Type



Source : Rystad Energy DCube

Moody's forecasted that for the year 2019 oil and gas prices will continue to be volatile, but also range-bound. While the recent announcement of production cut helps alleviate concerns about oversupply, the key questions in 2019 are whether OPEC and Russia will maintain their production discipline and what will happen in June once the agreement expires.

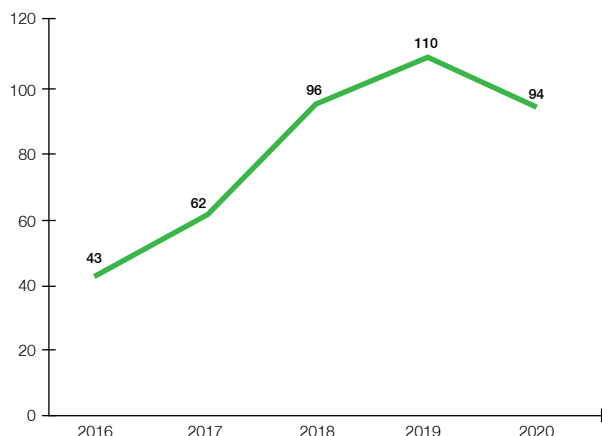
Wood Mackenzie has projected base-case of Brent averaging USD 66 per barrel in 2019, but also identified five key uncertainties that could affect its projection, which are: economic slowdown and subsequent lower oil demand growth; upside to production of U.S. shale; Iran and the U.S. waivers; the compounding effect of five years of the oil industry underspending on conventional drilling and projects; and the changes in the refining margins, differentials, and crude grade needs in view of the International Maritime Organization's ("IMO") sulfur cap coming into force on January 2020.

2.2 THE OFFSHORE OIL AND GAS SECTOR

Offshore field project sanctioning reached its peak of 120 FIDs (Final Investment Decisions) 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 percent 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 percent on 2012.

And then the market started to see the uptick in the number of new projects of 62 projects in 2017, some 90 projects in 2018, and over 100 projects in 2019. Rystad Energy opined that, despite the falling prices during the fourth quarter of 2018, operators still plan to spend more in 2019 and move forward on project sanctioning. 2018 saw the lowest obtainable unit prices since 2006, a 30 percent down from 2014, making cost per barrel and breakeven prices highly favorable.

Chart: Number of Offshore Projects by Commitment Year



Source: Rystad Energy OFS Sanctioning Report - Oilfield Service Analytics

Westwood Energy Group estimated that the number of offshore greenfield projects passing the FID stage rose by 154 percent in 2018, compared with that in 2016. Some USD 44.7 billion is expected to be spent between 2019 and 2023 on the installation of 18,480 kilometers of offshore pipelines. A significant volume of offshore activity for IRM (Inspection, Repair and Maintenance) vessels is expected to return to the market and to amount USD 21 billion between 2019 - 2023, a 25 percent increase as compared with 2014 - 2018. Likewise, Rystad Energy opined that, the outlook for offshore oilfield service contractors is strong, and the investments in the offshore sector are more robust whereby even with an oil price of USD 50 per barrel, investments are expected to increase for midwater and deepwater E&P activities. With more than 100 new projects aiming for 2019 sanctions, offshore contractors can expect revenues to start growing again in 2019, following four years of decline, with 30 percent of 2019 projects value sits in Middle East, 25 percent in South America, 15 percent in both Africa and Asia, and then the rest are in Europe and North America combined. However, it must be noted that for 2019 to reach its full sanctioning potential, even further cost reduction efforts are needed.

3. SUBSEA SERVICES

3.1 THE SUBSEA MARKET

The subsea vessels market continued to remain highly over-supplied throughout 2018, resulting in prevailing intense price competition and depressed vessel charter rates. Vessel utilization saw slight improvement in 2018, for example, average dive support vessel utilization outside the North Sea region stood at 55-63 percent in 2018, compared to 53-54 percent range in 2017, which is still far from the 77-84 percent level during the oil peak in 2014. ROV support vessel utilization outside the North Sea region stood at 56-63 percent in 2018, a decrease from 68-71 percent range in 2017, according to Strategic Offshore Research's data. According to Rystad Energy, the outlook for offshore service contractors including subsea service providers currently appears to be positive as more than 100 new projects are aiming to be sanctioned in 2019. Rystad Energy's latest project sanctioning report suggests that in 2019 there is an expected USD 210 billion that will be spent on offshore oilfield services globally.

After four consecutive years of declining revenues it is expected that revenues will start growing again in 2019. Project sanctioning in 2017, 2018 and 2019 will be enough to turn revenue growth positive to mid-single digits as offshore capital expenditure is set to increase due to the recent years of capital commitments.

In Q4 2018 the oil prices reduced, with Brent circulating around USD 60 per barrel. Oil & Gas operators still plan to spend more in 2019 and move forward on project sanctioning. There will be project sanctioning of at least 100 offshore projects in 2019 after giving the green light to 90-plus projects in 2018. The projects on track to be sanctioned 2019 have total greenfield commitments representing about USD 120 billion.

According to Rystad Energy, 30 percent of 2019 projects value sits in Middle East, 25 percent in South America, 15 percent in both Africa and Asia, and the rest in Europe and North America combined.

Westwood expected the expenditure on subsea vessel operations to amount USD 10-13 billion per year from 2019-2023, with subsea vessel demand days forecast to grow by 12 percent, which will support the increase in vessel dayrates.

Rystad Energy expected that contractors in the offshore subsea market and MMO (Maintenance, Modifications and Operations) will outgrow spending on onshore shale activities in 2019, provided that budgets for shales have been cut drastically following the price decline at the end of 2018. On the other hand, offshore budgets were at 10-year low already after four years of intense cost focus, and from that level there is not much additional activity needed to drive up the market.

3.2 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.

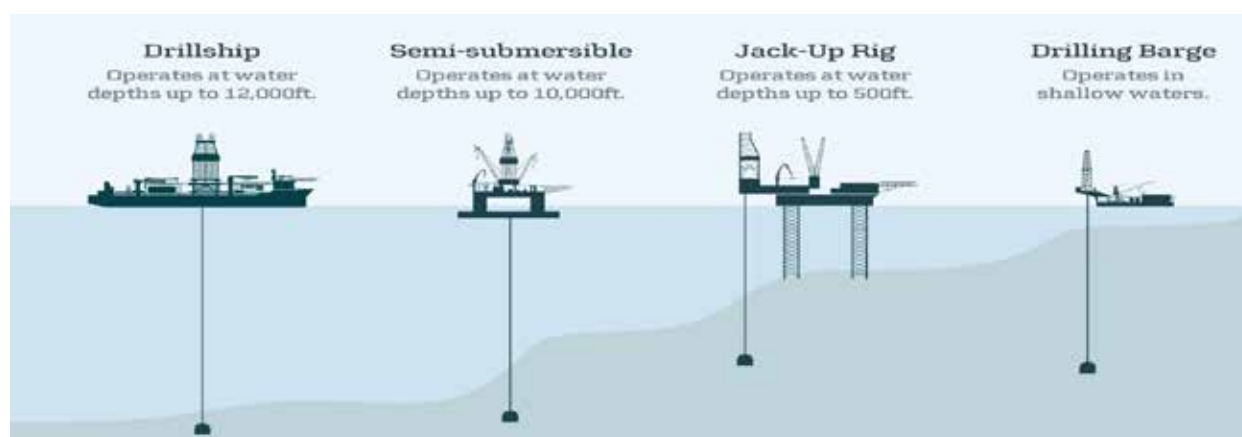
4. OFFSHORE DRILLING – SLIGHT IMPROVEMENT, RATES REMAINED FLAT

4.1 THE OFFSHORE DRILLING MARKET

Rig demand slightly increased from 70-72 percent in 2017, to reach 78 percent in Q3 2018. The number of contracted rigs indicate only slight improvement in the year. According to RigLogix, rig dayrates have seen little to no improvement in 2018, except for some isolated rig markets with high demand. One of these is in Norway, which the most recent fixtures for harsh-environment semis have reached over USD 300,000.

4.2 TYPES OF OFFSHORE DRILLING RIGS

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

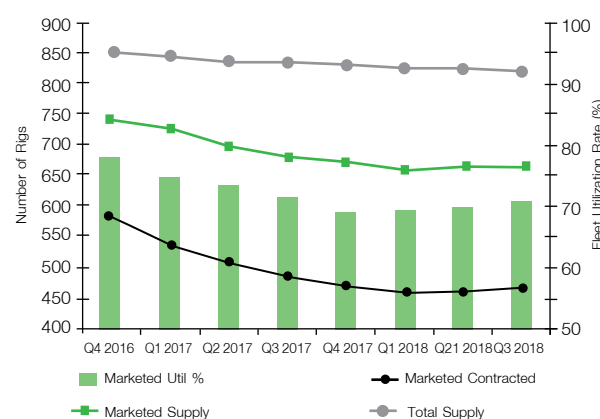


Source: IHS Petrodata

Another region with significant dayrates increase in 2018 is the U.S. Gulf of Mexico jack-up market where the fixtures for long-legged jack-ups reached the USD 80,000 - 85,000 range, compared to the USD 60,000-65,000 the year before. Shallower-rated units also saw rates increasing from USD 50,000-55,000 to USD 65,000-70,000.

Analyst at IHS Markit opined that activity levels in 2019 will not be different from those of 2018. A persistent oversupply has created fierce competition, and hence operators will continue to dictate terms. Effects from projects delays and cancellations are here to stay, and because utilization rates remain low, dayrates will not climb significantly and contractors will only have to continue to accept that.

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



Source: IHS Markit

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

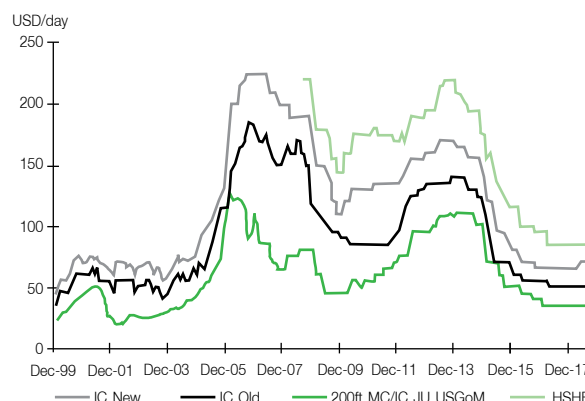
Drillships have designs based on ship hulls, are self-propelled, and utilize DP systems or mooring to maintain their position over the wellhead. Drilling operations are performed utilizing the derrick and the moon pool which is fitted mid-ship. Drillships are well suited for drilling in remote locations 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.

4.3 THE JACK-UP DRILLING RIG MARKET

As of December 2018, the jack-up fleet count stood at 518 rigs, of which 66 were cold stacked. Of these, 315 units were contracted, with a total and marketed utilization of 61 percent and 70 percent effectively. Total utilization for the jack-ups over 10 years old were at 53 percent level, while utilization for the jack-ups that are under 10 years old stood at 70 percent.

According to Pareto Securities Equity Research's statistics, historical dayrates for jack-ups have been quite flat over the year except for the IC jack-up under 10 years old which have seen a slight increase.

Chart: Jackups – Historical Dayrates



Source: Pareto Securities Equity Research, IHS Petrodata

RigLogix reported that dayrates have seen little to no improvement in 2018, except for the isolated U.S. Gulf of Mexico jack-up market where the fixtures for long-legged jack-ups went to reach the USD 80,000-USD 85,000 range, compared to the USD 60,000-65,000 the year before. Shallower-rated units also saw rates increasing from USD 50,000-55,000 to USD 65,000-70,000.

RigLogix further opined that neither supply nor demand alone can fix the underutilization issue. For dayrates to rise materially, utilization must reach 85 percent. That requires either 89-rig increase on the demand side or a scrapping of nearly 100 rigs, which is not going to occur soon. In addition, there are still 79 newbuild jack-ups sitting in shipyards. Jack-up dayrates will not move upward in 2019, especially in the Middle East where there are more than 100 rigs competing for work.

5. MERMAID'S INDUSTRY POSITIONING

Having served the Oil & Gas industry for over 30 years, Mermaid boasts a proven track record of subsea excellence. With operations throughout South East Asia and the Middle East, Mermaid plays a pioneering role in the global subsea markets. Mermaid has the capability to provide a subsea solution, in any water depth which involve complex and challenging engineering, in any region of the world for the Oil and Gas markets.

Owning and operating a fleet of subsea construction, intervention and survey vessels that enable us to offer differentiated positions with our clients, Mermaid focuses on long term relationships that enhance our service delivery and reduce overall risk.

Mermaid continues to take a cautionary perspective on the offshore oil and gas market 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 to capitalize on the current market conditions. This is due to Mermaid's strategic industry positioning, reputation, track record, and fiscal discipline. This is further elaborated below:

Geographical coverage and shallow water focused

The majority of Mermaid's subsea vessel fleet operate in relatively shallow water 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 NOC's in those countries. This includes countries throughout the Middle East and Asia Pacific regions exposing Mermaid to the benefits of local expansions as NOC's strive for continued growth and energy security and therefore tend to be less price-sensitive.

IRM focused, and geographical expansion

One of Mermaid's core businesses is dedicated to the NOC's yearly inspection, repair and maintenance programs which is less exposed to capital expenditure reduction. In particular, medium to long-term demand is expected to remain relatively intact which should bode well for Mermaid. Mermaid continues to pursue other service and geographical expansion to those countries where demand growth is relatively strong especially in the SURF and cable installation markets.

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 provides 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 in the subsea services sector, with more near-term contract wins expected. This contract backlog is expected to provide a backbone of revenue in 2019 with room for additional upside.

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: IHS Markit, Kennedy Marr, Organization of the Petroleum Exporting Countries (OPEC), Pareto Securities Research, Rigzone, Rystad Energy, Strategic Offshore Research, U.S. Energy Information Administration (EIA), Moody's, Wood Mackenzie).

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 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.

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

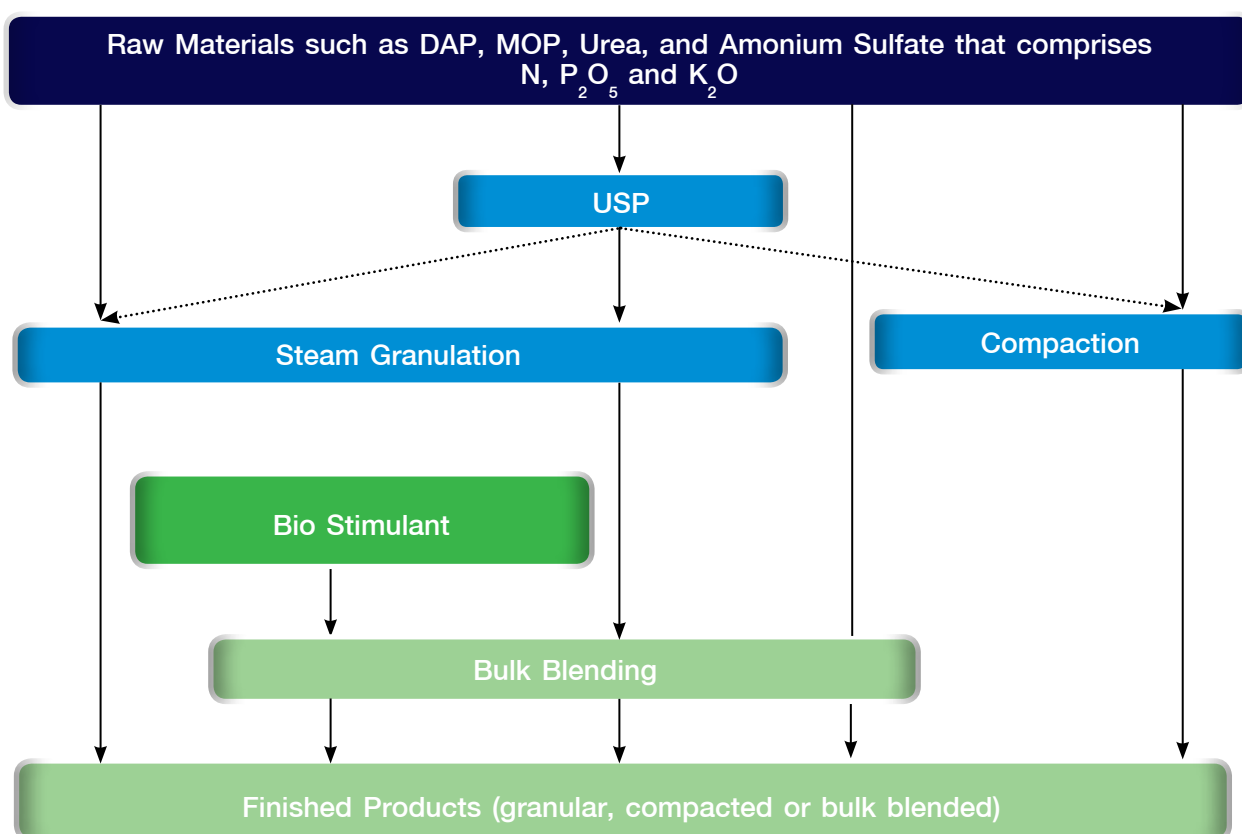
Foliar fertilizers are liquid fertilizers sprayed onto plants to be consumed through leaves which absorb nutrients faster than through roots. Foliar offers similar nutrients to the NPK Compound fertilizer; that's why foliar are commonly used with fruits and vegetables for higher and better productivity.

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

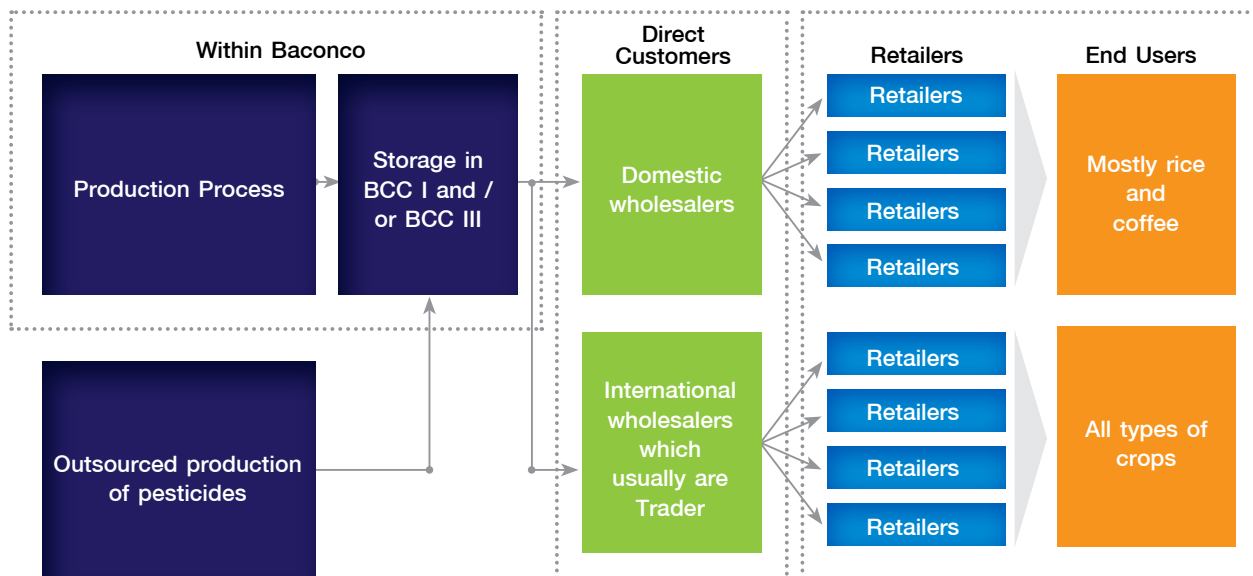
Being in the agrochemical industry, Baconco develops, manufactures, markets and sells various types of fertilizers. Baconco's main products are fertilizers which are distributed locally in Vietnam under the STORK trademark and internationally as well as other agrochemical products. Due to different business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

2. Industry & Outlook

Industry Overview and Competition

Global Fertilizer Market

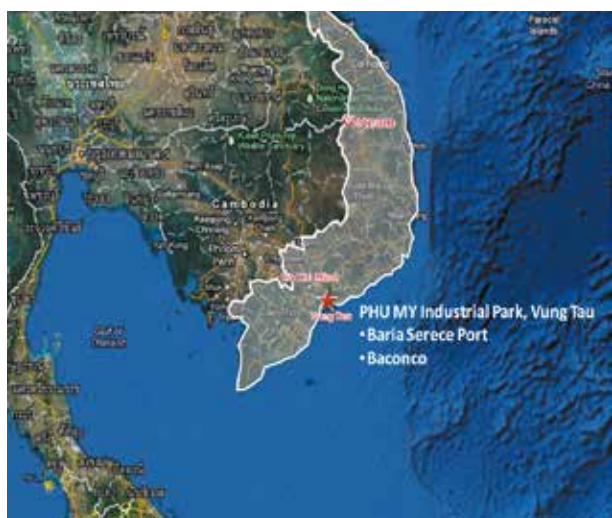
According to the report on World Fertilizer Trends and Outlook to 2020 by the Food and Agriculture Organization of the United Nations, total fertilizer nutrient consumption is estimated at 191.8 million metric tons in 2019 and is forecasted to reach 201.6 million metric tons by the end of 2020. Asia 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 MANAGEMENT SERVICES



Phu My I Industrial Park in Southern Vietnam

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 service areas are 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 service space.



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

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 serviced 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 management services 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 many 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.

Investment

Coal Logistics

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED

Business Review

Unique Mining Services Public Company Limited or UMS operates import of bituminous and sub-bituminous coals which are high quality coals and less environmental impact from Indonesia or purchase from domestic suppliers 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 sales of bituminous and sub-bituminous coals as these are good quality coal 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 offer 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 a marketing strategy based on various coal characteristic strengths; its cost is lower than fuel oil with more available proven reserves. That makes coal being a common use comparing to other source of power. UMS has succeeded in keeping relationships with existing and old customers for small and medium-sized industrial companies with marketing strategies as follows:

Competitive Strategy

(1) Goods and Services

UMS has productive strategy as 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 and small-sized 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-sized industrial markets since this market segment is less competition than the 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 utilize coal in a long run. UMS was a pioneer company in coal industry and has various customers in various industries. Since the declining sales volume of UMS during recent years has diminished the number of its customers, UMS is now focusing to rebuild the relationship with ex-customers and got an increase of orders from such customers this year. Still the sales volume received was lower than expected. The company will however keep continuing for the plan to recall those customers.

(3) Cost Administration

UMS is planning to deliver cost effective logistics service for purchasing goods 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. UMS also sources coal from several additional places thus it is unnecessary for UMS to maintain substantial inventory which makes UMS efficiently managing its stock more, lowering its cost and loss from stockpile.

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 50 small and medium-sized industrial customers and 5 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, feed mills and textile industries etc.

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 existing customers of UMS where many of its clients are located in Bangkok, Samut Sakhon, Samut Prakan, Nakhon Pathom, Ratchaburi, Pathum Thani and Ayutthaya.

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 mainly includes food processing, textile, rubber gloves, and pulp & paper industries etc.

2. Large-Sized Industries

Large industrial plants that procure coal 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. Presently, the number of this customer segment is limited.

Competition & Industry Outlook

Competition

The business of coal sales for industrial enterprise in Thailand is operated by about 20 large-sized operators combining with small-and-medium-sized operators. Especially for small-sized company segment, the supply has been growing for years resulting in intense price competitions. This year the coal prices were slightly higher and fluctuated.

The Company focuses on increasing the customers to sale to small-and-medium-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

For the overview of coal industry in Thailand in 2018, 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. The demand of coal had been increasing during the first 10 months of 2018. Thailand imported 21.3 million tons of coal which increased about 14% compared to the same period of 2017. Most of coals were high quality coals distributed to power plant and other industrial segments.

The overview of global market of coal in 2019, the demand is expected to increase in Asia, i.e. India and Vietnam where coal is the important source to generate power despite the prohibition of importing coal and the control of coal price in China. This might result a slight increase in coal demand but perhaps lower than an increase in 2018.

The overview of Thai market of coal in 2019, it is expected that the demand might be unchanged or slightly increased since coal is a main source of power for industrial business. Coal price is also expected to slight fluctuation.

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 plan 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. UMS procures coal from domestic suppliers or imports bituminous and sub-bituminous coals from Indonesia, where Indonesia is one of the top three coal producer countries. UMS selects the quality coal 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 which transport the coal by mother vessel to Thailand.
2. The main vessel from Indonesia will anchorage at Koh Sri Chang. Then transfer the coal to lighters which can be done 500 – 2,500 tons per lighter. The lighter will be alongside at Nakornluang site, Ayutthaya port for discharging.
3. UMS can deliver coal to its customer right away by an in-land transport. In case the Company has to transport to its storage area in Ayutthaya for screening and quality improving, after completion of screening and quality improving, finished coal will be transported to customers' site via an in-land transport.
4. UMS has a regulation to maintain a certain inventory level for achieving customer demand.

5. UMS takes 45 days for the procurement transaction from Indonesia to its 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 its partners for a long time. The Company is confident that it will receive the high quality coal from its partners.

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.

The Principles of Corporate Social Responsibility for Sustainable Business Development



Sustainable Development and Corporate Social Responsibility

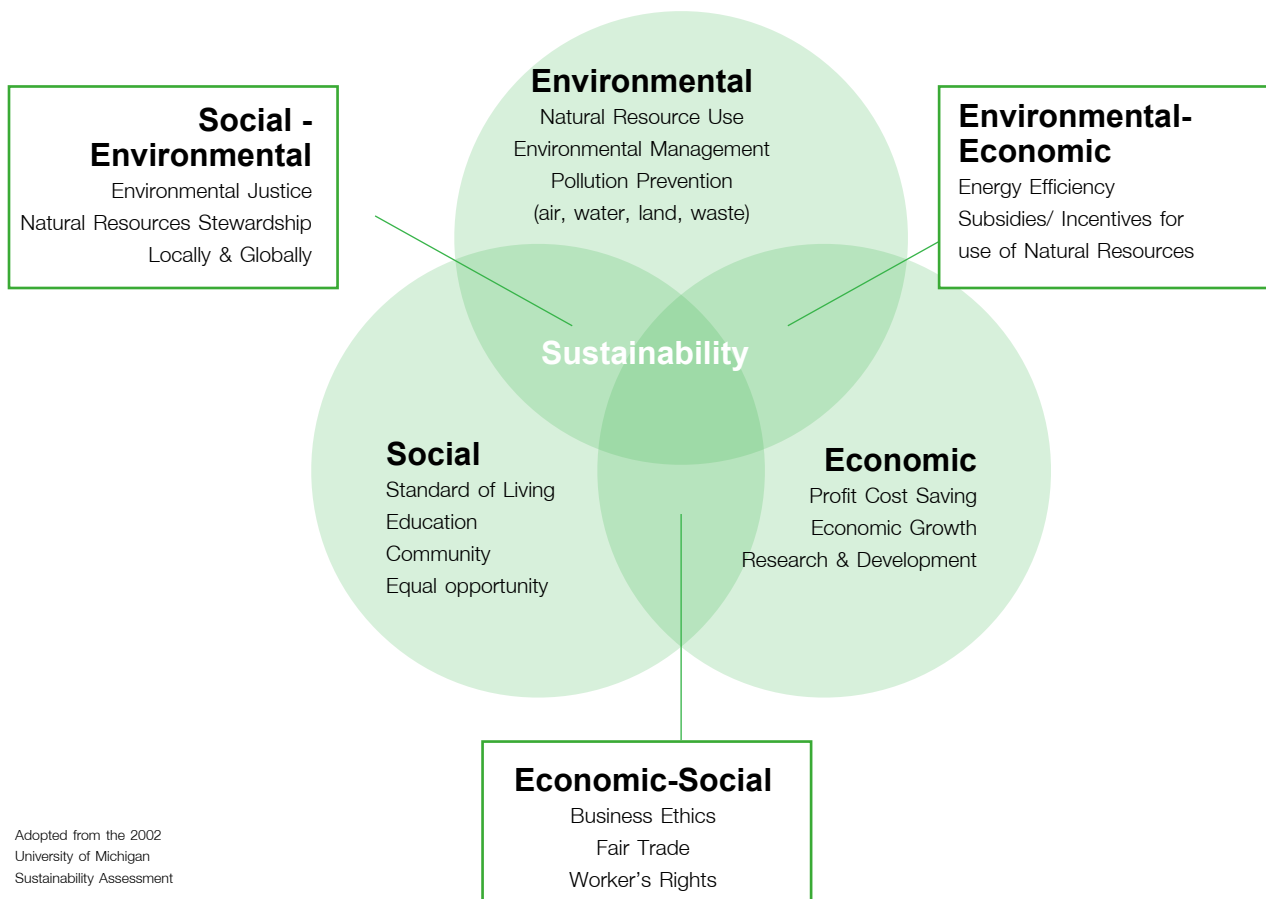
Policy

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



AREA Awards

Asia Responsible Entrepreneurship Awards “Doing Good, Stop Bullying” Project



TTA received Asia Responsible Entrepreneurship Awards 2017 in the Social Empowerment category from Enterprise Asia, from persistently conducting the “Doing Good, Stop Bullying” Project. Such project implants morals in students, encourages them to be proud in doing good things and use their power in positive ways.

TTA Environmental Volunteer Project



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's success and takes the priority to the enhancement of its employees' professional skills and talents via a wide range of internal and external training programs.

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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The Company's financial report accords with the generally accepted accounting rules and standards with the audit by a certified public accountant. • The shareholders meetings were held in accordance with the applicable laws while all shareholders were fully encouraged to exercise their rights with information given properly prior to the exercise of their rights. • For more information, please refer to the "Corporate Governance Report" featured in the Annual Report.
2. Rights of stakeholders	<ul style="list-style-type: none"> • The Company understands and realizes the significance of all stakeholders including shareholders, employees, creditors, credit guarantees, counterparties, communities, societies and environment. • The Company safeguards the stakeholders' rights by strictly complying with all applicable laws, establishing an effective internal control system and overseeing the compliance of these rules and regulations. 	<ul style="list-style-type: none"> • The Company's Board of Directors approved the anti-corruption policy and established the written Code of Business Conduct. • The Company prepared and announced the Code of Business Conduct that outlines ethically operating procedures with integrity. This forms a solid and professional business strategy for the Company's directors, executives and employees to adhere to for the benefit of all stakeholders. • Details are shown in the "Corporate Governance Report" of this Annual Report.

Corporate governance	Implementation procedures	Activities undertaken
3. Information disclosure and transparency	<ul style="list-style-type: none"> • The Codes of Business Conduct and Ethics are identified to drive the culture of governance, respectful and fair treatment of all stakeholders and disclosure with verifiability and transparency. • The assessment plan is prepared together with a tool to record details of practical activities. • The financial statements are produced and met the generally accepted accounting principles. • An annual report is published and given to shareholders and stakeholders. 	<ul style="list-style-type: none"> • The Company has made relevant business, financial information and non-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 P.O. 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.
4. Structure and responsibilities of the Board of Directors	<ul style="list-style-type: none"> • The management structure is clear and transparent. • The Board of Directors of 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. 	<ul style="list-style-type: none"> • The committees were formed in terms of number and structure in accordance with the Public Limited Companies Act B.E. 2535 and the Company's regulations. • All relevant individuals and members of the Board of Directors and management team are entitled to be aware of their authorities, perform their duties responsibly, attentively and honestly and strictly comply with all applicable laws, the Company's objectives, and resolutions of the shareholders meetings. • The meetings of all committees and working groups were held to consider, review and approve implementation plans of the Company. • The committee members were encouraged to attend the training programs or activities that help strengthen their business skills and talents at the expense of the Company.

Corporate governance	Implementation procedures	Activities undertaken
5. Business ethics and Code of Conduct	<ul style="list-style-type: none"> • 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 Company is aware of the violation of any intellectual property rights or copyrights by support the Company's employees to perform their duties with compliance to the law and regulations relevant to intellectual property rights. 	<ul style="list-style-type: none"> • The Board of Directors meeting on 12 February 2010 approved the business ethics manual that addresses values, mission and ethically and honestly operating principles to set up the standards of working professionally with all stakeholders. • 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. • The Company encourages the directors, executives, and employee to use the copyrighted software. All programs and software have to be verified and installed by the Information and Technology of the Company. In addition, the dialog box has been used to notify all employee in order to promote the awareness of using copyrighted software and programs.

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	<ul style="list-style-type: none"> • The business and investment policies are in line with all applicable laws and regulations. • The Company embraces social responsibilities in its entire business chain. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • The transparent purchasing guidelines are designed for the sake of the Company's ultimate benefit. The trade negotiations are made on the basis of accuracy and justice without using power in an unfair trading manner. 	<ul style="list-style-type: none"> • The written policy is established, implemented and disclosed to all employees.

3. Anti-Corruption

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	<ul style="list-style-type: none"> Classify risk types, outline the causes of corruption, take action for prevention and maintain and comply with the anti-corruption measure. Introduce an accurate and transparent means of reporting financial status. 	<ul style="list-style-type: none"> The Risk Management Committee and team were established to assess, analyze, follow up and keep the whole risk status at the acceptable and controllable level.
2. Business operation and investment	<ul style="list-style-type: none"> As part of its business operating rules, directors, executives and employees are prohibited from paying bribes or kickbacks to individuals, government officials or businesses in order to receive improper benefits or have more influence to do business. The Company prohibits calls for and acceptance of bribery and corruption for the interest of individuals, their families, friends and acquaintances. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The process and procedures are set up in order to prevent executives and employees from joining or supporting any action that is illegitimate and involves corruption. 	<ul style="list-style-type: none"> Education about the business ethics policy, rules, regulations and principles are provided for new staff. Suspected wrong doing can be reported via website and P.O. 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	<ul style="list-style-type: none"> • Adopt and implement the fair employment standards and guidelines. This means recruiting on the basis of merit in terms of skills, experience, ability and qualifications that meet the job requirements with expertise related payments, regardless of race, nationality, creed, gender, age, skin color, disability and ancestor. • All employees are treated with honor and respect of their personal rights. They are also encouraged to freely express their thoughts and suggestions. 	<ul style="list-style-type: none"> • The Company's Rules & Regulations align with the Labor Protection Act, the labor relation law, relevant regulations and/or business operating guidelines. (This has taken effect since 2010.)
2. Managing and resolving conflicts	<ul style="list-style-type: none"> • A formal mechanism is set up for employees who face the violation of their rights or unfair treatment to tender their complaints and seek healing. This mechanism needs to be widely announced within the organization. 	<ul style="list-style-type: none"> • The Company prepared and implemented the whistleblowing and non-retaliation policy and procedures.

5. Labour 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.

Labour practices	Implementation procedures	Activities undertaken
1. Respect the employees' rights at work in compliance with the human rights principle and the ILO Declaration on Fundamental Principles and Rights at Work	<ul style="list-style-type: none"> • Define the employment non-discrimination principles and reinforce the equality of opportunity, regardless of race, skin color, gender, creed, nationality, personal background, political aspect, age, and disability 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. 	<ul style="list-style-type: none"> • The provident fund training program was launched for employees. • Employees were encouraged to attend useful training courses offered by highly acclaimed institutions, including Company Limited such as: <ul style="list-style-type: none"> - Updated COSO ERM: Integrating with Strategy and Performance organized by The Stock Exchange of Thailand - Value-added Business Controls, The Right way to Manage Risk organized by The Institute of Internal Auditors of Thailand - Analytical Thinking in the Internal Audit Process organized by Federation of Accounting Professions under the royal patronage of his Majesty the King - Risk Management and Internal Control Program organized by Risk and internal control club, Thai Listed Company Association

Labour practices	Implementation procedures	Activities undertaken
2. Working conditions and social protection	<ul style="list-style-type: none"> • The fair employment principles are applied to employees, together with appropriate payments. • Employees work with dignity in a good working environment. • The proper overtime pay regulation is issued together with 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. 	<ul style="list-style-type: none"> • The guidelines on working rules and provisions were introduced with continual updates to ensure the compliance with the Labour Protection Law, the Labour Relations Act and other related regulations.
3. The protection of health and safety at work	<ul style="list-style-type: none"> • There shall be the Occupational Safety, Health and Environment Committee established to assure all employees of safe working environment and oversee the stringent implementation of the Occupational Safety and Health Policy within the Company. • The Welfare Committee will be established to provide information about several welfare offerings for employees. • There will be an analysis and measures to control occupational safety and health risks as well as the alert & warning systems designed to notify causes and risks of dangers from accidents and communicable diseases. • All employees are required to report the dangerous working conditions plus recommendation, if any, to their supervisors. • There shall be appropriate employee welfare offerings that include public holidays, maternity leave, annual leaves, medical expenses, provident fund, life insurance, personal health insurance and annual personal physical checkup. 	<ul style="list-style-type: none"> • There was an annual hands-on fire drill with regular practice of the Call Tree. This enabled employees to learn do's & don'ts of building fire safety and tips for staying safe after employees go out from the building, while ensuring good understanding and compliance with the rules and regulations. • Employees were provided with necessary safety kits and self-defense tool. For example, employees received the survival pack for further use in the event of 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	<ul style="list-style-type: none"> To maintain a balanced portfolio and proper risk diversification, investment is made in value added businesses that generate income and give high returns in the short and long term. 	<ul style="list-style-type: none"> The Company's subsidiary, Siam Taco Co., Ltd., entered into a Franchise Agreement with Taco Bell Restaurants Asia Pte. Ltd. to enable the Group to diversify into the fast-growing and stable Food & Beverage sector.
2. Business expansion	<ul style="list-style-type: none"> To increase or mobilize funds in order to expand business and oversee the invested entities. 	<ul style="list-style-type: none"> TTA, through its subsidiary, Thoresen Shipping, acquired two 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	<ul style="list-style-type: none"> The business management structure and strategy are adjusted to suit the economic status, market competition and other factors to ensure the highest level of benefits and reduce the impact on business income to the least. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The performance and financial status will be accurately, transparently and sufficiently disclosed to the shareholders and business partners of the Company via the Company's website, annual report, communication channels and other activities. 	<ul style="list-style-type: none"> The reports of Company disclosure of information to the SET. The news release was prepared and sent to the media. There is the annual general meeting of shareholders. The SET's Opportunity Day is held on a quarterly basis. The Analyst Meeting is held on a quarterly basis.

7. Community Involvement and Development

TTA and all the subsidiary companies share a principle to improving the livelihood of all employees, to foster a bond between them and the companies and encourage all levels to participate in community and social development projects. Each year TTA allocates a budget for CSR projects and supports the charitable activities of several organizations and foundations. In 2018, the Company carried out numerous initiatives and donated money to various charities. The information and photos of the activities were publicly announced so that employees could realize and understand the values of doing volunteer works that benefit communities and society, because TTA believes communities, society, and businesses must grow together sustainably.

Educational Support

Maritime Cooks Training Program



TTA recognizes the importance of ensuring that sufficient food and drinking water of appropriate quality are served on board by qualified and trained catering personnel. Therefore, maritime cooks have to hold a certificate of qualifications based on successful completion of an examination prescribed by the competent authority, including both practical and theoretical tests on food preparation and the handling and storage of food on board ship. They should also understand the significance of the cultural, religious and social aspects of mealtimes on board.

Thoresen Shipping, TTA's subsidiary which operates dry bulk shipping business, has been collaborating with Nakhon Si Thammarat Vocational College to conduct the "Maritime Cook two-year Training Program" in an effort to develop professional onboard cooks. Graduated students from this program can join Thoresen Shipping crews immediately. The "Maritime Cooks Training Program," which started in 2011 and has been carried out for the eighth consecutive year with a total of over 100 graduates, is one of the fifty curriculums which received commendations from the Ministry of Education. The program is considered a great achievement for Thoresen Shipping because not only quality personnel are created for the company, they are created for the shipping workforce as well.



Maritime Awards and Crew Children Scholarship

Each year, TTA organizes Thoresen Shipping's Maritime Awards, an annual event which honors ship crews who have a duration of service at least 5 years, plus a clean history and outstanding performance that contributed to the success and enhancement of the company. The awards are given to the crews to encourage them to continue their exemplary works. The event also provides scholarships for children of the crews who received a minimum GPA of 3.0 or achieved at least 70% of the examination scores, to broaden their educational opportunities. In 2018, there were a total of 31 children who received the scholarships.

Health and Hygiene Promotions

The Healthy Community



TTA believes that healthy employees are more productive, less stress and generally happier. Therefore, TTA utilizes a portion of workspace as a gym equipped with comprehensive exercise equipment and machines, and encourages employees to exercise in the morning and after office hours free of charge. Moreover, the Company also organized a health seminar "Good Health is Accessible" to address employees about harms of malnutrition and good food for good health, and informed employees about the dangers of foods containing Trans-fat through posters in the office as well. Furthermore, the Bodyweight Competition was initiated to show employees about the benefits of regular exercises and many employees were interested in joining this program. Such competition was participated by individual and as a group, most of whom were able to achieve the target of burning the body fats and weight losing in percentage down at least three percent within three months. The results of this fun competition demonstrate how much TTA's employees care about their health and hygiene.

Thoresen Shipping Sports Day creates bonds between families



Thoresen Shipping organized Sports Day at Polo Football Park and invited employees and their families to come exercise and have fun through activities together. There were many competitions such as flag-race running, tug of war, and a football friendly match between shipping crews and office staff. At the end of the day, Thoresen Shipping Sports Day had created stronger bond between employees as well as between families.

Youth and Social Empowerment

“Doing Good, Stop Bullying” Project



TTA has carried out the “Doing Good, Stop Bullying” Project for the fourth consecutive year. The project aims to decrease bullying behavior among students, create safe school environment and encourage students to use their power in positive and creative ways. Many workshops and training programs had been organized to educate students between fourth and sixth grades about the differences between bullying and teasing behaviors. The students who attended the workshops will see values in themselves and others; some of them have even become leaders to promote stop bullying campaign in their schools.

Charity and Philanthropy

TTA – A Mission to Bring the 13 “Wild Boars” Back Home

The 13 lives of the Wild Boars Football Academy – including 12 boys and 1 coach – had been trapped in Tham Luang Cave, Khun Nam Nang Non, since 23 June 2018. TTA led by Mr. Chalermchai Mahagitsiri, President and Chief Executive Office, promptly delivered 2,000 glow-sticks to the place, which were found useful for the mission as they are waterproof, non-toxic, non-flammable and capable of providing lights up to 8-10 hours.

Furthermore, experienced divers from Mermaid Maritime Plc., one of TTA’s subsidiaries, also cooperated with the Thai Navy SEALs and the Department of Disaster Prevention and Mitigation of Chiang Rai Province.



The mission to rescue the 13 lives of the Wild Boars Football Academy ended successfully with all the victims being extracted out of the cave to safety on 10 July 2018. It was a historic event the world will surely remember, and TTA is proud to be a part of this unforgettable mission.

Support activities of HTMS Chakri Naruebet



HTMS Chakri Naruebet, docked at Chuk Samet Harbour, Sattahip Naval Base, is an aircraft and helicopter carrier and the largest battleship of Thai Royal Navy. The name HTMS Chakri Naruebet was bestowed by His Majesty King Bhumibol Adulyadej with a meaning: ‘Sovereign of the Chakri Dynasty.’ The battleship was constructed in Spain and equipped with modern armaments and long-range marine radars to perform during wartime. This flagship also commands all the fleets of Thai Royal Navy, and acts as an operational base for air defense, maritime warfare, fights against intrusion from enemies’ submarines, search-and-rescue (SAR) operations, disaster relief and humanitarian missions, as well as for protecting environment during wars. This year, TTA donated a sizeable LED television valued Baht 660,000 to the Royal Thai Fleet of HTMS Chakri Naruebet, to be used as a means for public relations for tourists and locals who visit this majestic battleship each day.

Wheelchairs for the Disabled Project



As giving back to the society is part of TTA's mission, TTA has donated wheelchairs to Thai With Disability Foundation under the project "Wheelchairs for the Disabled" at Pak Kret, Nonthaburi Province. The project aims to raise the living quality of people with disabilities, and encourage them to overcome difficulties by adding more convenience in their lives. In addition, the project also helped create more job opportunities for the disabled as these wheelchairs are made by them.

8. Environment

TTA communicates with employees to see the importance of natural resource conservation, environmental protection, and how to use energy sufficiently, through various activities and campaigns. Moreover, the Company ensures all the subsidiary companies are completely conformed to the energy and environment regulations on both domestic and international levels.



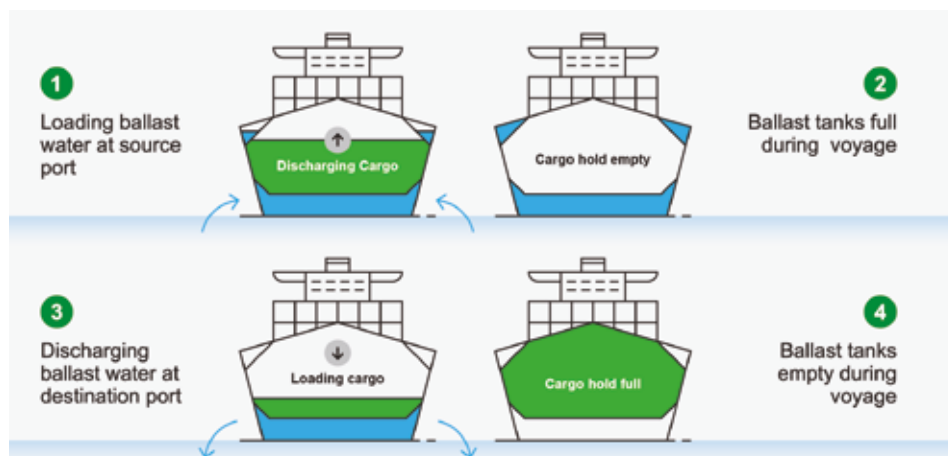
TTA Welcomes on Board

To create confidence in TTA business operation, TTA's Investor Relations team has recently organized "TTA Welcomes on Board" activity, inviting bondholders to visit M.V. Thor Future and HTMS Chakri Naruebet at Chuksamet Port, Sattaheap Chonburi. On this occasion, Mr. Jitender Pal Verma, Group CFO and Mr. Katarat Suksawang, CFO of Thoresen Shipping as well as Capt. Wisut Thiangthangthum, Master of this ship welcomed visitors very well at TTA Office and during the tour to explore the vessel. All bondholders were impressed with this trip.

Environmental Protections



Ballast Water Treatment



Thoresen Shipping has established measures to ensure ballast water of the ships is clean and free of exotic organisms, to protect the ecosystems as well as health and hygiene of the people living around the coasts, where the company's ships provide service. Thoresen Shipping has invested in the technology and equipment which can eradicate all exotic organisms in the ballast water to ensure the discharged ballast water is clean and does not harm the environment. At present, seven of the company's ships have been equipped with such technology and equipment, and more will be equipped next year. Thoresen Shipping's strong commitment to environmental compliance helps the company earn trust from the customers around the globe, by showing responsibilities and assuring every voyage is safe for the environment.

Shipping Garbage Management

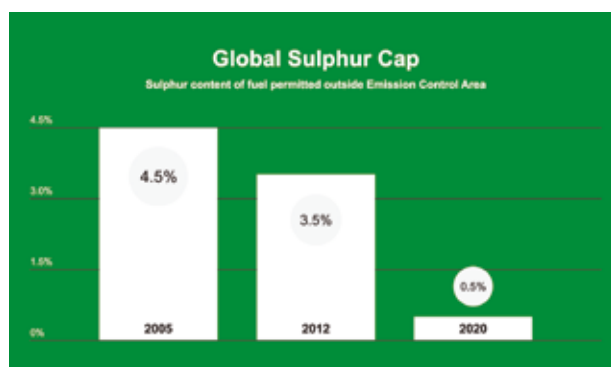
Thoresen Shipping has a clear garbage management to which every crewmember must follow to protect the environment. Generally, there're many kinds of garbage: general garbage, food waste, dangerous substances, etc. When the company's ships arrive at ports, garbage men will come collect the waste and dispose of it onshore. If the ship's garbage storage happens to be far from full, the captain then can decide to dispose of waste at subsequent ports. The company's ships also equip an incinerator onboard for burning waste, in case onshore disposal is not available. However, all ashes produced from the incinerator must be disposed of onshore to protect cleanliness of the sea. All Thoresen Shipping crews have been instructed to resolutely follow the company's garbage management procedures with an aim to minimize environmental footprint in all areas the company's ships provide service.

Oily Water Separation and Discharge



Thoresen Shipping received an Oil Pollution Prevention Certificate (IOPP Certificate) as the company strictly complied with the MARPOL Annex I, IMO's regulations which require all ships to separate oil from water before discharging it into the sea, to protect the environment. All of the company's ships are equipped with an oily water separator to perform such responsibility. The equipment is being used on a daily basis to ensure no single drop of oil is contaminated in the sea.

Reduction of Greenhouse Gas Emissions



Sulphur Oxide Emissions Control

Thoresen Shipping operates its business in accordance with the MARPOL Annex VI (Prevention of Air Pollution from Ships) of IMO which requires all ships to control emissions of air pollutants in an effort to protect the environment and moderate the ongoing global warming crisis. The company conforms to the IMO's current sulphur cap of 3.5%, and is preparing to comply with the new sulphur cap of 0.5% which will be effective on 1 January 2020 onward.

Disclosure of Carbon Dioxide Emissions Data



Thoresen Shipping has been certified regarding the company's compliance to EU MRV (Monitoring, Reporting, and Verification) which requires shipping companies to report about carbon dioxide emissions each year. By having fully incorporated the EU MRV model, Thoresen Shipping has been able to protect the environment and earn trust from customers around the globe, especially those who require the company's vessels to enter ECAs (Emission Control Areas) in Europe and North America.

Natural Resource Conservations

Coral Farming for Coastal Ecosystems Restoration Project



Coral reefs are vital to marine ecosystems. They are home to countless fish and plants and help mitigate the impact of ocean waves that hit the shorelines continuously, not to mention being a beautiful tourist attraction. However, natural changes and human activities have caused a reduction in their numbers, many of which have been damaged and some had died and could not be restored for a certain period. With this concern, TTA cooperated with a volunteer group "Baan Din Thai" to arrange a coral farming activity for the company's employees, at Samaesarn, Sattahip District, Chonburi Province. There were over 70 participants, all of whom had a chance to learn about current situations of marine ecosystems, how to protect coral reefs, as well as how to plant

corals using PVC pipes, from Mr. Prasarn Sangpaiboon, Chairman of Marine Science Activity and Conservation Foundation. Furthermore, all participants had a chance to plant staghorn corals themselves using PVC pipes. This activity helped rehabilitate damaged coral reefs back to a healthy condition, to be home for fish, plants and other marine lives once again.

Wildlife Clinic in Khao Yai National Park Project

To support operations of rangers in Khao Yai National Park, TTA donated Baht 100,000 to the “Wildlife Clinic in Khao Yai National Park” Project, an initiative work between students of the Capital Market Academy (the 17th generation) and SCG Foundation, which aims to protect wildlife and natural resources from harms, to remain as a legacy for younger generations to study. The project includes building a research center where studies about wildlife and natural conservations will take place. The construction period is between June and November 2018, and once complete it will be transferred to the Department of National Parks, Wildlife and Plant Conservation.

Efficient Use of Resources

TTA encourages employees to use resources efficiently under the 4R concept: Reduce, Replace, Reuse and Recycle. Moreover, the office printers use black and white colors and a double-sided format on a basic setting to minimize paper usage. In addition, there is a recycle box placed aside the printers for collecting unused papers, and the company is promoting more electronic file storage. For lighting, the company installed fluorescent LED lights to minimize impacts on the environment; such lights are safe on human skins and save more energy compared to conventional light bulbs. Nonetheless, all employees are reminded to turn off the lights during lunchtime to minimize power consumption.



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 changes. The transformation, including revolutionary changes, complete changes and extendable developments, will lead to increased competitiveness and sustainability in business operations and environmental rehabilitations and developments.

Business administration and management

Innovations created through Thoresen Shipping's operations include measures to reduce pollution emissions and greenhouse effects, and measures to use energy efficiently.

Measures to reduce pollution emissions and greenhouse effects

Thoresen Shipping's vessels use fuel which contains low sulphur to minimize air pollutant emissions; such fuel also contains a special mixture designed to enhance the efficiency of fuel combustion. Moreover, the company also equipped the Alpha Lubricator to improve the performance of the ship's engine, as well as the Mewis Duct around the ship's rudder to save more fuel consumption each voyage, whether at low or high speed. The two aforementioned equipment lead to lesser greenhouse gas emissions, mainly sulphur dioxide and carbon dioxide, produced to the environment.

Energy efficiency measures

Thoresen Shipping's ships are equipped with draft calculation software to reduce energy consumption and ensure safety when entering ports around the world. Moreover, the company's frequency to clean the vessels has been increased to reduce ships' friction underwater during voyages; every cleaning must be assessed thoroughly as well to ensure the highest results.

Other implementations in line with the energy efficiency measures include the use of anti-fouling paint that keeps the ship's hull clean from subaquatic organisms, a major cause that slows ship's speed down and therefore the ship needs to combust more fuel to generate higher speed (more fuel combustion leads to more sulfur oxide emission). For onboard lighting, the company installed LED lights to minimize impacts on the environment. Such light is safe for human and nature due to the absence of UV in itself and greenhouse gases in its production process. By using this type of light, the company is alleviating the ongoing global warming crisis, directly and indirectly.

Public disclosure of innovations and CSR projects

TTA provides updates about the Company's performances and all businesses' operations through internal public relations and activities such as monthly **We Connect** Posters and **Town Hall** Meeting. Moreover, information about the Company's quarterly reports, annual reports, financial highlights and news about acquisitions, can be found on the Company's **Portal** and regular websites. Such disseminations of information is to let all employees and stakeholders understand the Company's directions at present and in the future, and is a vital means to show transparency and accessibility of information which helps the Company earn trust from all stakeholders.

10. Social Responsibility Report

The Company operates its business in an ethical, moral and responsible manner, with a good code of conduct and principles of good governance that serve as a benchmark for transparency and justice. Responsibility to positive and negative consequences from the operating procedures of all business areas is the Company's commitment (the Company strives 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 corporate governance policy has been set as a part of the Business Conduct and has been reviewed every year.

The CGC proposed to review and revise the Company’s Corporate Governance Policy, in reference to The Principles of Good Corporate Governance for Listed Companies 2012 by the SET, 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 which has been set in accordance with the guidelines of the 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

Previously, the Board reviewed the Company’s Corporate Governance Policy and revised the Board of Directors Charter and its business ethics to be in line with the Principles of Good Corporate Governance, as well as business strategies, business direction, present business situation and also all laws and regulations as appropriated. Thus, the company secretary has proposed changing an annual review of the Board of Directors Charter.

The CGC has reviewed the Company’s Corporate Governance report and agreed that the Company has been conducting the business in accordance with the international standard of Corporate Governance practices, both The Principles of Good Corporate Governance for Listed Companies 2012 by the SET and ASEAN Corporate Governance Scorecard (“ACGS”).

Furthermore, the CGC has reviewed the Company’s corporate governance policy, in reference to the Principles of Good Corporate Governance for Listed Companies 2012 by the SET and the Corporate Governance Code (“CG Code”) for Listed Companies 2017 by the Securities and Exchange Commission (“SEC”), and found that, generally, the Company’s Corporate Governance policy and practice are in line with the CG Code. The CGC has also informed the Board about the policy and the role of the Board as a Company’s governing body. The CG Code has been suggested for adaptation in order to sustainably increase value for the business, society, and environment, as well as generate the maximum profit for both shareholders and stakeholders. It can also be a guideline for the Board, the Company’s management, and the employees to comply with the relevant laws and regulations.

The CG practices for the year 2018 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 by getting fully information. 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 “1/2018 AGM”) on 25 April 2018 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. 2/2018 held on 5 March 2018, the Board resolved to call the 1/2018 AGM on 25 April 2018 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 with appropriate time allocation, sufficient for discussion. 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 5 March 2018.

The Company provided the opportunity for shareholders to ensure sufficient time to scrutinize meeting notice or request additional information ahead of the meetings. The notice, both Thai and English, and relevant documents including proxy forms to the 1/2018 AGM were sent to shareholders 21 days in advance by mail which was in accordance with the Principles of Good Corporate Governance. The meeting agenda and detailed documents were also provided, with indications for consideration of report or matters for approval. All matters were clearly categorized, for example, for the Board's report, directors appointment and directors' compensation approval were separated into two items, with facts and supporting details from the Board in each item. For the agenda of appointment of auditors, the auditors' profiles, company and audit fee were completely and clearly illustrated for shareholders' consideration of the performance and appropriateness of auditors. Moreover, the Board as both a meeting attendee and a shareholder did not allow adding unnecessary agenda items that were not informed in advance, especially those requiring shareholders to scrutinize before making decisions.

The Company specified the identification documents and a list of documents required for attending the meeting to assist them in exercising their rights and casting their votes on each agenda item. In the case of the shareholders could not attend the meeting, they could identify their votes to approve, disapprove or abstain their votes on each agenda. Moreover, the profiles of the Company's independent directors, who represent to be a proxy as well as the procedures and related documents to appoint the independent director to vote on their behalf, were distributed prior to the meeting. Envelopes were made readily available for shareholders together with the meeting notification to assist them to mail the proxy forms.

The Company encourages all shareholders including individual and juristic persons and 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 1/2018 AGM and relevant documents, written in both Thai and English, were available to download on the Company's website at www.thoresen.com from 12 March 2018 forty-four 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 1/2018 AGM both Thai and English was advertised in a newspaper for three days on 9-11 April 2018.

Additionally, the Company is in process of studying the criteria and process for minority shareholders to propose the agenda and questions before AGM. However, the Company has not yet to have the criteria for minority shareholders to nominate persons to serve as directors but will consider after being encouraged by SET and SEC.

(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 barcode system to register meeting attendees and to count votes for punctuality and accuracy. Officers were also assigned to promote the convenience by checking the shareholders' documents in advance. To check and verify the attendants' supporting documents, the Company started accepting registrations for 2 hours before the meeting. Additionally, food and beverage were provided for all meeting attendees adequately.

(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 1/2018 AGM which held on 25 April 2018, there were 11 directors attending which was 100 percent of the Board. The Chairman of the Board was the Chairman of the meeting and was responsible for keeping the meeting continuing under the relevant laws, rules, or the Company's Articles of Association. The Chairman of the meeting would allocate time appropriately and equally to each shareholder to present their ideas and raise questions in the meeting according to the agenda, apart from encouraging all directors including the Company's top management to attend the meeting. To facilitate the meeting and enhance clarification, media was used for the presentation during the meeting, especially when it was voting and scoring time. All shareholders would be informed of the amount and ratio of shareholders' attendance, including proxies, meeting process, shareholders' voting process, and counting votes before beginning. The Company has held meetings with frequency required by the law and provided all shareholders opportunities to vote. However, in the agenda items that consists more than one topic, appointment of directors for example, the Company offered each shareholder the right to vote. The Company's officers would collect all the vote cards to count – approve, disapprove, and abstain vote.

For the appointment of directors agenda, the directors who have conflict of interest in such matter would temporarily leave the meeting room to promote shareholders' freedom for questioning and voting.

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 vote results had to be revealed to all attendees, presenting the scores from approve, disapprove, and abstain vote in each agenda item. In addition, all important ideas and questions needed recording in the meeting report.

(iv) Procedures following the meeting

The Company submitted to the SET the resolutions of the shareholders' meeting No. 1/2018 held on 25 April 2018 with details of voting results - approve, disapprove, and abstain vote - of each agenda through the SET Portal and also posted the resolutions immediately on the Company's website at www.thoresen.com.

The Company prepared and submitted the minutes of 1/2018 AGM both in Thai and English to the SET and related organization since 9 May 2018 within the required timeframe (fourteen days). The minutes were also posted on the Company's website www.thoresen.com for the shareholders.

The Company's Annual General Meeting minutes presented the information as follows:

- (1) List of the directors, the management, and other attendees with ratio showing the directors who attend the meeting and those who did not.
- (2) Meeting procedures showing how to vote and how to count votes, resolutions, and voting results (approve, disapprove and abstain vote) of each agenda.
- (3) Instructions for significant matters.
- (4) Questions and answers, brief opinions, and names of both questioners and answerers.

The Company has been rated the quality of AGM arrangement as "Excellent" (scores ranging between 90-99) consecutively since the year 2007. The assessment results were based on the assessment form conducted by the Thai Investors Association ("TIA") in conjunction with the SEC and the Listed Companies Association. In 2018, the Company was rated Excellent, with a score for the quality of the 1/2018 AGM arrangement, held on 25 April 2018, of 94.00 points, which was higher than the average score of 92.42 points from total of 657 listed companies participating.

2. Equitable Treatment of Shareholders

2.1 EQUITABLE TREATMENT

The Company realizes to protect and due care for the interests of all Thai and foreign, major and minor shareholders fairly. All shareholders including individual and juristic shareholders and institutional investors were treated equally under the Company's policy. 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, especially one requiring shareholders to scrutinize before making decisions.

2.2 PREVENTION OF INSIDE 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, ranking from executive vice president up, report trading transactions in the Company's securities, and their ownership position, within 2 days after the changes occur, according to the code by SEC. At present, it is reported through www.sec.or.th according to the new code by the SEC, and requires the person in charge to submit a copy of report on changes of shares and securities to the company secretary, in order to keep the Board informed every meeting and show the information in the Annual Report, both at the beginning and at the end of a year.

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") with the SET and public as well as during 24 hours right after the information has been revealed to the public. 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.

No reports of the violation of improper use of inside information were made in 2018.

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 and its subsidiaries. Any directors, executives, and employees who have conflict of interests are not allowed to participate in the decision-making process. In particular, directors who have conflict of interests which could prevent them from reasonable judgement 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. Further comments and suggestions from shareholders to the Company are provided via the Company's www.thoresen.com, Investors@thoresen.com, tta@thoresen.com, or by mails to the Company address.

(B) EMPLOYEES

Employees are regarded as valuable assets of the Company, who can strengthen operational excellence and sustainable growth of the Company as well as drive its business in accordance with the strategic and operating plans in long-run. Therefore, human resources management and development strategies have been introduced in order to encourage the employee in all level to maximize their performance in accordance with the business operation. The Company provides and supports the employee's benefits and welfare not only based on legal requirement but also consideration of appropriateness in order to retain capable and experienced employees. 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. To encourage the employee's saving, the Company arranged the 2018 TISCO Provident Fund Investment and Financial Planning seminar by TISCO to educate the employee about financial planning and saving after their retirement as well as the selection of investment on the individual and risk basis.

Fair Compensation

Each year, the Company reviews the employees' compensation and benefits to ensure the competitiveness in the market of the same industry. The Company also organizes a subcommittee for special compensation to conduct and approve practices related to special compensation and rewards for each affiliated company. This is to standardize the process of granting compensation for the whole company in accordance with the Company's strategies.

To ensure the effective employee development, the policy and procedure of performance evaluation, which is called MAX Performance Evaluation, is thoroughly executed for evaluating employee in all level following the stages of MAX Performance Cycle as set out below:

- 1) Performance Planning;
- 2) Mid-Year Review; and
- 3) Year-End Review.

This maximizes the employee's efficiency and effectiveness via performance planning which is aligned with the Company's strategic planning as well as encourages clarity and synergy within the Company. In addition, the MAX Performance Evaluation also emphasizes the importance of systematic planning, stewardships, and appraisal throughout the entire process. Moreover, to ensure the transparency and alignment, the supervisors and the employee are encouraged to consult and work together in order to promote regular dialogues, knowledge sharing and development opportunities at least two times a year following MAX Performance Cycle. This information will be used to support annual salary adjustment in keeping with remuneration and operation results policy.

Considerable Welfare Benefits for Employees

The Company has implemented the Company's welfare benefits policy for all employees equally to reduce cost of living, ease worry, and promote health and well-being which can positively influence the employees' performance and lives. The benefits are announced through employee handbook and media, in forms of email internal portal and LINE group. The benefits can be divided into 4 main categories as follows:

- **Welfare benefits:** baby gifts, get-well presents, condolence money, mobile phone fees, etc.
- **Health and insurance:** health checks before employment, annual health checks (depending on different needs of ages and genders), group health insurance and accident insurance, etc.
- **Funds:** provident fund, compensation fund, social security fund, etc.
- **Internal and external activities:** New Year party, seminars, etc.

In addition, the Human Resources department of the Company has studying the process, pros and cons of the employee stock options in prior decision making.

With respect to occupational environment and health, the Company has determined a safety policy and established the Occupational Safety, Health, and Environment Working 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 2018, 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. In addition, the Company arranged the activities to promote environmental conservation among not only the employees but also their families; for example, coral rehabilitation to save natural water resources. The details of saving environmental and natural resources activities are illustrated in the section of Sustainable Development and Corporate Social Responsibility.

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.

Training and Personal Development

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 2018, 43 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 2018, the Company's employees attended various courses such as Financial Analysis, Say it with report, Value Added Tax, Value Added Business Control: The Right Way to Manage Risks and All In One Cyber security, with 576 training hours in total or 6.33 hours/person/year averagely. The Company also encouraged the employees to develop other working skills by attending the course CVC: New Management Strategies towards Sustainable Growth with Innovation held by the SET on 27 – 28 September 2018. The employees were expected to apply CVC knowledge, including investing techniques and strategies, from the course to enhance the Company's performance. Additionally, the employees were encouraged to join Preliminary to Corporate Sustainability held by the SET on 4 September 2018, for better understanding the importance of sustainability before practice. Moreover, the Company has arranged the in-house training to introduce fundamental Corporate Sustainability to the Board and the Company's management by having a guest speaker from Sustainable Business Development Institute or SBDi on 26 February 2019. The objective of the course was to raise awareness of the importance of social-responsible management and strategic management for sustainable development, which were the foundation for appropriate development towards economic, social, and environmental sustainability.

Summary of training hours in 2018

Training Hours by Level	Overall Training Hours	Average Training Hours
Top management	88 hours	11.00 Hours/Person/Year
Mid-level management	296 hours	8.71 Hours/Person/Year
Operational level officers	192 hours	3.92 Hours/Person/Year
Total training hours	576 hours	6.33 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 practices of the Company 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.

Bondholder: The Company abides by regulation of the right and duty of bondholder and issuer, the criteria and announcement of SEC, as well as related laws. At last year 2018, the Company compensated principle and interests of debenture in time and there was no due payment. In addition, the Company held the activity for making the relationship with bondholders. In 2018, the Company invited the bondholders to visit the Company's business and also meet the Company's Executives under the activity namely "TTA Welcomes On Board" on 4 May 2018 and 21 June 2018. This activity aimed to inform the bondholders about the Dry Bulk Shipping Business M.V. Thor Future and the shipping management of the Company which is organized safely and up-to-date on the international standard basis.

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.

The Company treats its service providers fairly vice versa.

(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.

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, management and employees. 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.

The Company has established the Anti-Corruption Policy in the year 2010 but has not yet participated Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC"). The Company is in process of improvement for being qualified. Moreover, the Company has arranged the training program about the anti-corruption policy, business ethics policy, rules, regulations and principles for new staffs.

3.2.1 Measures against Corruption and Bribery

The Company has provided clear guidelines in the Code of Business Conduct on receiving gifts and entertainment. Gift, favor, or entertainment should be not accepted or given, if it obligates or might be perceived as an attempt to influence fair judgement.

Director, manager, employee, and their family members should not 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.

3.2.2 Whistleblowing Procedures and Whistleblower Protection

The Company has also implemented the **Whistleblowing 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.

3.2.3 Communication Channel for Stakeholders

Any concern or information on violation of regulations or corruption may be submitted to the Company through the channels illustrated in 4.6 Whistleblowing Policy and Whistleblower Protection Policy.

3.3 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 processes 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".

4. Information Disclosure and Transparency

The Company has determined upon the timely disclosure of accurate, complete, and transparent information, both financial and non-financial, and also general information related to the Company's business in Thai and English language to shareholders, investors, and stakeholders in conformity with the relevant rules of law and regulations. Such information is disclosed via SET Portal of the SET and on the Company's website at www.thoresen.com. Investors Relation and Company Secretary are in charge of providing such information and responding to inquiries.

Disclosed Important information is as follows:

4.1 CORPORATE GOVERNANCE POLICY AND IMPLEMENTATION RESULTS

The Company is committed to the timely disclosure of accurate, complete, and transparent information, both financial and non-financial, and also general information that related to Company's business and operating results. The complete, consistent and updated information will truly reflect the 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 at www.thoresen.com, press release, Company's Annual Report as well as participating in the "Opportunity Day" which is arranged by the SET. Moreover, the Company has protected the sensitive and confidential information relevant to the Company's stock price prior to disclose to the public in an appropriate time.

(1) Disclosure of Important Information in the Annual Report and in Form 56-1

Financial Information: The Company's financial statements are reviewed and audited by a professional auditor for the accuracy of significant information, followed the accounting standards. Each financial statement had been approved by the Audit Committee and the Board of Directors prior to disclose to the shareholders and public. The Board of Directors' statement on the responsibilities of the financial statements has also been disclosed together with auditor's report in this Annual Report as well as the related party transactions, and Management Discussion and Analysis.

Non-Financial Information: For the non-financial information i.e. shareholding structure, conflict of interest report of the stakeholders and related person upon the first appointment as the director or executive and have been reported to the Board and kept by the company secretary every time the change occurred. The Directors must also report their securities holding every meeting.

(2) Channel of disclosure information both in Thai and English

- SET Portal of the SET
- The Company's website at www.thoresen.com which is regularly updated. Channels that may be used to contact the relevant divisions are also clearly displayed.
- Press releases as well as participation in the "Opportunity Day" which is arranged by the SET every quarter.

4.2 REMUNERATION OF DIRECTORS AND EXECUTIVES

Policy of Directors' Remuneration and Executives has been clearly set with transparency and could 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 subcommittees 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 of 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 RESPONSIBILITIES 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" as well as knowledge, skills, experience, and other significant information. The performances of the directors and each subcommittee member were also presented in the Annual Report.

4.5 RELATIONSHIP WITH INVESTORS

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

In 2018, 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. Report the operating results and business growth potential via live broadcast in the SET's digital road show to present the Company's business performance to international investors, 1 time;
4. Meetings with financial analysts, 4 times;
5. Debenture holder site visits, 2 times;
6. Meetings with credit rating agency, 1 time; and
7. 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, 14 disclosures;
8. Disclosure of non-periodic reports, such as the notification of general meeting of shareholders and its resolutions, asset dispositions and acquisitions, and investments, 28 disclosures;
9. Press releases and news scoops, 23 releases;
10. Photo releases regarding the Company's activities, 6 releases;
11. Media relations activities 32 times; 21 activities, 10 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 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: www.thoresen.com
- Email: whistleblowing@thoresen.com
- Mail: P.O. Box 12, SCB Post Office, Lumpinee Sub-district, Pathumwan District, Bangkok 10330, Thailand

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

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 2018, the Company received no grievances from both employee and outsider.

4.7 CORPORATE SOCIAL RESPONSIBILITY POLICY

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

4.8 DISCLOSURE OF RELATED PARTY TRANSACTION

The disclosures of related party transaction are closely monitored by the Company. In case the directors acquire or dispose the Company's asset or perform any business transaction involving the Company either by himself or herself or on behalf of the others, such transactions will be effective only after receiving the approval from the Board of Director. Directors having an interest in any transaction are not allowed to participate in the approval process. The connected transactions are disclosed to the stakeholders via the SET Portal system.

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.

Each director may hold a directorship in listed companies not more than five companies. However, there was one director has directorship in six Thai listed companies, including the Company's two subsidiaries. For this reason, the director can take into account each business strategies and the overall performance of the Company and its subsidiaries effectively. Nonetheless, to be in line with the new CG Code this issue has been discussed in the latest CG Committee meeting for improvement.

(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 a 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) 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 2018 consisted of the following persons:

Members of the Board as of 31 December 2018

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.	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
5.	Ms. Ausana Mahagitsiri	Director/Member of Nomination and Remuneration Committee/Member of Corporate Governance Committee	31 Jan. 2012
6.	Mr. Kamolsut Dabbaransi	Director	27 Apr. 2016
7.	Mr. Somboonkiat Kasemsuwan	Independent Director/Chairman of Audit Committee	14 Nov. 2016
8.	Mr. Santi Bangor	Independent Director/Chairman of Nomination and Remuneration Committee/Chairman of Corporate Governance Committee/Member of Audit Committee	31 Jan. 2012
9.	Mr. Cherdpong Siriwit	Independent Director/Chairman of Risk Management Committee/Member of Audit Committee	30 Jan. 2013
10.	Mr. Chitrapongse Kwangsukstith	Independent Director	13 May 2015
11.	Mr. Mohammed Rashed Ahmad M. Al Nasser	Independent Director/Member of Nomination and Remuneration Committee	30 Jan. 2013

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 subcommittee and assign authority and duties to each subcommittee 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.
9. Approve significant investments, related party transactions and acquisition and disposition of Assets.
10. Monitor the IT Governance to be aligned with the relevant laws and standards, consider the policies and procedures relevant to cyber and IT risk management and risk mitigation, and encourage the use of innovation and technology in business strategy and operation to strengthen the business competitiveness of the Company.

(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 ensure 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 procedure for selection new director is conducted by the Nomination Committee in event that there are the Directors whose term ended either in due time or before due time. The working experiences, educational background and specific skills are considered of which must be in line with the Company's business strategy prior to present to the shareholders' meeting for the approval. In case that the Nomination Committee proposes the current director to continue another term, the performance of that director will also be used for the consideration.

The Company 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.

(A.5) The Board of Directors Meeting

The Board schedules at least six Board meetings with the exact date and time for the entire year in advance, and notifies each director, also clearly outlines the agenda of each meeting i.e. the approval of quarterly financial performance, review and approval of business plans and corporate strategy, and approval of annual budget. Particularly for the Board meetings relating to the approval of quarterly financial performance, it will be scheduled for approval on the last week of each quarter because the Company has to consolidate the financial statements of its subsidiaries into the Company's financial statements. The Board may also call for special meetings whenever the need arises. In 2018, there were a total of seven Board meetings.

The Chairman presides over these Board meetings and is authorized to approve the meeting agenda. Each director, executives, and senior management are entitled to propose matters that are beneficial to the Company for discussion in the meetings. The Company Secretary will deliver the notice of meeting, agenda, and information accompanying the meeting agenda to the directors no later than seven days in advance of the meeting, so that the directors have sufficient time to review the matters for discussion. 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. Also, the Chairman affords every Director a chance to participate and express his or her opinion freely to ensure that the Board's approval for each transaction will not negatively affect business continuity, financial liquidity, and solvency, as well as allocates sufficient time for them to discuss any significant issues with executives and senior management. A resolution is passed based on majority votes. The Chairman shall cast his vote, which is the deciding vote, only in the event of a tie.

The Board encourages senior executives to participate in every Board meeting to report their operating performance directly and any significant matters with regard to the Company's business operation as well as to provide additional information and suggestions to the Board to ensure that closely monitoring of the Company's business operation has been taken. The Board also encourages top management of the Company and subsidiaries to participate in the Board meeting to report their financial performance, financial positions, and to monitor their operation as assigned by the Board for acknowledgement by quarterly basis.

The Board should have access to accurate, relevant, timely and clear information required for their respective roles from the Company Secretary, or designated executive. If necessary, the Board may seek independent professional advice at the Company's expense.

The Board believes in the importance of prudent, impartial and transparent management of conflicts of interest. All information regarding conflicts of interest is fully disclosed. Should any Director have an interest in an agenda item, he or she must refrain from partaking in the decision-making process of that particular agenda item, get out of the meeting room and/or abstain their votes in order that the directors who have no conflict of interest can express their opinion effectively and cast their vote freely. The Company Secretary will inform the meeting for the name of directors who has conflict of interest in such agenda.

In addition, the Company has reviewed and amended the Code Business of Conduct and CG Policy on the conflict of interest and information disclosure regarding transaction that may lead to a conflict of interest to cover not only the Company but also its subsidiaries, and the Board has approved the matter at the Board meeting held on 12 December 2018.

After every meeting, the Company Secretary is responsible for completing the minutes, which will be presented for the Board's approval as the first agenda item of the next meeting. Once the Chairman places his signature on the minutes, they are approved and are systematically kept with an electronic copy, together with other agenda-accompanying documents, for ease of retrieval and reference purposes.

Members of the AC as of 31 December 2018

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 2018, the AC convened seven meetings.

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. This report is required as fixed agenda of the meeting.

Non-Executive Directors Meeting

Non-Executive Directors should have a separate meeting in the absence of the management of the 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 2018, the Company held two meeting of non-executive directors, among themselves, without the management team on 14 August 2018 and 9 November 2018 respectively to discuss about the Company's transactions relating to connected transactions including the procedures to monitor the conflict of interest for the Company and its subsidiaries.

(A.6) 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.

Moreover, the Company will consider qualified candidate with the right talent, knowledge, expertise, wide ranges of experiences and professions in accordance with the Company's business to manage the Company's business and achieve its objectives and the set goals, and without possessing any prohibited characteristics as defined by law. The Company has no policy to discriminate gender or nationality for nominated directors.

(B) SUBCOMMITTEES AND COMPANY SECRETARY

The Board has appointed 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, and the Company Secretary.

(B.1) 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.

Roles and responsibilities of AC

1. Review the accuracy, sufficiency, credibility, and objectivity of the financial reporting process by coordinating with the external auditors and executives responsible for preparing the quarterly and yearly financial reports.
 - 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 the Board of Directors for approval.
 2. 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.
 3. Review the Company's business operations, ensure that they comply with the laws on securities and exchange, the SET's regulations and the laws relating to the Company's business.
 4. Consider, select, nominate and remove 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 credibility 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.
 - 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.
- The AC has emphasized the effective and appropriate risk management and internal control system by implementation of the Three Lines of Defense Concept to internal control system in order to encourage every department to understand the compliance of the Company. For this concept, the first line should understand their role in compliance risks management and ensure the compliance of their functions. The Risk Management, meanwhile, serves as the second line to monitor and control in support of management including risk, and control functions. Additionally, the third line, Internal Audit provides the independent assurance to the Board as well as evaluates and improves the effectiveness of risk management and control process.

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 1/2018 AGM on 25 April 2018, the shareholders approved the following items:

1. The appointment of the following auditors to be the Company's auditors for the fiscal year 2018 ended 31 December 2018 (1 January – 31 December 2018).
 1. Ms. Pornthip Rimdusit
Certified Public Account No. 5565;
 2. Mr. Banthit Tangpakorn
Certified Public Account No. 8509; and

3. Mr. Watchara Pattarapitak
Certified Public Account No. 6669

2. The audit fee at the amount of Baht 3.85 million to review and audit the Company's financial statements and consolidated financial statements.

(B.2) 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.

Members of the EC as of 31 December 2018

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

Roles and responsibilities of EC

1. Consider business plan, direction and structure as well as the Company's strategies, and delegation of authorities for further approval of the Board of Directors;
2. Monitor, audit and set the management policies for efficiency and productivities as well as to conform with the instruction of the Board of Directors;
3. Consider and approve the Company's investment and annual budget prior to further approval of the Board of Directors;
4. Consider the overall performance of the Company and provide recommendations to enhance performance;
5. Consider and approve the appointment of executives of the subsidiaries;
6. Review and reassess the adequacy of the Charter and recommended any proposed changes to the Board of Directors for approval.

Additionally, to ensure and closely monitor the performance of the Company, the management of each business unit is entrusted by the ExCom Charter to directly report the Executive Committee its performance and update the material issues to the ExCom meeting. Furthermore, in line with the Board Charter, it delineates the roles and responsibilities of the Board to be involved in business plans, strategies, and budget reviews. Therefore, the Board closely monitors the Company's performance through the direct report and updates from the management of each business unit at the Board meeting quarterly.

In 2018, the EC convened seven meetings to acknowledge the Company and main business' annual performance, considering business plans, reviewing investment strategy and key corporate goals, and annual budget for presentation to the Board.

(B.3) 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 2018

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

Roles and responsibilities of NRC

1. Recruit, select, and nominate appropriate candidates for independent directors, Chairman of the Boards and Board members proposed for consideration of Board of Directors and/or further approval of the shareholders when those positions are vacant due to termination of terms or other reasons;
2. Recruit, select, and nominate appropriate candidates for members of the committee, CEO, top management and Company Secretary proposed for consideration of the Board of Directors when such position is vacant as well as propose criteria for selecting candidates for the succession plan;
3. Propose to the Board of Directors the guidelines and reasonable remuneration packages for all members of the Boards, committee, CEO and executives of which must be complimented to their duties, conform to Company's operating performance and market's atmosphere;
4. Evaluate Company's performance for consideration of the annual bonus and merit increase;
5. Review the Company's salary structure and any other remuneration;

6. In case the director who is retired on rotation is proposed to be re-elected to resume the position, his/her contribution and track record on attendance of the Board of Directors' meeting and the Shareholders' meeting must also be taken into consideration.

In 2018, the NRC convened two meetings. The details of NRC performance are illustrated in NRC report in Annual Report. Apart from mentioned above, the NRC also 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.4) 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 directors.

Members of the CGC as of 31 December 2018

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

Roles and responsibilities of CGC

The CGC has the duty to review the CG policy and to monitor compliance of the policy and practices so that it remains within an ethical framework. The CGC has the following duties and responsibilities:

1. Consider and review whether the Company's Corporate Governance policy and its Code of Business Conduct are appropriate and adequate and to regularly update the Corporate Governance policy.
2. Monitor and supervise directors and staffs' compliance with the CG policy and the Code of Business Conduct of the Company and to monitor any grievance from stakeholders the Company may receive in order to comply with the CG and Code of Business Conduct of the Company.
3. Provide measure of performance evaluation of the Board of Directors as a group and individual director to the Board of Directors, as well as for Board Committees.
4. Review and recommend an amendment to scope of work, duties and responsibilities of the CGC to respond to changing circumstances.
5. Submit an operation report to the Board of Directors at least once a year.
6. Do any other tasks as designated by the Board of Directors.

In 2018, the CGC convened one meeting to acknowledge the CG assessment result by IOD, review CG policy of the Company, and assign the Company Secretary to send both as a whole and

an individual annual performance assessment form of the Board and subcommittee to each member. The details of CGC performance are illustrated in CGC report in Annual Report.

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.5) Risk Management Committee

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.

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.

Members of the RMC as of 31 December 2018

No.	Name	Position	First Appointment date
1.	Mr. Cherdpong Siriwit	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

Roles and responsibilities of RMC

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

In 2018, 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.6) 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 2018

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

Roles and responsibilities of IC

1. Review and evaluate to the Board for approval of investment proposals.
2. Monitor all areas of the investment project as approved from the Board.
3. Provide guidance to management on analysing and structuring the proposed investment project prior the submission to the Board for approval.

(B.7) Company Secretary

In compliance with the Securities and Exchange Commission Act, Sections 89/15 and 89/16, 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:

- 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;
- Arrange meetings of shareholders and the Board in accordance with applicable laws and regulations and the Company's Articles of Association;
- Prepare minutes of shareholders and Board meetings and to monitor execution of such resolutions on a regular basis;
- Ensure that all public information disclosure is in accordance with laws and the SET's and SEC's regulations;

- Facilitate the Board's activities, including director orientation; and
- 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 disclosed on the Company's website, the Annual Report, and 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 attended continuous trainings beneficial to her role from the SEC and the SET.

Training for the Company Secretary

The Board of Directors encourages the Company Secretary to receive continuous training that will benefit her role in assisting the Board of Directors. In 2018, the Company Secretary participated in the Preliminary to Corporate Sustainability, Class 2/2018, and

the Food Innovation and New Business Opportunity at the SET, including other courses beneficial to her role during the year. The profile of the Company Secretary is provided in the section of Details of the Board of Directors and Executives.

(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 2018, there were seven 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, in every Board of Directors' Meeting, directors and management are required to report whether there is any change of their holding in TTA security from the latest report or not.

Attendance Record of the Board and Committees for Year 2018

No.	Name	Meeting Attendance for year 2018						Appointment during FY2018
		Board of Directors (Total 7)	Audit Committee (Total 7)	Executive Committee (Total 7)	Nomination and Remuneration Committee (Total 2)	Corporate Governance Committee (Total 1)	Risk Management Committee (Total 4)	
1.	Mr. Prasert Bunsumpun	7/7	-	7/7	-	-	-	-
2.	Mr. Chalermchai Mahagitsiri	5/7	-	6/7	-	-	-	-
3.	Mr. Jean Paul Thevenin	7/7	-	7/7	-	-	4/4	-
4.	Mr. Jitender Pal Verma	6/7	-	7/7	-	1/1	4/4	-
5.	Ms. Ausana Mahagitsiri	5/7	-	-	2/2	1/1	-	-
6.	Mr. Kamolsut Dabbaransi	6/7	-	-	-	-	-	-
7.	Mr. Somboonkiat Kasemsuwan	7/7	7/7	-	-	-	-	-
8.	Mr. Santi Bangor	6/7	6/7	-	2/2	1/1	-	-
9.	Mr. Cherdpong Siriwit	7/7	7/7	-	-	-	4/4	-
10.	Mr. Chitrapongse Kwangsukstith	7/7	-	-	-	-	-	-
11.	Mr. Mohammed Rashed Ahmad M. Al Nasser	3/7	-	-	0/2	-	-	-

In 2018, a total of seven Board meetings were held consisting of six regular meetings and one special meeting.

Directors who could not attend the meeting due to urgent missions abroad or other missions informed in advance to the Company Secretary who will notify the Chairman afterward and attended the meeting via teleconference system instead. However, such attendance is not valid under the laws.

There were three directors attended the meeting less than 75% during the year 2018. One foreign director based in UAE attended the meeting less than 75%; the Company considered that his

business capability, experiences, and knowledge of investment and offshore business could highly contribute to the Company. Due to the business expansion of the Company, a director holding executive positions has to seek out the new business investment and participate in the business trip both in domestic and overseas; so he could not attend the meeting occasionally. In addition it should be noted that, there was a female director takes the maternity leave; however, her absences had been informed to the Board officially.

(D) BOARD AND SUBCOMMITTEE 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. For the evaluation process, the Chairman of the CGC assigned the Company Secretary to send a board assessment form to each Director. The responses to the form were collected and summarized by the Company Secretary prior to present to the Board for further consideration.

The percentage of each chapter in both types of 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 2018, the assessment results as a whole were "Very Good" with an average of 89.86%, and the assessment results on an individual basis were "Excellent" with an average of 91.82%. 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 Subcommittee members on an individual basis

In 2018, subcommittee namely, Audit Committee, Executive Directors, Corporate Governance Committee, Nomination and Remuneration Committee, and Risk Management Committee, conducted a formal evaluation of their own performance. For the evaluation process, the Chairman of the CGC assigned the Company Secretary to send a subcommittee assessment form to each member. The responses to the form were collected and summarized by the Company Secretary. The Chairman of the CGC would report the result to the Board of Directors in order to devise guidelines that would help concretely improve the efficiency of the Board and to be used for considering the appropriateness of the Board's composition.

In 2018, the performance evaluation results of subcommittee members are as follows:

Subcommittee	Evaluation Result (as a whole)	Evaluation Result (as an individual)
Audit Committee (conducted by Internal Audit Dept.)	97.50% Excellent	100% Excellent
Executive Director	91.67% Excellent	95.63% Excellent
Nomination and Remuneration Committee	94.30% Excellent	98.33% Excellent
Corporate Governance Committee	89.35% Very good	95.83% Excellent
Risk Management Committee	95.49% Excellent	93.75% 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 which was in compliance with the Company's strategy and long-term goals and has been designed to the Company's directors at the similar level to the industry compensation of Thai listed companies. The additional remunerations from more work burden of being a member of the subcommittee is also included in the remuneration policy. 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 of Executive Officer

Remuneration policy for the President & Chief Executive Officer is considered from the self-assessment ("MAX Performance Evaluation" developed by the Company) and the Company's business operation results. The President & Chief Executive Officer's self-assessment results will be proposed for consideration and approval of the Nomination and Remuneration Committee prior to further consideration from the Board of Directors.

MAX Performance Evaluation for the President & Chief Executive Officer is categorized into three aspects includes:

1. Strategies and Business Goals: Development of mission statements, policies and strategic plans of the Company;
2. Financial: Financial planning and budget, administrative operations, and financial affairs and budget of the Company i.e.; and
3. Non-Financial: Leadership, relationship with the Board of Directors and external relationship.

(E.3) Remuneration policy for the Executives

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 & Chief Executive Officer.

Remuneration policy for the Executives is appropriately determined using transparent and fair criteria as well as considering of duties and responsibilities which is in accordance with the Company's strategic planning, the overall performance of the Company, and the results are considered by the Nomination and Remuneration Committee to determine the remuneration to obtain the Board's

approval, respectively. The remuneration policy is 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) SUCCESSION PLAN FOR THE PRESIDENT & CHIEF EXECUTIVE OFFICE POSITION

The Company's succession plan is under implementation. The Human Resource department of the Company has started identifying a "successor in each department in the year 2018, and following by the subsidiaries in the year 2019.

(G) 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 also the useful information for the assumed position, the Company's objective, key goal, vision, mission, core value, business outlook, and code of business conduct for 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 and participate further learning. The Company Secretary has provided the directors, the President & Chief Executive Officer, and key executives the seminar and training courses regularly in 2018 in order to promote the skill enhancement and encourage the widen perspective related to their roles. Details of trainings of the President & CEO and Executives can be found in the Details of the Board of Directors and Executives Officers in Annual Report. 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

No.	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.	Mr. Jitender Pal Verma	DCP 78/2006, M&A 1/2011, Diploma Exam 49/2016
5.	Ms. Ausana Mahagitsiri	DAP 30/2014
6.	Mr. Kamolsut Dabbaransi	DCP 119/2009
7.	Mr. Somboonkiat Kasemsuwan	DCP 96/2007
8.	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)
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. Mohammed Rashed Ahmad M. Al Nasser	-

In addition, in 2018, the Company encouraged directors to attend training courses i.e. Mr. Chalermchai Mahagitsiri attended the WIFI II Course during 9 November 2018 – 1 February 2019 organized by Wine and Finance Education Trust.

(H) 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's business ethics comprise of principles and guidelines for the moral business operation such as the diversity, equality, respectfulness to the workplace, environment, health and safety, financial integrity, conflict of interest, commitment to customer, competitor, and rule controller, computer system and telecommunication system's safety, responsibility to Company's asset, equitable treatment to stakeholder, communication with the public, whistle blower protection policy and the way to operate employee's behaviour to be in line with the business ethics handbook.

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 who have acknowledged, well understood and retained as their working principles. The Company's Code of Business Conduct is disclosed to shareholders, investors, and any related parties via the Company's website at www.thoresen.com under Corporate Governance Report.

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 directors and executive management. In 2018, the Management proposed vision, mission, corporate strategy, and also financial performance to the Executive Committee to review quarterly. Afterward, the report was acknowledged and reviewed by the Board of Directors in order to follow up and recheck that the overall operational result is in accordance with the Company’s investments and current economic condition which will lead to the efficiency business operation and goal’s achievement of the Company.

(I) INFORMATION TECHNOLOGY GOVERNANCE

To ensure the oversight of IT governance and enhance business opportunities, the Board of Directors in its meeting reviewed and amended its Charter to include the responsibilities of the Board related to IT governance, innovation and IT risk management, including monitoring the IT Governance to be aligned with the relevant law and standards, considering the policies and procedures relevant to cyber and IT risk management and risk mitigation and encouraging the use of innovation and technology in business strategy and operation to strengthen the business competitiveness of the Company. The current version of IT Policies has already included the part of cyber security control and monitoring on hardware and software. To prevent new threat and risk, IT department of the Company is keeping revising and updating the policy to protect the system as well as to encourage the use of innovation in business operation.

Audit Committee Report

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 2018, 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 along with driving the Three Lines of Defense concept to risk management and internal control system, which stressed the functions that own and manage risk, served as the first line of defense, to understand their role in compliance risks management and ensure the compliance of their function. The Risk Management, served as the second line to monitor and control in support of the first line including risk, and control functions. Additionally, the third line, internal audit provides the independent assurance as well as evaluates the effectiveness of risk management and control process. Besides, the Committee is responsible for monitoring the qualifications, expertise, resources and independence of both the internal and external auditors; 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 reports 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 credible 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 audit’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 2018, the external auditors 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 reviewed the Internal Audit Department's annual internal audit plans, its performance and audit engagement reports. The Committee provided recommendations and monitored corrective actions for significant issues as well as the internal auditors of each subsidiary are also required to report the significant audit observations and progress of corrective actions to the Committee for enhancement good governance and adequate internal control of the entire group.

In addition, the Committee also reviewed the Audit Committee Charter and the Internal Audit Charter and the Internal Audit Department's annual budget, focused on the personnel development and training plans to possess proper knowledge and professional skills. They 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 Auditors

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

After careful consideration, the Committee endorsed the appointment of Mr. Banthit Tangpakorn, Certified Public Accountant Registration No. 8509; and/or Mr. Sakda Kaothanthong, Certified Public Accountant Registration No. 4628; and/or Mr. Watchara Pattarapitak, Certified Public Accountant Registration No. 6669; and/or Mr. Veerachai Ratanajaratkul, Certified Public Accountant Registration No. 4323; all of KPMG Phoomchai Audit Ltd., as the external auditors of the Company for the year 2019 together with the audit fee amounting to Baht 3.92 million for the Board's concurrence and the shareholders' approval at the AGM 2019.

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, credible, and in alignment with generally accepted accounting standards as well as in compliance with relevant laws and regulations, adequate risk management 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

Report of the Executive Committee

To the Shareholders

The Executive Committee (the “Committee”), which has been established by the approval of the Board of Directors of Thoresen Thai Agencies Public Company Limited, consists of 4 members of the Board of Directors, namely: Mr. Prasert Bunsumpun, as the Chairman of the Committee; Mr. Chalermchai Mahagitsiri, Mr. Jean Paul Thevenin and Mr. Jitender Pal Verma as members of the Committee, whereas Mrs. Vorapin Isaradharm, the Company Secretary, is the secretary of the Committee. The roles of the Committee are to support operations of the Board of Directors. The Committee has authorities and responsibilities as set forth in its Charter.

The Committee has duties to consider, monitor and screen material matters to ensure compliance with the Company’s relevant regulations, criteria and requirements, as well as transparency and accountability before proposal to the Company’s Board of Directors for consideration so that the Group can effectively operate businesses pursuant to the Board’s policies and resolutions. In 2018, the Committee held 7 meetings to consider the following matters:

- Consider and monitor performance of the Company and its subsidiaries including proposing solution guidelines and recommendations which conformed to the business plans and targets assigned by the Board.
- Consider the investment and financial business plans and strategies of the Company and its subsidiaries, and then propose to the Board for approval in principle, so that the Management can implement it accordingly and in conformity with the specified targets.
- Consider and screen important matters, such as assets acquisition and disposition, connected transactions and investments of the Company and its subsidiaries before Board’s approval.
- Consider and approve transactions pursuant to scope of authorities granted by the Board then report for the Board’s acknowledgement. Report meeting results including accurate and appropriate solution guidelines and recommendations for the Board’s consideration.
- Consider the annual budget plan of the Company and its subsidiaries before proposal for the Board’s consideration and approval.
- Conduct performance assessment of the whole Committee and individual members for 2018 and assessment results will be used as basis for improvement.

The Committee strongly performs duties with integrity, honesty, prudence and intends to develop the Group’s business for sustainable growth by taking into consideration the best interests of all shareholders and stakeholders. The Committee also oversees and monitors to ensure efficiency of the Company’s operations pursuant to the corporate strategic and business plans under the relevant regulations and laws, in line with the corporate governance principles and code of business conducts which are regarded as main cornerstone for management of the Committee in driving the organization forward steadily and sustainably.

On behalf of the Executive Committee



(Mr. Prasert Bunsumpun)
Chairman of the Executive Committee

Report of the Nomination and Remuneration Committee

To the Shareholders

The Nomination and Remuneration Committee currently consists of three Directors, most of whom are independent and none of whom is the Chairman of the Board or an Executive Director. The current NRC Chairman is leading by Mr. Santi Bangor (Independent Director) and the NRC members are consists of Mr. Mohammed Bin Rashed Bin Ahmad Bin Muftah Al Nasser (Independent Director) and Ms. Ausana Mahagitsiri (Director), with the Executive Vice President, Group Human Resources as the Committee's Secretary. The Committee is in charge of nominating persons whose qualifications meet the relevant criteria and processes for the appointment of Directors, Chief Executive Officer and President (CEO/President), and Board-Committee members. The Committee is also responsible for reviewing the forms and criteria for Directors' compensation for the Board of Directors' (the Board's) endorsement and the Annual General Meeting of Shareholders' (AGM) approval respectively.

The Committee performance in 2018 is summarized as followed;

1. Considered and approved the bonus budget for employees for the year 2018 and salary increase budget for the year 2019 as an award for their effort and dedication in their performance in order to increase the morale and encourage employees, based on the financial results of the overall company and performance of individual employees.
2. Considered and approved amount of bonus payment to the Company's Directors bonus for the year 2018 for their effort and dedication in their performance.
3. Reviewed the Committee's own performance which was later reported to the Board.
4. Revised the compensation and the overall qualifications of the Board for better suitability and clarity.
5. Reviewed the Board's compensation for 2018 in line with their responsibilities and TTA Group overall performance. The compensation rates and criteria were to remain the same as proposed in the previous year for the Board's endorsement and the AGM's approval respectively.
6. Considered an appointment of directors replacing those who retire by rotation by proceeding with the Nomination and Remuneration Committee procedures and proposing qualified persons to the TTA Board of Directors and the Annual General Shareholder's Meeting, respectively, for consideration and appointment as TTA Directors.
7. Nominated and selected members for Board-Committees, namely the Nomination and Remuneration Committee, the Audit Committee, the Corporate Governance Committee, and the Risk Management Committee, and tabled lists for the Board's approval of the appointment to fill the vacancies upon Directors' resignation or term completion.
8. Nominated experts for Directors' appointment in accordance with the processes and criteria and tabled them for the Board's or the shareholders' approval as indicated by law. The qualifications included education, knowledge, expertise, skills, experience, specific competency related to TTA Group businesses, and independence as defined by corporate criteria.

The Nomination and Remuneration Committee has completely carried out its duties as assigned with due care, due diligence, transparency and independence and has provided straightforward comments for the maximum benefits of shareholders, investors and stakeholders. It is committed to performing its duties based on equality and fairness according to the good corporate governance principles so that TTA Group can be developed constantly and sustainably.

February 28th, 2019

On behalf of the Nomination and Remuneration Committee



Mr. Santi Bangor

Chairman of the Nomination and Remuneration Committee

Report of the Corporate Governance Committee

To the Shareholders

The Corporate Governance Committee (the “Committee”), which has been established by the approval of the Board of Directors of Thoresen Thai Agencies Public Company Limited, consists of 3 members, namely: Mr. Santi Bangor, the Independent Director, as the Chairman of the Committee; Miss Ausana Mahagitsiri and Mr. Jitender Pal Verma as the members of the Committee, whereas Mrs. Vorapin Isaradharm, the Company Secretary, is the secretary of the Committee. The roles of the Committee are to support operations of the Board of Directors. The Committee has authority and responsibilities as set forth in its Charter which include regularly formulating a policy, reviewing important criteria and practice guidelines of the Company related to good corporate governance, as well as business ethics, best practices for the Company’s directors, executives and employees to ensure compliance with the Company’s strategy, rules, regulations and relevant laws in order to enhance corporate governance pursuant to the international standards for sustainable growth of the organization.

In 2018, the Committee held meetings to undertake duties within the scope stipulated in its Charter which could be summarized below:

1. Consider the result of assessment project of the Corporate Governance Report of Thai Listed Companies (“CGR”) for 2018 developed by the Thai Institute of Directors (“IOD”) and CGR assessment report has been reported to the Board of Directors for acknowledgement as well as provide recommendations for improvement and development of policy and practice guidelines to be in line with criteria and recommendations of the assessment project.
2. Consider an approval on revision and development of the Company’s important practice guidelines to be in accordance with the Principles of Good Corporate Governance for Listed Companies of the Stock Exchange of Thailand, the recommendations of the CGR assessment project and the criteria of ASEAN CG Scorecard then report to the Board of Directors together with provision of opinion and suggestion for improvement as appropriated.
3. Review the Company’s Corporate Governance Policy by referring to Principles of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand and Corporate Governance Code (“CG Code”) for Listed Companies 2017 of the Office of the Securities and Exchange Commission. In this regard, the Committee has considered and proposed for the Board of Directors’ acknowledgement on compliance with CG Code principles including roles and responsibilities of the Directors pursuant to such practices, then adjust to make them conform to the organization’s context and current business environment. Nonetheless, there were some items that have not yet been implemented or applied, but the reasons have already been explained in the Corporate Governance Report of the Annual Report.
4. Assign the Company Secretary to deliver each director the 2018 self-performance assessment form of the Board of Directors and its Committees, as a whole and individual basis, after that compile, summarize scores and report to the Board of Directors for acknowledgement and for each Committee’s reviewing of the past year’s performance.
5. Propose for amendment of the Company’s Corporate Governance Policy and Code of Business Conduct on matters related to conflict of interest from the Company’s business operations or the Company’s business environment in order to prevent the directors and the executives from undertaking any act which may lead to conflict of interest which must cover the Company and its subsidiaries.

The Committee determines to develop efficiency of its corporate governance and social responsibility simultaneously with supervision of the Company on compliance with the Company’s corporate governance policy which conforms to the organization’s strategy to enhance confidence of all shareholders, investors and stakeholders as they are crucial for enhancement of the Company’s growth on sustainable basis.

On behalf of the Corporate Governance Committee



(Mr. Santi Bangor)

Chairman of the Corporate Governance Committee

Report of the Risk Management Committee

To the Shareholders

Risk is an integral component of business, and it is characterized by both threat and opportunity. To ensure systematic and holistic management of risks and opportunities, TTA adopts and maintains the TTA Enterprise Risk Management ("TTA ERM") framework which sets out the overall approach to governance and management of risks. In line with the globally recognized risk management industry framework under the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), TTA ERM helps ensure the Group is executing according to its strategic objectives and that any uncertainty/situation changes causing potential negative effects on the organization are prevented and handled in prompt and timely manners.

The Board of Directors has appointed the Risk Management Committee comprising four members with three appointed among the Board of Directors; Mr. Cherdpong Siriwit as Chairman, Mr. Jean Paul Thevenin as Committee Member, and Mr. Jitender Verma as Committee Member, and one senior TTA executive Mr. Ng Kit Wei, EVP Investment as Committee Member. The Committee is responsible to provide an independent oversight on the risk exposures faced by the Group, and in recommending to the Board of Directors' acceptable risk appetite, the Committee oversees the implementation of appropriate risk management systems by senior management to effectively identify, measure, monitor and control risks in TTA.

In 2018, there were four Risk Management Committee meetings held for TTA. In these meetings, TTA including the business units material risks are identified, reviewed and discussed extensively, together with risk mitigation plans; and key matters are summarized and reported to the Board of Directors for further action.

Summary of key risk activities during the fiscal year are as follows:

- Conducted annual review and approval of TTA risk management framework, policies, strategies and plans
- Set and reviewed risk criteria for TTA and business units, both quantitative and qualitative impact, to align with TTA's acceptable risk appetite
- Reviewed TTA and business units risk assessment report, in which risk factors are analyzed and evaluated based on the probability and severity of the risk covering strategic, operational, financial, and external and compliance risk
- Reviewed and provided recommendations on risk mitigation plan to reduce likelihood and impact of potential risks to be at acceptable level
- Monitored, and reviewed execution of risk mitigation plan
- Developed and cultivated strong risk management culture within the organisation
- Conducted self assessment of the Risk Management Committee, by group and by individual for year 2018, and use the assessment results as base for further improvement

With proper risk management systems in place, the Risk Management Committee is of view it has acted with care and prudence to carry out its duties in accordance with TTA ERM framework. The Committee is fully committed to ensure that TTA risk management governance are properly and effectively executed as part of the strategic and business plans, and with continuous reviews, the Committee can align TTA with current business scenarios to drive sustainable growth for the Group.



(Mr. Cherdpong Siriwit)
Chairman, Risk Management Committee

Risk Factors

TTA defines risks as events or developments that may adversely affect the achievement of the Company values, objectives and goals. Through the application of a dynamic risk program, TTA identifies and proactively manages these risks to stay competitive, enhance opportunities and reduce threats. 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 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 with overall appetite set in line with the Group's objectives and goals. Significant risks facing the Group including strategic, operational, financial and legal and compliance risks are evaluated and monitored and where necessary, TTA respond to these risks with mitigation plan. 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. To foster a strong risk aware corporate culture, TTA executives, starting from the top, 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

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 engage both within and outside the Group (including consultants and experts) to continuously challenge and validate the Group strategic direction and position.

Also, 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 cyclical nature of the Group by focusing and developing more stable (and countercyclical) industry business.

1.3 New Investment

TTA is continuously seeking new business investments as a further 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 Competition

Rising levels of competition in domestic and international markets could potentially put downward pressure on prices and gross margins and can adversely affect profitability and market share. To stay ahead of competition, TTA regularly conducts competitive analysis to understand customers, competitors and market landscape and develop/revise strategies to compete effectively in the market.

Notwithstanding changing trends, TTA will continually seek to improve existing products and services, and develop and launch innovation. TTA aims to be able to meet fast evolving customers expectations and preferences.

2.2 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.

2.3 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.

2.4 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.

2.5 Occupational Health, Safety and Environment ("HSE")

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.

2.6 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 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 these 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 strives 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.

5. Information Technology

In the business operation of the Company today rely on the use of Information Technology which includes data storage, computer equipment usage, and network communication. In regard to the Company's business operation, it is possible to face with the limitations and loopholes in the security that may result in the IT risk and Cyber Security Risk which may result in the Company's operation and goals. Therefore, the Company has categorized IT risks including risk from rapid change of business and technology (Agility Risk), Cyber Risk, IT Operation Risk and IT Project Risk in order to prepare for the emergency situations that may occur to database and IT system, to secure the database system, and to ensure the business continuity.

The Company has established the measurement and mitigation plan for preventing the IT risk as follows:

- 1) Natural Disaster: the backup data are kept off-site with a distance of at least 20 kilometers and the Company also installs UPS and generates the electrical system into 2 power sources.

- 2) Cyber Treats: the Company installs and updates the firewall regularly as well as monitors and maintains the system diary basis. The Antivirus programs are also installed.
- 3) Unauthorized information access: the Company defines the users' authorization and reviews it annually to specify undisclosed information access for the authorized users only.
- 4) Rapid and complex changes of IT: the Company arranged the training program about Cyber Treats for all level of employee and educated them about the upcoming innovation and technology via the Company's communication channels.

Furthermore, the Board of Directors has revised its Charter to ensure the oversight of the Company's strategies, policies, business plan including the use of innovation and technology to support value creation and ensure IT Governance and IT risk management appropriately.

Internal Control and Risk Management

For year ended on 31 December 2018

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

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

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

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

The Audit Committee (“the AC”) has been delegated the responsibility for reviewing the effectiveness of the TTA's internal controls and compliance with related laws and regulations. The AC uses information drawn from a number of different sources to carry out this responsibility including:

- Objective assurance provided by Internal Audit through its annual work plan, which is approved by the AC and focuses on the principal risks identified in the risk assessment and key internal controls for mitigation or prevention of risks;
- 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 principles and approach of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is an international standard on risk management. 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 recognize the important of strictly complying with the control activities as well as related laws and regulations. This is to reduce risks covering various aspects, especially fraud risk and preventing violation of the laws.

4. Information and Communication

Information technology has been considered and developed to enhance the effectiveness and efficiency of business operations. TTA recognizes the importance of accuracy, reliability, and prompt information for decision-making. It also has an effective information security system, including a contingency plan to protect the information system when there are serious incidents that may cause system failure. Furthermore, TTA deploys an audit trail system that can track back and review historical data. TTA also maintains an information system to analyze data and indicate any risk area, for which comprehensive records and reports are available. Besides, TTA has complied the Computer Offense Act and computer traffic

data as requires by the Ministry of Information and Communications Technology. TTA also has invested in an effective communication system, including internal and external channels. The internal communication manages through various channels. Documents for the shareholders' meetings and the Board's meetings have been delivered ahead of the meetings and contain sufficient information for the shareholders or the Board to make decisions in appropriated time.

5. Monitoring

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

The internal audit works according to audit plan that is approved and monitored by the AC. The plan is based on the risk assessment and encompasses prioritized companies, key business areas and processes. The results of the performed audits and following up observations are reported to 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. 1/2019, held on 28 February 2019 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 2018, concluded that there was no material deficiency in the Company's accounting and financial control system.

Financial Highlights

	For the Year	For the Year	For the Year
	Ended 31 December	Ended 31 December	Ended 31 December
	2018	2017	2016
	(Baht in millions, except share, per share data, and ratios)		
Income Statement Data:			
Voyage revenues	5,816.45	4,007.40	3,176.91
Voyage expenses ^{/1}	(3,174.44)	(1,874.30)	(1,768.08)
Vessel operating expenses - owner expenses ^{/1}	(1,026.72)	(1,044.96)	(1,127.51)
Offshore services revenues	3,071.87	4,886.71	6,533.38
Offshore services expenses	(2,926.24)	(3,636.83)	(4,808.56)
Sales	4,634.77	4,116.85	3,613.65
Cost of sales ^{/1}	(3,626.65)	(3,204.16)	(2,886.10)
Revenues from service companies and other sources ^{/1}	505.08	446.17	526.85
Depreciation and amortisation	(1,124.19)	(1,111.27)	(1,164.64)
General and administrative expenses ^{/1}	(1,672.11)	(1,510.04)	(1,552.21)
Interest expenses	(492.80)	(380.30)	(475.25)
Interest income	137.11	154.34	134.59
Equity income from associates and joint ventures ^{/1}	401.00	338.36	552.49
Foreign exchange gains (losses) ^{/1}	(25.90)	111.45	(10.13)
Net Income (losses)	210.02	588.35	(418.29)
Per Share Data:			
Net income (losses) - basic	0.12	0.32	(0.23)
Cash dividends declared ^{/2}	0.05	0.075	0.05
Net book value	10.73	10.83	11.45
Balance Sheet Data (at end of year):			
Cash and short-term investments	6,867.06	6,423.14	10,670.75
Vessels, rigs, machinery, and equipment - net of depreciation	13,775.32	13,668.80	14,809.80
Total assets	37,111.65	35,584.77	41,620.00
Total liabilities	12,524.66	10,530.79	15,125.38
Issued and paid-up share capital (Baht)	1,822,464,006	1,822,464,006	1,822,454,100
Total shareholders' equity	24,586.99	25,053.98	26,494.62
Other Financial Data:			
Net cash flows provided by operating activities	1,628.92	1,480.62	2,371.35
Net cash flows provided by (used in) investing activities	(2,483.08)	(497.88)	1,720.29
Net cash flows provided by (used in) financing activities	826.22	(3,194.35)	(3,029.78)
Capital expenditures:			
Property, plant and equipment, and intangible assets	1,651.58	2,003.62	578.77
Financial Ratios:			
Return on shareholders' equity (%) ^{/3}	1.07%	2.90%	-1.97%
Return on total assets (%) ^{/3}	-0.51%	1.79%	-0.22%
Net profit margin (%)	-1.33%	5.17%	-0.71%
Total interest bearing debt to total capitalisation	0.29	0.24	0.31
Net interest bearing debt to net capitalisation	0.11	0.06	0.05

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

^{/2} The dividend payment for the year ended 31 December 2018 is subject to the shareholders' approval at the AGM 1/2019 to be held on 24 April 2019.

^{/3} Annualised

Income Structure

Group of Business	Generated by	% of Shareholding by TTA	Revenue (Baht)					
			For the year ended 31 December 2016	%	For the year ended 31 December 2017	%	For the year ended 31 December 2018	%
Group Shipping	Shipping	100	3,176,912,332	23	4,007,397,043	29	5,816,461,835	41
Group Offshore Service	Mermaid	58.2	6,533,377,554	46	4,918,923,124	35	3,071,867,557	22
Coal/Group Investment	UMS ¹	92.9	483,055,531	3	448,118,629	3	249,143,366	2
Fertilizer/Group Agrochemical	Baconco ²	100	3,232,904,661	23	2,871,765,483	21	2,775,153,135	19
Others/Group Investment	GTL/CMSS	51/99.9	235,597,337	2	1,146,056,725	8	2,033,713,151	14
Other Revenues			433,318,568	3	487,453,403	4	285,609,634	2
Total			14,095,165,983	100	13,879,714,407	100	14,231,948,678	100

Note: ¹ Indirectly held through Athene Holdings Ltd.

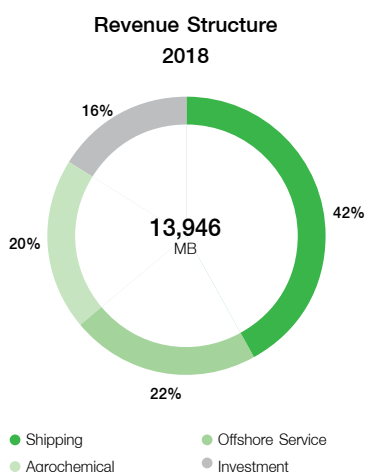
² Indirectly held through PM Thoresen Asia Holdings Plc.

Management Discussion and Analysis for the Year 2018

Performance Summary

in million Baht	4Q/17	3Q/18	4Q/18	%YoY	%QoQ	2017	2018	%YoY
Revenues	3,547.2	3,544.4	3,903.6	10%	10%	13,360.1	13,946.3	4%
Gross Profits/(Losses)	1,061.0	944.2	772.3	-27%	-18%	3,425.1	3,087.0	-10%
Share of Profit of Associates and JVs	129.5	89.8	115.2	-11%	28%	338.4	401.0	19%
EBITDA	685.5	545.0	306.3	-55%	-44%	2,067.0	1,457.5	-29%
Net Profits/(Losses)	277.0	116.9	(216.2)	-178%	-285%	692.0	(185.6)	-127%
Net Profits/(Losses) to TTA	237.3	148.3	(40.7)	-117%	-127%	588.4	210.0	-64%
Number of Shares (million Shares)	1,822.5	1,822.5	1,822.5	0%	0%	1,822.5	1,822.5	0%
Basic Earnings per Share (in Baht)	0.13	0.08	(0.02)	-117%	-127%	0.32	0.12	-64%
Normalized Net Profits/(Losses)	253.9	128.2	(205.2)	-181%	-260%	550.3	(284.5)	-152%
Normalized Net Profits/(Losses) to TTA	214.2	159.7	(29.7)	-114%	-119%	489.2	134.0	-73%
Gross Margin (%)	30%	27%	20%			26%	22%	
EBITDA Margin (%)	19%	15%	8%			15%	10%	
Net Profit Margin (to TTA) (%)	7%	4%	-1%			4%	2%	
Net Profit Margin (%)	8%	3%	-6%			5%	-1%	

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



Consolidated Performance Highlights

In 2018, revenues were recorded at Baht 13,946.3 million, slightly increased from last year's result. Shipping, Offshore Service, Agrochemical, and Investment Segments contributed 42%, 22%, 20% and 16% to the consolidated revenues, respectively. Gross profits amounted to 3,087.0 million, decreasing 10%YoY, and gross margin declined from 26% in 2017 to 22% in 2018 because of lower margin of Offshore Service Segment. However, share of profit of associates and JVs increased by 19%YoY to Baht 401.0 million, mainly from the adjustment of internal bareboat charter rate for drilling business of an associate under Offshore Service Segment. Meanwhile, EBITDA was positive at Baht 1,457.5 million. In 2018, Shipping Segment delivered the highest net profit in 10 years while it was the challenging year for Offshore Service Segment as all four main vessels were off-hired for dry docking. TTA reported net profits of Baht 210.0 million in 2018, which were positive for the second consecutive year after the bottom of shipping industry.

In 4Q/18, revenues amounted to Baht 3,903.6 million, increasing 10%QoQ and 10%YoY. Gross profits amounted to Baht 772.3 million, decreasing 18%QoQ and 27%YoY, mainly due to Offshore Service Segment's lower vessel utilization and the dry docking of one vessel. Accordingly, gross margin declined from 30% in 4Q/17 to 20% in 4Q/18. Share of profit of associates and JVs increased 28%QoQ to Baht 115.2 million, primarily from the adjustment on depreciation of a joint venture due to better conditions of vessels after the recent dry docking, while it decreased YoY because there was an extraordinary profit from an associate under Investment Segment in 4Q/17. EBITDA was Baht 306.3 million, decreasing 44%QoQ and 55%YoY. Due to loss from Offshore Service Segment resulting from its low demand in low season and one vessel off-hired for dry docking, TTA reported consolidated net losses of Baht 40.7 million in 4Q/18.

Significant Events/ Changes in 2018 and after Reporting Period

- TTA won Asia's Most Influential Companies Award at Asia Corporate Excellence & Sustainability Awards 2018 (ACES Awards 2018) organized by MORS Group who hosted this annual event to recognize Asia's leading organizations and entrepreneurs who exemplify a strong and sustainable growth.
- Shipping Segment acquired two second-hand vessels and sold two old vessels as per TTA's continued thrust to renew fleet, and Offshore Service Segment sold two old tender rigs.
- All four main subsea vessels under Offshore Service Segment were sent for dry docking.
- TTA issued new debentures worth Baht 3,305.2 million in total, and repaid debentures of Baht 2,000.0 million at maturity.
- TTA acquired 80.5% equity share in Asia Infrastructure Management (Thailand) Co., Ltd. ("AIM"), a Thai water contractor/service company, to create synergy with existing water business.
- In 2018, TTA, through its subsidiary, was exclusively granted the right to enter into the Franchise Agreement ("FA") with Taco Bell Restaurants Asia Pte. Ltd., a subsidiary of YUM Brand Inc., managing Taco Bell franchise in Asia, to enable TTA to grow into fast-growing and stable food & beverage sector. Later on, the first outlet of Taco Bell commenced in January 2019.

Business Segment Summary

Average TCE rate in 2018 was at US\$ 11,591 per day, 9% over net market TC rate.

Shipping Segment's freight revenues in 2018 were reported at Baht 5,816.5 million, which increased 45%YoY mainly due to improved freight rate. Average TCE rate increased 37%YoY to US\$ 11,591 per day in 2018, outperformed net market TC Avg BSI of US\$ 10,637 per day by 9%. Continued uptrend in freight market was reflected by higher Baltic Dry Index (BDI). BDI has increased from an average of 1,145 points in 2017 to an average of 1,353 points in 2018. Gross profits rose 64%YoY to Baht 1,780.3 million as freight rate rose while operating cash cost maintained. Accordingly, EBITDA increased 70%YoY to Baht 1,551.4 million. As a result, Shipping Segment reported the 10-year highest record of net profits to TTA of Baht 1,047.2 million, improving 157%YoY in 2018.

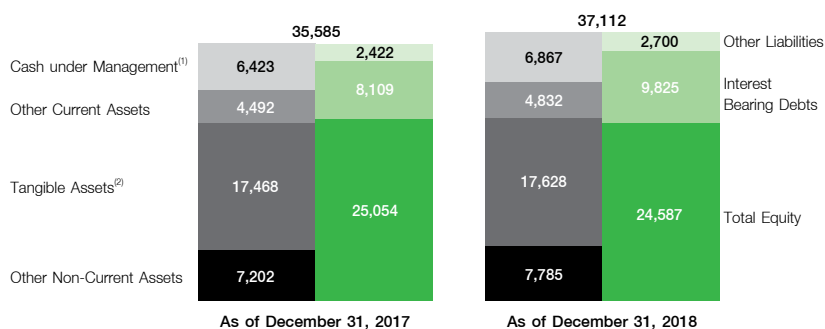
All four main vessels were off-hired for dry docking in 2018.

Offshore Service Segment's revenues in 2018 were recorded at Baht 3,071.9 million, which decreased 37%YoY due to lower non-vessel subsea projects, as well as lower vessel working days caused by the dry docking program of all four main vessels and lower demand of chartered-in vessels. However, performing vessel utilization rate remained stable YoY at 52% in 2018. Gross profits decreased 88%YoY to Baht 145.6 million with lower gross margin. EBITDA amounted to Baht (328.7) million. Therefore, Offshore Service Segment reported a net loss to TTA of Baht 511.1 million. Order book at year-end 2018 was US\$ 95 million.

Total fertilizer sales volume maintained YoY to 183.9 Ktons in 2018.

Agrochemical Segment's sales revenue in 2018 amounted to Baht 2,715.6 million, which maintained YoY. In addition, sales revenue from pesticides increased 12%YoY to Baht 181.9 million in 2018 as a result of the effort to expand pesticide business. Meanwhile, this year, Vietnamese farmers have suffered from low agricultural price over major crops and fruits, so they opted for cheaper but less efficient fertilizer. Nonetheless, overall in 2018, Agrochemical Segment maintained its position YoY by securing 183.9 Ktons of total fertilizer sales volume, however with a shift in product mix toward lower-price products. In addition, increasing raw material cost resulted in slimmer gross margin; therefore, gross profits (spread) decreased 23%YoY to Baht 609.9 million. EBITDA was Baht 135.0 million. In conclusion, Agrochemical Segment registered net profits to TTA of Baht 26.0 million in 2018.

Financial Position



Strong balance sheet with cash under management of Baht 6.9 billion.

Healthy capital structure with low net IBD/E at 0.12 times.

As at December 31, 2018, TTA had total assets of Baht 37,111.7 million, increasing by 4%YoY or Baht 1,526.9 million from the end of 2017. Cash under management, which combines cash, cash equivalents, and current investments, remained high at Baht 6,867.1 million. Total liabilities increased by 19%YoY to Baht 12,524.7 million from the end of 2017, mainly from the issuance of new debentures. Total equity slightly decreased to Baht 24,587.0 million, mainly from net effects of additional net profits, paid dividend, changes in market value of investments, and the foreign currency translation for foreign operations. In May 2018, TTA paid a dividend of Baht 0.075 per share or Baht 136.7 million in total for 2017 performance. Capital structure remained strong and was reflected by low net interest bearing debt to total equity (IBD/E) of 0.12 times.

Shipping Segment

Performance Summary

in million Baht (MB)	4Q/17	3Q/18	4Q/18	%YoY	%QoQ	2017	2018	%YoY
Freight Revenues	1,131.9	1,319.7	1,788.6	58%	36%	4,007.4	5,816.5	45%
Vessel Operating Expenses	780.6	841.1	1,295.9	66%	54%	2,919.3	4,036.2	38%
Gross Profits/(Losses)	351.2	478.6	492.6	40%	3%	1,088.1	1,780.3	64%
Other Income	9.5	3.1	8.8	-8%	182%	47.4	21.3	-55%
Gains/(Losses) on Investment	0.02	-	-	-100%	0%	0.02	-	-100%
SG&A	63.0	81.9	61.4	-3%	-25%	221.1	250.3	13%
EBITDA	297.8	399.8	440.0	48%	10%	914.4	1,551.4	70%
Depreciation & Amortization	93.9	109.2	108.6	16%	-1%	364.8	414.1	13%
EBIT	203.9	290.6	331.5	63%	14%	549.6	1,137.3	107%
Finance Costs	35.4	47.0	46.2	31%	-2%	148.8	172.0	16%
Gains/(Losses) from Foreign Exchange	1.0	(2.1)	(1.3)	-235%	39%	(10.6)	(3.5)	67%
Gains/ (Losses) from Non-Recurring Items - Impairment on Assets	-	-	-	0%	0%	-	56.5	100%
Gains/ (Losses) from Non-Recurring Items - Others	23.7	(0.5)	(0.0)	-100%	95%	23.1	32.3	40%
Profits/(Losses) before Income Tax	193.2	241.0	283.9	47%	18%	413.2	1,050.6	154%
Income Tax Expenses	0.5	(1.2)	1.2	160%	202%	5.1	3.4	-33%
Net Profits/(Losses)	192.8	242.2	282.7	47%	17%	408.1	1,047.2	157%
Normalized Net Profits/(Losses)	169.0	242.7	282.7	67%	16%	385.0	958.4	149%
Gross Margin (%)	31%	36%	28%			27%	31%	
EBITDA Margin (%)	26%	30%	25%			23%	27%	
Net Profit Margin (%)	17%	18%	16%			10%	18%	

⁽¹⁾ Cash, cash equivalents, and current investments

⁽²⁾ Property, plant, equipment, and investment properties

* TTA held 100.00% of issued and paid up capital of TSG at the end of December 2018.

** As consolidated on TTA's P&L

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

Fleet Data Summary	4Q/17	3Q/18	4Q/18	%YoY	%QoQ	2017	2018	%YoY
Calendar days for owned fleet ⁽¹⁾	1,969	1,932	1,932	-2%	0%	7,485	7,688	3%
Available service days for owned fleet ⁽²⁾	1,836	1,918	1,851	1%	-3%	7,296	7,460	2%
Operating days for owned fleet ⁽³⁾	1,836	1,918	1,844	0.4%	-4%	7,225	7,453	3%
Owned fleet utilization ⁽⁴⁾	100%	100%	99.6%	-0.4%	-0.4%	99.0%	99.9%	1%
Voyage days for chartered-in fleet	624	845	1,168	87%	38%	1,914	3,852	101%
TC (%)	57%	78%	54%			62%	53%	
VC/COA (%)	43%	22%	46%			38%	47%	
Average DWT (Tons)	53,742	55,285	55,285	3%	0%	53,742	55,285	3%
Number of vessels at the ending period	21	21	21	0%	0%	21	21	0%
Average number of vessels ⁽⁵⁾	26.7	30.0	32.7	23%	9%	25.0	31.0	24%
Market Data	4Q/17	3Q/18	4Q/18	%YoY	%QoQ	2017	2018	%YoY
BDI Index	1,509	1,607	1,363	-10%	-15%	1,145	1,353	18%
BSI Index	977	1,075	1,049	7%	-2%	844	1,031	22%
Net Mkt TC Avg BSI** (USD/Day)	10,727	10,982	10,996	3%	0.1%	9,168	10,637	16%
Average Daily Operating Results⁽⁶⁾ (USD/Day)	4Q/17	3Q/18	4Q/18	%YoY	%QoQ	2017	2018	%YoY
Highest TCE Rate	18,112	18,461	24,277	34%	32%	18,112	24,277	34%
Thoresen TCE Rate⁽⁷⁾	9,982	11,529	12,535	26%	9%	8,469	11,591	37%
TCE Rate of Owned Fleet	10,173	11,779	12,660	24%	7%	8,392	11,620	38%
TCE Rate of Chartered-In	(192)	(250)	(125)	35%	50%	76	(29)	-139%
Expenses								
Vessel operating expenses (Owner's expenses)	3,775	3,523	3,755	-1%	7%	3,620	3,723	3%
Dry-docking expenses	539	523	535	-1%	2%	542	522	-4%
General and administrative expenses	985	1,294	1,010	3%	-22%	881	1,035	17%
Cash Costs	5,300	5,341	5,300	0%	-1%	5,042	5,279	5%
Finance costs, net	553	743	761	38%	2%	593	711	20%
Depreciation	1,470	1,726	1,787	22%	4%	1,453	1,712	18%
Income Taxes	7	-19	20	173%	207%	20	14	-30%
Total Costs	7,330	7,791	7,868	7%	1%	7,109	7,716	9%
Operating Results	2,651	3,738	4,666	76%	25%	1,360	3,874	185%
USD/THB Rate (Daily Average)	32.95	32.97	32.81	-0.4%	-0.5%	33.94	32.31	-5%
Per Day Gross Margin (%)	62%	69%	70%			57%	68%	
Per Day EBITDA Margin (%)	47%	54%	58%			40%	54%	
Per Day Net Profit Margin (%)	27%	32%	37%			16%	33%	

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

** Net Mkt TC Avg BSI = Mkt TC Avg BSI less commission

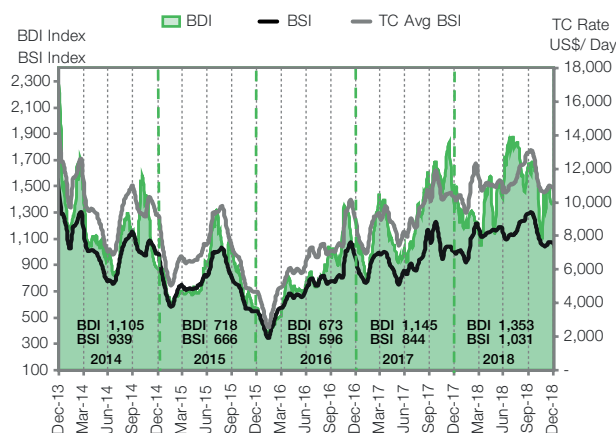
Note:

- 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.
- Available service days are calendar days⁽¹⁾ less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- Operating days are the available days⁽²⁾ less unplanned off-hire days, which occurred during the service voyage.
- 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.
- 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.
- The per day basis is calculated based on available service days for owned fleet
- Thoresen TCE Rate = Owned Vessel TCE Rate + Chartered-In Rate

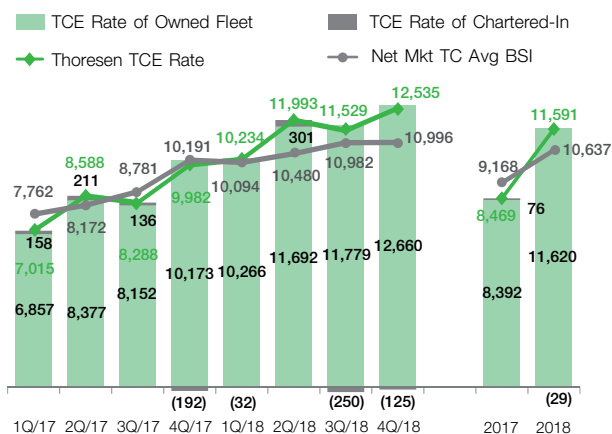
TCE Rate = Time-Charter Equivalent Rate
TC Rate = Time-Charter Rate

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

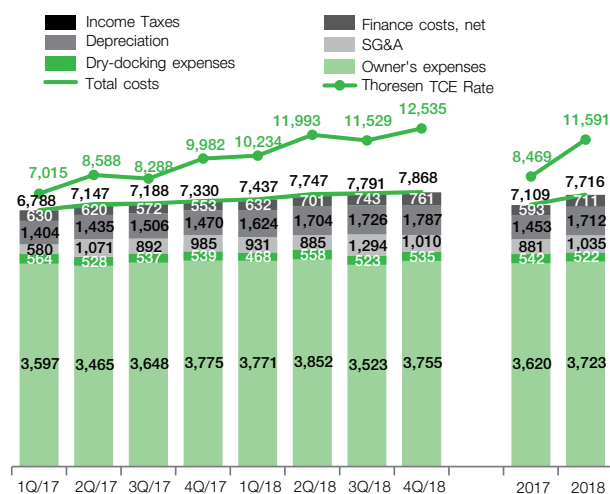
Dry Bulk Market Index



Net Market TC Avg BSI VS Thoresen's Average TCE Rate



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



Continued increase in Baltic Dry index (BDI) to an average of 1,353 points in 2018, compared to an average of 1,145 points in 2017, resulted from a balance of supply-demand in bulk sector. Looking to 2019, shipping analysts expect that bulk supply and demand would be fairly balanced, though there are some downside demand risks. However, supply growth could be limited by the impact of the forthcoming IMO 2020 global sulphur limit.

In 4Q/18, freight revenues increased by 36%QoQ and 58%YoY to Baht 1,788.6 million as freight rate continued increasing. Average TCE rate in 4Q/18 was at US\$ 12,535 per day, increasing 26%YoY from US\$ 9,982 per day in 4Q/17. Owned fleet utilization rate remained high near 100%. Gross profits amounted to Baht 492.6 million, which increased 40%YoY, and per day gross margin improved from 62% in 4Q/17 to 70% in 4Q/18. While TCE significantly increased YoY in 4Q/18, operating cash costs remained flat YoY at US\$ 5,300 per day; as a result, EBITDA improved 48%YoY to Baht 440.0 million. In conclusion, Shipping Segment reported net profits to TTA of Baht 282.7 million in 4Q/18, a 47%YoY growth in 4Q/18.

In 2018, freight revenues increased by 45%YoY to Baht 5,816.5 million, driven by the improved freight rate and higher fleet capacity. Average TCE rate in 2018 rose 37%YoY to US\$ 11,591 per day and outperformed net Supramax average TC rate (net Mkt TC Avg BSI) of US\$ 10,637 per day by 9%. The highest TCE rate was at US\$ 24,277 per day. Operating cash costs slightly increased YoY to US\$ 5,279 per day, mainly from extra expenses incurred during initial period after the acquisition of vessels. Gross profits increased 64%YoY to Baht 1,780.3 million, and per day gross margin improved from 57% in 2017 to 68% in 2018. Accordingly, EBITDA was Baht 1,551.4 million, improving 70%YoY. Meanwhile, Shipping Segment reported 10-year highest net profits to TTA of 1,047.2 million, increasing 157%YoY in 2018.

At year-end 2018, Shipping Segment owned 21 vessels with an average size of 55,285 DWT and an average age of 11.71 years. Two second-hand vessels were acquired and two old vessels were sold in 2018 as part of the fleet renewal, which resulted in higher fleet capacity, higher efficiency and younger fleet age. Shipping Segment operated an average of 31.0 vessels, comprising 20.4 owned vessels and 10.6 chartered-in vessels in 2018, increasing from an aggregated average fleet in 2017 of 25.0 vessels, which comprised 19.8 owned vessels and 5.2 chartered-in vessels. The increase was mainly due to higher demand.

Offshore Service Segment

Performance Summary

in million Baht	4Q/17	3Q/18	4Q/18	%YoY	%QoQ	2017	2018	%YoY
Revenues	1,102.7	970.0	847.3	-23%	-13%	4,886.7	3,071.9	-37%
Total Costs	759.0	787.1	855.2	13%	9%	3,636.8	2,926.2	-20%
Gross Profits/(Losses)	343.7	182.9	(8.0)	-102%	-104%	1,249.9	145.6	-88%
Other Income	9.3	15.4	4.9	-48%	-69%	34.9	33.9	-3%
SG&A	175.7	181.2	262.9	50%	45%	752.0	776.5	3%
EBITDA from Operation	177.3	20.8	(262.9)	-248%	-1364%	532.8	(589.2)	-211%
Share of Profit of Associates and JVs	38.2	60.4	63.1	65%	4%	157.9	260.5	65%
EBITDA	215.5	81.1	(199.8)	-193%	-346%	690.6	(328.7)	-148%
Depreciation & Amortization	127.0	105.4	127.0	0%	21%	537.8	455.8	-15%
EBIT	88.5	(24.2)	(326.8)	-469%	-1248%	152.8	(784.6)	-613%
Finance Costs	29.6	32.6	32.1	9%	-1%	121.6	125.9	3.6%
Gains/(Losses) from Foreign Exchange	11.7	1.9	(5.9)	-150%	-408%	36.9	2.2	-94%
Gains/ (Losses) from Non-Recurring Items - Impairment on Assets	-	-	-	0%	0%	-	56.8	100%
Gains/ (Losses) from Non-Recurring Items - Others	0.0	(0.0)	0.0	-54%	34589%	77.8	(1.2)	-102%
Profits/(Losses) before Income Tax	70.7	(54.9)	(364.8)	-616%	-565%	145.9	(852.8)	-684%
Income Tax Expenses	7.4	6.5	14.4	94%	119%	1.8	28.4	1462%
Net Profits/(Losses)	63.3	(61.4)	(379.2)	-699%	-517%	144.1	(881.3)	-712%
Net Profits/(Losses) Attributable to Non-Controlling Interest	26.8	(25.4)	(161.1)	-701%	-534%	60.0	(370.2)	-717%
Net Profits/(Losses) to TTA	36.5	(36.0)	(218.0)	-698%	-505%	84.1	(511.1)	-707%
Normalized Net Profits/(Losses)	63.3	(61.4)	(379.2)	-699%	-517%	66.3	(936.8)	-1512%
Normalized Net Profits/(Losses) To TTA	36.5	(36.0)	(218.0)	-698%	-505%	38.9	(543.4)	-1498%
Gross Margin (%)	31%	19%	-1%			26%	5%	
EBITDA Margin (%)	20%	8%	-24%			14%	-11%	
Net Profit Margin (%)	6%	-6%	-45%			3%	-29%	

* TTA directly and indirectly held 58.22% of issued and paid up capital of MML at the end of December 2018.

** As consolidated on TTA's P&L

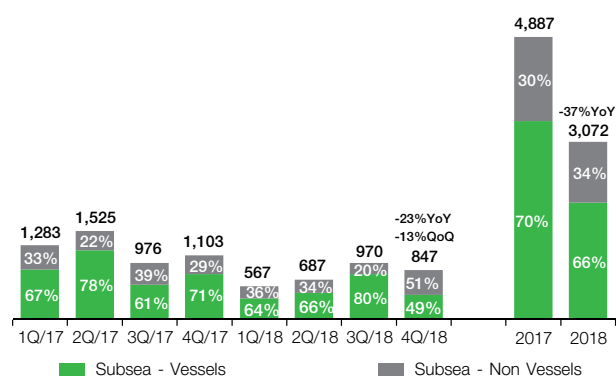
*** Normalized Net Profits/(Losses) = Net Profits/(Losses) - Non-Recurring Items

Brent Crude Oil (US\$/bbl)

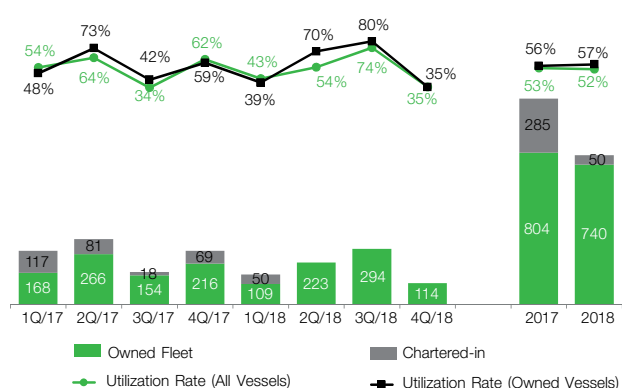


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Revenue Breakdown by Services (in million Baht)



Vessel Working Days & Utilization Rate^{(1), (2), (3)}



⁽¹⁾ Performing vessels only.

⁽²⁾ Utilization rate is the percentage of time that our vessels generated revenues and is determined by dividing operating days by available service days (excluding dry-docking period) for the relevant period.

⁽³⁾ There was no chartered-in vessel in 4Q/18.

Brent crude oil price rose from an average of US\$ 55/bbl in 2017 to an average of US\$ 72/bbl in 2018. Brent crude oil price has increased and reached the highest point in October, mainly on the back of the concern over tightened supplies caused by falling Iranian and Venezuelan oil outputs. Then, it declined towards the end of 2018. To stabilize the crude oil market, in December 2018, OPEC and non-OPEC producing countries, including Russia, agreed to reduce oil production by 1.2 million barrels per day from January to June 2019. However, the market outlook is still volatile. Brent crude oil has volatily traded in the range of US\$ 50-86/bbl in 2018.

During the low season in 4Q/18, Offshore Service Segment recorded revenues of Baht 847.3 million, decreasing 13%QoQ and 23%YoY. The decrease was due to lower performing vessel utilization rate and one vessel off-hired for dry docking. The dry docking was early implemented in order to get ready for the year 2019 because the fourth quarter is usually a low season for offshore service business. Non-vessel subsea revenue increased 32%YoY to Baht 428.4 million while vessel subsea revenue decreased 46%YoY to Baht 418.9 million. Performing vessel utilization rate was 35% in 4Q/18, compared to 62% in 4Q/17. Gross profits in 4Q/18 decreased 102%YoY to Baht (8.0) million. Accordingly, gross margin decreased YoY from 31% in 4Q/17 to -1% in 4Q/18. Share of profit of associates and JVs increased by 65%YoY to Baht 63.1 million, due to the adjustment of internal bareboat charter rate of an associate. Meanwhile, EBITDA amounted to Baht (199.8) million. In 4Q/18, Offshore Service Segment reported a net loss of Baht 379.2 million and an attributable net loss to TTA of Baht 218.0 million.

In 2018, Offshore Service Segment recorded revenues of Baht 3,071.9 million, which decreased 37%YoY due to lower non-vessel subsea projects and lower vessel working days caused by lower demand of chartered-in vessels and dry docking program of all four main owned vessels. Total dry docking period was 163 days in total in 2018. However, in 2019, all vessels are not scheduled for dry docking and ready to perform. Performing vessel utilization rate was stable YoY at 52% in 2018. At year end, there was no chartered-in vessel. Gross profits were positive at Baht 145.6 million; however, gross margin declined from 26% in 2017 to 5% in 2018. Share of profit of associates and JVs increased by 65%YoY to Baht 260.5 million, primarily due to the adjustment of internal bareboat charter rate. Accordingly, EBITDA decreased to Baht (328.7) million. Income tax expenses increased, mainly due to an increase of deferred tax assets and an adjustment of corporate income tax of the prior year. In conclusion, Offshore Service Segment reported a net loss of Baht 881.3 million and an attributable net loss to TTA of Baht 511.1 million in 2018. The order book at the end of 2018 was US\$ 95 million, of which 65% was national oil company ("NOC") accounts.

For drilling business, three high specification jack-up drilling rigs, operated under one of its associates, have performed strongly with near 100% utilization in 2018, and all three rigs remain contracted in the Middle East until 2019. Offshore Service Segment holds a 33.8 percent equity stake in this associate, and the remaining 66.2 percent is held by Seadrill Limited ("Seadrill"), subsequently novated to Seadrill Rig Holding Company Limited ("SRHL") as part of Seadrill's Chapter 11 plan of reorganization. Seadrill announced on 2 July 2018 that it has emerged from Chapter 11 after successfully completing its reorganization. Previously, this associate and its subsidiaries have agreed to become a party to the Seadrill restructuring package and, as a result of this joinder, have, among other things, reached agreement with the bank lenders to extend the maturities of its credit facility, and include more flexible financial covenants. Furthermore, its shareholders have agreed the terms of put and call options with certain conditions in relation to 33.8 percent of shares held by Offshore Service Segment. In addition, in 2018, Offshore Service Segment sold two old tender rigs, which were non-performing assets, at the price higher than their book value.

Agrochemical Segment

Performance Summary

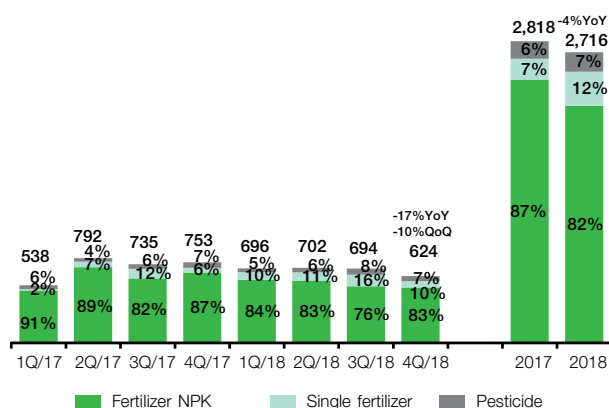
in million Baht	4Q/17	3Q/18	4Q/18	%YoY	%QoQ	2017	2018	%YoY
Sales Revenue	753.3	693.9	623.8	-17%	-10%	2,818.1	2,715.6	-4%
Raw Material Costs	535.3	554.1	478.0	-11%	-14%	2,029.1	2,105.8	4%
Gross Profits/(Losses) (Spread)**	218.1	139.8	145.7	-33%	4%	789.0	609.9	-23%
Service & Other Income	14.9	17.6	15.6	5%	-11%	58.5	67.6	16%
Operating Cost	55.6	57.9	51.9	-7%	-10%	225.0	231.5	3%
Cost of Providing Services	6.9	9.2	7.8	12%	-16%	27.0	31.9	18%
SG&A	76.0	65.8	76.4	1%	16%	277.3	279.1	1%
EBITDA	94.5	24.4	25.3	-73%	4%	318.2	135.0	-58%
Depreciation & Amortization	16.0	17.0	16.9	6%	-1%	63.5	67.3	6%
EBIT	78.5	7.4	8.4	-89%	14%	254.7	67.7	-73%
Finance Costs	0.9	1.5	1.5	68%	3%	2.2	5.8	162%
Gains/(Losses) from Foreign Exchange	(2.6)	(6.3)	2.0	176%	132%	(14.5)	(9.0)	38%
Gains/ (Losses) from Non-Recurring Items - Impairment on Assets	-	-	-	0%	0%	-	-	0%
Gains/ (Losses) from Non-Recurring Items - Others	-	-	-	0%	0%	0.4	0.1	-74%
Profits/(Losses) before Income Tax	74.9	(0.4)	8.9	-88%	2382%	238.4	52.9	-78%
Income Tax Expenses	16.3	1.5	3.3	-79%	129%	46.6	15.0	-68%
Net Profits/(Losses)	58.6	(1.9)	5.5	-91%	399%	191.8	37.9	-80%
Net Profits/(Losses) Attributable to Non-Controlling Interests	18.5	(0.6)	1.7	-91%	399%	60.4	11.9	-80%
Net Profits (Losses) to TTA	40.2	(1.3)	3.8	-91%	399%	131.4	26.0	-80%
Gross (Spread) Margin (%)	29%	20%	23%			28%	22%	
EBITDA Margin (%)	13%	4%	4%			11%	5%	
Net Profit Margin (%)	8%	0%	1%			7%	1%	

* TTA held 68.52% of issued and paid up capital of PMTA at the end of December 2018.

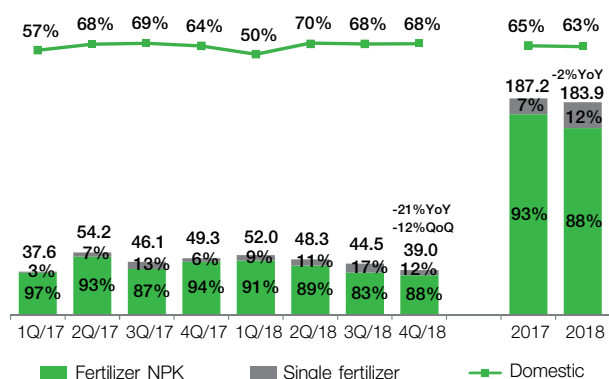
** As consolidated on TTA's P&L

*** Gross Profits(Spread) = Sales Revenues - Raw Material Costs

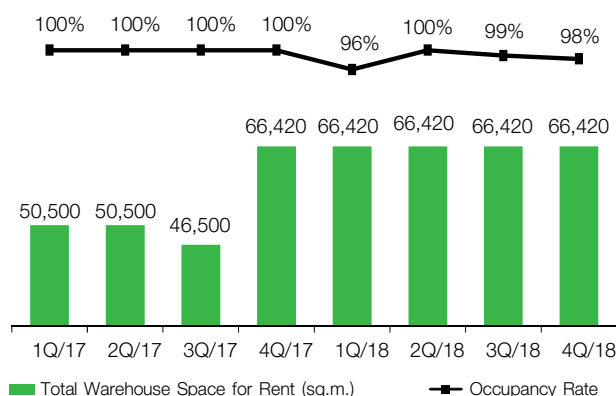
Sales Revenue Breakdown by Product (in million Baht)



Total Fertilizer Sales Volume Breakdown (KTons)



Factory Area for Leasing & Occupancy Rate



This year, due to low agricultural price over major crops and fruits, farmers' cost-saving concern caused a shift in Agrochemical Segment's product mix toward lower-price products. In 2018, total fertilizer sales volume remained stable YoY to 183.9 KTons; however, product mix has shifted to lower-price products. Therefore, single fertilizer volume increased 62%YoY to 22.4 KTons while NPK fertilizer volume decreased 7%YoY to 161.5 KTons. Domestic fertilizer sales volume, which accounted for 63% of total fertilizer sales volume, decreased 4%YoY to 116.7 KTons in 2018 due to sluggish demand and competition in Vietnam. However, export fertilizer sales volume increased 3%YoY to 67.2 KTons, mainly due to the recovery from Philippines and a new market from Myanmar. In 4Q/18, there were price fluctuations on urea, one of major raw materials, so wholesalers have postponed their orders and lowered their stocks. Therefore, total fertilizer sales volume in 4Q/18 decreased 21%YoY to 39.0 KTons. Single fertilizer volume increased 47%YoY to 4.6 KTons while NPK fertilizer volume decreased 25%YoY to 34.4 KTons.

In 2018, Agrochemical Segment recorded sales revenue of Baht 2,715.6 million, which maintained YoY. In addition, a focus on the expansion of pesticide business brought its sales revenue up 12%YoY to Baht 181.9 million. Increasing raw material costs and change in product mix had pressured gross profits (spread) and gross margin. However, selling price had been able to increase since 3Q/18, but not compensated all increased raw material costs. Therefore, gross profits decreasing 23%YoY to Baht 609.9 million; hence, lower gross (spread) margin from 28% in 2017 to 22% in 2018. EBITDA amounted to Baht 135.0 million, decreasing 58% YoY. Depreciation and amortization in 2018 were slightly higher YoY from the commencement of new warehouses (Baconco 5-B and 5-C) in late 4Q/17. In addition, there were realized/unrealized losses from foreign exchange of Baht 9.0 million as Thai Baht strengthened against US Dollar and Vietnamese Dong. In conclusion, Agrochemical Segment reported net profits of Baht 37.9 million and attributable net profits to TTA of Baht 26.0 million in 2018.

In 4Q/18, Agrochemical Segment recorded sales revenue of Baht 623.8 million, which decreased 10%QoQ and 17%YoY due to lower fertilizer sales volume. Gross profits improved 4%QoQ to Baht 145.7 million as selling price had been adjusted up; however, it decreased 33%YoY. Accordingly, gross margin increased QoQ from 20% in 3Q/18 to 23% in 4Q/18, but declined YoY from 29% in 4Q/17. Accordingly, EBITDA was Baht 25.3 million, increasing 4%QoQ, but decreasing 73%YoY. In summary, Agrochemical Segment reported net profits of Baht 5.5 million and attributable net profits to TTA of Baht 3.8 million in 4Q/18.

Besides fertilizer, Agrochemical Segment also has factory area for leasing and service. In 2018, part of the space had been used to store raw materials of fertilizer products, and the remaining space had been fully rented. Total income from factory area leasing business and other income amounted to Baht 67.6 million, which increased by 16%YoY.

Investment Segment

Investment Segment focuses on food & beverage (F&B), water, and logistics sectors.

- **Food & Beverage:**

1) **PH Capital Company Limited (“PHC”)** is the sole franchisee of Pizza Hut business in Thailand. At year-end 2018, there were 137 outlets nationwide, which increased by 11 outlets in 4Q/18 and by 29 outlets in 2018. All new outlets were opened in the high traffic location in major provinces.

2) **Siam Taco Company Limited (“STC”)** was exclusively granted the right to enter into the Franchise Agreement for Taco Bell, the leading Mexican fast food chain owned by a subsidiary of YUM Brand Inc. in 2018. Later in January 2019, it launched the first outlet of Taco Bell in Thailand at the Mercury Ville @ Chidlom and received overwhelming response.

- **Water:**

TTA acquired 80.5% equity share in AIM, the water contractor/service company, create synergy with existing water business. In addition, AIM owns a concession to sell tap water in Luang Prabang, Laos, via a 66.7%-owned subsidiary.

Statement of the Board of Directors' Responsibilities for the Financial Statements

28 February 2019

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 2018 ended 31 December 2018 (1 January - 31 December 2018) 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 2018, 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 2018 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.

Valuation of property, plant and equipment, investments in subsidiaries and associate, and loan to a subsidiary	
Refer to Notes 3(l), 5, 11, 12 and 16 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>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 2018 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.</p> <p>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.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • making inquiries of management and obtaining related documents to understand the process by which management has derived its value in use estimates; • comparing forecast revenues to those achieved in prior periods; • evaluating the valuation methodology and key assumptions applied in estimating the discount rate, such as 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 24 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>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.</p> <p>As the revenue from freight charges is significant to the consolidated financial statements, this is a focus area in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • 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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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.



(Banthit Tangpakorn)

Certified Public Accountant

Registration No. 8509

KPMG Phoomchai Audit Ltd.

Bangkok

28 February 2019

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents	6	4,428,575	4,332,417	470,892	222,704
Current investments	7	2,438,480	2,090,718	1,087,523	286,993
Trade accounts receivable	5,8	2,056,679	2,699,525	-	-
Other accounts receivable		222,595	176,479	1,380	236
Receivables from related parties	5	104	28	128,773	30,174
Short-term loans to related parties	5	-	-	4,543,613	4,673,796
Current portion of long-term					
loans to related parties	5	-	-	90,000	51,000
Short-term loans to other company	7	648,996	-	-	-
Inventories	9	1,163,042	815,344	-	-
Vessel supplies and spare parts		368,771	290,800	-	-
Prepayments		106,687	121,658	4,321	4,430
Other current assets	10	265,635	388,329	14,966	16,721
Total current assets		11,699,564	10,915,298	6,341,468	5,286,054
Non - current assets					
Long-term investments	7	471,500	635,985	-	-
Investments in associates	11	4,704,374	3,741,180	79,068	79,068
Investments in subsidiaries	12	-	-	23,565,779	23,484,936
Investments in joint ventures	11	1,179,973	1,174,921	21,004	21,004
Long-term loans to related parties	5	-	-	75,000	114,000
Investment properties	15	2,010,026	1,906,612	-	-
Property, plant, and equipment	16	15,617,495	15,561,464	129,814	130,284
Goodwill	14	67,672	67,527	-	-
Intangible assets	17	328,315	171,694	390	-
Deferred tax assets	18	290,940	315,363	85,472	145,054
Other non-current assets	19	741,794	1,094,726	13,105	12,164
Total non-current assets		25,412,089	24,669,472	23,969,632	23,986,510
Total assets		37,111,653	35,584,770	30,311,100	29,272,564

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

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2018	2017	2018	2017
(in thousand Baht)					
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions	20	747,117	148,128	300,000	-
Trade accounts payable		859,467	730,150	-	-
Other accounts payable		180,332	173,359	5,952	6,564
Payables to related parties	5	17,843	26,609	6,906	59,909
Advances from customers		158,781	98,640	-	-
Short-term borrowings from related parties	5,20	-	-	796,959	1,266,381
Current portion of long-term borrowings	20	1,571,576	1,864,082	-	-
Current portion of bonds	20	-	1,998,618	-	1,998,618
Current portion of finance lease liabilities	20	15,138	13,912	-	-
Current tax payable		28,362	25,196	-	-
Accrued expenses		1,091,764	962,191	35,496	34,886
Other current liabilities		116,371	201,027	6,060	5,903
Total current liabilities		4,786,751	6,241,912	1,151,373	3,372,261
Non-current liabilities					
Long-term borrowings	20	4,188,883	4,050,774	-	-
Bonds	20	3,280,046	-	3,280,046	-
Finance lease liabilities	20	22,071	33,493	-	-
Deferred tax liabilities	18	38,787	22,250	-	-
Non-current provisions for employee benefits	21	165,663	147,209	13,784	9,950
Other non-current liabilities		42,458	35,152	-	-
Total non-current liabilities		7,737,908	4,288,878	3,293,830	9,950
Total liabilities		12,524,659	10,530,790	4,445,203	3,382,211

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

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Equity					
Share capital	22				
Authorized share capital		1,998,447	1,998,447	1,998,447	1,998,447
Issued and paid-up share capital		1,822,464	1,822,464	1,822,464	1,822,464
Share premium on ordinary shares		16,060,007	16,060,007	16,060,007	16,060,007
Retained earnings					
Appropriated - legal reserves	23	122,220	116,760	122,220	116,760
Unappropriated		580,187	511,879	7,853,136	7,886,706
Other components of equity	23	974,036	1,226,701	8,070	4,416
Equity attributable to owners					
of the parent		19,558,914	19,737,811	25,865,897	25,890,353
Non-controlling interests	13	5,028,080	5,316,169	-	-
Total equity		24,586,994	25,053,980	25,865,897	25,890,353
Total liabilities and equity		37,111,653	35,584,770	30,311,100	29,272,564

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

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Statement of income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2018	2017	2018	2017
	<i>Note</i>	<i>(in thousand Baht)</i>			
Revenues					
Revenues from services					
Freight charges		5,816,455	4,007,397	-	-
Offshore service income		3,071,868	4,918,923	-	-
Service and commission income		423,244	349,094	-	-
Revenues from sales		4,634,772	4,116,847	-	-
Total revenues	24	13,946,339	13,392,261	-	-
Costs					
Cost of providing services					
Vessel operating expenses		4,430,566	3,281,060	-	-
Offshore service expenses		3,358,726	4,135,946	-	-
Service and commission expenses		355,765	242,790	-	-
Cost of sales	9	3,747,351	3,288,529	-	-
Total costs		11,892,408	10,948,325	-	-
Gross profits		2,053,931	2,443,936	-	-
Other income	25	285,610	487,453	614,534	561,095
Profits before expenses		2,339,541	2,931,389	614,534	561,095
Selling expenses		617,333	436,811	-	-
Administrative expenses		1,716,960	1,640,053	308,313	271,530
Total expenses		2,334,293	2,076,864	308,313	271,530
Operating profits	24	5,248	854,525	306,221	289,565
Share of profit of associates and joint ventures	11	400,997	338,364	-	-
Profits before finance costs and income tax expenses		406,245	1,192,889	306,221	289,565
Finance costs		458,575	402,803	138,252	133,739
Profits (losses) before income tax expenses		(52,330)	790,086	167,969	155,826
Tax expense	27	133,277	98,051	58,813	27,542
Profits (losses) for the year		(185,607)	692,035	109,156	128,284
Profits (losses) attributable to:					
Owners of parent	28	210,016	588,355	109,156	128,284
Non-controlling interests	13	(395,623)	103,680	-	-
		(185,607)	692,035	109,156	128,284
Basic earnings per share (in Baht)	28				
Basic earnings per share		0.12	0.32	0.06	0.07

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

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Statement of income

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
<i>Note</i>	<i>(in thousand Baht)</i>			
Profits (losses) for the year	(185,607)	692,035	109,156	128,284
Other comprehensive income (expenses)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(134,636)	(2,076,616)	-	-
Gains (losses) on remeasuring available-for-sale investments	(170,497)	(86,702)	4,568	(11,857)
Income tax relating to items that will be reclassified subsequently to profit or loss	29,062	17,774	(914)	2,371
Total items that will be reclassified subsequently to profit or loss	(276,071)	(2,145,544)	3,654	(9,486)
<i>Items that will not be reclassified to profit or loss</i>				
Gain (losses) on remeasurements of defined benefit plans	296	3,792	(726)	7,787
Income tax relating to items that will not be reclassified	158	(698)	145	(1,557)
Total items that will not be reclassified to profit or loss	454	3,094	(581)	6,230
Other comprehensive income (expenses) for the year, net of tax	(275,617)	(2,142,450)	3,073	(3,256)
Total comprehensive income (expenses) for the year	(461,224)	(1,450,415)	112,229	125,028
Total comprehensive income (expenses) attributable to:				
Owners of parent	(31,427)	(1,041,065)	112,229	125,028
Non-controlling interests	(429,797)	(409,350)	-	-
	(461,224)	(1,450,415)	112,229	125,028

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

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium on ordinary shares	Consolidated financial statements										Non-controlling interests	Total equity
				Other components of equity											
				Retained earnings		Translating foreign operations	Available-for-sale investments	Capital reserves - adjustment arising from business restructuring	Change in parent's ownership interests in subsidiaries	Share-based payment reserves	Total other components of equity	Equity attributable to owners of the parent			
				Legal reserves	Unappropriated										
<i>(in thousand Baht)</i>															
Year ended 31 December 2017															
Balance at 1 January 2017															
Transactions with owners, recorded directly in equity															
Contributions by and distributions to owners of the parent															
22		10	162	-	-	-	-	-	-	-	-	172	-	138,000	172
Issue of ordinary shares															
Contribution from non-controlling shareholders of a subsidiary															
29		-	-	-	(91,119)	-	-	-	-	-	-	(91,119)	-	(91,119)	-
Dividends to owners of the Company															
Dividends to non-controlling interests															
	10	-	162	-	(91,119)	-	-	-	-	-	-	(91,119)	(37,278)	(37,278)	-
Total transactions with owners, recorded directly in equity															
Comprehensive income (expense) for the year															
Profit															
	-	-	-	-	589,355	-	-	-	-	-	-	589,355	103,630	692,035	692,035
Other comprehensive income (expense)															
	-	-	-	-	4,942	(1,555,434)	(69,328)	-	-	-	(1,624,820)	(1,624,820)	(513,030)	(2,142,450)	(2,142,450)
Total comprehensive income (expense) for the year															
	-	-	-	-	593,297	(1,556,434)	(69,328)	-	-	-	(1,634,362)	(1,041,065)	(409,350)	(1,450,419)	(1,450,419)
Transfer to legal reserve															
	-	-	-	6,420	(6,420)	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2017															
	1,822,464		16,060,007	116,760	511,879	(1,186,370)	(233,417)	(60,030)	2,697,644	874	1,226,701	19,737,811	5,316,199	25,053,980	25,053,980
Year ended 31 December 2018															
Balance at 1 January 2018															
Transactions with owners, recorded directly in equity															
Contributions by and distributions to owners of the parent															
Contribution from non-controlling shareholders of a subsidiary															
29		-	-	-	-	-	-	-	-	-	-	-	-	162,785	162,785
Dividends to owners of the Company															
Dividends to non-controlling interests															
	-	-	-	-	(136,685)	-	-	-	-	-	-	(136,685)	-	(136,685)	-
Total contributions by and distributions to owners of the parent															
Change in ownership interests in subsidiaries															
Acquisition of non-controlling interests without a change in control															
	-	-	-	-	-	-	-	-	(10,785)	-	(10,785)	(10,785)	10,785	-	-
Total changes in ownership interests in subsidiaries															
	-	-	-	-	-	-	-	-	(10,785)	-	(10,785)	(147,470)	141,708	(6,782)	(6,782)
Total transactions with owners, recorded directly in equity															
Comprehensive income (expense) for the year															
Profit (loss)															
	-	-	-	-	210,016	-	-	-	-	-	-	210,016	(935,623)	(185,607)	(185,607)
Other comprehensive income (expense)															
	-	-	-	-	437	(100,449)	(141,453)	-	-	-	(241,369)	(241,450)	(34,174)	(275,617)	(275,617)
Total comprehensive income (expense) for the year															
	-	-	-	-	210,453	(100,449)	(141,453)	-	-	-	(241,369)	(91,427)	(426,797)	(461,224)	(461,224)
Transfer to legal reserve															
	-	-	-	5,460	(5,460)	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2018															
	1,822,464		16,060,007	122,220	590,187	(1,286,816)	(374,862)	(60,030)	2,696,859	874	974,036	19,598,914	5,026,060	24,598,994	24,598,994

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

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements							
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity			
				Legal reserves	Unappropriated	Available-for-sale investments	Total other components of equity	Total equity	
		(in thousand Baht)							
Year ended 31 December 2017									
Balance at 1 January 2017		1,822,454	16,059,845	110,340	7,849,731	13,902	13,902	25,856,272	
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares	22	10	162	-	-	-	-	172	
Dividends paid to shareholders	29	-	-	-	(91,119)	-	-	(91,119)	
Total contributions by and distributions to owners		10	162	-	(91,119)	-	-	(90,947)	
Comprehensive income (expenses) for the year									
Profit		-	-	-	128,284	-	-	128,284	
Other comprehensive income (expenses)		-	-	-	6,230	(9,486)	(9,486)	(3,256)	
Total comprehensive income (expenses) for the year		-	-	-	134,514	(9,486)	(9,486)	125,028	
Transfer to legal reserve		-	-	6,420	(6,420)	-	-	-	
Balance as at 31 December 2017		1,822,464	16,060,007	116,760	7,866,706	4,416	4,416	25,890,353	
Year ended 31 December 2018									
Balance at 1 January 2018		1,822,464	16,060,007	116,760	7,866,706	4,416	4,416	25,890,353	
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends paid to shareholders	29	-	-	-	(136,685)	-	-	(136,685)	
Total contributions by and distributions to owners		-	-	-	(136,685)	-	-	(136,685)	
Comprehensive income (expenses) for the year									
Profit		-	-	-	109,156	-	-	109,156	
Other comprehensive income (expenses)		-	-	-	(581)	3,654	3,654	3,073	
Total comprehensive income (expenses) for the year		-	-	-	108,575	3,654	3,654	112,229	
Transfer to legal reserve		-	-	5,460	(5,460)	-	-	-	
Balance as at 31 December 2018		1,822,464	16,060,007	122,220	7,853,136	8,070	8,070	25,965,897	

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

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2018	2017	2018	2017
(in thousand Baht)					
Cash flows from operating activities					
Profits (losses) for the year		(185,607)	692,035	109,156	128,284
Adjustments to reconcile profits (losses) to cash receipts (payments)					
Depreciation and amortisation of property, plant, and equipment,					
intangible assets and investment properties	15,16,17	1,388,007	1,373,792	9,165	20,881
(Reversal of) bad and doubtful debts expenses	8	37,605	(48,392)	-	-
(Reversal of) other amortisation and provisions		79,741	(28,558)	219	(7,467)
Reversal of provision for decline in value of inventories	9	(101,065)	(541)	-	-
Write-off on property, plant and equipment, and intangible assets		3,355	11,128	-	-
Gain on bargain purchase	4.2	-	(38,761)	-	-
(Reversal of) impairment charges		(67,071)	-	45,000	-
Provision for employee benefits	21	23,139	9,956	3,284	5,768
Finance costs		458,575	402,803	138,252	133,739
Tax expenses	27	133,277	98,051	58,813	27,542
Net gains on disposals of property, plant, and equipment,					
and intangible assets	25	(47,876)	(21,746)	-	-
Dividend income from other investments	25	(35,020)	(40,133)	(4,251)	(6,655)
Dividend income from subsidiaries, associates and joint ventures	25	-	-	(450,942)	(349,411)
Net gains on disposals of current investments	25	(3,092)	-	(2,619)	-
Net (gains) losses on disposals and liquidation of investments in subsidiaries		1,199	(3,502)	427	4,440
Gains from change in fair value of financial assets held for trading	25	(18,623)	(15,679)	(10,892)	(15,690)
Share of profits of associates and joint ventures	11	(400,997)	(338,364)	-	-
Unrealised (gains) losses on exchange rates		(2,909)	(51,158)	27,037	129,136
Realised (gains) losses on exchange rates		1,919	(460,024)	(14,203)	(459,731)
Unrealised losses from interest rate swap agreements		-	2,072	-	2,072
		1,264,557	1,542,979	(91,554)	(387,092)
Changes in operating assets and liabilities					
Trade accounts receivable		704,606	598,841	-	-
Other accounts receivable		(69,438)	(15,582)	-	2,833
Receivables from related parties		2,754	(425,142)	(99,209)	(23,155)
Inventories		(212,055)	(155,522)	-	-
Vessel supplies and spare parts		(99,343)	(92,837)	-	-
Prepayments		13,981	(14,117)	109	246
Other current assets		209,131	537,474	606	1,912
Other non-current assets		(47,174)	(158,946)	(941)	(669)
Trade accounts payable		56,638	33,001	-	1,556
Other accounts payable		(15,871)	15,621	5,952	(12,201)
Payables to related parties		(8,712)	73,388	(5,088)	-
Advances from customers		60,487	42,842	-	-
Accrued expenses		(39,530)	(417,553)	(1,574)	(8,871)
Other current liabilities		(86,284)	31,270	157	(11,140)
Other non-current liabilities		7,307	4,997	-	-
Cash generated from (used in) operating activities		1,741,054	1,600,714	(191,542)	(436,581)
Provision for employee benefits paid	21	(7,439)	(37,305)	(177)	(3,851)
Taxes paid		(104,691)	(82,789)	(1,029)	(1,426)
Net cash from (used in) operating activities		1,628,924	1,480,620	(192,748)	(441,858)

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

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>					
Net proceeds from (payments for) current investments		(1,044,024)	2,226,049	(827,519)	511,734
Dividends received from current investments		35,020	40,133	4,251	6,655
Payment for long-term investments		(17,451)	(140,168)	-	-
Increase in advance payment for investment		-	(564,562)	-	-
Net proceed for short-term loans to related parties		-	-	57,486	2,316,253
Proceeds from disposals of investment in subsidiaries, associates and joint ventures		-	-	32,583	347
Payments for investments in subsidiaries, associates and joint ventures		(173,055)	(148,201)	(369,250)	(5,622,762)
Dividends received from subsidiaries, associates and joint ventures		139,118	85,129	255,697	138,562
Proceeds from payment of long-term loans to related parties		-	-	-	3,962,053
Payments for long-term loans to related parties		-	-	-	(150,000)
Acquisition of investment properties		(5,577)	(84,634)	-	-
Proceeds from sale of property, plant, and equipment and intangible assets		435,722	315,659	-	-
Acquisition of property, plant, and equipment and intangible assets		(1,651,582)	(2,003,619)	(9,328)	(1,534)
Payment for acquisition of business	4	(201,250)	(223,670)	-	-
Net cash from (used in) investing activities		(2,483,079)	(497,884)	(856,080)	1,161,308
<i>Cash flows from financing activities</i>					
Proceeds from increase of investment from non-controlling interests of subsidiaries		72,064	138,000	-	-
Net (increase) decrease in restricted cash at bank for long-term borrowings		(121,087)	196,650	-	-
Net proceeds (repayment) of short-term borrowings from related parties		-	(21,800)	(14,680)	255,775
Net proceeds (repayment) of short-term borrowings		517,417	(10,382)	300,000	-
Proceeds from long-term borrowings	20	835,226	798,814	-	-
Repayments of long-term borrowings and finance lease liabilities		(1,141,394)	(1,748,782)	-	-
Proceeds from issue of bonds	20	3,275,667	-	3,275,667	-
Repayment of bonds	20	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Proceeds from increase of share capital		-	172	-	172
Dividends paid to owners of the Company	29	(136,685)	(91,119)	(136,685)	(91,119)
Dividends paid to non-controlling interests		(31,862)	(37,278)	-	-
Payments for settlement of cross currency and interest rate swap agreements		-	(3,088)	-	(3,088)
Finance costs paid		(443,123)	(415,538)	(127,804)	(135,954)
Net cash from (used in) financing activities		826,223	(3,194,351)	1,296,498	(1,974,214)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(27,932)	(2,211,615)	247,670	(1,254,764)
Cash and cash equivalents held in the subsidiary at the acquisition date		105,326	-	-	-
Foreign currency translation differences for foreign operations		6,584	(390,944)	-	-
Effect of exchange rate changes on balances held in foreign currencies		12,180	(17,762)	518	(3,179)
Net increase (decrease) in cash and cash equivalents		96,158	(2,620,321)	248,188	(1,257,943)
Cash and cash equivalents at beginning of year		4,332,417	6,952,738	222,704	1,480,647
Cash and cash equivalents at ending of year	6	4,428,575	4,332,417	470,892	222,704

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

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Non-cash transactions				
Unpaid liabilities from purchase of property, plant, and equipment and intangible assets	80,787	41,994	-	-
Unreceived other accounts receivable from disposal of property, plant, and equipment and intangible assets	782	49	-	-
Dividend payables	3,954	3,954	3,954	3,954
Decrease in short-term borrowings from related party against decrease in investment in subsidiary	-	-	-	2,184,993
Decrease in investment in subsidiary against decrease in short-term borrowings from, receivable from and payable to a related party	-	-	255,396	-
Transfer from advance payment for investment to investment in associate	572,962	-	-	-
Decrease in short-term borrowings from related party against dividend received from subsidiary	-	-	-	210,848

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

Thoresen Thai Agencies Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2018

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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 28 February 2019.

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 services related to oil and gas, 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 2018 and 2017 are given in notes 11 and 12.

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 2018. 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 new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 34.

(b) Basis of measurement

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

Items

Investments in other debt and equity securities
Defined benefit liability

Measurement bases

Fair value
Present value of the defined benefit obligation as explained in Note 3(o)

(c) Functional and presentation currency

The financial statements are prepared and 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 estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 December 2019 is included in the following notes:

Note 3	Significant accounting policies <i>(r) Revenue</i> : stage of completion of each voyage
Note 4	Acquisitions of subsidiaries and non-controlling interests: 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 18	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and
Note 21	Measurement of defined benefit obligations: key actuarial assumptions.

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 recognized 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 recognized 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 15	Investment properties
Note 31	Financial instruments

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

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. Judgement 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 acquire, 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 combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

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.

(f) *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 or 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 – 30 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
Machinery and equipment under service concession agreements	Units of production
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.

Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value upon initial recognition. Subsequent to initial recognition the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses (if any).

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 (if any).

Subsequent expenditure

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

Service concession arrangement	30	years
Trademarks	10	years
Computer software	1 – 10	years
Customer relationships	8.2 – 10	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.

(a) 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 mobilization 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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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 subsidiaries and non-controlling interests

4.1 Acquisition of Asia Infrastructure Management (Thailand) Co., Ltd.

On 14 August 2018, the Company obtained control of Asia Infrastructure Management (Thailand) Co., Ltd. ("AIM"), a privately-owned Thai water contractor/service company with strong Non Revenue Water ("NRW") and pipeline installation/repair experience in Thailand by acquiring 80.5% of shares interest in AIM. AIM also owns a build-own-operate-transfer concession in Luang Prabang, Laos via its 66.7% owned subsidiary, Asia Nampapa Luangprabang Co., Ltd. ("ALP"). The consideration transferred was cash payment amounting to Baht 201.3 million according to the Sale and Purchase Agreement ("SPA") dated 14 August 2018.

The acquisition of AIM will enable the Group to diversify into water management business.

The Group has applied Thai Financial Reporting Standard ("TFRS") No. 3 (revised 2017) *Business Combinations* to recognise the acquisition of AIM as business combination. The following summarises the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed.

	Fair value <i>(in million Baht)</i>
Cash and cash equivalents	105.33
Current investments	0.17
Trade accounts receivable	119.84
Inventories	36.12
Other current assets	40.38
Property, plant, and equipment	180.52
Intangible assets	177.61
Deferred tax assets	1.76
Other non-current assets	60.19
Bank overdrafts and short-term borrowings from financial institutions	(82.70)
Trade accounts payable	(75.71)
Other accounts payable	(17.12)
Current portion of long-term borrowings	(11.10)
Current portion of finance lease liabilities	(5.38)
Accrued expenses	(58.81)
Other current liabilities	(2.88)
Long-term borrowings	(153.93)
Finance lease liabilities	(3.55)
Deferred tax liabilities	(17.05)
Non-current provisions for employee benefits	(2.34)
Fair value of net identifiable assets acquired and liabilities assumed	291.35
Non-controlling interest at fair value	(90.72)
Goodwill	0.62
Total consideration	201.25

An independent appraiser has been appointed to determine the fair value of the business but the report of the appraiser has not yet been completed as at the date of approval of these financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date.

In accordance with TFRS 3, management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the purchase price allocation exercise is dependent on the determination of the fair value of the business acquired.

During the period from acquisition date to 31 December 2018, AIM contributed revenue of Baht 105.6 million and net loss of Baht 62.0 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimates that consolidated revenue would have been Baht 14,074.1 million and consolidated profit contributed to owners of parent for year ended 31 December 2018 would have been Baht 188.7 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2018.

4.2 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 892.4 million and net loss of Baht 32.0 million to the Group's results. If the acquisition had occurred on 1 January 2017, management estimates that consolidated revenue would have been Baht 13,959.7 million and consolidated profit contributed to owners of parent for the year ended 31 December 2017 would have been Baht 571.3 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 11 and 12 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.
CM Corporate 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, office and office equipment rental income, accounting service income and other income	Prices normally charged to a third party/actual cost plus margin
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	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries				
IT service and office and office equipment rental income, accounting service income and other income	-	-	69,349	21,241
Interest income	-	-	70,549	67,232
IT service and service expenses	-	-	1,732	1,798
Interest expenses	-	-	2,504	11,381
Joint ventures				
IT service and office and office equipment rental income	59,524	53,691	-	-
Offshore service income	1,829,140	2,364,498	-	-
Offshore service expenses	6,474	2,581	-	-
Cost of sales	87,234	71,067	-	-
Selling expenses	68,536	68,703	-	-
Administrative expenses	-	1	-	-
Management and administrative fees	-	1,467	-	-
Interest expense	-	1,267	-	-
Associates				
Cost of sales	10,926	12,035	-	-
Selling expenses	9,199	8,575	-	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	184,188	178,612	59,781	54,696
Post-employment benefits	1,336	1,507	1,090	1,231
Total key management personnel compensation	185,524	180,119	60,871	55,927

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		Separate	
		financial statements		financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
<i>Trade accounts receivable</i>					
Joint ventures	8	663,790	1,480,217	-	-
<i>Receivables from related parties</i>					
Subsidiaries		-	-	129,252	30,683
Associates		39	-	-	-
Joint ventures		65	249,865	65	36
		104	249,865	129,317	30,719
Less allowance for doubtful accounts		-	(249,837)	(544)	(545)
Net		104	28	128,773	30,174

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
<i>Short-term loan to related parties</i>				
Subsidiaries	-	-	4,543,613	4,673,796
Joint venture	-	140,528	-	-
	-	140,528	4,543,613	4,673,796
<i>Less allowance for impairment</i>	-	(140,528)	-	-
Net	-	-	4,543,613	4,673,796

The Company

Short-term loan to subsidiaries are at call and unsecured, and bear interest at rates between 1.5% to 7.0% per annum (31 December 2017: 1.5% to 4.7% per annum). These loans of Baht 52.9 million were settled by offset with amount due to a subsidiary during the year ended 31 December 2018.

The Company's short-term loan to subsidiaries bear effective interest rates at 1.5% to 7.2% per annum.

Consolidation

Short-term loan to and receivables from related parties which were fully impaired as at 31 December 2017 of Baht 390.4 million have been fully written-off during the year ended 31 December 2018.

As at 31 December 2018 and 2017, the Company has short-term loan to a subsidiary in Baht currency totaling Baht 570.0 million. The principle is repayable at call. On 31 March 2018, the Company informed the subsidiary that the Company will not call these short-term loan until after 31 December 2019. The loans bear interest rates between 4.6% to 4.7% per annum.

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

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
<i>Short-term loan to related parties</i>				
Subsidiaries				
At 1 January	-	-	4,673,796	7,081,971
Additions	-	-	274,000	266,427
Repayments	-	-	(331,486)	(2,582,680)
Reversal of impairment	-	-	-	172,140
Decrease against decrease in short-term borrowing from subsidiary	-	-	-	(17,734)
Decrease against decrease in amount due to related parties	-	-	(52,886)	-
Realised gain on exchange rates	-	-	6,373	-
Unrealised loss on exchange rates	-	-	(26,184)	(246,328)
At 31 December	-	-	4,543,613	4,673,796
<i>Long-term loan to related parties</i>				
Subsidiaries	-	-	165,000	165,000
Joint venture	-	581,720	-	-
	-	581,720	165,000	165,000
<i>Less</i> allowance for impairment	-	(581,720)	-	-
Net	-	-	165,000	165,000

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 loan to subsidiaries bear effective interest rates at 8.4% to 9.3% per annum.

As at 31 December 2018 and 2017, long-term loan to a subsidiary contained unsecured long-term loans in Baht currency totalling Baht 15.0 million, which carry interest at MOR plus a certain margin per annum.

Consolidation

Long-term loan to related parties which were fully impaired as at 31 December 2017 of Baht 581.7 million have been fully written-off during the year ended 31 December 2018.

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Long-term loan to related parties</i>				
Subsidiaries				
At 1 January	-	-	165,000	15,000
Additions	-	-	-	150,000
Repayment	-	-	-	(3,962,053)
Reversal of impairment	-	-	-	3,962,053
At 31 December	-	-	165,000	165,000
<i>Less current portion of long-term loans</i>	<i>-</i>	<i>-</i>	<i>(90,000)</i>	<i>(51,000)</i>
Long-term loan - net of current portion	-	-	75,000	114,000

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Payables to related parties</i>				
Subsidiaries	-	-	6,906	59,909
Joint ventures	14,982	24,313	-	-
Associates	2,861	2,296	-	-
	17,843	26,609	6,906	59,909

Short-term borrowings from related parties

Subsidiaries	-	-	796,959	1,266,381
	-	-	796,959	1,266,381

The Company

Short-term borrowings from subsidiaries are unsecured and repayable at call, which borrowings from subsidiaries bear interest at 1.5% to 2.2% per annum *(31 December 2017: 1.5% to 2.2% per annum)*. These borrowings of Baht 2,185.0 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.

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Short-term borrowings from related parties				
Subsidiaries				
At 1 January	-	-	1,266,381	3,543,051
Additions	-	-	-	255,782
Repayment	-	-	(14,680)	-
Decrease against decrease in subsidiary's share capital	-	-	(252,000)	(2,185,000)
Decrease against decrease in short-term loans to subsidiary	-	-	-	(17,734)
Decrease against dividend received from subsidiary	-	-	(195,245)	(210,848)
Realised gains on exchange rates	-	-	(7,830)	-
Unrealised losses (gains) on exchange rate	-	-	333	(118,870)
At 31 December	-	-	796,959	1,266,381
Joint ventures				
At 1 January	-	21,800	-	-
Additions	-	1,000	-	-
Repayments	-	(22,800)	-	-
At 31 December	-	-	-	-

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cash on hand	27,536	19,676	50	50
Deposits at banks	4,401,039	4,312,741	470,842	222,654
Cash and cash equivalents	4,428,575	4,332,417	470,892	222,704

As at 31 December 2018, deposits at bank bear interest at the rates between 0.1% to 2.7% per annum *(31 December 2017: 0.1% to 2.2% per annum)*.

7 Other investments

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
<i>Current investments</i>				
Equity securities held for trading	320,091	129,319	125,392	129,319
Debt securities held for trading	580,000	60,738	580,000	60,738
Equity securities available for sale	60,392	71,589	60,392	71,589
Debt securities available for sale	634,214	884,838	-	-
Other debt securities held to maturity	473,951	91,111	91,043	91,111
Fixed term deposits	472,021	267,464	326,000	-
Short-term loans to other company	648,996	-	-	-
Convertible loan	-	653,618	-	-
	3,189,665	2,158,677	1,182,827	352,757
Accumulated changes in fair value	(57,189)	(67,959)	(50,304)	(65,764)
Allowance for impairment	(45,000)	-	(45,000)	-
Total	3,087,476	2,090,718	1,087,523	286,993
<i>Long-term investments</i>				
Equity securities available for sale	720,464	740,053	-	-
Other long-term investment	197,434	180,756	-	-
Accumulated changes in fair value	(446,398)	(284,824)	-	-
Total	471,500	635,985	-	-
Total	3,558,976	2,726,703	1,087,523	286,993

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

The convertible loan granted by Soleado Holding Pte. Ltd. ("SOH"), a wholly owned subsidiary of the Company, to SGFI of USD 20.0 million (equivalent to Baht 648.1 million) was guaranteed by a director of SGFI. 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 12.0% per annum and repayable every three months.

At the Extraordinary General Meeting of SGFI held on 8 June 2017, the shareholders unanimously approved to issue new shares 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 SOH at option of SOH is 72.7 million new shares. However, the option has been expired on the maturity date and SOH has decided to not exercise this conversion option. Therefore, the loan has been classified as a short-term loan to other company as at 31 December 2018. On 20 July 2018, SOH signed an agreement with SGFI for the extension of the principle repayment of the loan. The maturity date has been postponed to no later than 6 January 2019 with an interest at 15.0% commencing 17 May 2018 and repayable on 16 August 2018, 16 November 2018 and 6 January 2019 or the date of full repayment of the loan, whichever is earlier.

Further security has been provided to SOH for the loan, in addition to the personal guarantee from a director of SGFI which has been extended until full repayment of the loan.

As at the date these financial statements are approved for issue by the Board of Directors, SOH had not received the final two interest payments and principal repayment from SGFI due no later than 6 January 2019. SOH has issued a Letter of Demand to SGFI demanding payment of this amount together with all other sums outstanding from SGFI pursuant to the Loan Agreement and the Restatement Framework Agreement.

SGFI has provided SOH with SGFI's repayment plan for these balances, which included information on the source of funds and when within the year ending 31 December 2019 these funds are expected to be available.

Investment in a company which invests in an e-lending company

During the year 2018, Asia Coating Services Ltd. ("ACS"), a 99.9% subsidiary, invested in a 16.7% stake in a company which invests in an e-lending company at subscription amount of USD 527,500 (equivalent to Baht 17.5 million). This investment was classified as long-term investment in "Other long-term investment" in the consolidated financial statements.

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

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Equity securities held for trading				
At 1 January	57.7	64.8	57.7	64.8
Purchases during the year	219.0	51.1	20.0	51.1
Sales during the year	(23.9)	(76.7)	(23.9)	(76.7)
Valuation adjustment	18.2	18.5	10.5	18.5
Foreign currency translation differences	(4.4)	-	-	-
At 31 December	266.6	57.7	64.3	57.7
Debt securities held for trading				
At 1 January	61.1	254.2	61.1	214.2
Purchases during the year	2,107.6	77.2	2,107.6	72.2
Sales during the year	(1,588.3)	(267.5)	(1,588.3)	(222.5)
Valuation adjustment	0.4	(2.8)	0.4	(2.8)
At 31 December	580.8	61.1	580.8	61.1
Equity securities available for sale				
<i>Current investments</i>				
At 1 January	77.1	136.9	77.1	136.9
Purchases during the year	8.7	8.4	8.7	8.4
Sales during the year	(19.9)	(63.9)	(19.9)	(63.9)
Valuation adjustment	4.6	(4.3)	4.6	(4.3)
At 31 December	70.5	77.1	70.5	77.1

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Long-term investments				
At 1 January	455.2	405.7	-	-
Purchases during the year	-	132.0	-	-
Unrealised gains (losses) on exchange rate	(13.9)	56.5	-	-
Valuation adjustment	(167.5)	(94.0)	-	-
Foreign currency translation differences	0.3	(45.0)	-	-
At 31 December	274.1	455.2	-	-
Debt securities available for sale				
At 1 January	882.6	1,723.7	-	157.9
Purchases during the year	799.6	295.7	-	61.1
Sales during the year	(1,052.9)	(1,012.5)	-	(211.4)
Valuation adjustment	(12.2)	(5.5)	-	(7.6)
Foreign currency translation differences	2.5	(118.8)	-	-
At 31 December	619.6	882.6	-	-

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:

Consolidated financial statements					
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
31 December 2018		<i>(in million Baht)</i>			
<i>Current investments</i>					
Equity securities held for trading	266.6	247.4	19.2	-	266.6
Debt securities held for trading	580.8	-	580.8	-	580.8
Equity securities available for sale	70.5	-	70.5	-	70.5
Debt securities available for sale	619.6	-	619.6	-	619.6
Other debt securities held to maturity	383.0	-	373.3	-	373.3
<i>Long-term investment</i>					
Equity securities available for sale	274.1	274.1	-	-	274.1

Consolidated financial statements					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
31 December 2017					
<i>Current investments</i>					
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

Consolidated financial statements					
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
31 December 2017					
Long-term investment					
Equity securities available for sale	455.2	455.2	-	-	455.2

		Separate financial statements			
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
31 December 2018		(in million Baht)			
<i>Current investments</i>					
Equity securities held for trading	64.3	45.0	19.3	-	64.3
Debt securities held for trading	580.8	-	580.8	-	580.8
Equity securities available for sale	70.5	-	70.5	-	70.5

		Separate financial statements			
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
31 December 2017		(in million Baht)			
<i>Current investments</i>					
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

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 as at 31 December 2017 was 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	2018	2017	2018	2017
		(in thousand Baht)			
Related parties					
Trade accounts receivable	5	663,790	1,480,217	-	-
Other parties					
Trade accounts receivable		1,311,723	1,311,198	-	-
Retention receivable		101,085	52,029	-	-
Accrued income		275,510	113,905	-	-
		1,688,318	1,477,132	-	-
Less allowance for doubtful accounts		(295,429)	(257,824)	-	-
Net		1,392,889	1,219,308	-	-
Total		2,056,679	2,699,525	-	-
(Reversal of) bad and doubtful					
debts expense for the year		37,605	(48,392)	-	-

Aging analysis for trade accounts receivable were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Related parties				
Within credit terms	44,658	393,424	-	-
Overdue:				
Less than 3 months	347,660	610,196	-	-
3 - 6 months	48,788	476,597	-	-
6 – 12 months	222,684	-	-	-
	<hr/> 663,790	<hr/> 1,480,217	<hr/> -	<hr/> -
Other parties				
Within credit terms	573,155	737,605	-	-
Overdue:				
Less than 3 months	329,813	244,377	-	-
3 - 6 months	40,855	22,022	-	-
6 - 12 months	59,789	30,146	-	-
Over 12 months	308,111	277,048	-	-
	<hr/> 1,311,723	<hr/> 1,311,198	<hr/> -	<hr/> -
Less allowance for doubtful accounts	(295,429)	(257,824)	-	-
Net	<hr/> 1,016,294	<hr/> 1,053,374	<hr/> -	<hr/> -
Total	1,680,084	2,533,591	-	-

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 Inventories

	Consolidated financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
Inventories	1,323,344	1,076,773
Tools and supplies	59,431	59,369
Total	1,382,775	1,136,142
Less allowance for decline in value of inventories	(219,733)	(320,798)
Net	1,163,042	815,344
Inventories recognized as an expense in cost of sales:		
- Cost	3,848,416	3,289,070
- Reversal of allowance for decline in value of inventories	(101,065)	(541)
Net	3,747,351	3,288,529

As at 31 December 2018, inventories with carrying amount of VND 203.1 billion, or equivalent to Baht 283.7 million (*31 December 2017: VND 203.1 billion or equivalent to Baht 284.3 million*), were pledged with a bank as security for the loan facility from a bank of VND 300.0 billion or equivalent to Baht 419.1 million (*31 December 2017: VND 300.0 billion or equivalent to Baht 420.0 million*).

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Prepaid tax and value added tax refundable, net	207,853	286,088	1,029	-
Insurance claim receivables	23,013	65,141	-	-
Others, net	34,769	37,100	13,937	16,721
Total	265,635	388,329	14,966	16,721

11 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	
			2018	2017
Name of associates				
The Company				
Shipping				
- Thoresen Shipping (Thailand) Co., Ltd.(“TST”) ⁽¹⁾	Commercial dry bulk shipping activities	Thailand	51.0	51.0
Investment				
- Fearnleys (Thailand) Ltd.	Ship brokerage	Thailand	49.0	49.0
With subsidiaries as follows:				
- PT. Fearnleys Indonesia	”	Indonesia	95.0	95.0
- Fearnleys Shipbroking Private Limited ⁽²⁾	”	India	-	99.9
Consolidated				
Offshore service				
- Asia Offshore Drilling Limited (invested by Mermaid International Ventures)	Drilling services	Bermuda	33.8	33.8
With subsidiaries as follows:				
- Asia Offshore Rig 1 Limited	”	Bermuda	100.0	100.0
- Asia Offshore Rig 2 Limited	”	Bermuda	100.0	100.0
- Asia Offshore Rig 3 Limited	”	Bermuda	100.0	100.0
Investment				
- Sharjah Ports Services LLC (invested by Thoresen Shipping FZE)	Port operations	UAE	49.0	49.0
- Baria Serace (invested by SOH)	”	Vietnam	28.0	28.0
- Laser Game Asia Company Limited (invested by ACS)	Lifestyle & Entertainment	Thailand	30.0	30.0
- PTGC Co., Ltd. (invested by MMPLC)	Real Estate	Cambodia	49.0	-
Name of joint ventures				
The Company				
Investment				
- Thoresen (Indochina) S.A.	Ship agency	Panama	50.0	50.0
With a subsidiary as follow:				
- Thoresen-Vinama Agencies Co., Ltd.	Ship agency and related services transportation	Vietnam	49.0	49.0

Name of associates / joint ventures	Nature of business	Country of incorporation	% Ownership interest	
			2018	2017
Name of joint ventures (continued)				
<i>The Company (continued)</i>				
Investment (continued)				
With a subsidiary as follow:				
- Thoresen-Vinanma Logistics Co., Ltd.	Bonded warehouse and related services transportation	Vietnam	100.0	100.0
- 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
<i>Consolidated</i>				
Offshore service				
- Zamil Mermaid Offshore Services Company 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 SOH)	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%

(2) Fearnleys (Thailand) Ltd. disposed of its investment in Fearnleys Shipbroking Private Limited during the year ended 31 December 2018.

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

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Associates				
At 1 January	3,741,180	3,705,242	79,068	17,868
Transfer from advance payment for investment	572,962	-	-	-
Acquisition	173,055	148,201	-	61,200
Dividend income	(79,431)	(51,651)	-	-
Share of net profits of associates	328,830	267,530	-	-
Foreign currency translation differences	(32,222)	(328,142)	-	-
At 31 December	4,704,374	3,741,180	79,068	79,068

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Joint ventures				
At 1 January	1,174,921	1,228,957	21,004	21,004
Dividend income	(59,687)	(33,477)	-	-
Share of net profits of joint ventures	72,167	70,834	-	-
Defined benefit plan actuarial gains (losses)	706	(411)	-	-
Fair value reserves	(421)	75	-	-
Foreign currency translation differences	(7,713)	(91,057)	-	-
At 31 December	1,179,973	1,174,921	21,004	21,004
Total				
At 1 January	4,916,101	4,934,199	100,072	38,872
Transfer from advance payment for investment	572,962	-	-	-
Acquisitions	173,055	148,201	-	61,200
Dividend income	(139,118)	(85,129)	-	-
Share of net profit of associates and joint ventures	400,997	338,364	-	-
Defined benefit plan actuarial gains (losses)	706	(411)	-	-
Fair value reserves	(421)	75	-	-
Foreign currency translation differences	(39,935)	(419,198)	-	-
At 31 December	5,884,347	4,916,101	100,072	100,072

During the year ended 31 December 2018 there were the following acquisitions of investments in associates:

Subsidiary - MMPLC

Acquisition of an associate

During the year ended 31 December 2017, MMPLC had entered into a share sale and purchase agreement ("SPA") with a third party for the purchase of 49% of the total issued shares of PTGC Co., Ltd. ("PTGC"), a real estate company incorporated in Cambodia.

During the year ended 31 December 2018, the SPA was amended and the total purchase price per the SPA was revised from USD 19.7 million to USD 22.5 million.

On 30 June 2018, all conditions in the SPA were met, and PTGC became an associate of MMPLC.

Transaction Support Agreement ("TSA")

On 4 April 2018, Mermaid International Ventures ("MIV") entered into a TSA with the ultimate parent company (outside the Group) of MMPLC Group's associates. MIV has agreed to the terms of put and call options in respect of MIV's shares in MMPLC Group's associates in accordance with the terms set out in the TSA, which can summarized as follows:

- (a) MIV will be granted a put option in respect of its shares in MMPLC Group's associates, exercisable between 1 October 2019 and 30 September 2020. The valuation for MIV's shares in Group's associates shall be based on independent rig brokers and financial expert assessment but subject to a ceiling of USD 125.0 million.
- (b) The ultimate parent company (outside the Group) of the MMPLC Group's associates will be granted a call option in respect of MIV's shares in MMPLC Group's associates, exercisable from 1 October 2020 to 31 March 2021. The valuation for MIV's shares in MMPLC Group's associates shall be based on independent rig brokers and financial expert assessment but subject to a floor price of USD 75.0 million.

Investments in associates and joint ventures as at 31 December 2018 and 2017, 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		
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
(in million Baht)												
Associates												
14	14	18	18	22	50	-	-	22	50	30	-	
Fearnleys (Thailand) Ltd.												
147	147	55	55	103	103	-	-	103	103	-	-	
(invested by Thoresen Shipping FZE)												
Asia Offshore Drilling Limited												
1,978	1,978	2,964	2,964	3,148	2,906	-	-	3,148	2,906	-	-	
(invested by Mermaid International Ventures)												
630	-	746	-	727	-	-	-	727	-	-	-	
PTGC Co., Ltd. (invested by MMPLG)												
326	326	482	482	674	651	-	-	674	651	50	52	
Baria Serece (invested by SOH)												
Laser Game Asia Company Limited												
20	20	36	36	30	31	-	-	30	31	-	-	
(invested by ACS)												
		4,301	3,555	4,704	3,741	-	-	4,704	3,741	80	52	
Joint ventures												
9	9	9	9	202	190	-	-	202	190	32	33	
Thoresen (Indochina) S.A.												
22	22	11	11	30	26	-	-	30	26	5	-	
Gulf Agency Company (Thailand) Ltd.												
2	2	1	1	1	1	-	-	1	1	-	-	
TTA SUEZ Company Limited												
975	975	930	930	878	891	-	-	878	891	22	-	
Petrolift Inc.(invested by SOH)												
Zamil Mermaid Offshore Services												
18	18	7	7	69	67	-	-	69	67	-	-	
Co. (LLC) (invested by MMPLG)												
		958	958	1,180	1,175	-	-	1,180	1,175	59	33	
Total												
		5,259	4,513	5,884	4,916	-	-	5,884	4,916	139	85	

Separate financial statements

(in million Baht)

	Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Associates										
Thoresen Shipping (Thailand) Co., Ltd.	120	120	61	61	-	-	61	61	-	-
Fearnleys (Thailand) Ltd.	14	14	18	18	-	-	18	18	30	-
			79	79	-	-	79	79	30	-
Joint ventures										
Thoresen (Indochina) S.A.	9	9	9	9	-	-	9	9	32	33
Gulf Agency Company (Thailand) Ltd.	22	22	11	11	-	-	11	11	5	-
TTA SUEZ Company Limited	2	2	1	1	-	-	1	1	-	-
			21	21	-	-	21	21	37	33
Total			100	100	-	-	100	100	67	33

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		PTGC		Petrolift Inc.	
	2018	2017	2018	2017	2018	2017	2018	2017
					<i>(in million Baht)</i>			
Revenue	2,256	2,023	638	869	-	-	737	903
Profits (losses) from continuing operations	773	459	263	418	(6)	-	42	44
Other comprehensive income	-	-	-	-	-	-	1	-
Total comprehensive income	773	459	263	418	(6)	-	43	44
(expenses) (100%)								
Total comprehensive income								
(expenses) of the Group's interest	261	155	74	117	(3)	-	17	18
Foreign currency translation differences	(19)	(272)	(2)	(47)	(16)	-	(8)	(67)
Group's share of total comprehensive income (expenses)	242	(117)	72	70	(19)	-	9	(49)
Current assets	2,133	1,609	734	673	-	-	474	547
Non-current assets	13,902	14,373	916	905	628	-	1,947	2,130
Current liabilities	(500)	(7,373)	(125)	(133)	-	-	(377)	(416)
Non-current liabilities	(6,211)	-	(3)	(7)	-	-	(457)	(642)
Net assets (100%)	9,324	8,609	1,522	1,438	628	-	1,587	1,619
Group's share of net assets								
(% held)	3,148	2,906	426	403	308	-	635	648
Carrying amount of interest in associate/joint venture	3,148	2,906	426	403	308	-	635	648

	Asia Offshore Drilling Limited		Baria Serece		PTGC		Petrolift Inc.	
	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(in million Baht)</i>							
Group's interest in net assets of investee at 1 January	2,906	3,023	403	275	-	-	648	697
Total comprehensive income (expenses) attributable to the Group	242	(117)	72	70	(19)	-	9	(49)
Acquisition during the year	-	-	-	110	327	-	-	-
Dividend income during the year	-	-	(49)	(52)	-	-	(22)	-
Group's interest in net assets of investee at end of year	3,148	2,906	426	403	308	-	635	648
Goodwill	-	-	248	248	419	-	243	243
Carrying amount of interest in investee at 31 December	3,148	2,906	674	651	727	-	878	891

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	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Carrying amount of interests in immaterial associates and joint ventures	155	183	302	284
Group's share of:				
- Profit (loss) from continuing operations	2	(14)	55	29
- Other comprehensive income	-	-	-	1
Total comprehensive income (expenses)	2	(14)	55	30

12 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2018 and 2017 comprise investments in the following companies:

Name of subsidiaries	Nature of	Country of	% Ownership interest	
	Business	incorporation	2018	2017
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
- Thoresen Shipping Company Pte. Ltd. (Formerly "Thor Horizon Shipping Pte. Ltd. ")	"	Singapore	100.0	100.0
- Thoresen & Co., (Bangkok) Limited	Ship management	Thailand	99.9	99.9
- Thoresen Shipping (Thailand) Co., Ltd. ⁽⁵⁾	Commercial dry bulk shipping activities	Thailand	99.9	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
- Thoresen Chartering (PTE) Ltd. ⁽¹⁾	Ship brokerage	Singapore	-	100.0
Offshore service				
- Mermaid Maritime Public Company Limited ("MMPLC")	Offshore services investments	Thailand	58.2	58.2

Name of subsidiaries	Nature of Business	Country of incorporation	% Ownership interest	
			2018	2017
Offshore service (Continued)				
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:				
- Seascope Surveys Pte. Ltd.	Subsea service provider, hydrographic survey and positioning to the offshore oil and gas industry	Singapore	100.0	100.0
With a subsidiary as follow:				
- 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 Subsea Services (Malaysia) Sdn. Bhd. ⁽³⁾	Offshore services for Offshore oil and gas industry	Malaysia	45.0	-
- Mermaid Drilling Ltd.	Production and exploration drilling services	Thailand	95.0	95.0
With subsidiaries as follows:				
- MTR-1 Ltd.	Drilling services	Thailand	100.0	100.0
- MTR-2 Ltd.	"	Thailand	100.0	100.0
- Mermaid Drilling (Malaysia) Sdn. Bhd.	"	Malaysia	100.0	100.0
- MTR-1 (Singapore) Pte. Ltd.	"	Singapore	100.0	100.0
- MTR-3 (Singapore) Pte. Ltd. ⁽¹⁾	Production and exploration drilling services	Singapore	-	-
- MTR-4 (Singapore) Pte. Ltd. ⁽¹⁾	"	Singapore	-	-
- Mermaid Maritime Mauritius Ltd.	Investment holding	Mauritius	100.0	100.0
With a subsidiary as follow:				
- Mermaid International Ventures	"	Cayman	100.0	100.0
With a subsidiary as follow:				
- Mermaid Subsea Services (International) Ltd.	Subsea service provider, diving, ROV services and subsea contractor to the offshore oil and gas industry	Seychelles	100.0	100.0
With subsidiaries as follows:				
- Mermaid Subsea Services Saudi Arabia Co., Ltd. (formerly Subtech Saudi Arabia Limited)	"	Saudi Arabia	95.0	95.0

Name of subsidiaries	Nature of Business	Country of incorporation	% Ownership interest	
2018	2017			
-				
Offshore service (Continued)				
- Mermaid Subsea Services LLC ⁽³⁾	Subsea service provider, diving, ROV services and subsea contractor to the offshore oil and gas industry	Qatar	49.0	49.0
With an associate as follow:				
- Asia Offshore Drilling Limited	Drilling services	Bermuda		
With subsidiaries as follows:				
- Asia Offshore Rig 1 Limited	"	Bermuda		
- Asia Offshore Rig 2 Limited	"	Bermuda		
- Asia Offshore Rig 3 Limited	"	Bermuda		
With a joint venture as follow:				
- Zamil Mermaid Offshore Services Co. (LLC)	Inspection, installation, repair and maintenance services for offshore oil and gas industry	Saudi Arabia		
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
Investment				
- Soleado Holdings Pte. Ltd. ("SOH")	Holding company	Singapore	100.0	100.0
With an associate as follow:				
- Baria Serece	Port operations	Vietnam		
With a joint venture as follow:				
- Petrolift Inc.	Maritime transportation services	Philippines		
- Athene Holdings Ltd. ("ATH")	Holding company	Thailand	99.9	99.9
- Asia Coating Services Ltd. ("ACS")	"	Thailand	99.9	99.9
With an associate as follow:				
- 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	92.9	90.1

Name of subsidiaries	Nature of	Country of	% Ownership interest	
	Business	incorporation	2018	2017
Investment (Continued)				
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 follow:				
- 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	70.0
- Siam Taco Co., Ltd	"	Thailand	70.0	-
- Asia Infrastructure Management (Thailand) Co., Ltd.	Water management and pipeline installation and repairment	Thailand	80.5	-
With a subsidiary as follow:				
- Asia Nampapa Luang Prabang Co., Ltd.	Production and sale of treated water	Laos	66.7	-

(1)Liquidated in 2018.

(2)Operation ceased as of 31 December 2018 and 2017.

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

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

(5)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	
	2018	2017
	<i>(in thousand Baht)</i>	
At 1 January	23,484,936	24,247,347
Acquisitions	229,250	5,561,562
Increase of share capital of subsidiary	140,000	-
Decrease in share capital of subsidiary	(260,000)	(2,189,382)
Liquidations	(28,407)	(1,999)
Allowance for impairment, net	-	(4,132,592)
At 31 December	23,565,779	23,484,936

During the year ended 31 December 2018, there were the following changes in investments in subsidiaries:

The Company

Investment in Siam Taco Co., Ltd.

At the Board of Directors' Meeting held on 15 May 2018, the Board approved the Company to invest 70% stake in a newly established subsidiary in food and beverage business, Siam Taco Co., Ltd. ("STC") by subscription of the registered share capital for 2.8 million ordinary shares at the total amount of Baht 28.0 million. The remaining 30% stake was invested by CM Corporate Co., Ltd. which is wholly owned by a director of the Company.

Deregistration of subsidiaries

Thoresen Chartering (PTE) Ltd. was deregistered on 27 June 2018.

Increase share capital in PH Capital Co., Ltd. ("PHC")

At the Extraordinary General Meeting of Shareholders of PHC held on 27 December 2017, the shareholders approved the increase of share capital in PHC by 20.0 million shares with a par value of Baht 10 per share. As a result, the total share capital increased from Baht 460.0 million to Baht 660.0 million and have partially called up Baht 70.0 million for the first payment on 15 January 2018, Baht 30.0 million for the second payment on 15 May 2018, Baht 50.0 million for the third payment on 15 August 2018 and Baht 50.0 million for the forth payment on 15 November 2018. The 20.0 million additional shares of par value Baht 10 per share were registered with the Department of Business Development ("DBD") on 26 February 2018. The Company then subscribed in PHC's capital increase in proportion of the Company's shareholding in PHC.

Investment in Asia Infrastructure Management (Thailand) Co., Ltd.

The Company entered into an agreement to acquire an 80.5% stake in a Thai water contractor/service company, Asia Infrastructure Management (Thailand) Co., Ltd. ("AIM") on 1 August 2018. This acquisition has a transaction value of Baht 201.0 million which is the combination of newly issued shares and existing shares held by major shareholders and founders. The remaining 19.5% stake was invested in by the founder.

Subsidiary – ATH

Decrease in share capital

At the Extraordinary General Meeting of shareholders of Athene Holdings Ltd. ("ATH") held on 15 June 2018, the shareholder of ATH resolved to decrease ATH's share capital by 2.6 million shares of Baht 100 per share, equivalent to a total of Baht 260.0 million. ATH registered the decrease in its share capital with the Department of Business Development ("DBD") on 3 August 2018. As a result, the share capital of ATH decreased from Baht 5.1 billion to Baht 4.8 billion on 3 August 2018.

Subsidiary – Premo

Decrease in share capital

At the Extraordinary General Meeting of shareholders of Premo Shipping Public Company Limited ("Premo") held on 26 July 2018, the shareholders of Premo resolved to decrease Premo's share capital by 262,500 shares of Baht 100 per share, equivalent to a total of Baht 26.3 million. Premo registered the decrease in its share capital with the DBD on 26 October 2018. As a result, the share capital of Premo decreased from Baht 35.0 million to Baht 8.8 million on 26 October 2018.

Subsidiary - MMPLC

Establishment 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 45% directly owned by MSST and the Group's interest in MSSM is 100% after taking into account of nominee holdings. The main business of MSSM is to provide offshore services for the offshore oil and gas industry. MSSM has total authorized share capital of Malaysian Ringgit 100 thousand or equivalent to Baht 0.8 million. The incorporation of MSSM 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.

Mermaid Drilling (Singapore) Pte. Ltd. was deregistered on 5 April 2018.

Subsidiary – UMS

Increase share capital in UMS

At the Extraordinary General Meeting of shareholders of UMS held on 13 December 2018, UMS's shareholders resolved to increase UMS's authorized share capital by 201,353,774 shares of par value Baht 0.5 each, equivalent to a total of Baht 100.7 million. UMS registered the increase in its share capital with the DBD on 18 December 2018. UMS's additional share capital was offered to its existing shareholders via a rights offering ("RO") in proportion to each shareholder's existing percentage ownership in UMS, with the RO price of Baht 0.75 per share. The existing shareholders of UMS were given the option to oversubscribe under certain specific conditions. UMS completed the RO on 27 December 2018 by issuing all 201,353,774 additional shares. 210,267,877 additional shares were subscribed by ATH for total consideration of Baht 151.0 million, and the remaining 85,897 additional shares were subscribed by non-controlling interests for total consideration of Baht 0.1 million. As a result, ATH's ownership interest in UMS increased from 90.1% to 92.9%.

Caution sign

The Stock Exchange of Thailand ("SET") posted a "C" (Caution) sign on UMS's securities traded on the SET when UMS Group's and UMS's total equity balances were less than 50% of UMS Group's and UMS's total paid-up share capital which UMS has already published a plan to resolve this cause.

Separate financial statements

Name of subsidiaries	Paid-up capital			Cost		Impairment		At cost - net		Dividend income	
	2018	2017	2018	2018	2017	2018	2017	2018	2017	2018	2017
	<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.	4,807	5,067	4,807		5,067	(4,234)	(4,234)	573	833	-	-
PM Thoresen Asia Holdings											
Public Company Limited	1,012	1,012	728		728	-	-	728	728	69	81
Premo Shipping Public Company Limited	9	35	9		35	-	-	9	35	9	19
Thoresen Shipping Singapore Pte. Ltd.	15,263	15,263	15,263		15,263	(2,709)	(2,709)	12,554	12,554	-	-
Thoresen Chartering (HK) Ltd.	3	3	3		3	-	-	3	3	195	211
Thoresen Shipping Germany GmbH	1	1	1		1	(1)	(1)	-	-	-	-
Thoresen Chartering (Pte) Ltd.	-	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	110	-
Mermaid 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.	660	460	462		322	-	-	462	322	-	-
Siam Taco Co., Ltd.	40	-	28		-	-	-	28	-	-	-
Asia Infrastructure Management (Thailand) Co., Ltd.	250	-	201		-	-	-	201	-	-	-
Total			30,714		30,633	(7,148)	(7,148)	23,566	23,485	383	316

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 2018 and 2017 are as below:

	2018	2017
Mermaid Maritime Public Company Limited	SGD 72 million	SGD 105 million
Unique Mining Services Public Company Limited	Baht 313 million	Baht 771 million
PM Thoresen Asia Holdings Public Company Limited	Baht 756 million	Baht 1,310 million

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 2018				
			Other individually	
			immaterial	
			subsidiaries	Total

31 December 2017

Other individually

	MMPLC	PMTA	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
	11,199	1,600	548	13,347
	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	(452)	(61)	-	(513)
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

Less: non-controlling interest in subsidiaries' financial statements

Net assets

Carrying amount of non-controlling interest

Revenue

Profits (losses)

Other comprehensive expenses

Total comprehensive expenses

Profits (losses) allocated to non-controlling interest

Other comprehensive expenses allocated to non-controlling interest

Cash flows from (used in) operating activities

Cash flows from (used in) investing activities

Cash flows from (used in) financing activities

(including dividends to non-controlling interest)

Net increase (decrease) in cash and cash equivalents

14 Goodwill

	<i>Note</i>	Consolidated financial statements	
		2018	2017
<i>Cost</i>		<i>(in thousand Baht)</i>	
At 1 January		3,816,436	3,848,362
Acquired through business combinations	4	623	-
Foreign currency translation differences		(2,343)	(31,926)
At 31 December		3,814,716	3,816,436
<i>Impairment losses</i>			
At 1 January		3,748,909	3,774,327
Foreign currency translation differences		(1,865)	(25,418)
At 31 December		3,747,044	3,748,909
<i>Net book value</i>			
At 1 January		67,527	74,035
At 31 December		67,672	67,527

As at 31 December 2017 and 2018, 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") and goodwill from the AIM CGU which are unimpaired. As at 31 December 2018, the Group has goodwill amounting to Baht 67.7 million (*2017: Baht 67.5 million*) which represented goodwill from the MSSI CGU of Baht 67.0 million (*2017: Baht 67.5 million*) and goodwill from the AIM CGU of Baht 0.7 million (*2017: Nil*). The recoverable amount of the MSSI CGU estimated using the value in use method was greater than the total carrying amount of the MSSI CGU and the goodwill allocated to it. As a result, goodwill allocated to the MSSI CGU was not impaired as at 31 December 2017 and 2018. The cash flows were projected over a period of 5 years before a terminal growth rate was applied thereafter. The key assumptions used in the estimation of the MSSI CGU's value in use as at 31 December 2017 and 2018 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

15 Investment properties

	Consolidated financial statements		
	Land	Buildings and land improvements <i>(in thousand Baht)</i>	Total
<i>Cost</i>			
At 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 and 1 January 2018	1,783,692	270,919	2,054,611
Additions	5,577	-	5,577
Transfer from property, plant and equipment	106,901	-	106,901
Foreign currency translation differences	(57)	(293)	(350)
At 31 December 2018	1,896,113	270,626	2,166,739
<i>Depreciation</i>			
At 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 and 1 January 2018	-	147,999	147,999
Depreciation charge for the year	-	8,950	8,950
Foreign currency translation differences	-	(236)	(236)
At 31 December 2018	-	156,713	156,713
<i>Net book value</i>			
At 1 January 2017	1,699,840	137,236	1,837,076
At 31 December 2017 and 1 January 2018	1,783,692	122,920	1,906,612
At 31 December 2018	1,896,113	113,913	2,010,026

The fair value of investment properties as at 31 December 2018 of Baht 2,809.5 million (*31 December 2017: Baht 2,490.8 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 16) 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.

16 Property, plant, and equipment

Consolidated financial statements

	Note	Land	Buildings and factories	Building improvements	Ocean vessels, support vessels, supply vessels, and tender rigs	Dry-docking	Furniture, fixtures, machinery, and equipment	Motor vehicles	Motor launches	Barges	Assets under construction	Total
<i>(in thousand Baht)</i>												
Cost												
At 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	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	4.2	-	-	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 and 1 January 2018		500,178	1,646,050	364,060	29,512,053	2,130,176	5,641,692	180,872	97,035	137,408	128,513	40,338,037
Additions	-	-	3,186	124,537	968,702	345,404	128,440	8,656	7,113	49	93,253	1,679,340
Acquisition through business combination	4.1	6,438	62,592	-	-	-	130,501	30,232	-	-	1,925	231,688
Transfer to investment properties	15	(106,460)	-	-	-	-	-	-	-	-	(441)	(106,901)
Transfer	(194)	(194)	4,111	121	-	41,216	74,181	-	-	-	(119,435)	-
Disposals and write-offs	-	-	(468)	(10,889)	(2,191,271)	(983,123)	(1,018,897)	(13,589)	-	-	-	(4,218,237)
Foreign currency translation differences		(135)	(12,644)	(4,482)	(777,125)	(206,093)	(334,844)	(4,186)	(3,725)	-	(5,471)	(1,348,705)
At 31 December 2018		399,827	1,702,827	473,347	27,512,359	1,327,580	4,621,073	201,985	100,423	137,457	98,344	36,575,222

Consolidated financial statements

	Note	Land	Buildings and factories	Building improvements	Ocean vessels, support vessels, supply vessels, and tender rigs	Dry-docking	Furniture, fixtures, machinery, and equipment	Motor vehicles	Motor launches	Barges	Assets under construction	Total
<i>(in thousand Baht)</i>												
Depreciation and impairment charges												
At 1 January 2017		-	643,563	170,710	19,507,659	1,530,183	4,074,765	114,575	30,415	58,367	59,783	26,190,020
Depreciation charge for the year		-	75,922	25,207	631,789	262,305	299,669	20,689	11,005	2,001	-	1,328,587
Disposals and write-offs		-	-	(134)	(1,631,080)	(170,540)	(30,649)	(13,887)	-	-	-	(1,846,290)
Foreign currency translation differences		-	(31,607)	(585)	(1,103,813)	191,734	53,098	(4,571)	-	-	-	(895,744)
At 31 December 2017 and 1 January 2018		-	687,878	195,198	17,404,555	1,813,882	4,396,883	116,806	41,420	60,368	59,783	24,776,573
Depreciation charge for the year		-	69,956	44,529	652,179	263,914	289,211	19,523	5,883	1,930	-	1,347,125
Acquisition through business combination	4.1	-	11,865	-	-	-	26,570	12,729	-	-	-	51,164
Disposals and write-offs		-	(357)	(8,439)	(1,946,241)	(960,988)	(1,015,753)	(11,341)	-	-	-	(3,943,119)
Reversal of impairment		-	-	-	-	-	-	-	-	(12,160)	-	(12,160)
Foreign currency translation differences		-	(8,256)	(4,248)	(707,617)	(206,362)	(324,337)	(2,582)	(3,336)	-	(5,118)	(1,261,856)
At 31 December 2018		-	761,086	227,040	15,402,876	910,246	3,372,574	135,135	43,967	50,138	54,665	20,957,727
Net book value												
At 1 January 2017		501,842	771,975	52,904	12,909,493	530,636	1,369,873	64,651	72,455	78,981	225,052	16,577,662
At 31 December 2017 and 1 January 2018		500,178	958,172	168,862	12,107,498	316,494	1,244,809	64,066	55,615	77,040	68,730	15,561,464
At 31 December 2018		399,827	941,741	246,307	12,109,483	417,334	1,248,499	66,850	56,456	87,319	43,679	15,617,495

Separate financial statements

	Land	Buildings	Building improvements	Furniture, fixtures, and equipment (in thousand Baht)	Motor vehicles	Assets under construction	Total
Cost							
At 1 January 2017	82,847	201,846	90,325	70,747	-	535	446,300
Additions	-	-	408	848	-	-	1,256
At 31 December 2017 and 1 January 2018	82,847	201,846	90,733	71,595	-	535	447,556
Additions	-	-	856	3,805	3,830	-	8,491
At 31 December 2018	82,847	201,846	91,589	75,400	3,830	535	456,047
Depreciation							
At 1 January 2017	-	156,190	84,400	67,748	-	-	308,338
Depreciation charge for the year	-	5,325	2,128	1,481	-	-	8,934
At 31 December 2017 and 1 January 2018	-	161,515	86,528	69,229	-	-	317,272
Depreciation charge for the year	-	5,325	1,850	1,627	159	-	8,961
At 31 December 2018	-	166,840	88,378	70,856	159	-	326,233
Net book value							
At 1 January 2017	82,847	45,656	5,925	2,999	-	535	137,962
At 31 December 2017 and 1 January 2018	82,847	40,331	4,205	2,366	-	535	130,284
At 31 December 2018	82,847	35,006	3,211	4,544	3,671	535	129,814

Significant movements of property, plant and equipment of the Group during the year ended 31 December 2018 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 AIM business; and v) disposal of vessels.

Mortgaged assets

Property, plant and equipment as of 31 December 2018 used as collateral for loan facilities can be summarised as follows:

- Ocean vessels with a net book value of USD 184.5 million *(31 December 2017: USD 170.5 million)* are mortgaged with financial institutions as collateral for their loans at a total value of USD 100.0 million *(31 December 2017: USD 96.4 million)*.
- Subsea vessels and a tender rig with a net book value of USD 119.9 million *(31 December 2017: USD 125.2 million)* are mortgaged with various banks as collateral for bank overdraft and loan facilities for a total value of USD 110.0 million *(31 December 2017: USD 110.0 million)*.
- One barge with a net book value of Baht 13.9 million *(31 December 2017: USD 12.6 million)* is mortgaged with a bank as collateral for its unused bank overdraft facility of Baht 10.0 million *(31 December 2017: Baht 10.0 million)*.
- Certain land, buildings and machinery of the Group with a net book value of Baht 213.8 million, USD 1.8 million and VND 91,940.3 million *(31 December 2017: Baht 217.0 million, USD 1.7 million and VND 98,327.3 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 290.0 million *(31 December 2017: Baht 290.0 million)*.

17 Intangible assets

Consolidated financial statements

	Note	Customer relationships	Computer software	Franchise license	Trademarks (in thousand Baht)	Service concession arrangement	Others	Total
Cost								
At 1 January 2017		564,895	346,331	-	-	-	8,806	920,032
Additions		-	8,914	-	-	-	-	8,914
Acquisition through business combination	4.2	-	-	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 and 1 January 2018		562,807	361,308	139,069	-	-	39,456	1,102,640
Additions		-	12,300	-	-	-	-	12,300
Acquisition through business combination	4.1	26,000	645	-	31,350	99,040	25,728	182,763
Disposals and write-offs		-	(29,917)	-	-	-	-	(29,917)
Foreign currency translation differences		(14,615)	(977)	-	-	-	(677)	(16,269)
At 31 December 2018		574,192	343,359	139,069	31,350	99,040	64,507	1,251,517

Consolidated financial statements

	Note	Customer relationships	Computer software	Franchise license	Trademarks (in thousand Baht)	Service concession arrangement	Others	Total
Amortization								
At 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 and 1 January 2018		562,807	348,097	8,112	-	-	11,930	930,946
Amortization charge for the year		990	6,699	13,907	1,194	1,547	7,595	31,932
Acquisition through business combination	4.1	-	627	-	-	-	4,525	5,152
Disposals and write-offs		-	(29,329)	-	-	-	-	(29,329)
Foreign currency translation differences		(14,615)	(750)	-	-	-	(134)	(15,499)
At 31 December 2018		549,182	325,344	22,019	1,194	1,547	23,916	923,202
Net book value								
At 1 January 2017		-	28,626	-	-	-	-	28,626
At 31 December 2017 and 1 January 2018		-	13,211	130,957	-	-	27,526	171,694
At 31 December 2018		25,010	18,015	117,050	30,156	97,493	40,591	328,315

Separate financial statements

Computer software

(in thousand Baht)

Cost

At 1 January 2017	193,282
Additions	360
At 31 December 2017 and 1 January 2018	193,642
Additions	745
Disposals and write-offs	(2,610)
At 31 December 2018	191,777

Amortization and impairment charges

At 1 January 2017	181,695
Amortization charge for the year	11,947
At 31 December 2017 and 1 January 2018	193,642
Amortization charge for the year	204
Disposals and write-offs	(2,459)
At 31 December 2018	191,387

Net book value

At 1 January 2017	11,587
At 31 December 2017 and 1 January 2018	-
At 31 December 2018	390

18 Deferred tax

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

	Consolidated financial statements					
	Assets		Liabilities		Net	
	2018	2017	2018	2017	2018	2017
	(in thousand Baht)					
Short-term investments	87,359	48,728	(2,018)	(1,104)	85,341	47,624
Trade accounts receivables	2,540	137	-	-	2,540	137
Property, plant, and equipment	14,558	18,484	(44,299)	(26,344)	(29,741)	(7,860)
Intangible assets	2,032	2,545	-	-	2,032	2,545
Non-current provision for						
employee benefits	22,351	22,828	(257)	(1,597)	22,094	21,231
Loss carry forward	138,647	198,663	-	-	138,647	198,663
Others	31,351	30,875	(111)	(102)	31,240	30,773
Total	298,838	322,260	(46,685)	(29,147)	252,153	293,113
Set off of tax	(7,898)	(6,897)	7,898	6,897	-	-
Net deferred tax assets						
(liabilities)	290,940	315,363	(38,787)	(22,250)	252,153	293,113

	Separate financial statements					
	Assets		Liabilities		Net	
	2018	2017	2018	2017	2018	2017
	<i>(in thousand Baht)</i>					
Short-term investments	9,000	-	(2,019)	(1,105)	6,981	(1,105)
Intangible assets	6,852	7,764	-	-	6,852	7,764
Non-current provision for						
employee benefits	2,756	1,990	-	-	2,756	1,990
Loss carry forward	66,869	133,973	-	-	66,869	133,973
Others	2,014	2,432	-	-	2,014	2,432
Total	87,491	146,159	(2,019)	(1,105)	85,472	145,054
Set off of tax	(2,019)	(1,105)	2,019	1,105	-	-
Net deferred tax assets	85,472	145,054	-	-	85,472	145,054

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

	At 1 January 2018	Consolidated financial statements Charged / (credited) to:				At 31 December 2018
		Profit or loss	Business combination	Other comprehensive income	Exchange differences	
		<i>(in thousand Baht)</i>				
Short-term investments	47,624	9,000	-	29,062	(345)	85,341
Trade accounts receivables	137	1,660	743	-	-	2,540
Property, plant, and equipment	(7,860)	(4,359)	(17,049)	-	(473)	(29,741)
Intangible assets	2,545	(513)	-	-	-	2,032
Non-current provision for employee benefits	21,231	(311)	1,016	158	-	22,094
Loss carry forward	198,663	(60,016)	-	-	-	138,647
Others	30,773	726	-	-	(259)	31,240
Total	293,113	(53,813)	(15,290)	29,220	(1,077)	252,153

Consolidated financial statements

	At	Charged / (credited) to:				At
	1 January	Profit or loss	Business combination	Other comprehensive income	Exchange differences	31 December
	2017					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

Separate financial statements				
Charged / (credited) to:				
At		Other	At	
1 January 2018	Profit or loss	comprehensive income	31 December	2018
(in thousand Baht)				
Short-term investments	(1,105)	9,000	(914)	6,981
Property, plant and equipment	7,764	(912)	-	6,852
Non-current provision for employee benefits	1,990	621	145	2,756
Loss carry forward	133,973	(67,104)	-	66,869
Others	2,432	(418)	-	2,014
Total	145,054	(58,813)	(769)	85,472

Separate financial statements				
		Charged / (credited) to:		
	At		Other	At
	1 January 2017	Profit or loss	comprehensive income	31 December 2017
(in thousand Baht)				
Short-term investments	(3,476)	-	2,371	(1,105)
Property, plant and equipment	5,804	1,960	-	7,764
Bonds	96,534	(96,534)	-	-
Non-current provision for				
employee benefits	3,164	383	(1,557)	1,990
Loss carry forward	66,756	67,217	-	133,973
Others	3,000	(568)	-	2,432
Total	171,782	(27,542)	814	145,054

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

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<i>(in thousand Baht)</i>				
Deductible temporary differences	419,156	699,651	-	-
Unused tax losses	588,402	559,040	-	-
Total	1,007,558	1,258,691	-	-

The majority tax losses will expire from 2019 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.

19 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Restricted deposits at financial institutions over 1 year	648,378	467,412	-	-
Advance payment for investment	-	564,562	-	-
Others	93,416	62,752	13,105	12,164
Total	741,794	1,094,726	13,105	12,164

Restricted deposits at financial institutions

The restricted deposits at financial institutions mainly comprises the following:

As at 31 December 2018, Baht 269.3 million *(2017: Baht 254.9 million)* restricted deposit at a financial institution was pledged against long-term loans with financial institutions by subsidiaries. The restricted deposit must be maintained at a minimum amount of the next two principal and interest payments after the two-year grace period expired in September 2013.

As at 31 December 2018, Baht 173.9 million *(2017: Baht 49.0 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 2018, Baht 142.8 million *(2017: Baht 143.8 million)* restricted deposit at a financial institution was deposited by a subsidiary to secure the certain performance guarantee of a subsidiary.

As at 31 December 2018, Baht 62.4 million *(2017: Baht 19.7 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 of USD 17.3 million or equivalent to Baht 564.7 million. The remaining purchase price was paid during the year ended 31 December 2018 and the advance payment for investment became part of the investment in associate.

20 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Current					
Short-term borrowings		747,117	148,128	300,000	-
Short-term borrowings from related parties	5	-	-	796,959	1,266,381
Current portion of long-term borrowings		1,571,576	1,864,082	-	-
Current portion of bonds		-	1,998,618	-	1,998,618
Current portion of finance lease liabilities		15,138	13,912	-	-
		<u>2,333,831</u>	<u>4,024,740</u>	<u>1,096,959</u>	<u>3,264,999</u>
Non-current					
Long-term borrowings		4,188,883	4,050,774	-	-
Bonds		3,280,046	-	3,280,046	-
Finance lease liabilities		22,071	33,493	-	-
		<u>7,491,000</u>	<u>4,084,267</u>	<u>3,280,046</u>	<u>-</u>
Total		<u>9,824,831</u>	<u>8,109,007</u>	<u>4,377,005</u>	<u>3,264,999</u>

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Within one year	1,571,576	1,864,082	-	-
After one year but within five years	3,627,667	3,531,523	-	-
After five years	561,216	519,251	-	-
Total	<u>5,760,459</u>	<u>5,914,856</u>	<u>-</u>	<u>-</u>

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. In July 2018, the Company has fully repaid the 2015 bond liabilities both principal and interest to bondholders.

On 23 March 2018 and 16 October 2018, the Company issued and sold unsubordinated and unsecured Thai Baht bonds at face value worth Baht 1,805.2 million and Baht 1,500.0 million, respectively. As at 31 December 2018, the Company has an outstanding balance of unsecured Thai Baht bonds totaling of Baht 3,280.0 million (*31 December 2017: Baht 1,998.6 million*).

The details of the outstanding bonds as at 31 December 2018 are as follows:

Issued year	Number of units	Face value/ unit (Baht)	Interest rate (% per annum)	Maturity dated
2018	1,805,200	1,000	4.50	23 March 2021
2018	1,500,000	1,000	5.00	19 January 2022

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	
	2018	2017
	<i>(in thousand Baht)</i>	
At 1 January	1,998,618	4,476,452
Proceeds from issue of bonds	3,275,667	-
Repayments	(2,000,000)	(2,000,000)
Realised gains on exchange rate	-	(462,819)
Reversal of premium	-	(22,741)
Amortization on discount on bonds	-	4,909
Amortization on deferred arrangement fee	5,761	2,817
At 31 December	3,280,046	1,998,618
<i>Less</i> current portion of bonds	-	(1,998,618)
Bonds - net of current portion	3,280,046	-

Consolidated

Short-term borrowings

As at 31 December 2018, the Group has secured short-term borrowings from financial institutions in form of promissory notes, trust receipts and short-term borrowings amounting to Baht 747.1 million (*31 December 2017: Baht 148.1 million*) which are secured by subsidiaries' partial land and construction thereon, partial machinery, inventories and guaranteed by a subsidiary. The loans bear interest at the rates between 3.2% to 5.8% per annum (*31 December 2017: 2.8% to 5.8% per annum*).

The Group's short-term borrowings from financial institutions bear effective interest rates at 3.2% to 5.8% 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	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	5,914,856	7,343,575	-	-
Additions	835,226	798,814	-	-
Increase through business acquisition	165,032	-	-	-
Repayments	(1,121,046)	(1,740,124)	-	-
Transfer from short-term borrowing	-	103,469	-	-
Unrealised gains on exchange rates	(2,925)	(2,405)	-	-
Foreign currency translation differences	(34,238)	(592,206)	-	-
Amortization on deferred arrangement fee	3,554	3,733	-	-
At 31 December	5,760,459	5,914,856	-	-
<i>Less</i> current portion of long-term borrowings	<i>(1,571,576)</i>	<i>(1,864,082)</i>	<i>-</i>	<i>-</i>
Long-term borrowings - net of current portion	4,188,883	4,050,774	-	-

During the year ended 31 December 2018, a subsidiary entered into a borrowing agreement with a financial institution in the amount of USD 32 million or equivalent to Baht 1,038.8 million to refinance the loan with the same financial institution. The borrowing bears interest at 3-month LIBOR plus 2.4%. The principle is repayable in installment 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 100.0 million as at 31 December 2018 *(31 December 2017: USD 96.4 million)* with repayment terms within 5 - 17 years from the vessel delivery date. As at 31 December 2018, interest rates and securities on the loans are as follows:
 - The loan balance of USD 13.1 million *(31 December 2017: USD 16.6 million)*: fixed rate and LIBOR plus a certain margin and is secured by a mortgage of two vessels and a corporate guarantee by the Company.
 - The loan balance of USD 86.9 million *(31 December 2017: USD 79.8 million)*: LIBOR plus a certain margin and is secured by a mortgage of fourteen 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 68.0 million as at 31 December 2018 *(31 December 2017: USD 80.0 million)* with repayment terms within 8 - 10 years. As at 31 December 2018, the interest rate is USD-LIBOR plus a certain margin *(31 December 2017: 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 were granted by local commercial banks and were 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 bore interest at MLR minus a certain margin. The loans were secured by mortgages of the subsidiary's land and buildings and were guaranteed by the Company. These loans were fully paid during the year ended 31 December 2017.

As at 31 December 2018, 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 2017) - Presentation of Financial Statements, the entity has to present the liability as current if an entity has breached an undertaking under a long-term loan agreement on or before the reporting date, even if the lender has agreed, after the reporting date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. As a result, the long-term portion of loans amounting to Baht 311.8 million (*31 December 2017: Baht 428.1 million*) according to repayment schedule of the loans was presented as current liabilities as of 31 December 2018.

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 4.0% to 7.3% per annum.

21 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Statements of financial position Non-current provisions for:				
Defined benefit plan	156,619	138,214	12,697	8,977
Other long-term employee benefits	9,044	8,995	1,087	973
Total	165,663	147,209	13,784	9,950
Statement of comprehensive income:				
Recognized in profit or loss:				
Defined benefit plan	21,217	8,439	3,093	5,800
Other long-term employee benefits	1,922	1,517	191	(32)
Total	23,139	9,956	3,284	5,768
Recognized in other comprehensive income:				
Actuarial (gains) losses recognized in the year	410	(4,203)	726	(7,787)
Cumulative actuarial gains recognized	(10,395)	(10,805)	(7,061)	(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		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	147,209	170,628	9,950	15,820
Included in profit or loss:				
Current service costs	19,826	28,931	2,949	5,365
Past service costs	247	2,671	-	-
Interest on obligation	3,552	5,152	335	774
Loss on settlement	(258)	-	-	-
 Remeasurement of other long-term benefit	(23)	(24)	-	(371)
Curtailment gain	-	(17,613)	-	-
 Foreign currency translation differences	(205)	(9,161)	-	-
	23,139	9,956	3,284	5,768
Included in other comprehensive income:				
Actuarial (gain) loss	410	(4,203)	726	(7,787)
	410	(4,203)	726	(7,787)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Other				
Benefit paid by the plan	(7,439)	(37,305)	(177)	(3,851)
Business combination (note 4)	2,344	8,133	-	-
	<u>(5,095)</u>	<u>(29,172)</u>	<u>(177)</u>	<u>(3,851)</u>
At 31 December	<u>165,663</u>	<u>147,209</u>	<u>13,783</u>	<u>9,950</u>

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Demographic assumptions	(316)	1,660	-	819
Financial assumptions	-	4,975	-	151
Experience adjustment	726	(10,838)	726	(8,757)
Total	<u>410</u>	<u>(4,203)</u>	<u>726</u>	<u>(7,787)</u>

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	1.4% - 7.7%	1.4% - 7.7%	2.7% - 3.0%	2.7% - 3.0%
Future salary increases	2.0% - 8.0%	2.0% - 8.0%	6.0%	6.0%
Resignation rate	0% - 34.4%	0% - 34.4%	1.7% - 22.9%	1.7% - 22.9%

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 2018	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(8,543)	9,319	(1,346)	1,578
Future salary growth (1% movement)	9,864	(8,060)	1,531	(1,325)
Resignation rate (1% movement)	(1,964)	2,638	(75)	96
Future mortality (1% movement)	44	(54)	(8)	8

	Consolidated		Separate	
	financial statements		financial statements	
At 31 December 2017				
Discount rate (1% movement)	(8,119)	8,882	(1,092)	1,287
Future salary growth (1% movement)	8,882	(7,222)	1,134	(982)
Resignation rate (1% movement)	(1,729)	2,210	(56)	71
Future mortality (1% movement)	22	(40)	(6)	6

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.

On 13 December 2018, the National Legislative Assembly passed a bill amending the Labor Protection Act to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group will amend its retirement plan in the period in which the amendment will have become law and is announced in the Royal Gazette. As a result of this change, the provision for retirement benefits as at that future period end as well as past service cost recognized during that period are estimated to be immaterial in the consolidated and the separate financial statements.

22 Share capital and warrants

	Par value	2018		2017	
	per share	Number	Amount	Number	Amount
	(in Baht)	(thousand shares / thousand Baht)			
<i>Authorized</i>					
At 1 January					
- ordinary shares	1	1,998,447	1,998,447	2,110,160	2,110,160
Reduction of shares	1	-	-	(114,213)	(114,213)
Increase of new shares	1	-	-	2,500	2,500
At 31 December					
- ordinary shares	1	1,998,447	1,998,447	1,998,447	1,998,447
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	1,822,464	1,822,464	1,822,454	1,822,454
Exercise of warrants	1	-	-	10	10
At 31 December					
- ordinary shares	1	1,822,464	1,822,464	1,822,464	1,822,464

Exercise of warrants

There were no exercise of warrants during the year ended 31 December 2018.

Warrants

Movements in the number of warrants outstanding and their related weighted average exercise prices were as follows:

	Consolidated financial statements		Separate financial statements	
	Average exercise price per warrant (in Baht)	Number of units'000	Average exercise price per warrant (in Baht)	Number of units'000
At 1 January 2018	18.5	173,483	18.5	173,483
At 31 December 2018	18.5	173,483	18.5	173,483

On 2 May 2018, 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 18.2851 per 1 ordinary share
New exercise price after the adjustment	: Baht 18.2439 per 1 ordinary share
Exercise ratio prior to the adjustment	: 1 Unit of Warrant to 1.0118 ordinary share
New exercise ratio after the adjustment	: 1 Unit of Warrant to 1.0141 ordinary share

23 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.

24 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 strategies 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.

Information about reportable segments

Revenue and results, based on business segments, in the consolidated financial statements for the years ended 31 December were as follows:

	Consolidated financial statements					
	For the year ended 31 December 2018					
	Shipping	Offshore service	Agrochemical	Investment	Elimination of inter-segment transactions	Total
			(in thousand Baht)			
Revenues from operations	5,979,807	3,071,868	2,775,153	2,300,192	(180,681)	13,946,339
Revenues from inter-segment	(163,346)	-	-	-	163,346	-
From outside customers	5,816,461	3,071,868	2,775,153	2,300,192	(17,335)	13,946,339
Depreciation and amortization	540,249	591,723	67,314	188,721	-	1,388,007
Operating profits (losses)	1,222,584	(987,334)	58,728	309,642	(598,372)	5,248
Share of profit of associates and joint ventures	-	260,457	-	140,540	-	400,997
Finance costs	(171,960)	(125,943)	(5,812)	(204,015)	49,155	(458,575)
Tax expenses	(3,442)	(28,448)	(14,995)	(86,392)	-	(133,277)
Profits (losses) for the year	1,047,182	(881,268)	37,921	159,775	(549,217)	(185,607)

Consolidated financial statements
As at 31 December 2018

	Shipping	Offshore service	Agrochemical	Investment	Elimination of inter- segment transactions	Total
			<i>(in thousand Baht)</i>			
Total assets	11,981,040	13,291,098	2,123,398	40,566,120	(30,850,003)	37,111,653
Total liabilities	(4,162,532)	(3,073,016)	(612,767)	(10,437,332)	5,760,988	(12,524,659)

Consolidated financial statements						
For the year ended 31 December 2017						
	Shipping	Offshore service	Agrochemical	Investment	Elimination of inter- segment transactions	Total
			(in thousand Baht)			
Revenues from operations	4,078,511	4,918,923	2,871,765	1,594,176	(71,114)	13,392,261
Revenues from inter-segment	(71,114)	-	-	-	71,114	-
From outside customers	4,007,397	4,918,923	2,871,765	1,594,176	-	13,392,261
Depreciation and amortization	500,869	663,604	63,484	145,835	-	1,373,792
Operating profits (losses)	562,027	109,623	240,568	418,756	(476,449)	854,525
Share of profit of associates and joint ventures	-	157,862	-	180,502	-	338,364
Finance costs	(148,845)	(121,554)	(2,217)	(184,422)	54,235	(402,803)
Tax expenses	(5,128)	(1,821)	(46,596)	(44,506)	-	(98,051)
Profits for the year	408,054	144,110	191,755	370,330	(422,214)	692,035

Consolidated financial statements
As at 31 December 2017

	Shipping	Offshore service	Agrochemical	Investment	Elimination of inter- segment transactions	Total
			<i>(in thousand Baht)</i>			
Total assets	11,253,790	14,743,332	2,006,710	39,012,978	(31,432,040)	35,584,770
Total liabilities	(3,950,857)	(3,560,413)	(439,975)	(8,874,245)	6,294,700	(10,530,790)

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	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Asia	10,542,843	10,636,549	24,986,203	24,155,020
Africa	1,756,304	1,491,391	425,886	514,452
America	629,435	601,587	-	-
Europe	847,898	401,667	-	-
Other	169,859	261,067	-	-
Total	13,946,339	13,392,261	25,412,089	24,669,472

Major customer

Revenues from the major customer of the Group's Offshore service segment for the year ended 31 December 2018 represents approximately Baht 1,829.1 million (*31 December 2017: Baht 2,368.9 million*) of the Group's total revenues.

25 Other income

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Dividend income	35,020	40,133	455,193	356,066
Gains on disposals of property, plant and equipment and intangible assets	47,876	21,746	-	-
Gains on disposals of investments in subsidiaries	-	3,502	-	-
Net gains on disposals of current investments	3,092	-	2,619	-
Gains from changes in fair values of financial assets held for trading	18,623	15,679	10,892	15,690
Gain on exchange rates	-	113,893	-	76,079
Interest income	137,108	154,345	74,692	81,546
Gain on bargain purchase	-	38,761	-	-
Others	43,891	99,394	71,138	31,714
Total	285,610	487,453	614,534	561,095

26 Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Expenses included in vessel operating expenses				
Voyage expenses	1,329,890	1,095,323	-	-
Vessel supplies and spare parts expenses and repair and maintenance expenses	257,189	265,349	-	-
Crew and staff costs	519,634	509,078	-	-
Charter hire	1,662,174	778,979	-	-
Depreciation and amortization	539,161	498,537	-	-
Expenses included in offshore service expenses				
Vessel expenses and repair and maintenance expenses	1,040,646	1,418,198	-	-
Crew, staff costs, and subcontractor costs	1,448,212	1,663,605	-	-
Charter hire and equipment rental	90,523	58,459	-	-
Depreciation and amortization	568,380	624,897	-	-
Expenses included in costs of sales				
Cost of raw materials	2,812,810	2,695,341	-	-
Supplies and spare parts expenses and repair and maintenance expenses	56,139	45,994	-	-
Staff costs	477,548	311,146	-	-
Depreciation and amortization	120,699	78,655	-	-
Expenses included in service, selling, and administrative expenses				
Staff costs	1,106,012	1,163,213	176,723	162,385
Professional fees	169,861	70,065	14,820	19,878
Office and office equipment rental	65,246	65,269	8,409	7,672
Depreciation and amortization	159,767	171,703	8,596	20,881

27 Tax expense

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 financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		58,186	74,511	-	-
Under provided in prior years		21,278	3,529	-	-
		<u>79,464</u>	<u>78,040</u>	<u>-</u>	<u>-</u>
Deferred tax expense					
Movements in temporary differences	18	53,813	20,011	58,813	27,542
		<u>53,813</u>	<u>20,011</u>	<u>58,813</u>	<u>27,542</u>
Total income tax expense		<u>133,277</u>	<u>98,051</u>	<u>58,813</u>	<u>27,542</u>

Income tax recognized in other comprehensive income

	Consolidated financial statements					
	2018			2017		
	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	(170,497)	29,062	(141,435)	(86,702)	17,774	(68,928)
Change in defined benefit plan actuarial gains	296	158	454	3,792	(698)	3,094
Total	<u>(170,201)</u>	<u>29,220</u>	<u>(140,981)</u>	<u>(82,910)</u>	<u>17,076</u>	<u>(65,834)</u>

Separate financial statements						
	2018			2017		
	Before	Tax	Net of	Before	Tax	Net of
	Tax	(expense)	tax	tax	(expense)	tax
	<i>(in thousand Baht)</i>					
Change in fair value available-for-sale investments	4,568	(914)	3,654	(11,857)	2,371	(9,486)
Change in defined benefit plan actuarial gains	(726)	145	(581)	7,787	(1,557)	6,230
Total	3,842	(769)	3,073	(4,070)	814	(3,256)

Reconciliation of effective tax rate

Consolidated financial statements				
	2018		2017	
	Rate	(in thousand	Rate	(in thousand
	(%)	Baht)	(%)	Baht)
Profits (losses) before income tax expense		(52,330)		790,086
Income tax using the Thai corporation tax rate	20	(10,466)	20	158,017
Change in tax rate		-		(3,369)
Effect of different tax rates in foreign jurisdictions		47,967		151,578
Income not subject to tax		(204,278)		(102,060)
Expenses not deductible for tax purposes		118,944		16,733
Recognition of previously unrecognized tax losses		(25,383)		(60,302)
Current year losses and temporary differences for which no deferred tax asset was recognized		194,007		6,229
Under provided in prior years		21,278		3,529
Effect of different functional currency of accounting and tax from subsidiaries		(8,792)		(72,304)
Total	(255)	133,277	12	98,051

Separate financial statements				
	2018		2017	
	Rate	(in thousand	Rate	(in thousand
	(%)	Baht)	(%)	Baht)
Profits before income tax expense		167,969		155,826
Income tax using the Thai corporation tax rate	20	33,594	20	31,165
Income not subject to tax		(28,127)		(12,137)
Expenses not deductible for tax purposes		53,346		8,514
Total	35	58,813	18	27,542

28 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December was based on the profits 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	
	2018	2017	2018	2017
	<i>(in thousand Baht / thousand shares)</i>			
Profits for the year attributable to equity holders of the Company (basic)	<u>210,016</u>	<u>588,355</u>	<u>109,156</u>	<u>128,284</u>
Number of ordinary shares outstanding at 1 January	1,822,464	1,822,454	1,822,464	1,822,454
Effect of new shares issued during the year	<u>-</u>	<u>8</u>	<u>-</u>	<u>8</u>
Weighted average number of ordinary shares outstanding (basic)	<u>1,822,464</u>	<u>1,822,462</u>	<u>1,822,464</u>	<u>1,822,462</u>
Basic earnings per share <i>(in Baht)</i>	<u>0.12</u>	<u>0.32</u>	<u>0.06</u>	<u>0.07</u>

Diluted earnings per share

There was no potential dilution in earnings per share from the warrant for the year ended 31 December 2018, because the average share price during the year was lower than the exercise price.

29 Dividends

For the year ended 31 December 2018

At the Annual General Meeting of Shareholders No.1/2018 held on 25 April 2018, the shareholders approved the payment of an annual dividend for the year ended 31 December 2017 of Baht 0.075 per share, amounting to Baht 136.7 million. The dividend payment was made to shareholders on 23 May 2018.

For the year ended 31 December 2017

At the Annual General Meeting of Shareholders No.1/2017 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.

30 Promotional privileges

As at 31 December 2018, a subsidiary received promotional privileges from the Thailand Board of Investment (“BOI”) under a number of different categories, including services of submerged and drilling structure inspection and marine transportation services. The main privileges include exemption from payment of import duty on machinery and exemption from corporate income tax for the promoted activities for a period of 8 years from the date when income is first derived, or when approval is given by the BOI.

To be entitled to the privileges, the subsidiaries must comply with the conditions and restrictions provided in the promotional certificates.

31 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 20). 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	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Thai Baht				
Cash and cash equivalents	229,109	568,756	-	-
Trade accounts receivable	6,108	-	-	-
Trade accounts payable	(10,345)	(11,138)	-	-
Other accounts payable	(45,526)	(110,878)	-	-
Net exposure	179,346	446,740	-	-
United States Dollars				
Cash and cash equivalents	180,368	236,784	141,582	46,912
Short-term investments	16,630	16,408	-	-
Trade accounts receivable	104,367	75,858	-	-
Receivables from related parties	31,668	5,682	41,260	207
Short-term loans to related parties	-	-	1,298,972	1,633,364
Short-term borrowings from financial institutions	(366,001)	(106,128)	-	-
Short-term borrowing from related parties	-	-	(796,959)	(999,875)
Trade accounts payable	(27,961)	(111,702)	-	(363)
Other accounts payable	-	(25)	-	-
Payables to related parties	(308)	(148)	-	(1,826)
Advances from customers	(964)	(38)	-	-
Long-term borrowings	(282,666)	(146,170)	-	-
Net exposure	(344,867)	(29,479)	684,855	678,419
Singapore Dollars				
Cash and cash equivalents	26,980	76,480	5,811	257
Trade accounts receivable	63	1,207	-	-
Short-term loans to related parties	-	-	645,241	715,032
Available-for-sale investments	291,801	472,580	-	-
Trade accounts payable	(8,487)	(14,681)	-	(56)
Other accounts payable	(1,476)	(19,757)	-	-
Payables to related parties	-	-	-	(50,130)
Net exposure	308,881	515,829	651,052	665,103
British Pound				
Short-term investments	14,466	15,502	14,466	15,502
Net exposure	14,466	15,502	14,466	15,502

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Indonesian Rupiah				
Cash and cash equivalents	874	2,658	-	-
Trade accounts receivable	4,846	8,499	-	-
Trade accounts payable	(2,003)	(9,688)	-	-
Other accounts payable	(16,266)	(16,747)	-	-
Finance lease liabilities	(1,298)	(3,019)	-	-
Net exposure	(13,847)	(18,297)	-	-

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 2018, 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 363.0 - USD 717.0 *(31 December 2017: USD 283.5 - USD 368.4)*. As at 31 December 2018, the outstanding bunker quantities were 11,900 metric tonnes *(31 December 2017: 4,800 metric tonnes)*.

The fair value of bunker swap contracts were USD 1.4 million equivalent to Baht 45.4 million *(31 December 2017: USD 0.3 million equivalent to Baht 9.8 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. The subsidiary has locked in freight rates at a range of USD 11,800 – USD 12,625 per day *(31 December 2017: nil)*. As at 31 December 2018, the outstanding forward freight agreements to sell are 900 days *(31 December 2017: nil)*.

The fair value of forward freight agreements were USD 0.8 million *(31 December 2017: nil)* determined on broker quotes assigned as level 2 fair value using the same approach described in 31(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, 15, 20 and 31(a) to 31(b), the fair value of financial assets and liabilities as of 31 December 2018 are taken to approximate the carrying values due to the relatively short-term maturity of these financial assets and liabilities.

32 Commitments and contingent liabilities

32.1 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	
	2018	2017	2018	2017
	<i>(in million)</i>			
- USD	0.3	2.5	-	-
- VND	1,435.4	109.8	-	-
- THB	26.9	11.0	-	-

32.2 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	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Not later than 1 year	114,749	252,847	-	-
Later than 1 year but not later than 5 years	185,597	321,250	-	-
Later than 5 years	252,015	276,367	-	-
Total	552,361	850,464	-	-

b) Sale contract for steam coal

As at 31 December 2018, 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.

32.3 Contingent liabilities

a) Guarantees

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

	31 December 2018	
	Consolidated	
	financial statements	
	Baht million	USD million
Letter of guarantees issued by bank on behalf of the Group	143.5	13.8
Guarantee given by the Group to financial institutions to guarantee credit facilities and purchases of raw materials	-	191.7
	31 December 2018	
	Separate	
	financial statements	
	Baht million	USD million
Guarantee given by the Company to financial institutions to guarantee credit facilities	-	105.7
	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

b) Other contingent liabilities

As at 31 December 2018, a subsidiary had other contingent liabilities of approximately USD 2.0 million equivalent to Baht 64.9 million (*31 December 2017: USD 2.0 million equivalent to Baht 65.4 million*).

33 Events after the reporting period

Subsidiary – PMTA

Dividend declaration

At the Board of Directors meeting of PMTA held on 27 February 2019, the Board of Directors of PMTA approved to propose the appropriation of dividends for the year ended 31 December 2018 of Baht 0.5 per share, amounting to Baht 50.6 million, to the Annual General Meeting of shareholders of PMTA which will be held in April 2019.

Subsidiary – GTL

Increase in share capital

At the Extraordinary General Meeting of shareholders of GAC Thoresen Logistics Ltd. ("GTL") held on 23 January 2019, the shareholders approved to increase GTL's share capital by 1.09 million shares at Baht 100 per share, amounting to a total increase of Baht 108.6 million. GTL had registered to increase its share capital with the Department of Business Development ("DBD") on 7 February 2019. The Company plans to subscribe in 51% of GTL's additional shares, amounting to Baht 55.4 million, which is the Company's proportion of shareholding in GTL prior to the increase in GTL's share capital.

34 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which are relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020
TFRIC 22	Foreign Currency Transactions and Advance Consideration	2019

* TFRS - Financial instruments standards

TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Revenue should be recognized when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 11 (revised 2017) *Construction Contracts*,
- TAS 18 (revised 2017) *Revenue*,
- TSIC 31 (revised 2017) *Revenue-Barter Transactions Involving Advertising Services*,
- TFRIC 13 (revised 2017) *Customer Loyalty Programmes*,
- TFRIC 15 (revised 2017) *Agreements for the Construction of Real Estate*, and
- TFRIC 18 (revised 2017) *Transfers of Assets from Customers*.

Management assessed no impact of adopting and initially applying TFRS15 on the consolidated and separate financial statements.

TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

35 Reclassification of accounts

Certain accounts in the 2017 financial statements have been reclassified to conform to the presentation in the 2018 financial statements as follows:

	2017		
	Separate financial statements		
	Before reclass.	Reclass. (in thousand Baht)	After reclass.
<i>Statement of financial position</i>			
<i>As at 31 December 2017</i>			
Trade accounts payable	6,472	(6,472)	-
Other accounts payable	92	6,472	6,564
		<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 2018

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. 2018	31 Dec. 2017	
1. Mermaid Subsea Services (International) Ltd. ("MSSI")	Zamil Mermaid Offshore Services Company (LLC) ("ZMOS")	TTA holds a 58.2% (31 December 2017 : 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.	1,829,139,046 (Recorded as service income)	2,364,498,256 (Recorded as service income)	Same price as normally charged to a third party.
2. Mermaid Subsea Services (Thailand) Ltd. ("MSSIT")	Gulf Agency Company (Thailand) Ltd. ("GAC")	TTA holds a 58.2% (31 December 2017 : 58.2%) stake in Mermaid Maritime Plc. ("Mermaid") and a 51% stake in GAC. Mermaid holds a 100% stake in MSSIT.	MSSIT engaged GAC for customs clearance of goods and transportation.	6,473,961 (Recorded as cost of services)	2,580,542 (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 2017 : 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.	77,014,745 (Recorded as transportation expense)	56,182,140 (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 2017 : 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.	59,524,189 (Recorded as rental income)	53,690,892 (Recorded as rental income)	Same price as normally charged to a third party.
5. Baconco Co., Ltd. ("Baconco")	Thoresen-Vinama Agencies Co., Ltd. ("TVA")	TTA holds a 68.5% (31 December 2017 : 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.	35,124,601 (Recorded as transportation expense)	36,793,384 (Recorded as transportation expense)	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. 2018	31 Dec. 2017	
6. Baconco Co., Ltd. ("Baconco")	Thoresen-Vinama Logistic Co.,Ltd. ("TVL")	TTA holds a 68.5% (31 December 2017 : 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.	43,754,550 (Recorded as transportation expense)	46,794,477 (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 2017 : 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.	20,124,942 (Recorded as transportation expense)	20,610,071 (Recorded as transportation expense)	Same price as normally charged to a third party.
8. GAC ThoresenLogistics 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.	Nil	1,466,815 (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. 2018	31 Dec. 2017	
1. Thoresen Thai Agencies Plc. ("TTA")	Mermaid Maritime Plc. ("Mermaid")	TTA holds a 58.2% (31 December 2017 : 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)	1,731,840 (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 2017 : 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.	2,690,830 (Recorded as rental and facilities income)	1,881,240 (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 2017 : 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 2017 : 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.
5. Thoresen Thai Agencies Plc. ("TTA")	PM Thoresen Asia Holdings Plc. ("PMTA")	TTA holds a 68.5% (31 December 2017 : 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.	245,282 (Recorded as other income)	170,383 (Recorded as other income)	In line with market.

Companies	Related Party Companies/Entities	Relationship	Description of Transactions	Transaction Amount (Baht)		Pricing Policy
				31 Dec. 2018	31 Dec. 2017	
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.	4,120,200 (Recorded as rental and facilities income)	2,407,950 (Recorded as rental and facilities income)	In line with market.
7. Thoresen Thai Agencies Plc. ("TTA")	Siam Taco Co., Ltd ("STC")	STC has stakeholder from TTA and CM Corporate Co., Ltd. ("CMC") which hold 70% and 30% respectively. Mr. Chalermdchai Mahagitsiri is shareholder of both TTA and CMC.	TTA leased office space to STC.	123,750 (Recorded as rental and facilities income)	Nil	In line with market.
8. 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 from PH Macaron Co., Ltd.	67,278 (Recorded as Gift/ New Year gift)	213,602 (Recorded as Gift/ New Year gift)	Same price as normally charged to a third party.
9. 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.	197,342 (Recorded as Entertainment)	726,966 (Recorded as Entertainment)	Same price as normally charged to a third party.
10. 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.	89,416 (Recorded as Entertainment)	206,856 (Recorded as Entertainment)	Same price as normally charged to a third party.
11. 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.	129,230 (Recorded as Entertainment)	446,545 (Recorded as Entertainment)	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. 2018	31 Dec. 2017	
12. Thoresen Thai Agencies Plc. ("TTA")	Four One One Entertainment Co., Ltd.	TTA and Four One One Entertainment Co., Ltd. have common directors being Mr. Chalermchai Mahagitsiri and Ms. Ausana Mahagitsiri.	TTA engaged organizer service from Four One One Entertainment Co., Ltd. for Team Building and New Year Party for staffs.	3,424,000 (Recorded as other staff benefit)	4,060,055 (Recorded as other staff benefit)	Same price as normally charged to a third party.
13. Thoresen Thai Agencies Plc. ("TTA")	Four One One Entertainment Co., Ltd.	TTA and Four One One Entertainment Co., Ltd. have common directors being Mr. Chalermchai Mahagitsiri and Ms. Ausana Mahagitsiri.	TTA rent space on Ground Floor, Orakarn Building from Four One One Entertainment Co., Ltd.	1,145,411 (Recorded as rental-office expenses and utilities expenses)	Nil	In line with market.
14. Thoresen Thai Agencies Plc. ("TTA")	Natural Bev. Co., Ltd.	TTA and Natural Bev. Co., Ltd. have common directors being Mr. Chalermchai Mahagitsiri and Ms. Ausana Mahagitsiri.	TTA purchased goods as gifts for new year from Natural Bev. Co., Ltd.	228,880 (Recorded as Gift/ New Year gift)	Nil	Same price as normally charged to a third party.
15. Thoresen Thai Agencies Plc. ("TTA")	Four One One Ecommerce Co., Ltd.	TTA and Four One One Ecommerce Co., Ltd. have common directors being Mr. Chalermchai Mahagitsiri, Ms. Ausana Mahagitsiri and Mr. Kamolsut Dabbaransi	TTA leased office space to Four One One Ecommerce Co., Ltd.	328,920 (Recorded as rental and facilities income)	Nil	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
	2018	2017	2016	2015	2014 (Restated)
Earnings per share (Baht)	0.12	0.32	(0.23)	(6.61)	0.06
Dividend per share (Baht)	0.05 ^{/2}	0.075	0.05 ^{/1}	0.05 ^{/1}	0.025

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

^{/2} The dividend payment for FY 2018 is subject to the shareholders' approval at AGM 1/2019 to be held on 24 April 2019.

Remuneration of Auditors

Audit Fee

For the financial year 2018 ended 31 December 2018 (1 January - 31 December 2018)

Unit: Thai Baht

Company	Audit Fee for KPMG	Audit Fee for other auditing firms	Total Fee (by company)
TTA	3,848,000	-	3,848,000
TTA's Subsidiaries	17,339,186	2,485,291	19,824,477
Total Audit Fee (by auditing firm)	21,187,186	2,485,291	23,672,477

Non-Audit Service Fees

For the financial year 2018 ended 31 December 2018 (1 January - 31 December 2018)

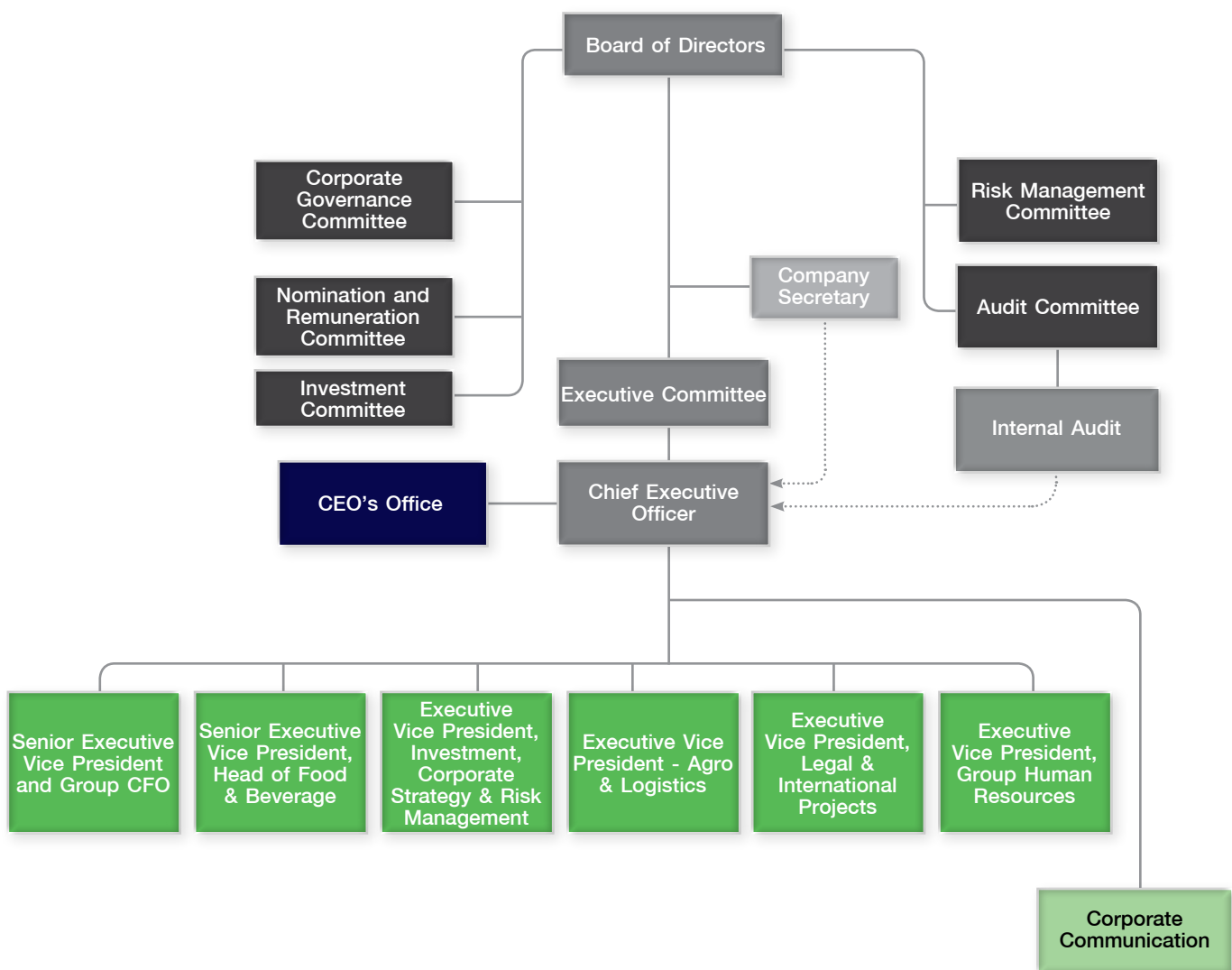
Unit: Thai Baht

Company	Non-audit Service Fees for KPMG	Non-audit Service Fees for other auditing firms	Total Fee (by company)
TTA	430,115	-	430,115
TTA's Subsidiaries	3,090,793	1,315,901	4,406,694
Total Non-Audit Service Fees (by auditing firm)	3,520,908	1,315,901	4,836,809

Note: Non-audit service fees for the financial year 2018 ended 31 December 2018 (1 January – 31 December 2018) 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 2018



Board of Directors of Thoresen Thai Agencies Public Company Limited

AS of 31 December 2018

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.	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
5.	Ms. Ausana Mahagitsiri	Director/Member of Nomination and Remuneration Committee/Member of Corporate Governance Committee	31 Jan. 2012
6.	Mr. Kamolsut Dabbaransi	Director/Senior Executive Vice President, Head of Food & Beverage	27 Apr.2016
7.	Mr. Somboonkiat Kasemsuwan	Independent Director/Chairman of Audit Committee	14 Nov. 2016
8.	Mr. Santi Bangor	Independent Director/Chairman of Nomination and Remuneration Committee/Chairman of Corporate Governance Committee/Member of Audit Committee	31 Jan. 2012
9.	Mr. Cherdpong Siriwit	Independent Director/Chairman of Risk Management Committee/Member of Audit Committee	30 Jan. 2013
10.	Mr. Chitrapongse Kwangsukstith	Independent Director	13 May 2015
11.	Mr. Mohammed Rashed Ahmad M. Al Nasser	Independent Director/Member of Nomination and Remuneration Committee	30 Jan. 2013

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”.

Subcommittees

Thoresen Thai Agencies Public Company Limited consists of 6 subcommittees, 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 subcommittee are provided under the topic of “Corporate Governance Report”.

Meeting of the Board and Subcommittees

Attendance Record of the Board and Committees for Year 2018

No.	Name	Meeting Attendance for Year 2018				
		Board of Directors (Total 7)	Audit Committee (Total 7)	Executive Committee (Total 7)	Nomination and Remuneration Committee (Total 2)	Risk Management Committee (Total 4)
1.	Mr. Prasert Bunsumpun	7/7	-	7/7	-	-
2.	Mr. Chalermchai Mahagitsiri	5/7	-	6/7	-	-
3.	Mr. Jean Paul Thevenin	7/7	-	7/7	-	4/4
4.	Mr. Jitender Pal Verma	7/7	-	7/7	-	4/4
5.	Ms. Ausana Mahagitsiri	5/7	-	-	2/2	-
6.	Mr. Kamolsut Dabbaransi	6/7	-	-	-	-
7.	Mr. Somboonkiat Kasemsuwan	7/7	7/7	-	-	-
8.	Mr. Santi Bangor	6/7	6/7	-	2/2	-
9.	Mr. Cherdpong Siriwit	7/7	7/7	-	-	4/4
10.	Mr. Chitrapongse Kwangsukstith	7/7	-	-	-	-
11.	Mr. Mohammed Rashed Ahmad M.Al Nasseri	3/7	-	-	0/2	-

Remark : Directors who could not attend the meeting due to urgent missions abroad or other missions informed in advance to the Company Secretary who will notify the Chairman afterward and attended the meeting via teleconference system instead. However, such attendance is not valid under the laws. There were three directors attended the meeting less than 75% during the year 2018. One foreign director based in UAE attended the meeting less than 75%; the Company considered that his business capability, experiences, and knowledge of investment and offshore business could highly contribute to the Company. Due to the business expansion of the Company, a director holding executive positions has to seek out the new business investment and participate in the business trip both in domestic and overseas; so he could not attend the meeting occasionally. In addition it should be noted that, there was a female director takes the maternity leave; however, her absences had been informed to the Board officially.

Executives

Executives of Thoresen Thai Agencies Public Company Limited as of 31 December 2018

No.	Name	Position
1.	Mr. Chalermchai Mahagitsiri	President and Chief Executive Officer
2.	Mr. Jitender Pal Verma	Senior Executive Vice President and Group CFO
3.	Mr. Kamolsut Dabbaransi	Senior Executive Vice President, Head of Food & Beverage
4.	Mr. Sigmund Stromme	Executive Vice President - Agro & Logistics
5.	Mr. Vincent Siaw ¹	Executive Vice President, Legal & International Projects
6.	Mr. Ng Kit Wei, David	Executive Vice President, Investment, Corporate Strategy & Risk Management
7.	Mr. Somchai Apinyanukul ²	Executive Vice President, Group Human Resources

Note: ¹ Mr. Vincent Siaw was appointed as an Executive on 19 September 2018.

² Mr. Somchai Apinyanukul was appointed as an Executive on 1 January 2019.

Company Secretary

The Board of Directors appointed Mrs. Vorapin Isaradharm as the Company Secretary on 15 August 2017. The roles and responsibilities, qualification, and profession experiences of the Company Secretary are disclosed on the Company's website, the Annual Report, and the Company's Annual Information Disclosure Form (Form 56-1) under the topic of the Board Committees and Company Secretary 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 Subcommittees

The shareholders at the 1/2018 AGM on 25 April 2018 approved the remunerations in the form of monthly standard fee, meeting allowance for directors and members of subcommittees and bonus for the year 2018 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 subcommittee for year 2018 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 non-executive director
	Attendance fee per meeting	Baht 54,000 - Chairperson Baht 31,500 per 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 subcommittee member.

For year 2018, the remuneration in the form of monthly standard fee and meeting allowance paid to directors and members of subcommittees was Baht 7.29 million and the remuneration in the form of bonus paid to non-executive directors was Baht 1.63 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 1/2018 AGM on 25 April 2018. The Company did not pay any other forms of remuneration or benefit to directors apart from the remuneration as detailed above. The details of remuneration and bonus paid to directors and subcommittees in 2018 are shown in the table below.

Remuneration and Bonus for the Board of Directors and Sub-Committees of TTA for Year 2018

No.	Name	Board of Directors		Attendance Fee for Year 2018						Total (Baht)
		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	315,990	378,000	0	700,000	0	0	0	3,193,990
2.	Mr. Chalermchai Mahagitsiri	0	0	0	0	0	0	0	0	0
3.	Mr. Jean Paul Thevenin	294,000	187,500	220,500	0	196,000	0	0	50,400	948,400
4.	Mr. Jitender Pal Verma	0	0	0	0	0	0	0	0	0
5.	Ms. Ausana Mahagitsiri	294,000	187,500	157,500	0	0	42,000	12,600	0	693,600
6.	Mr. Kamolsut Dabbaransi	0	0	0	0	0	0	0	0	0
7.	Mr. Somboonkiat Kasemsuwan	294,000	187,500	220,500	235,200	0	0	0	0	937,200
8.	Mr. Santi Bangor	294,000	187,500	189,000	168,000	0	50,400	15,120	0	904,020
9.	Mr. Cherdpong Siriwit	294,000	187,500	220,500	196,000	0	0	0	60,480	958,480
10.	Mr. Chitrapongse Kwangsukstith	294,000	187,500	220,500	0	0	0	0	0	702,000
11.	Mr. Mohammed Rashed Ahmad M. Al Nasser	294,000	187,500	94,500	0	0	0	0	0	576,000
Total		3,858,000	1,628,490	1,701,000	599,200	896,000	92,400	27,720	110,880	8,913,690

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. 2018		For the Year Ended 31 Dec. 2017	
	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	40.12	4	37.85
Other benefits (which include social security and provident fund contributions by TTA)	4	2.55	4	2.44

Personnel

As of 31 December 2018, TTA has a total direct workforce of 91, consisting of one President and Chief Executive Officer, 4 Executive Vice Presidents, and 87 employees as detailed below.

No.	Main Business Units	Number of Employees (Only TTA)
1.	Corporate Finance and Accounting, Investor Relations and Legal	23
2.	Corporate Human Resource	5
3.	Group Supports and CEO's office	49
4.	Group Business Development	9
5.	Corporate Risk Management and Internal Audit	5
	Total	91

No.	Group of Business	Number of Employees
1.	Shipping	86
2.	Offshore Service	109
3.	Agrochemical	537
4.	Investment	2,526

- Total number of employees of TTA and its subsidiaries was 3,349 (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 2018 ended 31 December 2018 was Baht 784,822,342 (For the fiscal year 2017 ended 31 December 2017 : Baht 849,304,014).
- TTA contributed the provident funds and social security funds to its employees (excluding the crew on-board) for the fiscal year 2018 ended 31 December 2018 at the total amount of Baht 43,626,805 (For the fiscal year 2017 ended 31 December 2017 : Baht 32,910,658).
- 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 66)

Chairman of the Board of Directors/
Chairman of Executive Committee

Date of first appointment:

- 31 January 2012

(%) of shareholding as of 31 December 2018:

- 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

- 2018 - Present : Independent Director/Chairman of Risk Management Committee, PTT Global Chemical Plc.
- 2016 - 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 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 - 2018 : Independent Director/Chairman, PTT Global Chemical 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 40)

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 2018:

- 22.02 (included his shares held under 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
- Ultra Wealth - Investment Like A Master, Class 2, 2016
- Digital Edge Fusion (DEF), by Sripatum University, Class 1, 2017

Working experience

Positions in Listed Companies in SET

- 2018 - Present : Director, Seven Utilities and Power Plc. (formerly known as 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.
- 2015 - Jan. 2019: Director, Sino Grandness Food Industry Group Ltd.

Positions in Other Companies/Organizations

- 2018 - Present : Director, Asia Infrastructure Management (Thailand) Co., Ltd.
- 2018 - Present : Director, CM Corporate Co., Ltd.
- 2018 - Present : Director, Siam Taco Company Limited
- 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 Ltd.
- 2016 - Present : Director, TTA Suez Co., Ltd.
- 2016 - Present : Director, Natural Bev. Co., Ltd.
- 2014 - Present : Director, Mermaid Subsea Services LLC.
- 2014 - Present : Director, Mermaid International Ventures
- 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.
- 2014 - Present : Director, PH Macaron Co., Ltd.
- 2014 - Present : Director, Athene Holdings Ltd.
- 2014 - Present : Director, Thoresen & Company (Bangkok) Limited
- 2014 - Present : Director, Fearnleys (Thailand) Ltd.
- 2014 - Present : Director, Asia Coating Services Ltd.
- 2014 - Present : Director, PMFB Ltd.
- 2014 - Present : Director, Thor Fortune Shipping Pte. Ltd.
- 2014 - Present : Director, Thor Friendship Shipping Pte. Ltd.
- 2014 - Present : Director, Thoresen Shipping Company Pte. 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 Limited
- 2013 - Present : Director, Asia Offshore Rig 2 Limited
- 2013 - Present : Director, Asia Offshore Rig 3 Limited
- 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.
- 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.
- 2010 - 2014 : Executive Director, LYNN Phillips Asset Co., Ltd.



Mr. Jean Paul Thevenin

(Age 78)

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 2018:

- 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

- 2018 - Present : Director, Asia Infrastructure Management (Thailand) Co., Ltd.
- 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.
- 2016 - Present : Director, Thoresen & Company (Bangkok) Limited
- 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 54)

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 2018:

- 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, PH Capital Co., Ltd.
- 2017 - Present : Director, MTR-1 Ltd.
- 2017 - Present : Director, MTR-2 Ltd.
- 2017 - Present : Director, MTR-1 (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) Limited
- 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 38)

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 2018:

- 4.11

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, PMFB Ltd.
- 2014 - Present : Director, Asia Coating Services 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. Kamolsut Dabbaransi
(Age 41)
Director/Senior Executive Vice President,
Head of Food & Beverage

Date of first appointment:

- 27 April 2016

(%) of shareholding as of 31 December 2018:

- Own : None
- Spouse : 4.11
- Total : 4.11

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, Thoresen Thai Agencies Plc.
- 2016 - Jan. 2019: Director, The Royal Ceramic Industry Plc.

Positions in Listed Companies in Other Countries

- None

Positions in Other Companies/Organizations

- 2016 - Present : Director, Asia Coating Services Ltd.
- 2016 - Present : Director, PMT Property Co., Ltd.
- 2016 - Present : Director, Laser Game Asia 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.



Mr. Somboonkiat Kasemsuwan
(Age 73)
Independent Director/
Chairman of Audit Committee

Date of first appointment:

- 14 November 2016

(%) of shareholding as of 31 December 2018:

- 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 73)

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 2018:

- 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 72)

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

Date of first appointment:

- 30 January 2013

(%) of shareholding as of 31 December 2018:

- 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.
- 2010 - Present : Chairman, Solartron Plc.
- 2009 - Present : Chairman, Advance Finance Plc.
- 2011 - 2014 : Chairman of Corporate Governance Committee, IRPC 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



Mr. Chitrapongse Kwangsukstith
(Age 69)
Independent Director

Date of first appointment:

- 13 May 2015

(%) of shareholding as of 31 December 2018:

- 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. Mohammed Bin Rashed Bin Ahmad Bin Muftah Al Nasser
(Age 48)
Independent Director/Member of Nomination and Remuneration Committee

Date of first appointment:

- 30 January 2013

(%) of shareholding as of 31 December 2018:

- 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

Profile of the Company Secretary

Mrs. Vorapin Isaradharm (Age 61)

Company Secretary

Date of appointment:

- 15 August 2017

(%) of shareholding as of 31 December 2018:

- None

Relation among family with other directors and executives:

- None

Education

- Master Degree in Economic Laws, Chulalongkorn University
- Mini MBA, Thammasart University
- Bachelor Degree in Economics, Chulalongkorn University

Training/Certification

- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)
- Company Secretary Program, Thai Institute of Directors Association (IOD)
- Internal Auditing Certificate Program (IACP), Federation of Accounting Professions
- Presentation Skill, Thailand Management Association

Working experience

Positions in Listed Companies in SET

- 2017 - Present : Director, Corporate Affairs Department, Thoresen Thai Agencies Plc.
- 1998 - 2014 : Company Secretary and Head of Internal Audit, Samart Corporation Plc.
- 1990 - 1997 : Company Secretary, the Cogeneration Public Company Limited

Positions in Other Companies/Organizations

- 1989 - 1990 : Secretary to President, Dow Chemical Co., Ltd.
- 1980 - 1989 : Secretary to Management Director, Custom Pac Co., Ltd.

Biography of the Executives



Mr. Chalermchai Mahagitsiri
(Age 40)
Director/President and Chief Executive Officer/
Member of Executive Committee/
Chairman of Investment Committee

Date of appointment as Executive:

- 31 January 2012

(%) of shareholding as of 31 December 2018:

- 22.02 (included his shares held under custodian account)

Relation among family with other directors and executives:

- Ms. Ausana Mahagitsiri's brother

His biography appears in the section "Biography of the Board of Directors and Executives"



Mr. Jitender Pal Verma
(Age 54)
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 2018:

- 0.003 (shares held under Thai NVDR)

Relation among family with other directors and executives:

- None

His biography appears in the section "Biography of the Board of Directors and Executives"



Mr. Kamolsut Dabbaransi
(Age 41)
Director/Senior Executive Vice President,
Head of Food & Beverage

Date of appointment as Executive:

- 1 August 2015

(%) of shareholding as of 31 December 2018:

- Own : None
- Spouse : 4.11
- Total : 4.11

Relation among family with other directors and executives:

- Ms. Ausana Mahagitsiri's spouse

His biography appears in the section "Biography of the Board of Directors and Executives"



Mr. Sigmund Stromme
(Age 62)
Executive Vice President - Agro & Logistics

Date of appointment:

- 6 May 2015

(%) of shareholding as of 31 December 2018:

- 0.0079

Relation among family with other directors and executives:

- None

Education

- Master in Computer Science Finance/Administration, EDB
Hoeyskolen, 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 & Logistics,
Thoresen Thai Agencies Plc.
- 2015 - Present : Director/ Managing Director/Executive Committee/
Nomination and Remuneration Committee,
PM Thoresen Asia Holdings Plc.

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. Vincent Siaw

(Age 44)
Executive Vice President,
Legal & International Projects

Date of appointment as Executive:

- 19 September 2018

(%) of shareholding as of 31 December 2018:

- None

Relation among family with other directors and executives:

- None

Education

- Bachelor of Commerce (Accounting), Australian National University
- Bachelor of Laws (Honours), Australian National University
- Master of Business Administration (General Management), Southern Cross University, Australia
- Master of Business Administration (Oil & Gas), Curtin University of Technology, Australia (joint program with Aberdeen Business School)
- Doctor of Business Administration (Corporate Law & Governance), University of South Australia

Training/Certification

- Director Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 175/2013
- Diploma, Director Examination Program, Thai Institute of Directors Association (IOD), Class 38/2013
- Solicitor, Supreme Court of England & Wales
- Barrister-at-Law & Solicitor, High Court of Australia
- Barrister-at-Law & Solicitor, Supreme Court of the Australian Capital Territory

Working experience

Positions in Listed Companies in SET

- 2018 - Present : Executive Vice President, Legal & International Projects, Thoresen Thai Agencies Plc.

Positions in Listed Companies in Other Countries

- 2016 - Present : Executive Vice President and Chief Operating Officer, Mermaid Maritime Plc.
- 2014 - 2015 : Senior Vice President, Legal & Corporate Affairs and Business Development Director (Offshore Drilling), Mermaid Maritime Plc.
- 2011 - 2013 : Corporate Strategy Director, Company Secretary & Head of Investor Relations, Mermaid Maritime Plc.
- 2008 - 2010 : General Counsel, Company Secretary & Head of Investor Relations, Mermaid Maritime Plc.
- 2005 - 2007 : General Counsel & Company Secretary, Mermaid Maritime Plc.

Positions in Other Companies/Organizations

- 2018 - Present : Director, Mermaid Subsea Services (Malaysia) Sdn. Bhd.
- 2017 - Present : Director, Mermaid Subsea Services LLC
- 2017 - Present : Director, Mermaid Offshore Services Pte. Ltd.
- 2017 - Present : Director, Mermaid Subsea Services Saudi Arabia Co., Ltd.
- 2017 - Present : Director, PT Mermaid Subsea Services Indonesia
- 2016 - Present : Director, Mermaid Subsea Services (International) Ltd.
- 2016 - Present : Director, Mermaid Maritime Mauritius Ltd.
- 2016 - Present : Director, Mermaid International Ventures
- 2015 - Present : Director, Mermaid Subsea Services (Thailand) Ltd.
- 2015 - Present : Director, Seascope Surveys Pte. Ltd.
- 2015 - Present : Director, Mermaid Drilling Ltd.
- 2015 - Present : Director, MTR-1 Ltd.
- 2015 - Present : Director, MTR-2 Ltd.
- 2015 - Present : Director, MTR-1 (Singapore) Pte. Ltd.
- 2003 - 2004 : Senior Manager (Thailand Counsel), General Motors (Thailand) Co., Ltd. & Chevrolet Sales (Thailand) Co., Ltd.
- 2001 - 2002 : Senior Manager (Legal), Ferrier Hodgson Co., Ltd. & Effective Planners Co., Ltd. as Plan Administrator to Thai Petrochemical Industry Plc.
- 1999 - 2000 : Lawyer, Corporate & Government Division, Deacons Graham & James, Australia



Mr. Ng Kit Wei, David
(Age 41)
Executive Vice President, Investment,
Corporate Strategy & 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 2018:

- None

Relation among family with other directors and executives:

- None

Education

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

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 & Risk Management, Thoresen Thai Agencies Plc.

Positions in Listed Companies in Other Countries

- None

Positions in Other Companies/Organizations

- 2018 - Present : Director, Asia Infrastructure Management (Thailand) Co., Ltd.
- 2018 - Present : Director, Siam Taco Co., Ltd.
- 2017 - Present : Director, PH Capital Co., Ltd.
- 2016 - Present : Director, TTA Suez 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



Mr. Somchai Apinyanukul
(Age 48)
Executive Vice President, Group Human
Resources

Date of appointment as Executive:

- 1 January 2019

(%) of shareholding as of 31 December 2018:

- None

Relation among family with other directors and executives:

- None

Education

- Bachelor of Political Science, Chiangmai University
- Master of International Business, Swinburne University of Technology, Melbourne, Australia

Training/Certification

- The Predictive Index System, PI Management, Singapore
- HRMS Seminar, Washington DC, USA
- PMAT, Thailand

Working experience

Positions in Listed Companies in SET

- 2019 - Present : Executive Vice President, Group Human Resources, Thoresen Thai Agencies Plc.
- 2016 - 2018 : Director, Corporate Human Resources, Thoresen Thai Agencies Plc.
- 2012 - 2013 : Head of Business Partner - Saraburi Operation, Siam City Cement, Plc.

Positions in Listed Companies in Other Countries

- 2006 - 2012 : Director, Human Resources, Fabrinet Co., Ltd., NYSE FN, USA

Positions in Other Companies/Organizations

- 2018 - Present : Director, Siam Taco Company Limited
- 2017 - Present : Director, Thoresen Shipping (Thailand) Co., Ltd.
- 2013 - 2016 : Director, Human Resources, ECCO (Thailand) Co., Ltd.

Report on the Securities Holding of the Directors and Executives

Securities Holding by TTA's Directors as of 31 December 2018

No.	Name	No. of Shares			No. of Warrants # TTA-W5		
		As of 31 Dec 2018	As of 31 Dec 2017	Changes During the Year	As of 31 Dec 2018	As of 31 Dec 2017	Changes During the Year
1.	Mr. Prasert Bunsumpun Spouse and Minor Child	182,000	182,000	-	-	-	-
2.	Mr. Chalemchai Mahagitsiri	401,348,382	401,348,382	-	7,581,756	38,430,826	(30,849,070)
3.	Mr. Jean Paul Thevenin Spouse and Minor Child	-	-	-	-	-	-
4.	Mr. Jitender Pal Verma Spouse and Minor Child	11,200	11,200	-	1,066	1,066	-
5.	Ms. Ausana Mahagitsiri Spouse and Minor Child	55,000	55,000	-	33	33	-
6.	Mr. Kamolsut Dabbaransi Spouse and Minor Child	-	-	-	-	-	-
7.	Mr. Somboonkiat Kasemsuwan Spouse and Minor Child	75,495,737	70,795,737	4,700,000	-	6,742,451	(6,742,451)
8.	Mr. Santi Bangor Spouse and Minor Child	-	-	-	-	-	-
9.	Mr. Cherdpong Siriwit Spouse and Minor Child	-	-	-	-	-	-
10.	Mr. Chitrapongse Kwangsukstith Spouse and Minor Child	-	-	-	-	-	-
11.	Mr. Mohammed Rashed Ahmad M. Al Nasser Spouse and Minor Child	-	-	-	-	-	-

Securities Holding by TTA's Executives as of 31 December 2018

No.	Name	No. of Shares			No. of Warrants # TTA-W5		
		As of 31 Dec 2018	As of 31 Dec 2017	Changes During the Year	As of 31 Dec 2018	As of 31 Dec 2017	Changes During the Year
1.	Mr. Chalemrchai Mahagitsiri	401,348,382	401,348,382	-	7,581,756	38,430,826	(30,849,070)
2.	Mr. Jitender Pal Verma	55,000	55,000	-	33	33	-
	Spouse and Minor Child	-	-	-	-	-	-
3.	Mr. Kamolsut Dabbaransi	-	-	-	-	-	-
	Spouse and Minor Child	75,495,737	70,795,737	4,700,000	-	6,742,451	(6,742,451)
4.	Mr. Sigmund Stromme	143,200	143,200	-	-	-	-
5.	Mr. Vincent Siaw ¹	-	-	-	-	-	-
	Spouse and Minor Child	-	-	-	-	-	-
6.	Mr. Kit Wei Ng, David	-	-	-	-	-	-
	Spouse and Minor Child	-	-	-	-	-	-

Note: ¹Mr. Vincent Siaw was appointed as an Executive on 19 September 2018.

Shareholding Structure

TTA's Top 10 Shareholders

The top ten shareholders of TTA as of 28 December 2018, 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	150,000,000	8.23
3.	Ms. Ausana Mahagitsiri	75,495,737	4.14
4.	Mr. Prateep Tangmatitham	62,661,207	3.44
5.	Thai NVDR Co., Ltd.	51,665,141	2.83
6.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	40,992,808	2.25
7.	Mr. Pipat Tiathawat	36,500,000	2.00
8.	Mrs. Somsong Laphananrat	28,966,400	1.59
9.	DBS Bank Ltd.	22,689,600	1.24
10.	Mrs. Suvimol Mahagitsiri	22,573,423	1.24
Total		742,892,698	40.76
Other shareholders		1,079,571,308	59.24
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 28 December 2018 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 28 December 2018, 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	21,775	1,549,214,582	85.01
Foreign	106	273,249,424	14.99
Total of Shareholders	21,881	1,822,464,006	100.00

Company Investments

Investments in other companies exceeding 10% of other companies' shares as of 31 December 2018 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 26/32-34 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	87,500	87,494	
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
7	Thoresen Shipping Company 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. : +49 (0) 421 336 52 22	Ordinary	25,000	25,000	100.00

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
Shipping					
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					
Type of Business : Offshore Services					
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 ² 102,509,593 ³	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	24,000,000	100.00
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	35,000,000	100.00
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	500,000	100.00
16	MTR-1 (Singapore) Pte. Ltd. 80 Robinson Road #02-00, Singapore 068898 Tel : +66 (0) 2255-3115-6	Ordinary	40,000	40,000	100.00

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
Offshore Service					
Type of Business : Offshore Services					
17	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
18	Seascope Surveys Pte. Ltd. 8 Loyang Drive, Loyang Industrial Estate Singapore (508939)	Ordinary	100	100	100.00
19	PT Seascope Surveys Indonesia JL T.B. Simatupang, Kav. 1 S, Cilandak Timur Jakarta, 12560, Indonesia	Ordinary	800	392	49.00
20	Mermaid Offshore Services Pte. Ltd. 80 Robinson Road #02-00 Singapore 068898	Ordinary	20,400,100	20,400,100	100.00
21	Mermaid Subsea Services (Malaysia) Sdn. Bhd. Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5 Kuala Lumpur Sentral, Kuala Lumpur Malaysia, 50470 Tel. : +603-2273-1919	Ordinary	350,000	157,500	45.00
22	Mermaid Maritime Mauritius Ltd. C/O Abax Corporate Services Ltd. 6 th Floor, Tower A, 1 CyberCity, Ebene, Mauritius	Ordinary	1	1	100.00
23	Mermaid International Ventures Clifton House, 75 Fort Street PO Box 1350, Grand Cayman KY1-1108 Cayman Islands	Ordinary	100	100	100.00
24	Mermaid Subsea Services (International) Ltd. Suite 15, 1 st Floor Oliaji Trade Centre Fransis Rachel Street, Box 1004 Victoria, Mahe Seychelles	Ordinary	1	1	100.00
25	Mermaid Subsea Services Saudi Arabia Co., 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
26	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

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
Offshore Service					
Type of Business : Offshore Services					
27	Asia Offshore Drilling Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	600,000,100	20,256,425	33.76
28	Asia Offshore Rig 1 Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	36,000,000	36,000,000	100.00
29	Asia Offshore Rig 2 Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	36,000,000	36,000,000	100.00
30	Asia Offshore Rig 3 Limited Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda	Ordinary	36,000,000	36,000,000	100.00
31	Zamil Mermaid Offshore Services Company LLC Khobar, P.O. Box 1922 Kingdon of Saudi Arabia ZIP Code 31952	Ordinary	2,000	800	40.00
32	PTGC Co., Ltd. J41, Street 99R, Toul Sakae Village Sangkat Toul Sanglke, Khan Russey Keo Phnom Penh, Kingdom of Cambodia Tel. : +855 087336668	Ordinary	1,200,000	588,000	49.00
Agrochemical					
33	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
34	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 ²
35	Baconco Co., Ltd. Petroland Tower (17 th Floor), 12 Tan Trao Street Tan Phu Ward, District 7 Ho Chi Minh City, Vietnam Tel. : +84 64 3893 400 Fax : +84 64 3876 030	Charter capital is VND 377,072,638,790			100.00 ²

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
Investment					
Type of Business : Logistics					
36	Baria Serece Phu My Borough, Tan Thanh District Ba Ria Vung Tau Province, Vietnam Tel. : +84 64 3876 603 Fax : +84 64 3876 600	Ordinary	2,039,080	407,816	28.00 ³
37	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 ³
38	Unique Mining Services Plc. 26/23 Orakarn Building, 7 th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2655-7501-2 Fax : +66 (0) 2655-7503-5	Ordinary	704,738,212	654,878,013	92.93 ⁴
39	UMS Distribution Co., Ltd. 26/23 Orakarn Building, 7 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
40	UMS Lighter Co., Ltd. 26/23 Orakarn Building, 7 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
41	UMS Pellet Energy Co., Ltd. 26/23 Orakarn Building, 7 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
42	UMS Port Services Co., Ltd. 108/2 Moo 2, 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

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
Investment					
Type of Business : Logistics					
43	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
44	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 ⁶
45	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
46	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
47	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
48	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
49	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
50	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 ⁶

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
Investment					
Type of Business : Food and Beverage					
51	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
52	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	66,000,000	46,119,999	70.00
53	Siam Taco Company Limited 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	4,000,000	2,799,999	70.00
Type of Business : Water Management					
54	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
55	Asia Infrastructure Management (Thailand) Co., Ltd. 807/26 Bhumarin Village Moo 8, Khu Khot Lum Look Ka Pathumthani 12150 Tel. : +66 (0) 2531-8141-4	Ordinary	2,500,000	2,012,500	80.50
Type of Business : Other					
56	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
57	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

No.	Name of Company	Type of Shares	No. of Issued Shares	No. of Invested Shares	% of Holding
Investment					
Type of Business : Other					
58	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
59	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	48,070,000	48,069,993	99.99
60	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 PM Thoresen Asia Holdings Plc.

^{/3} indirectly held through Soleado Holdings Pte. Ltd.

^{/4} indirectly held through Athene Holdings Ltd.

^{/5} indirectly held through Thoresen (Indochina) S.A.

^{/6} indirectly held through Thoresen Shipping FZE

^{/7} indirectly held through Asia Coating Services Ltd.

Corporate Information

As of 31 December 2018

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, Chidlom Alley Ploenchit Road, Lumpinee Sub-District, Pathumwan District 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. 156 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, 14 th 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. 48 th - 51 st Floors, Empire Tower 195 South Sathorn Road, Yannawa, Sathorn Bangkok 10120, Thailand Telephone: +66 (0) 2677-2000 Facsimile: +66 (0) 2677-2222

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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