

รายงานประจำปี 2556

ANNUAL REPORT

2013

Towards ►
a New Challenge of AEC

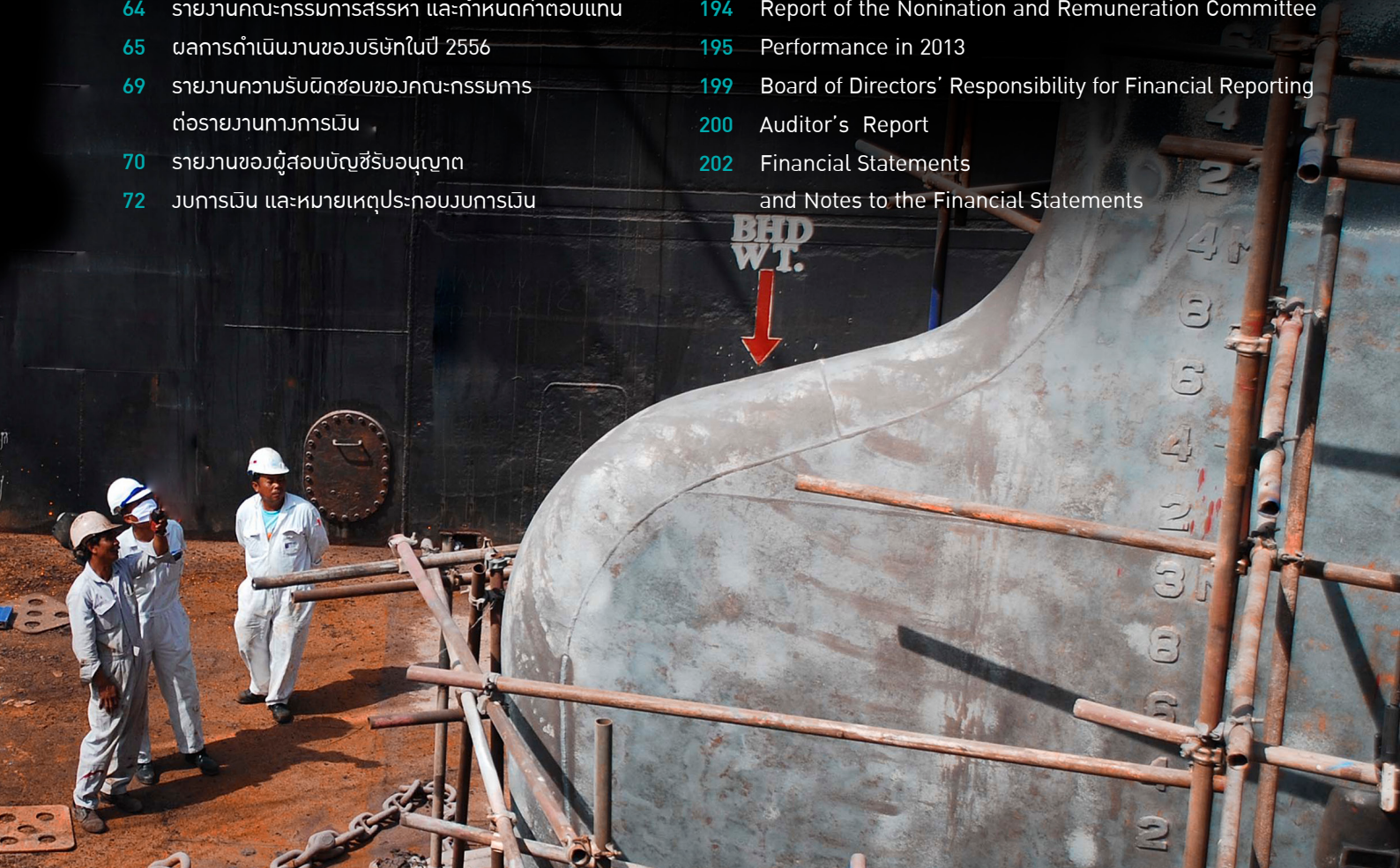


บริษัท เอเชียน มารีน เซอร์วิสส์ จำกัด (มหาชน)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED

สารบัญ CONTENTS

01	จุดเด่นทางการเดิน 2556	125	Financial Highlight 2013
02	วิสัยทัศน์ พันธกิจ	126	Vision Mission
04	สารสนเทศจากประธาน	128	Message from the Chairman
06	กิจกรรมเพื่อชุมชน	130	Corporate Social Responsibility
08	คณะกรรมการบริษัท	132	Board of Directors
14	คณะผู้บริหาร	138	Management Team
17	โครงสร้างบริหาร	141	Organization Chart
19	ประวัติความเป็นมา และการเปลี่ยนแปลงที่สำคัญ	143	History and Significant Developments
24	ผลงาน และเหตุการณ์สำคัญของบริษัทในปี 2556	149	Achievement and Major Events in 2013
25	ภาพรวมการประกอบธุรกิจของบริษัท และบริษัทย่อย	150	Business Overview of the Company and Affiliated
28	การลงทุนในบริษัทย่อย	153	Investment in Subsidiaries
29	โครงสร้างรายได้บริษัท และบริษัทย่อย	154	Revenue Structure
30	ภาวะการแข่งขัน และแนวโน้มอุตสาหกรรม	155	Competitive Environment and Industry Trend
31	ข้อมูลทั่วไป และบุคคลอ้างอิง	156	General Information
33	ปัจจัยความเสี่ยง	158	Risk Factors
35	โครงสร้างการถือหุ้น และการจัดการ	160	Major Shareholders and Executives
36	โครงสร้างการจัดการ และการกำกับดูแลกิจการ	161	Management and Corporate Governance
43	การปฏิบัติตามหลักการกำกับดูแลกิจการที่ดี	169	Good Corporate Governance
59	รายการระหว่างกัน	189	Connected Transactions
61	การเปิดเผยข้อมูลเกี่ยวกับค่าตอบแทนของผู้สอบบัญชี	191	Additional Information regarding auditor's service fee
62	รายงานของคณะกรรมการตรวจสอบ	192	Report of the Audit Committee
64	รายงานคณะกรรมการสรรหา และกำหนดค่าตอบแทน	194	Report of the Nonination and Remuneration Committee
65	ผลการดำเนินงานของบริษัทในปี 2556	195	Performance in 2013
69	รายงานความรับผิดชอบของคณะกรรมการ ต่อรายงานทางการเงิน	199	Board of Directors' Responsibility for Financial Reporting
70	รายงานของผู้สอบบัญชีรับอนุญาต	200	Auditor's Report
72	งบการเงิน และหมายเหตุประกอบงบการเงิน	202	Financial Statements and Notes to the Financial Statements





FINANCIAL HIGHLIGHT

2013

Unit : Million Baht



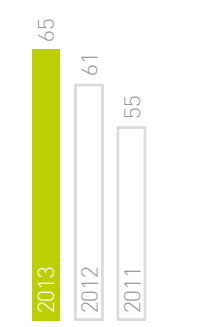
Financial Data

	2013	2012	2011
Total Assets	564	686	871
Total Liabilities	190	374	590
Total Shareholders' Equity	374	312	281
Service Income	702	595	557
Total Revenue	720	633	581
Gross Profit	188	165	201
Net Profit (Loss)	65	61	55

Financial Ratio

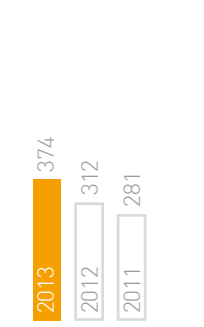
Net Profit Margin	9.10	9.72	9.52
Return on Equity	19.10	20.93	22.24
Return on Asset	10.48	7.93	6.64
Book Value per Share (Baht)	1.45	1.33	1.18
Net Profit per Share (Baht)	0.25	0.24	0.24

Net Profit
Unit : Million Baht



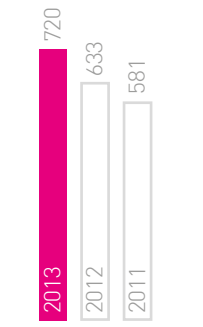
7%

Total Shareholder's Equity
Unit : Million Baht



20%

Total Eevenues
Unit : Million Baht



14%

VISION & MISSION

Vision

To establish ASIMAR as an internationally recognized brand name in the shipbuilding and ship repair industry, through the application of technology in developing its manufacturing process to achieve excellence in quality, timely delivery and ultimate client satisfaction.

Mission

Commitment to providing a high standard of service to clients by means of effective quality and time control comparable to a leading world-class shipyard, with continuing development and optimal efficiency in the management of company resources for

Clients

Well-received outcomes and complete client satisfaction

Shareholders

Target returns on investment to their satisfaction

Employees

Human resources development with opportunities for career advancement and good quality of life

Environment and Community

Participation in environmental and social development activities







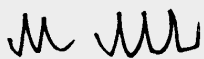
MESSAGE FROM THE CHAIRMAN



In 2013, the shipbuilding and ship repair industry remained highly competitive. This, combined with the slow global economic recovery and the domestic political uncertainty, has compelled the company to closely monitor developments and proactively modify its operational plans, especially with regard to corporate policy, strategic management and operational direction so that the company is always in a state of preparedness, ready for any situation which may arise, and resulting in a steady growth in the company's earnings. In any case, for 2014 the company plans to expand much more into offshore engineering as well as placing more emphasis on shipbuilding and ship repair projects in the domestic and regional markets to enhance readiness for the advent of the ASEAN Economic Community (AEC).

On behalf of the Board of Directors, I would like to give our reassurance that establishing policies and modifying corporate strategies to suit the emerging situation, including further development of operational efficiency and other measures will be effectively undertaken in order to ensure that risks are fully managed and controlled to an acceptable level. We will continue to apply good corporate governance as a means toward sustainable development and promoting confidence in the company among all our stakeholders.

On this occasion and on behalf of the Board of Directors, I would like to express our sincere thanks to our shareholders, our business allies, concerned financial institutions, relevant governmental agencies, our business partners and all our clients, as well as our senior management and company employees for their dedication in effectively implementing all our business plans and corporate mission to successfully reach the set targets. Their unwavering energy and integrity have played a major role in strengthening the company's operations and contributing to corporate stability and sustainable growth which will ultimately benefit everyone concerned.



Prakit Pradipasen

Chairman





CORPORATE SOCIAL RESPONSIBILITY (CSR)

ASIMAR is committed to raising the potential of the community to achieve higher social and environmental development and attain a better quality of life as a means to share benefits with the community and society in which we operate. We constantly strive for our employees to be responsible citizens and promote their participation in creating worthwhile activities to benefit the community and society. In 2013, significant projects were:

COMMUNITY **ACTIVITIES**



To Students With Love from ASIMAR

Hosted lunch and planting trees to students at Ban Khun Samut Thai School on 26 September 2013.



Hosted lunch to students at Y.M.C.A. HAPPY HOME, Nakhonpathom on 28 September 2013.



Presented 25 scholarships to children of employees on 23 May 2013.



Heart filled with Dharma

The Company organized for employees to make food offerings to monks from the local community temple once a month, as well as arranged for monthly sermons on Buddhist teachings to provide a moral compass to employees.



Protecting the Earth by Planting trees

Joined the Prasamutjedee Amphoe and Laemfapha Municipality in planting trees on 12 August 2013.



Happy to Give

Organized donation of blood by employees on 16 February, 14 May, 12 June and 19 August 2013.

Mr. Prakit Pradipasen

Chairman and Independent Director

BOARD
OF DIRECTORS



Age	: 71 Year
Number of Shares (14/03/13)	: 182,000
% of Total Shares	: 0.08
Appointing Date	: 30/03/1995

Education

- MBA Wayne State University, Detroit USA
- BBA Silliman University, Dumaguete, The Philippines

Work Experience Present

- Chairman
Asian Marine Services PCL.
Diamond Brand Products PCL.
Erawan Group PCL.
Ang Thong Sugar Terminal Co., Ltd.
- Chairman of Audit Committee and Independent Director
Supalai PCL.
Haadthip PCL.
Luckytex PCL.
BATA Thailand PCL.
Thaicarbonblack PCL.
- Director Susco PCL.

Mr. Sutham Tanpaibul

Director and Chairman of Executive Director



Mr. Chinsuk Viravan

Independent Director and
Chairman of Audit Committee



Age : 81 Year
Number of Shares (14/03/13) : 26,040
% of Total Shares : 0.01
Appointing Date : 30/03/1995

Education

- High School Assumption Commerce

Work Experience Present

- Chairman of the Executive Director
Asian Marine Services PCL
- Chairman of Seatran Group
Tanpaibul Co., Ltd. (Holding Company)
Seatran Travel Co., Ltd. (Cruiser)
Seatran Port Co., Ltd.
Seatran Line Co., Ltd.
Seatran Ferry Co., Ltd.
Seatran Dockyard Co., Ltd.

Age : 69 Year
Number of Shares (14/03/13) : -
% of Total Shares : -
Appointing Date : 24/08/2011

Education

- MBE (Economic) Oklahoma City University, USA
- BBA Chulalongkorn University

Work Experience Present

- Independent Director and Chairman of Audit Committee
Asian Marine Services PCL.
- Executive Director
Viravan Co., Ltd.

2004-2007

- Independent Director and Chairman of Audit Committee
Eastern Commercial Leasing PCL.

Mr. Sribhumi Sukhanetr

Independent Director, Audit Committee,
Chairman of Nominating and
Remuneration Committee



Mrs. Warawan Nganthavee

Managing Director and
Executive Director



Age : 81 Year
Number of Shares (14/03/13) : -
% of Total Shares : -
Appointing Date : 26/04/1995

Education

- Honorary Degree in Mass Communication
Thammasat University
- National Defense College, Bangkok
- Master Degree in Public Administration
Ecole Nationale des Postes et
Telecommunications, France
- Faculte'de Droits, Paris

Work Experience Present

- Independent Director and Audit Committee
Asian Marine Services PCL.
- Chairman, Gosakon Co., Ltd.
- Chairman of the Honorary Consul of Thailand
- Honorary President Telecommunication
Association of the Thailand Under The Royal Patronage

1997-Present

- Honorary Consul of the Principality Monaco

Age : 54 Year
Number of Shares (14/03/13) : 998,600
% of Total Shares : 0.43
Appointing Date : 09/09/2003

Education

- MBA Ohio University, USA
- BBA (Accounting) Kasetsart University

Work Experience Present

- Managing Director
Asian Marine Services PCL.

2001-2004

- Managing Director
Seatran Ferry Co., Ltd.

Mr. Vibul Panitvong

Director, Executive Director, Nominating
and Remuneration Committee

Mr. Sutsep Tanpaibul

Director and Executive Director



Age : 69 Year
Number of Shares (14/03/13) : 15,000,038
% of Total Shares : 6.39
Appointing Date : 30/03/1995

Education

- MBA Florida University, USA
- BA Kasetsart University

Work Experience Present

- Executive Director Asian Marine Services PCL.
Ang Thong Sugar Terminal Co., Ltd.
- Chairman
Phetch Hotel Co., Ltd., Aawthai Warehouse Co., Ltd.
Nakorn Petch Sugar Co., Ltd., Baan Pong Intertrade Co., Ltd.
Suger Trading Co., Ltd., Kaset 23 Co., Ltd.
- Voice Chairman
Suger Singburi Co., Ltd., Suger cane and Thailand Co., Ltd.
- Chairman of the Executive Director Thai Suger Millers Co., Ltd.
- Director Vithai Bio Power Co., Ltd.
- Managing Director
B.P.Overseas Co., Ltd., Thai Molasses Systems Co., Ltd.
- Honorary President Thai Sugar and Bio-Energy Producers
Association

Age : 77 Year
Number of Shares (14/03/13) : 2,100
% of Total Shares : 0.001
Appointing Date : 30/03/1995

Education

- Diploma
Rajamangala Institute of Technology Bangkok
Technical Campus

Work Experience Present

- Executive Director Asian Marine Services PCL.
2003
• Production Director Asian Marine Services PCL.

Mr. Sutin Tanphaibul

Director and Executive Director

Mr. Prawat Chanruang

Director and Nominating
and Remuneration Committee



Age : 75 Year
Number of Shares (14/03/13) : -
% of Total Shares : -
Appointing Date : 03/07/1998

Education

- MINI MBA Thammasat University
- BBA The East Philippines University
- Diploma in Accounting Chulalongkorn University

Work Experience Present

- Executive Director
Asian Marine Services PCL.
- Managing Director
Tanphaibul Co., Ltd. (Holding Company)
- Director
Seatran Ferry Co., Ltd.
Seatran Port Co., Ltd.

2002-2003

- Managing Director
Asian Marine Services PCL.

Age : 75 Year
Number of Shares (14/03/13) : 8,428,725
% of Total Shares : 3.59
Appointing Date : 26/11/2001

Education

- BA (Business Administration) Thammasat University
- BA (Accounting) Thammasat University

Work Experience Present

- Director
Asian Marine Services PCL.
- Executive Director
Nawakit Ban Muang Co., Ltd.
Laem Chabang International Country
- Managing Director
Nakharin Park Co., Ltd. (Land Development)
Nakharin Pathhum Thani Estate Co., Ltd.

Dr. Bumroong Chinda

Independent Director and Audit Committee

Dr. Nonn Panitvong

Director and Executive Director



Age : 77 Year
Number of Shares (14/03/13) : -
% of Total Shares : -
Appointing Date : 06/06/2000

Education

- Doctor of Architecture Rome University, Italy
- Bachelor Degree in Architecture
Chulalongkorn University

Work Experience Present

- Independent Director and of Audit Committee
Asian Marine Services PCL.
- Businessman

Age : 37 Year
Number of Shares (14/03/13) : 5,000,000
% of Total Shares : 2.13
Appointing Date : 04/06/2002

Education

- Doctor of Environmental, Kasetsart University
- MBA, North Carolina University Wilmington
- BBA, Assumption University

Work Experience Present

- Executive Director, Asian Marine Services PCL.
- Director
Ang Thong Sugar Terminal Co., Ltd.
Nakorn Petch Green Energy Co., Ltd.
Vithai Bio Poewr Co., Ltd.
Milton Biotec Co., Ltd.
- Human Resource Department Manager
Nakorn Petch Sugar Co., Ltd.

Mr. Suradej Tanpaibul
General Manager

Mr. Thani Narux
Production Senior Department Manager



MANAGEMENT TEAM



Age : 40 Year
Number of Shares (14/03/13) : -
% of Total Shares : -
Appointing Date : 14/12/2009

Education

- MBA University of Central Oklahoma USA
- Bachelor Degree Faculty of Commerce and Accountancy Thammasat University

Work Experience Present

- General Manager,
Asian Marine Services PCL.

2008-2009

- Category Development Manager
Procter & Gamble Trading (Thailand) Limited

2007-2008

- Unit Manager
Procter & Gamble Trading (Thailand) Limited

2006-2007

- Marketing Strategy & Planning Manager
Procter & Gamble Trading (Thailand) Limited

2004-2006

- Trade Development Manager,
Gillette Thailand Limited

Age : 63 Year
Number of Shares (14/03/13) : -
% of Total Shares : -
Appointing Date : 09/05/2005

Education

- MPA Sripatum University
- Bachelor Degree Merchant Marine
Training Centre

Work Experience Present

- Production Senior Department Manager
Asian Marine Services PCL.

2004

- Project Management Senior Department Manager
Asian Marine Services PCL.

2002-2003

- Oasis Marine Technic Co., Ltd.
Managing Director
- Merchant Marine Training Centre,
Guest Lecturer
- Maritime Media Magazine,
Editor staffs.

Mr. Wasin Wacharapinyo

Marketing Senior Department Manager

Mrs. Arome Sajjawisoe

Material Service Department Manager



Age : 51 Year
Number of Shares (14/03/13) : -
% of Total Shares : -
Appointing Date : 01/07/2010

Education

- Technical Diploma in Marine Engineering
Singapore Polytechnic

Work Experience Present

- Marketing Senior Department Manager
Asian Marine Services PCL.

2001-2010

- Ship Surveyor
Nippon Kaiji Kyokai (Class NK)

Age : 60 Year
Number of Shares (14/03/13) : -
% of Total Shares : -
Appointing Date : 31/01/2012

Education

- High School Sriboonyanon School

Work Experience Present

- Material Service Department Manager
Asian Marine Services PCL.

2005-2011

- Material Service Division Manager
Asian Marine Services PCL.

Ms. Rapeepan Piboonsilp

Finance and Accounting Department Manager

Mr. Erawat Phrommachan

Human Resource
and Administration Department Manager



Age : 40 Year
Number of Shares (14/03/13) : -
% of Total Shares : -
Appointing Date : 01/04/2011

Education

- Master Degree in technology management
College of Innovation Thammasat University
- Bachelor Degree of Business Administration
(Accounting) Rajamangala University of Technology

Work Experience Present

- Finance and Accounting Department Manager
Asian Marine Services PCL.

2006

- Finance Executive, AC Nielsen (Thailand) Ltd.

1993-2005

- Senior Accountant, Jongstit Co., Ltd.

Age : 37 Year
Number of Shares (14/03/13) : -
% of Total Shares : -
Appointing Date : 01/08/2013

Education

- Bachelor Degree of Information Technology
King Mongkut's University of Technology Thonburi

Work Experience Present

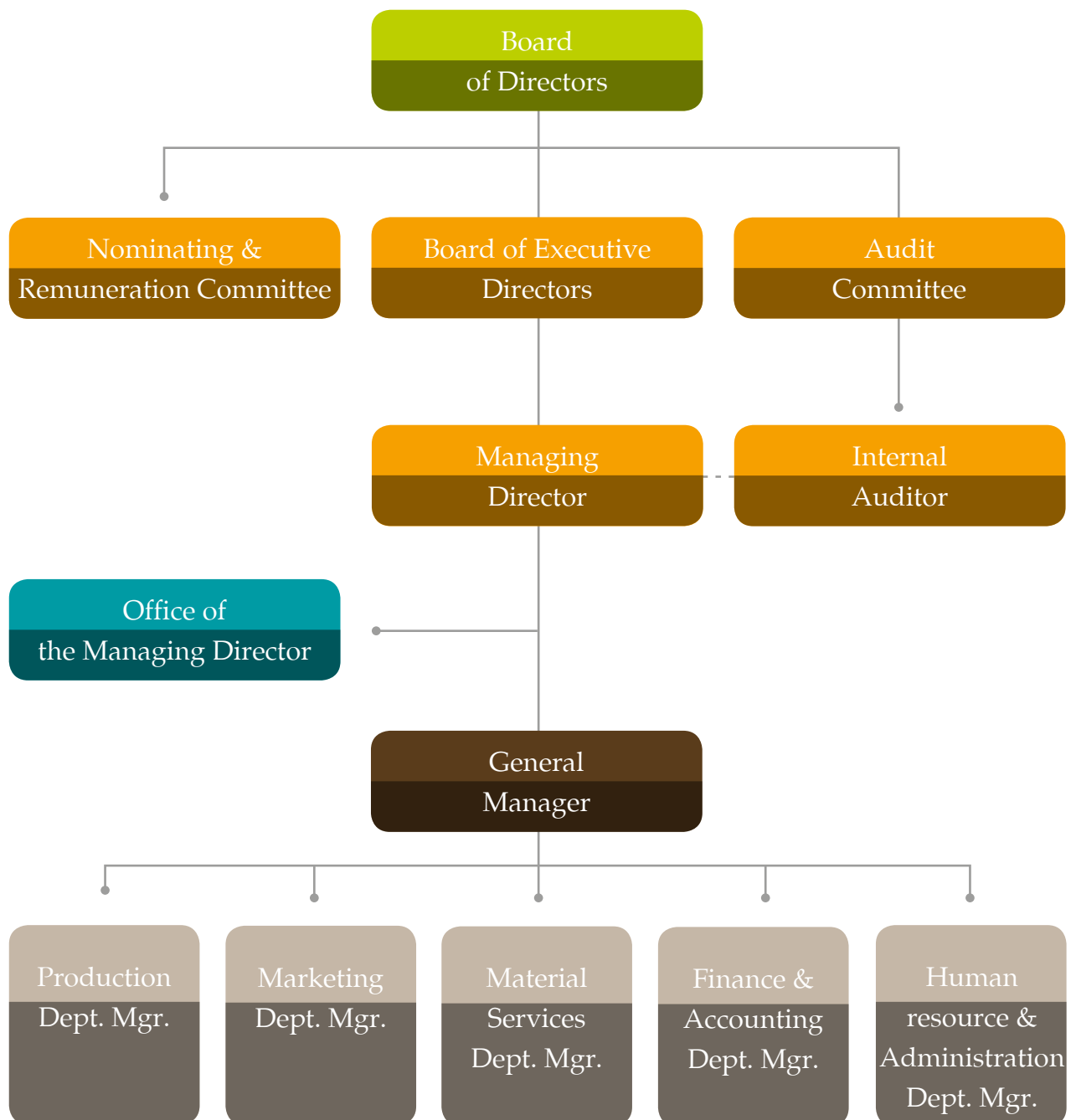
- Human Resource and Administration
Department Manager Asian Marine Services PCL.

2008-2013

- Information Technology Division Manager
Asian Marine Services PCL.



ORGANIZATION CHART







HISTORY AND SIGNIFICANT DEVELOPMENTS



Asian Marine Services Public Company Limited was established in 1981 as a marine survey company with registered capital of THB 200,000. The Company later reviewed its original corporate objective in view of the growing demand for ship repair services of required standard. In response to such demand, the Company increased its registered capital to THB 20 million and purchased its first floating dock, Asimar 1, from Japan. Then in 1995, the Company purchased its second floating dock, Asimar 2, from Germany and increased the registered capital to THB 120 million and THB 170 million respectively. The Company subsequently became listed as a public company limited and changed its name to Asian Marine Services Public Company Limited or ASIMAR.

In 1996

The Company was awarded a government procurement contract to build 3 patrol gunboats for the Royal Thai Navy worth THB 808 million. Moreover, the Company's ordinary shares were approved as registered share capital for trading in the Stock Exchange of Thailand. The Company later registered the closing of its branch at Soi Suksawad 49 and moved the Asimar 1 floating dock to the same location as Asimar 2 at the Company's current headquarters.

In 2000

The Company was awarded the ISO 9001 version 2000 certification from Lloyd's Register Quality Assurance. In 2002, the Company was commissioned to build 2 vessels: the semi-submersible Pattaya Prakarang vessel and the Catamaran Passenger Ferry, at the total amount of THB 50 million. The Company was also awarded a contract by the Royal Thai Police to repair and renovate 3 of its large patrol gunboats at the total amount of THB 256 million.

In addition, the Company also increased registered share capital of THB 119 million through the issuing 3-year warrants to existing shareholders for a total of 119 million units. In 2003, the Company was appointed to construct parts of the steel structure and fabrication linking the Concourse Building of Suvarnabhumi Airport for a total amount of THB 159 million and replaced Asimar 1 with a new floating dock worth THB 30 million.

In 2004

The Company established a subsidiary, Asimar Marine Co., Ltd., as an in-house sub-contractor to manage skilled-specific works. This year, the company was able to win contracts to repair the Chulabhorn, a vessel belonging to the Department of Fisheries, at THB 42 million; the Naval Dockyard Department's Soopairin ship worth THB 28.5 million; and the KALAMINJA MT 401 vessel from the Maldives worth THB 42 million.

In 2005

The Company entered a joint venture with GLOBECO S.P.A. of Italy, one of the world's leading companies in waterway waste-management, to establish Ecomarine Co., Ltd. (Subsidiary) whose major business focuses on providing pollution and waste disposal services in waterways such as water hyacinth, garbage and oil spills, etc. to both public and private sector clients in Thailand and in Asia. The Company builds the vessels used in providing these services.

In 2006

The Company jointly signed a contract with GATI LIMITED of India worth USD 13.4 million to build a 442 TEU cargo ship and has allocated additional budget for the procurement of various machinery and improvement of its plant area in order to develop and increase its potential in the shipbuilding industry to better respond to demands in the domestic and international markets.

In addition, Ecomarine Co., Ltd. purchased the Pelican 25 vessel from Italy to provide services in garbage collection and oil film disposal, as well as building 3 waste management vessels. Ecomarine was contracted by the Provincial Administration Organization of Samutprakan and from Tambon Theparak Administration Organization in 2006 to dispose of water hyacinth in the area in front of the Samrong Canal water gate.

On 15 March 2006, a total of 50,670,344 units of warrants were exercised for the 13th (and last) time, bringing the Company's paid capital to THB 234,810,100 from THB 184,139,756, with the number of expired warrants remaining at 3,189,900 share units at the price of THB 1 per share.

On 9 May 2006, the Company revised its registered capital in accordance with the resolution of the 2006 Annual General Shareholders' Meeting which noted that upon the expiry date of the warrants, there remained 3,189,900 share units still unexercised which made it necessary for the Company to amend its paid capital registration from THB 238,000,000 to THB 234,810,100 which should also be reflected in Article 4 of the Company's prospectus under the heading "Registered Capital".

In 2007

The Company completed building the structure of a 442 TEU cargo ship-the largest ever to be commissioned in Thailand, for GATI LIMITED of India, which commenced in 2006 and is due to be delivered in 2008. In addition the Company also signed another two contracts: with SERBA PACIFIK SDN.BHD of Malaysia to convert a container ship into an offshore operations support vessel; and with ALMANSOORI PRODUCTION SERVICE LLC. of the United Arab Emirates to build a petroleum exploration vessel.

The Company has started an occupational health and safety standards program and OHSAS 18001 accreditation system which is currently being developed in accordance with the established guidelines.

Asimar Marine Co., Ltd. proceeded to decrease its registered capital on 26 January 2007 from the total registered capital of THB 37.5 million to THB 10.0 million and again on 3 August 2007 from THB 10.0 million to THB 5.0 million.

In addition, Ecomarine Co., Ltd. was contracted by the Provincial Administration Organization of Ayudhaya Province to rehabilitate the waterways of the Chao Phraya River in the province which has been badly polluted and negatively impacting on fish farming. The project is called "A Bright Chao Phraya in Honour of His Majesty the King" and involves inspection and treatment of the waterways as the river runs through Ayudhaya Province, including disposal of waste, water hyacinth and other pests. The contract signage took place on 30 November 2007 and the project commenced on 1 December 2007 and is due to finish on 31 November 2008.

In 2008

The Company completed the project to build a 442 TEU cargo ship commissioned by GATI LIMITED of India. Prior to that, on 26 November 2008, the Company delivered the offshore operations support vessel-converted from a container transport ship; commissioned by SERBA PACIFIK SDN.BHD of Malaysia and proceeded with the project commissioned by ALMANSOORI PRODUCTION SERVICE LLC. of the United Arab Emirates to build a petroleum exploration vessel which is due to be delivered in 2009. In addition, the Company signed a contract with K.A. AL-GOSAIBI DIVING AND MARINE SERVICES COMPANY of Saudi Arabia to build a 50-metre offshore submarine operations support vessel.

The Company has proceeded in developing its occupational health and safety standards program under the OHSAS 18001 accreditation system in accordance with the guidelines and requirements of the system.

Moreover, Ecomarine Co., Ltd. has completed the rehabilitation of the waterways of the Chao Phraya River and Noi River in Ayudhya Province, under the Bright Chao Phraya in Honour of His Majesty the King Project which involved inspection and treatment of the waterways which run through the province, including disposal of waste, water hyacinth and other weeds. Project implementation of the one-year contract began on 1 December 2007 and ended on 31 November 2008. Organic materials were used in the treatment and rehabilitation process because water in the area earlier faced serious pollution and contamination problems which adversely affected the local fish farming industry.

In 2009

On 12 January 2009, the Company delivered a 442 TEU cargo ship to GATI Limited of India.

On 2 March 2009, the Company released an off-shore oil rig operations support vessel of ALMANSOORI PRODUCTION SERVICE LLC. from the United Arab Emirates and held a hand-over ceremony on 26 October 2009.

On 30 March 2009, the Company laid down the keel for a 60-metre offshore operations support vessel commissioned by K.A.AL-GOSAIBI DIVING AND MARINE SERVICES COMPANY OF Saudi Arabia.

On 28 September 2009, the Company signed a contract with the Fisheries Department to repair the Mahidol Marine Exploration Ship.

On 30 November, the Company signed a contract with the Ports Authority of Thailand to build 2 tow vessels, valued at 533 million Baht (price including VAT), of not less than 30 metric tonnes and not less than 40 metric tonnes tow capacity respectively. The project timeline is 730 days.

In 2010

On 17 March 2010, the company delivered the Mahidol Marine Exploration Vessel to the Department of Fisheries following completion of major repairs which took 6 months.

On 1 April 2010, the company laid the keel for two tow vessels, of not less than 30 metric tonnes and not less than 40 metric tonnes tow capacity respectively, commissioned by the Ports Authority of Thailand.

In March 2010, the Company proceeded with expansion of the ASIMAR 1 floating dock to 3,951 tonne gross to accommodate vessels of up to 5,000 DWT which will enable the company to repair larger vessels and increase revenue.

The company also initiated an Innovation research and development project focusing on mitigating pollution from usage of raw materials, including modification of tools, equipment, production processes and energy consumption to further lessen environmental impacts on nearby communities and protect the environment as a whole.

Ecomarine Co., Ltd. implemented the Chao Phraya/Pasak Rehabilitation Project in Ayudhya, Pathumthani and Nonthaburi provinces for seven months which focused on activities such as collection and eradication of water hyacinths, garbage, and other waste and pollution, including monitoring of the water quality in the Chao Phraya River.

In 2011

On 23 June 2011, signed a contract to build the Transhipment Barge Inter 7 vessel for Inter Stevedoring 7 Co., Ltd., valued at 70 million Baht with a timeline of 240 days.

On 18 July 2011, the company laid the keel for Transhipment Barge Inter 7.

On 21 July 2011, the company signed a contract to modify the Transhipment Barge, Pornpiyacharn 2 for Pornpiya Charn Transport Co., Ltd., valued at 23.25 million Baht with a timeline of 120 days.

On 8 August 2011, the company won a contract from Best Performance Engineering Co., Ltd. to repair the crude tanker Benchamas Explorer for Chevron Thailand Exploration and Production Ltd.

On 15 October 2011, the company signed a contract with Chevron Thailand Exploration and Production Ltd. and Chevron Offshore Thailand Limited to conduct a typhoon evacuation project for ports and transport docks in case of emergency.

On 21 November 2011, the company was commissioned by Titan Maritime of Singapore to salvage the Unison Vigor, its cargo ship which had capsized off the Kerry Siam Seaport in Sriracha District of Chonburi Province.

On 22 December 2011, the company launched the two tow vessels with static bollard pull of not less than 30 metric tonnes and not less than 40 metric tonnes respectively commissioned by the Ports Authority of Thailand.

Ecomarine Co., Ltd.

On February 3, 2011 the company affected a capital decrease whereby the share value was reduced from 100 Baht per share to 25 Baht per share. Then on March 18th, the company registered a capital increase from 6.25 million Baht to 18.25 million Baht by issuing 480,000 ordinary shares at 25 Baht per share amounting to 12.0 million Baht which was not of interest to GLOBECO S.p.A., resulting in a change in the shareholding structure with Asian Marine Services PLC gaining 93.15% while GLOBECO S.p.A. retained 6.85%.

In March 2011, the company successfully delivered the Chao Phraya/Pasak Rehabilitation Project in Ayudhya, Pathumthani and Nonthaburi provinces which focused on activities such as collection and eradication of water hyacinths, garbage, and other waste and pollution, including monitoring of the water quality in the Chao Phraya River.

Ecomarine Co., Ltd. was entrusted by the Armed Forces Development Command's Region 5 to undertake urgent development activities in the area of Hokwa Canal, Lumlookka District of Pathumthani Province by providing vessels to dredge the canal and dispose of garbage, sludge and other water pollutants including water hyacinth between 4 to 6 November 2011 in order to clear up the waterways so that flood water could be drained from the area hard hit by the flooding crisis. The project value was 130,000 Baht.

In 2012

On 4 July 2012, signed a contract to build 2 Lighter Barge vessels for Talay Thai Transportation 2 Co., Ltd. valued at 35.70 million Baht with a timeline of 5 months.

On 31 July 2012, handed over the Transhipment Barge Inter 7 vessel for Inter Stevedoring 7 Co., Ltd.

On 31 July 2012, laid the keel for 2 Lighter Barge vessels for Talay Thai Transportation 2 Co., Ltd.

In December 2012, received OHSAS 18001 Version 2007 accreditation from Lloyd's Register Quality Assurance.

Ecomarine Co., Ltd.

On 14 May 2012, was commissioned by the Office of the Permanent Secretary, Ministry of Science and Technology to dredge the Ban Mai Canal and the Naikimsai 1 trench, valued at 1,841,000 Baht and 197,800 Baht respectively.

On 18 August 2012, was commissioned by the Faculty of Science, Chulalongkorn University to dredge up the slush in its water pool, valued at 300,000 Baht.





ACHIEVEMENTS AND MAJOR EVENTS IN 2013

Achievements in Shipbuilding and Ship Repair

- On 15 January 2013, signed a contract to build 6 Lighter Barge vessels for Angthone Sugar Terminal Co. Ltd., valued at 93.17 million Baht with a timeline of 1 Year.
- On 11 April 2013, handed over the Lighter Barge vessel No.1-2 for Angthone Sugar Terminal Co. Ltd.,
- On 15 November 2013, handed over the Lighter Barge vessel No.3-4 for Angthone Sugar Terminal Co. Ltd.,
- On 16 December 2013, handed over the offshore submarine operations support vessel. for K.A. AL-GOSAIBI DIVING AND MARINE SERVICES COMPANY of Saudi Arabia.

Ecomarine Co., Ltd.

- On 16 June 2013, signed a contract to channel depth modification work at GLOW SPP3'S coal harbor for Glow SPP3 Co. Ltd., valued at 32.49 million Baht with a timeline on 21 June 2013 and ended on 9 November 2013.
- Commissioned by the Electricity Generating Authority of Thailand (Maemoh) to shipbuilding Air Boat vessel, valued at 695,000 Baht with a timeline on 24 August 2013 and ended on 26 November 2013.





BUSINESS OVERVIEW OF THE COMPANY AND AFFILIATES

Major Businesses

Core business of ASIMAR is in shipbuilding, ship repair and engineering works. The Company is the only leading shipyard listed on the Stock Exchange of Thailand with major shareholders being Tunpaibul Group (SEATRAN) and Panitvong Group together. The Company's productivity in ship repair is about 75 vessels per year, and shipbuilding 7,000 - 10,000 DWT around 2 vessels per year. The Company also founded a number of subsidiaries to provide high-skilled services for specific applications, e.g. GENERAL WAREHOUSE CO., LTD., ASIMAR MARINE CO., LTD. and ECOMARINE CO., LTD.

1. Ship Repair

The Company is equipped with major facilities for ship repair with the size of vessels ranging from 5,000 DWT. to 20,000 DWT. These facilities are two U Groove floating docks, to serve both domestic and international demands, together with other supporting facilities e.g. warehouse, giant cranes, and high-killed workforces capable of producing high standard outputs.

2. Shipbuilding

The Company is entrusted by local and international customers to build a variety of special purpose vessels such as Naval Patrol Gunboats, Underwater Cable Inspection vessel of Califa Algosibi and Marine Services Co., Ltd., the antipollution vessels of Esso Standard (Thailand) Co., Ltd. and Shell (Thailand) Co., Ltd. The 442 TEU container ship, the largest cargo ever built in Thailand, was delivered to GATI LIMITED. The 50 metre Offshore Support & Maintenance Vessel from the United Arab Emirates. The Bollard Pull Tractor Tug for 30 MT and Bollard Pull Tractor Tug for 40 MT from Port Authority of Thailand. The Transhipment Barge from Inter Stevedoring 7 Co., Ltd. The Lighter Barge from Talay Thai Transportation 2 Co., Ltd. and Anghone Sugar Terminal Co., Ltd. The 60 meter Offshore submarine operations support vessel from K.A. AL-GOSAIBI DIVING AND MARINE SERVICES COMPANY.

TYPES		SHIPOWNERS
1. Pollution Control Vessel	4 vessels	ESSO (Thailand) Public Co., Ltd., Shell (Thailand) Co., Ltd., Marine Department
2. Oil tankers (800 tons)	6 vessels	TPI OIL Co., Ltd.
3. Diving Support Vessel	1 vessel	Khalifa Algosaibi Diving and Marine Services Co., Ltd.
4. Patrol Gun Boat	3 vessels	Royal Thai Navy
5. Catamaran Passenger Ferry	3 vessels	Khaolak Enterprise Co., Ltd.
6. Passengers Ships	6 vessels	Aqua Co., Ltd. / Seatrans Travel Co., Ltd., Pattaya Pakarang Semi-Submarine Co., Ltd.
7. 442 TEU Mul Tipurpose Container Vessel	1 vessel	GATI LIMITED
8. 50 meter Offshore Support & Maintenance Vessel	1 vessel	Almansoori Production Sercices Co., LLC.
9. Bollard Pull Tractor Tug for 30 MT	1 vessel	Port Authority of Thailand
10. Bollard Pull Tractor Tug for 40 MT	1 vessel	Port Authority of Thailand
11. Transshipment Barge	1 vessel	Inter Stevedoring 7 Co., Ltd.
12. Lighter Barge	8 vessel	Talay Thai Transportation 2 Co., Ltd. And Angthone Sugar Terminal Co., Ltd.
13. Offshore submarine operations support vessel.	1 vessel	K.A. AL-GOSAIBI DIVING AND MARINE SERVICES COMPANY

3. Ship Conversion

The MARPOL Convention, developed by the International Maritime Organization (IMO) made it mandatory for new oil tanker vessels to have double hulls and brought in a phase-in schedule for existing tankers to fit double hulls. Consequently the Royal Thai Marine Department required that all oil tanker vessels with single hulls must fit double hulls by year B.E. 2558. In addition, the oil traders allow only the double hull tankers to berth at their fuel depots. Therefore, the company uses this opportunity as a strategy to increase revenue from double hull conversion and as a result the company has completed the double hull conversion of more than 20 tanker vessels.

In addition, the company has expertise in ships conversion such as Reefer Vessel from Maldives, Patrol Gunboat from Marine Police, Soopairin from Royal Thai Navy, and Accommodation Work Barge, all of which demand specialized and diversified technicality.

4. Engineering Work

The Company is also capable of fabricating and repairing afloat and offshore constructions, steel work structures for bridges, heavy industries, oil rigs as well as factory components.

Important Equipments

1. The two floating docks with the capacity of 5,000 DWT to 20,000 DWT are as follows;

Floating	Dimension	Lifting Capacity	Maximum Vessel	Crane
Asimar 1	98 x 19.6 m.	2,000 t.	5,000 DWT	
Asimar 2	161 x 28 m.	6,000 t.	2,000 DWT	2 x 12 t 2 x Dock-knight.

2. The shipyard has two separate slipways with 20,000 square meters area for production.
3. Several equipments such as large cranes and indoor workshop are available to assist repairing works effectively.

Type	Amount
1. CNC (Computer Numerical Control) Cutting Machine	2 set
2. Gantry Cranes 100-tonne	1 set
3. Gantry Cranes 10-tonne	3 sets
4. An additional blast workshop	1 shop
5. Dock knight	2 set
6. Gantry Cranes 5-tonne	6 set

General Service Providing:

HULL	MACHINERY / ELECTRICAL	TEST
Cleaning	Main / Auxiliary engine repair	Non-destructive tests (NDT)
- Sandblasting / Gritblasting	Boiler / Condenser repair	- Ultrasonic gauging
- High pressure water jet (800 bar)	Propeller	- Magnetic particle test
- Tank and oil cleaning	Propulsion shaft	- Radiographic test
- Anchor and chain cleaning	Pipe Fitting	- Dye penetration test
- Painting and Coating	Electrical / Electronic	- Cargo gear load test (up to 350 t.)

4. The total working area is approximately 33,280 square meters with 300 meters waterfront and 9 meters water depth at the jetty.



INVESTMENT IN SUBSIDIARIES

Nature of Business

General Warehouse Co., Ltd.

The Company is a sole shareholder in General Warehouse Co., Ltd., which renders services in rental of 8,000 m² warehouse space and two jetties.

Asimar Marine Co., Ltd.

The Company is a sole shareholder in Asimar Marine Ltd. conducts business as ship repair contractor to the Company due to growing demand of the workforce in the market. The Company has great intention to develop highly skilled workforce to meet the standards set forth by Ship Classification Society.

Ecomarine Co., Ltd.

Ecomarine Co., Ltd. is a joint venture between ASIMAR and GLOBELCO S.p.A. from Italy with the shareholding structure of 93.15% and 6.85% respectively. ECOMARINE is a builder of vessels and renders services in the field of water antipollution e.g. debris collection, oil spill recovery, algae and weed harvesting for both private and public sectors.

Moreover, GLOBELCO S.p.A. has been continuously supporting ECOMARINE Co., Ltd. in terms of both technology transfer and patented ship plans to further develop the industry as well.

ASIMAR Group structure

as of 31 December 2013



Asian Marine Services PCL.

Paid up capital 258.29 Million Baht Ship repair and Ship building

99.99%



General Warehouse Co., Ltd.

Paid up capital 10.00 Million Baht

Warehouse

93.15%



Ecomarine Co., Ltd.

Paid up capital 18.25 Million Baht

Water pollution control services

99.90%



Asimar Marine Co., Ltd.

Paid up capital 5.00 Million Baht

Sub-contractor in ship repair business



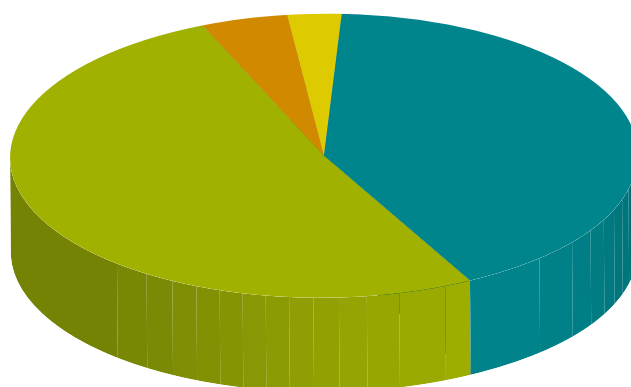
REVENUE STRUCTURE

ASIMAR AND AFFILIATES INCOME STRUCTURE

(Unit: Thousand Baht)

Revenue categories	2013		2012		2011	
	Amount	%	Amount	%	Amount	%
Ship repair	298,800	41.51	280,000	44.25	315,800	54.37
Ship building	369,200	51.29	313,600	49.56	237,700	40.92
Subsidiary company income	33,666	4.68	1,969	0.31	3,523	0.61
Other revenues*	18,140	2.52	37,201	5.88	23,850	4.10
Total	719,806	100.00	632,770	100.00	580,873	100.00

Remark *Other revenues are interest income, gain from exchange rate, scrap sales, etc.



- Ship repair 298.80 Million Baht
- Subsidiary company income 33.66 Million Baht
- Ship building 369.20 Million Baht
- Other revenues 18.14 Million Baht



COMPETITIVE ENVIRONMENT AND INDUSTRY TREND

Industry Trend

The global economy is likely to improve in 2014 with the International Monetary Fund (IMF) forecasting that the global economy should grow by 3.6 percent compared to 2.9 percent in the previous year based on the recovery of the US economy which plans to gradually ease its QE measures. The economic situation in the European Union is also recovering and gaining in strength after having reached its lowest point, similar to the Japanese economy which is showing signs of benefitting from the economic stimulus measures of the previous year. All of these developments certainly have a positive impact on Thailand's exports; however, the Thai economy in 2014 will also depend to a great extent on the domestic political situation. It remains to be seen how the current political conflict and instability will play out as this would have direct bearing on public spending as well as general consumption and investor confidence.

The shipbuilding and ship repair industry is a primary industry of economic significance to the country and is closely linked to the marine transport business and maritime affairs, as well as many other related industries such as the iron and steel industry, communications equipment industry, maritime navigational equipment, paint and chemicals industry, machinery industry, engine production industry, electric and electronics industry, the wood and furniture industry, etc. If there is economic growth resulting in flourishing international trade, the shipbuilding and ship repair industry will also benefit and experience growth. Our main group of clients in the ship repair sector are tankers and offshore vessels of which there is still a high number, while clientele for vessels for general cargo and containers will decline as a result of the downturn in previous years. Conversion to double hull projects also decreased as there were not many second-hand vessels from Japan available for this purpose and some groups of clients opted to build new double hull vessels.

Opportunities remain in the domestic market for shipbuilding works as there is a need to reduce the age of existing fleets. In this regard, we face significant competition from foreign shipyards in China and South Korea as well as those in Thailand and must, therefore, enhance our capacity and potential to international standards. Economic factors that positively impacted on the growing domestic demand for the building of general cargo vessels for river transport has also resulted in continuing opportunity, while clientele in the government sector, which is dependent on their annual budget plan, has seen a rise in the number of shipyards with potential to compete for these projects.

The shipbuilding industry is, not only a capital intensive one but also one which has a large number of downstream industries at many levels. It also requires high technology and engineering in many different fields. It is therefore essential for the industry to receive consistent and comprehensive support and promotion from the government for further sustainable development of the industry.



GENERAL INFORMATION

Asian Marine Services Public Company Limited

Head Office and Plant Location : 128 Moo 3 Suksawad Rd., Laemfapa, Prasamutjedee, Samutprakarn 10290, Thailand

Type of Business : Ship Repair and Ship Building Register No. 0107538000185

Tel : (662) 815-2060-7

Fax : (662) 453-7213-4

Home Page : www.asimar.com

Paid up Capital : Baht 258,291,087

Juristic person, which the company holds more than 10% of the issued shares General Warehouse Company Limited

Head Office : 599/1 Rintangrotfai Chongnonsri Rd., Klong Toey, Bangkok 10110, Thailand

Plant Location : 128 Moo 3 Suksawad Rd., Prasamutjedee, Laemfapa, Samutprakarn 10290, Thailand

Type of Business : Warehouse and Port

Tel : (662) 815-2060-7

Fax : (662) 453-7213-4

Paid-up Capital : Baht 10,000,000

Asimar Marine Company Limited

Head Office : 599/1 Rintangrotfai Chongnonsri Rd., Klong Toey, Bangkok 10110, Thailand

Plant Location : 128 Moo 3 Suksawad Rd., Prasamutjedee, Laemfapa, Samutprakarn 10290, Thailand

Type of Business : Ship repair subcontractor to Asian Marine Services PCL.

Tel : (662) 815-2060-7

Fax : (662) 453-7213-4

Paid-up Capital : Baht 5,000,000

Ecomarine Company Limited

Head Office and Plant Location : 128 Moo 3 Suksawad Rd., Laemfapa, Prasamutjedee, Samutprakarn 10290, Thailand

Type of Business : Water pollution control service

Tel : (662) 815-2060-7

Fax : (662) 453-7213-4

Home Page : www.ecomarine.com

Paid-up Capital : Baht 18,250,000

Other reference persons

Share Registrar	: Thailand Securities Depository Co., Ltd. Registrar Department 62 The Stock Exchange of Thailand Building, 7 th Floor, Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand Tel : (662) 229-2800
Auditor	: Dharmniti Auditing Co., Ltd. 267/1 Pracharaj Sai 1 Road, Bangsue, Bangkok, 10800, Thailand Tel : (662) 587-8080 Mr. Pojana Asawasontichai Certified Public Accountant (Thailand) No. 4891
Internal Auditor	: Srilerk Limited Partnership 208/132 Phothong Tower, 3 th Floor, Chaengwattana Rd., Bangkhen Talad, Laksi, Bangkok 10210, Thailand Tel : (662) 973-4908
Legal Office	: CROSSROADS SOLUTION PTE LIMITED 1055/828-829 State Tower Bangkok, 36 th Floor, Silom Road, Silom, Bangrak, Bangkok 10500, Thailand. Tel : (662) 630-8120-1



RISK FACTORS

1. Risk associated with Business uncertainty

This risk is from the uncertainty of income which depends on Number of repaired ship and Value. However, it does not affect the Company because the substantial ship conversion service and ship building from International market can cover the expected production. Moreover, The risk cause from delay delivery of new shipbuilding while The Company set up the project plan to accelerate on time delivery.

2. Risk associated with lack of workforces

The Company requires more high-skilled workforces and technician for shipbuilding and ship repair. Therefore, the Company has policies to motivate the employees by emphasizing remuneration, benefits, rewards, and training for further knowledge. In return, the employees will contribute to the Company. In addition, the Company joins the Vocational College to outline the bilateral courses so that the employees increase their abilities. This is an extra potential for the employees and the Company is confident that more qualified workforces will be available.

3. Risk associated with land lease contract renewal

The Company is located on the land that our subsidiary company has subleased from the Federation of Agricultural Cooperative of Thailand Limited. The Sub-Lessor can also terminate the contract according to normal conditions between government and private sectors. But The Company has good relationship with the Sub-Lessor and it has a high chance to renew the contract. In case, the contract is terminated, the Company is able to relocate the floating docks, the major assets.

4. Risks associated with Exchange Rate Volatility

The production cost is considerably dependent on exchange rate because the imported machinery with high value mainly came from overseas. The Company controls the Foreign Exchange risk by entering into a forward contract.

5. Risks associated with Production Cost

During the year, prices of several categories of material rose significantly. A prominent influence was the increase in global oil prices. Material used in the business is steel plate, machinery, paint, pipe, valve and welding wires. The Company limits the risk by escalating the service tariff in some items, which are directly related to oil prices.

6. Risks associated with Liquidity

In case, the customers cannot follow their commitments. The Company will limit the risk by having the customers to settle payment as much as possible before ships' departure.

7. Risks associated with Accidents

The Company has placed the all-risk insurance policy covering the risks for constructions, machinery, stocks and the loss or damage of ship hull in building or repairing process. Additionally, the Company has 2 floating docks under this policy with the insured.





MAJOR SHAREHOLDERS AND EXECUTIVES

1. List of Major Shareholders

as of 14 March 2013 (Latest registrar closing date)

Name	As of 14 March 2013	
	Number of shares	%
1. Panitvong Group	43,500,038	18.53
2. Tanpaibul Group	41,828,200	17.81
3. Mr.Prawat Chanruang	8,428,725	3.59
4. Mr.Tavee Changpetch	5,000,000	2.13
5. Mrs.Jirawan Tanlake	3,510,000	1.49
6. Mr.Suparoj Rojveera	2,400,000	1.02
7. Mr.Surapan Pattanaptoon	2,144,500	0.91
8. Mrs.Aruni Lepaibul	2,100,000	0.89
9. Mr.Somkiat Tungkijanan	2,041,800	0.87
10. Mr.Rungroj Rungmuangthong	2,000,000	0.85
Total	112,953,263	48.09

Source: Share Distribution Report, Thailand Securities Depository Co., Ltd.

2. Dividend Policy

Asian Marine Services Public Company Limited : The Company has the policy to pay dividend not less than 40% of its net profit of each fiscal year after reserving as required by laws and loss carried forward (if any) for dividend payment. However, the actual dividend payment depends on cash flow, investment plan of the Company and its subsidiaries, terms and conditions of the agreements entered by the Company together with all other necessity and suitability in the future.

Subsidiaries : The Company's subsidiaries have the policy to pay dividend not less than 60% of its net profit of each fiscal year after reserving as required by laws and loss carried forward (if any) for dividend payment. However, the actual dividend payment depends on cash flow, investment plan of the Company and its subsidiaries, terms and conditions of the agreements entered by the Company together with all other necessity and suitability in the future.



MANAGEMENT AND CORPORATE GOVERNANCE

1. Management Structure

The company has three sets of committees; the Board of Directors, the Board of Executive Directors the Audit Committee. and Nominating and Remuneration Committee.

Board of Directors

1. Mr.Prakit	Pradipasen	Chairman and Independent Director
2. Mr.Sutham	Tanpaibul	Director and Chairman of Executive Board
3. Mr.Chinsuk	Viravan	Independent Director and Chairman of Audit Committee
4. Mr.Sribhumi	Sukhanetr	Independent Director, Member of Audit And Chairman of Nominating and Remuneration Committee
5. Mrs.Warawan	Nganthavee	Managing Director, Director and Executive Director
6. Mr.Vibul	Panitvong	Director, Executive Director and Nominating and Remuneration Committee
7. Mr.Prawat	Chanruang	Director, Nominating and Remuneration Committee
8. Mr.Sutep	Tanpaibul	Director and Executive Director
9. Dr.Bumroong	Chinda	Independent Director and Member of Audit Committee
10.Mr.Suthin	Tanphaibul	Director and Executive Director
11.Dr.Nonn	Panitvong	Director and Executive Director

Board Secretary

Mr.Auychai Tivirach

Authorized directors

The authorized directors are Mr.Prakit Pradipasen, Mr.Sutham Tanpaibul, Mr.Sutep Tanpaibul, Mr.Suthin Tanphaibul, Mr.Vibul Panitvong and Mrs.Warawan Nganthavee. The two directors from six, co-sign with the company seal.

Board of Directors' duties and responsibilities

The board has the authority and the responsibility to manage the Company in compliance with the laws, the objectives and articles of association of the company and the shareholders' resolution.

The board may appoint a number of directors or other people to oversee any activities on behalf of the board within the board supervision or to be an authority by the board, as it deems appropriate. The board can also cancel or change that authority.

However, the mentioned authority is excluded of the authority in making the connected transaction according to SET regulation.

Board of Executive Directors consists of

- | | | |
|----------------|------------|------------------------------------|
| 1. Mr.Sutham | Tanpaibul | Chairman of the Executive Director |
| 2. Mr.Sutep | Tanpaibul | Executive Director |
| 3. Mr.Suthin | Tanphaibul | Executive Director |
| 4. Mr.Vibul | Panitvong | Executive Director |
| 5. Mrs.Warawan | Nganthavee | Executive Director |
| 6. Dr.Nonn | Panitvong | Executive Director |

Duties and Responsibilities of the Board of Executive Directors

1. Jointly responsible with the Company's management in considering and scrutinizing business targets, strategic plans, financial and budget plans as well as key policies for submission to the Company's Board of Directors for approval.
2. Scrutinize work plans and supervise the performance of executives of the Company to ensure adherence to the work plans and achievement of the set targets as efficiently as possible in the prescribed guidelines pertaining to quality and standards.
3. Provide advice in matters at the request of the Company's management.
4. Promote an appropriate risk management system for the Company, and have in place a contingency plan in case of critical situations, including regularly reviewing and improving such plans.
5. Supervise the Company's compliance with the required regulations of the Stock Exchange of Thailand and other relevant legislation.
6. Review internal audits or initiate investigations into suspected or alleged misconduct or corruption, as well as take appropriate actions to rectify defective or damaging situations of material significance and report these to the Board of Directors for further consideration.
7. Consider and/or make recommendations to management regarding matters of importance to the Company such as personnel administration, information technology, marketing, etc.
8. Appoint and supervise sub-committee members, advisors and working groups to be responsible for different issues as assigned by the Board of Directors and/or the Board of Executive Directors.
9. The Board of Executive Directors is authorised to invite Company executives or other concerned parties to give statements or provide useful information or attend meetings of the Board of Executive Directors.
10. Perform other assignments or specific ad-hoc tasks as directed by the Board of Directors.
11. Approve the assignment, appointment, removal, disciplinary action, termination of employment, increment, promotion, transfer or salary reduction of staff at all levels outside the authority of the Managing Director.

12. Approve tenders, price quotations or conclusion of contracts to repair or build ships or other construction projects worth more than 50 million Baht but not exceeding 300 million Baht.
13. Approve procurements, including construction costs, of infrastructure and equipment, materials and durable articles as well as all other relevant costs worth more than 10 million but not exceeding 50 million Baht per item.
14. Approve the Executive Manual as well as any amendment or addendum specifically relating to the authority of the Managing Director.

Audit Committee

The audit committee consists of

1. Mr.Chinsuk Viravan Chairman of Audit Committee having knowledge of accounting, financial management, banking and capital market.
2. Mr.Sribhumi Sukhanetr Member of Audit Committee having knowledge of management and logistic operations.
3. Dr.Bumroong Chinda Member of Audit Committee having knowledge of management and design.

Audit Committees Secretary

Mr. Satirapong Sangwarn General Manager Srilerk Limited Partnership

Duties and Responsibilities of the Audit Committee

1. Review the Company's financial statements to ensure the information therein is accurate and sufficient.
2. Review and supervise the Company's internal control system, risk management system to notified of the clues and complaints appropriately.
3. Review the internal audit of the company to ensure that these are appropriate and effective, as well as promote the independence of internal audit units including the appointment, transfer and termination of employment of the head of internal audit or any other units which may have an internal audit function, Including attending the participation of the meeting with head of internal audit units at lest once a year without company's management.
4. Examine and ensure the Company's compliance with laws and regulations of the Stock Exchange of Thailand and Stock Exchange Commission, as well as any other legislation relevant to the Company's business,including operating the code of conducts and regulation of the company.
5. Select, nominate and appoint independent qualified persons as auditors and determine their remuneration, including attending meetings with such auditors without the participation of the Company's management at least once a year.

6. Consider issues of relevance or items which may constitute a conflict of interest to ensure strict compliance with the law and regulations of the Stock Exchange of Thailand, in order to instil confidence that such items were reasonable and in the Company's best interest.
7. Prepare the Audit Committee's Report which is published in the Company's Annual Report. This report must be signed by the Chair of the Audit Committee and must have the structure and content as prescribed by the Stock Exchange of Thailand.
8. Carry out other tasks as assigned by the Board of Directors with the Audit Committee's approval.

Nominating and Remuneration Committee

The Nominating and Remuneration committee consists of

1. Mr.Sribhumi Sukhanetr Chairman of Nominating and Remuneration committee
Non-Executive Director and Independent Director
2. Mr.Vibul Panitvong Member of Nominating and Remuneration committee
3. Mr.Prawat Chanruang Member of Nominating and Remuneration committee Non-Executive Director
and Independent Director

Duties and Responsibilities of the Selection Committee

1. Select, seek and set plans for succession to top executive positions namely Directors, Managing Director or Deputy Managing Director through a transparent process to screen well qualified candidates, including from a list of recommendations from shareholders (if any).

The nominated candidates to the Selection Committee must be knowledgeable, capable, independent and possess duty of care and duty of loyalty in the execution of their office. The candidates must be in a position to fully dedicate their time to the Company. They must be of appropriate age, and in good health both physically and mentally. They must be able to attend meetings on a regular basis and come to the meetings well prepared, and eager to participate and make constructive contributions in the discussion. They must also be straight forward, and dare to express their views and opinions in the meetings and/or they could be members of the business community whose reputation, experience and business ethics are of the highest calibre, and well acknowledged in society.

The Selection Committee places great importance on highly skilled and highly experienced professionals who are well qualified in their respective fields and whose expertise is needed to enhance the Company's business operations so that the composition of the Committee serves the Company's best interest. Consideration is also given to the number of directorships each director can concurrently hold in different companies, specifically whether this might negatively impact on the Company or whether there could be risks of conflict of interest. This applies to the Company Directors as well as the Managing Director.

2. Prepare in advance a list of names of those who are eligible to be nominated as Director, Managing Director or Deputy Managing Director and/or in cases where the position(s) become vacant.
3. Accept for consideration the views and recommendations (if any) of the Board of Directors and/or the Managing Director with regard to selection of candidates, prior to submission of the nomination(s) to the Board of Directors or the Shareholders Meeting, whichever the case may be, for approval or election.
4. Formulate the performance agreements, as well as the structure for performance appraisal, for Directors, Members of Committees and Sub-committees and the Managing Director for further consideration by the Board of Directors.
5. Consider and nominate names of directors with appropriate qualifications for appointment to Sub-committees by the Board of Directors when there are vacancies (on such Sub-committees)
6. Perform other assignments concerned with the selection of candidates for the position of a Director or Managing Director as instructed by the Board of Directors.

In carrying out this responsibility, the Selection Committee may seek the independent views of professional consultants in other areas of expertise as necessary. Members of the Selection Committee are also entitled to receive additional training, at the Company's expense, to promote greater knowledge and expertise in areas relating to their role as the Selection Committee.

The Selection Committee has a direct responsibility to the Board of Directors and is also authorised to represent the Company in all transaction with outsiders.

Duties and Responsibilities of the Remuneration Committee

1. Review the corporate strategy regarding remuneration and make its recommendation to the Board of Directors for endorsement. Also review and propose to the Board of Directors incentive measures and rewards for staff in recognition of good performance in both the short and long terms.
2. Make recommendations to the Chief Executive Officer and the Managing Director regarding salary or other benefits for senior executives of the Company.
3. Consider and advise the Board of Directors on matters pertaining to the Company's policy and structure on remuneration, which are designed to provide incentive for better performance and retention of employees who are capable, efficient and have strong potential.
4. Formulate a systematic performance management process for the Board of Directors in evaluating the work performance and capacity of the Chief Executive Officer, Managing Director and Deputy Managing Director, in accordance with the Company's objectives and business targets.
5. Determine the tenure as well as the terms and conditions of employment of the Chief Executive Officer, Managing Director, Deputy Managing Director and similar positions in subsidiary companies, including other remuneration.

6. Review the remuneration package for members of the Board of Directors, in accordance with their duties and responsibilities relative to other companies and in line with the Company's guidelines on remuneration, for submission to the Shareholders' Meeting for approval.
7. Review the annual performance of the Chief Executive Officer, Managing Director, Deputy Managing Director and equivalent positions in subsidiary companies at least once a year by using the Company's performance appraisal form and taking into consideration the views and assessment of the Managing Director.

Management

1. Mrs.Warawan	Nganthavee	Managing Director
2. Mr.Suradej	Tanpaibul	General Manager
3. Mr.Thani	Narux	Production Senior Department Manager
4. Mr.Wasan	Wacharapinyo	Marketing Senior Department Manager
5. Mrs.Arorme	Sajjawisoe	Material Service Department Manager
6. Ms.Rapeepan	Piboonsilp	Finance and Accounting Department Manager
7. Mr.Erawat	Phrommachan	Human resource and Administration Department Manager

Duties and Responsibilities of the Managing Director

1. Manage the Company's business operations in accordance with the Company's objectives and the policies set by the Board of Directors.
2. Approve the assignment, appointment, dismissal, disciplinary action, termination of employment, increment, promotion, transfer and salary deduction of staff at all levels, excluding those in the General Manager position or higher, under strict adherence to Company regulations.
3. Authorise payment and/or borrowing of debts in relation to projects which have received approval of the Board of Directors or in the course of normal business operation as prescribed in the Annual Budget already approved by the Board of Directors.
4. Approve any tender, quotation or conclusion of contract for ship repair, shipbuilding or other construction engineering projects worth not more than 50 million Baht.
5. Approve the procurement or hiring of, including construction costs, equipment, materials and durable articles and any other cost not exceeding 10 million Baht per item.

The authority of the Managing Director does not extend to connected business transactions and/or acquisition or sale of the Company's assets as prescribed in the regulations of the Stock Exchange of Thailand

Nominating and Remuneration of Directors

Appointment of Directors of the Company

The Company does not make the selection for personnel to be appointed the Directors through the Selection Committee, but apply the following criteria instead:

1. The number of Directors not less than 5 persons, and not less than half of total number of Directors must have residence in the kingdom.
2. Each shareholder is entitled to one vote per share.
3. In the election of directors, the meeting of shareholders may vote for one candidate at a time, or a group of candidates or any other methods, as it deems appropriate. The directors shall be appointed by a majority vote. In case of equal votes, the chairman of the meeting shall cast a deciding vote.

In every annual general meeting, one-third of the directors shall retire from office. If the number to retire from office is not a multiple of three, then the number nearest to one-third shall be applied. A director who retires under this provision is eligible for reappointment.





GOOD CORPORATE GOVERNANCE

Section 1 : Rights of Shareholders

The Company applies the principle of good governance in its policy and guidelines pertaining to rights of shareholders as follows:

The Company respects the basic rights of shareholders and strictly safeguards those rights through provision of accurate, comprehensive and appropriate information, including support for shareholders to exercise their rights in attending and voting in the shareholders' meeting, and refraining from any action which may violate or undermine shareholders' rights in accordance with the policy approved by the Board of Directors on 4 December 2007.

Shareholders Meeting

The Company is required to disseminate notice of the meeting to shareholders, along with documentation of authorization which will allow shareholders to delegate an independent director to represent them as a proxy. Notice of the meeting will specify the date, time, venue, agenda and matters to be proposed to the meeting, together with sufficient details as to whether the matter is submitted for information or for consideration whichever the case may be. Also included would be the Board's recommendation on the said matter. This meeting package shall be sent to all shareholders and the registrar no later than 7 days prior to the date of the meeting, as well as posted on the Company's website in advance of distribution of the package. Minority shareholders may propose qualified persons as candidates for committee membership, as well as propose motions to put matters on the agenda via the website. It is the Company's policy to accommodate minority shareholders and institutional investors and allocate sufficient time as well as provide adequate opportunity and convenience for shareholders to pose questions and express their views, with Members of the Board of Directors and relevant executives being required to be present to respond to questions in the meeting. Important questions and comments shall be recorded in the minutes of the meeting and posted on the Company's website within 14 days following the date of the meeting to allow shareholders to examine the record without having to wait until the next general meeting.

- The Company held its 2013 annual general shareholders meeting on 3 April 2013 which was attended by 11 of the total of 11 members of the Board of Directors, including the Chairman, Chairperson of the Audit Committee, Chairman of Nominating and Remuneration Committee, the Managing Director, the Chief Financial Officer, as well as the auditor.
- The Company sent out notice of the meeting package and the minutes of the last meeting to shareholders 7 days in advance of the meeting date.

- The notice of the meeting was also posted on the Company website www.asimar.com/ Investor Relations 30 days prior to the meeting date, while the Minutes of the 2013 Shareholders Meeting was posted on the website 14 days prior to the meeting date.
- For shareholders who found it inconvenient to attend the meeting in person, The Company suggested that they authorize one of the two Independent Director: Dr.Bumroong Chinda and Mr.Chinsuk Viravan to represent them and vote on their behalf. However, in the 2013 General Shareholders Meeting, none of the shareholders elected to delegate either Independent Director as their proxy.

The Company remains devoted to produce continuing growth to ensure shareholders receive dividends well worth their investment. It is the Company's policy to pay out as dividend no less than 40% of the net profit in the financial statement of specific business in each account cycle less statutory reserve and retained loss (if any).

Section 2 : Equity of Shareholders

The Company is well aware of shareholders' importance and has a policy to treat all shareholders equitably, fairly and in compliance with relevant laws and regulations. Shareholders may exercise their right to protect their own interests by expressing their views, making recommendations and voting in shareholders meetings. Moreover, shareholders are entitled to participate in key decisions for change in accordance with Company regulations (which are enclosed with the Notice of Meeting Package for the 2013 Annual General Shareholders Meeting) including in the election of Company Directors- one or many at a time depending on the resolution of the Meeting, in approving remuneration of Directors (details of which are provided in Section 4: Information Disclosure and Transparency) and approving connected business transactions, and in receiving accurate, complete and transparent information which can be examined and audited. The Company also provides the opportunity to shareholders to submit any questions they may have prior to the date of the shareholders meeting, and stipulates that the Directors and Executives must disclose their share holdings as required by law.

The Company has formalized its policy to prevent exploitation of insider information and this has been disseminated widely to employees, management and Company directors.

The Company has set specific measures and guidelines to ensure that its Directors and Management do not use insider information to buy or sell shares or engage in other unlawful transactions for their own interests as follows:

- Company Directors and employees shall strictly adhere to and comply with provisions of the Stock Exchange of Thailand (SET) and the Stock Exchange Commission (SEC) and other relevant legislation, which also pertain to equitable disclosure of information to shareholders and/or the general public.

- Company Directors, Management and employees shall safeguard important confidential information, especially the Company's financial statement, that could influence investor decision so that it is not leaked before being submitted to the SET and SEC.
- On 19 December 2013, the Company publicized a letter to shareholders through the SET system calling for minority shareholders to submit questions, nominate qualified persons to be selected Directors, as well as propose matters to be included on the agenda via the Company's website. The terms and conditions governing consideration of matters for inclusion in the agenda were provided on the website and the period for submission of motions was from 19 December 2013 to 19 February 2014. However, after the expiration of the said period, the Company did not receive any nomination of any candidates for Company director nor any motion to add matters to the agenda of the meeting.

Section 3 : Role of Stakeholders

1. Policy and Best Practice toward Employees

The Company places great emphasis on its human resources and adopted a work culture of participation, equitable promotion of career advancement, regular and continual training and development, as well as the importance of observing workplace health and safety measures and maintaining good environmental quality. This work culture has instilled a strong sense of pride in the organization and this is reflected in such initiatives.

- Establishing a Workers Provident Fund
- Setting up a medical welfare scheme (in addition to Social Welfare entitlements)
- Creating the Asian Marine Services Employees' Savings Cooperatives
- Granting scholarships to employees' children who are good students
- Providing annual medical check ups for staff
- Providing transport to employees to and from work,
- Appointing a staff relations committee to look after staff welfare, and providing a channel for communication so that staff have the opportunity to make suggestions or complaints via a comments and suggestions box.
- Occupational Health and Safety Committee has also been set up to handle workplace health and safety issues for staff, the system's standard of which was developed with the aim to achieve OHSAS 18001 accreditation.
- In 2013, has been an incident with a staff of 19.

2. Policy and Best Practice toward Shareholders

The Company fully respects and strictly protects the basic rights of its shareholders by providing them with comprehensive and appropriate information, support for their participation in attending and exercising their vote in the shareholders meeting as well as refraining from any action which may violate or infringe on shareholders' rights.

The Company is fully committed to achieving further growth based on its growing potential so that shareholders will receive worthwhile return on their investment. It is the Company has the policy to pay dividend not less than 40% of its net profit of each fiscal year after reserving as required by laws and loss carried forward (if any) for dividend payment. However, the actual dividend payment depends on cash flow, investment plan of the Company and its subsidiaries, terms and conditions of the agreements entered by the Company together with all other necessity and suitability in the future, and the Company's subsidiaries have the policy to pay dividend not less than 60% of its net profit of each fiscal year after reserving as required by laws and loss carried forward (if any) for dividend payment. However, the actual dividend payment depends on cash flow, investment plan of the Company and its subsidiaries, terms and conditions of the agreements entered by the Company together with all other necessity and suitability in the future.

3. Policy and Best Practice toward Clients

The Company places emphasis on doing business in a fair and forthright manner, providing quality service and ensuring customer satisfaction by developing a questionnaire to evaluate customer satisfaction for each vessel that we are commissioned to build or repair. Clients also have the option to file complaints through the Managing Director's Bureau. The Company has a meeting to consider and analyze clients' satisfaction ratings at least once a month.

4. Policy and Best Practice toward Partners and Creditors

The Company is determined to ensure a high standard of management of its goods and services in order to preserve lasting relations with its trading partners. Therefore, it has established as its policy and best practice toward trading partners, a set of guidelines under the heading "Conflict of Interest" which, in summary, provides that the Company's trading partners will not be prevented from participating in a bid or tender or disadvantaged through the setting of discriminate specifications in order to maintain equitable and fair competition. The Company prohibits its employees at every level from demanding benefits, whether directly or indirectly, from trading partners, accepting gifts or prizes, including inappropriate or excessive services and hospitality. The Company clearly informs its trading partners of these conditions, whether they be contractors or vendors and also stamps this policy on each procurement form used domestically.

The companies to comply with its obligations to all creditors overseeing the Company's compliance with the terms of the loan agreement. And do not conceal the true financial position of a company. In recent years, the Company and its subsidiaries. Has fulfilled all obligations to its creditors in full, and no event of default, any debt repayment.

In 2013 the Company did not find any trading partner or employee who contravened this policy.

5. Policy and Best Practice toward Society/the Community

Policy on Social Responsibility and Community Relations

The Company believes that social and environmental management systems are integral parts of doing business. Therefore, a corporate policy on social and environmental responsibility has been formulated to serve as a guideline for all the executives and employees of the Company in order to prevent or mitigate any negative impact on Company staff themselves, those who are related to them, the surrounding communities and the environment in compliance to the existing laws on environmental protection. The Company also places importance on optimizing use of resources and continuing development and improvement of its social and environmental management systems.

The Company also promotes the development and strengthening of good relations with the community, supports a number of activities which benefit the environment and also enhance education of youths in the community. The Company management is committed to promoting awareness of this policy to all staff.

In 2013, the company has been involved in caring for employees and communities with

Protecting the Earth by Planting trees

- Joined the Prasamutjedee Amphoe and Laemfapha Municipality in planting trees on 12 August 2013.

To Students With Love from ASIMAR

- Hosted lunch and planting trees to students at Ban Khun Samut Thai School on 26 September 2013.
- Hosted lunch to students at Y.M.C.A. HAPPY HOME, Nakhonpathom on 28 September 2013.
- Presented 25 scholarships to children of employees on 23 May 2013.

Happy to Give

- Organized donation of blood by employees on 16 February, 14 May, 12 June and 19 August 2013.

Heart filled with Dharma

- The Company organized for employees to make food offerings to monks from the local community temple once a month, as well as arranged for monthly sermons on Buddhist teachings to provide a moral compass to employees.

6. Policy and Best Practice toward the Environment

Emphasis is placed on creating a pleasant work environment by organizing a workplace setting that is clean, attractive and green. A most important feature for both the workplace interior and the surrounding community is the issue of health and safety so that happy coexistence between the organization and the community is attained.

In order to promote confidence in the Company's safe and healthy environmental standards, it has established a channel of communication whereby incidents can be reported or complaints lodged both in and out of work hours (24 hours) which is part of the Company's early detection measure to guard against any possible adverse environmental impact on the neighboring community.

7. Policy on Business Ethics

This policy prohibits executives and employees of the company from requesting or accepting benefits from trading partners, contractors, suppliers, consultants or business colleagues.

The policy also prohibits executives and employees of the company from unlawfully offering benefits to government officials, clients, labour unions or any external party in exchange for preferential treatment.

8. Policy on Human Rights

This policy stipulates that the company's directors, executives and employees adhere to human rights principles as follows

- The company will treat all its employees with respect and dignity;
- The company will provide a communication channel (via suggestion box) so that employees can express their views, offer suggestions or lodge complaints;
- The company will allow employees to exercise their lawful rights in accordance with the Constitution and other related laws;
- The company will not engage or support any activity which violates international principles on human rights or corruption.

9. Policy on Intellectual Property and Copyright

The company has a strict policy to adhere to legal provisions pertaining to intellectual property and copyright protection. Use or application of products and information must be carefully considered to ensure there is no copyright infringement or violation of intellectual property.

Channels of contact and send complaints to the company

Channels are also provided for shareholders and stakeholders to contact/make complaints to the Company's Board of Directors regarding matters which may pose a problem and provide constructive advice via the following:

Electronic mail		Post
Board of Directors	directors@asimar.com	Asian Marine Services Public Company Limited
Audit Committee	audit@asimar.com	128 Moo 3 Suksawad Road, Laemfapha, Prasamutjedee, Samut Prakan 10290, Thailand

The Secretary to the Board of Directors is responsible for receiving the documentation and submitting it to the relevant Committee, i.e. requests/complaints regarding accounting and financial reports, internal auditing, risk management, legal compliance will be directed to the Audit Committee, and the Secretary will prepare briefing on all the issues (relating to such requests/complaints) for the Board of Directors on a quarterly basis.

We will listen to all reasonable complaints regularly. The name of the complainant will be shrouded in secrecy. Complainants will be protected from being harassed, both during the investigation. And subsequent investigation.

Section 4 : Information Disclosure and Transparency

The Board is fully aware that information regarding every aspect of the Company has an impact on the decision of investors and stakeholders. It is, therefore, the Company's policy to disclose, both its financial and non-financial information, in a comprehensive, accurate, credible and timely manner in both Thai and English. Information disclosure is done via the SET Community Portal of the Stock Exchange of Thailand and via the Company website (www.asimar.com) with the Managing Director or a delegate of the Managing Director assigned to conduct the disclosure. The Company has set up an Investor Relations Unit responsible for contacting and communicating with institutional investors, shareholders, including analysts and relevant public sector agencies in an equal and fair manner. In cases where a shareholder requires further information, it is possible to directly contact the Finance and Accounts Section of the Investor Relations Unit at telephone 02-815-2060 extension 2800 and 2816 or e-mail to fid@asimar.com. The Company has developed mechanisms to allow stakeholders to participate in contributing to its higher performance through transparent information disclosure.

Details	Reference in the 2013 Annual Report
4.1 Shareholders' Structure	Shareholders' Structure
4.2 Background and information regarding share holdings by Directors	Background on the Board of Directors
4.3 Background and information regarding share holdings by Executives	Background in the Board of Executive Directors
4.4 Financial position and operating results	The Company's Performance in 2013 and Financial Statements
4.5 Nature of business and competition	Major Businesses, Competitive Environment and Industry Trend
4.6 Risks in business operations	Risk Factors
4.7 Connected business transactions	Connected Transactions

4.8 Policy and Guidelines on Remuneration for Directors

The Company has formulated a reasonable remuneration policy for Directors and Executives, with the Selection and Remuneration Committee in charge of reviewing and prescribing appropriate rates of remuneration suited to the director's responsibilities and the Company's financial standing.

The Company's guidelines on remuneration for Directors are as follows:

- Remuneration for Directors are on an annual basis with no meeting allowance or bonus;
- Directors who are appointed to smaller committees will receive additional remuneration in accordance with their added responsibilities.

4.9 Remuneration for Directors and the Management

Remuneration to Directors for the Year 2013

Unit: Baht

Name		Board of Directors	Audit Committee	Nominating and Remuneration Committee
1. Mr.Prakit	Pradipasen	240,000	-	-
2. Mr.Sutham	Tanpaibul	150,000	-	-
3. Mr.Vibul	Panitvong	150,000	-	60,000
4. Mr.Prawat	Chanruang	150,000	-	60,000
5. Ms.Warawan	Nganthavee	150,000	-	-
6. Mr.Sutep	Tanpaibul	150,000	-	-
7. Mr.Suthin	Tanphaibul	150,000	-	-
8. Dr.Nonn	Panitvong	150,000	-	-
9. Mr.Chinsuk	Viravan	150,000	150,000	-
10. Mr.Sribhumi	Sukhanetr	150,000	120,000	60,000
11. Dr.Bumroong	Chinda	150,000	120,000	-
Total		1,740,000	390,000	180,000

1. *Total Annual Director Fee and Audit Committee for 11 directors Baht 2.31 Million

2. Total Remuneration for 13 **managements is Baht 12.61 Million and ***Executives who were provident fund members received contributions at the rate of 5 percent

* Remuneration is paid annually and no allowances.

** Remuneration is paid salary and bonus.

*** Remuneration is Executives and managements have been approved by Board.

4.10 Board of Directors' Meeting

Board meetings are scheduled in advance for setting the company's policy and business strategies including approval of the company's operations, annual budget and performance. Monitoring the company's operating performance is confirmed a routine procedure of the meetings.

Seven day ahead of the meeting, the office of the Corporate Secretary issues a meeting notice along with the meeting agenda and relevant supplementary documents to directors.

There was 4 ordinary meetings , Audit Committee 4 ordinary meetings and Nominating and Remuneration Committee 1 ordinary meetings in 2013, each director's attendance in these meetings are as follows:

Name		Board of Directors	Audit Committee	Nominating and Remuneration Committee
1.	Mr.Prakit Pradipasen	4/4	-	-
2.	Mr.Sutham Tanpaibul	4/4	-	-
3.	Mr.Vibul Panitvong	4/4	-	1/1
4.	Mr.Prawat Chanruang	4/4	-	1/1
5.	Ms.Warawan Nganthavee	4/4	-	-
6.	Mr.Sutep Tanpaibul	4/4	-	-
7.	Mr.Suthin Tanphaibul	4/4	-	-
8.	Dr.Nonn Panitvong	4/4	-	-
9.	Mr.Chinsuk Viravan	4/4	4/4	-
10.	Mr.Sribhumi Sukhanetr	4/4	4/4	1/1
11.	Dr.Bumroong Chinda	4/4	3/4	-

4.11 Policy buy and sell company shares

The Company has provided a policy that Directors and Executives, including their spouses and their children not of legal age, who buy, sell, transfer, or receive transferred company shares, have a responsibility to report such transaction to the Stock Exchange Commission (SEC) within 3 days in compliance with the regulations of the Stock Exchange of Thailand and defines the policy of disclosing or reporting the sale, purchase or receipt of such shares, changes of share ownerships of the directors and management to the Board meeting.

4.12 Changes Held by Directors and Executives in 2013

Name		Shares held as of 31 December 2012	Shares held as of 31 December 2013	Increase/ (Decrease) Purchase-Sale and Stock Dividend	Percentage of shares held(%)
1	Mr.Prakit Pradipasen	182,000	200,200	18,200	0.08
	Spouse and minor children	-	-	-	-
2	Mr.Sutham Tanpaibul	26,040	28,644	2,604	0.01
	Spouse and minor children	-	-	-	-
3	Mr.Chinsuk Viravan	-	-	-	-
	Spouse and minor children	-	-	-	-

Name	Shares held as of 31 December 2012	Shares held as of 31 December 2013	Increase/ (Decrease) Purchase-Sale and Stock Dividend	Percentage of shares held(%)
4 Mr.Sribhumi Sukhanetr	-	-	-	-
Spouse and minor children	-	-	-	-
5 Mrs.Warawan Nganthavee	998,600	1,098,460	99,860	0.43
Spouse and minor children	-	-	-	-
6 Mr.Vibul Panitvong	15,000,038	16,700,041	1,700,003	6.47
Spouse and minor children	8,000,000	8,800,000	800,000	3.41
7 Mr.Sutep Tanpaibul	2,100	32,310	30,210	0.01
Spouse and minor children	-	-	-	-
8 Mr.Suthin Tanpaibul	-	-	-	-
Spouse and minor children	-	-	-	-
9 Dr.Bumroong Chinda	-	-	-	-
Spouse and minor children	-	-	-	-
10 Mr.Prawat Chanruang	8,428,725	9,271,597	842,872	3.59
Spouse and minor children	-	-	-	-
11 Dr.Nonn Panitvong	5,000,000	5,500,000	500,000	2.13
Spouse and minor children	-	-	-	-
12 Mr. Suradej Tanpaibul	-	-	-	-
Spouse and minor children	-	-	-	-
13 Mr. Thani Narux	-	-	-	-
Spouse and minor children	-	-	-	-
14 Mr.Wasan Wacharapinyo	-	-	-	-
Spouse and minor children	-	-	-	-
15 Mrs.Arome Sajjawisoe	-	-	-	-
Spouse and minor children	-	-	-	-
16 Ms.Rapeepan Piboonsilp	-	-	-	-
Spouse and minor children	-	-	-	-
17 Mr.Erawat Phrommachan	-	-	-	-
Spouse and minor children	-	-	-	-

In 2013, the Company's key disclosure activities consisted of

- Dissemination of news and information in compliance with the requirements of the Stock Exchange of Thailand (SET) and Stock Exchange Commission (SEC) via the SET Community Portal system and the company website (www.asimar.com).
- Presentation of the Company's operating results, annual reports which can be downloaded, meeting notices, investment in other companies, report on the shareholders meeting in both Thai and English, company news and updates, as well as reports on investor relations activities on the company website. In addition, prior to the posting of the meeting notice on the company website, shareholders and investors can express their opinions, including proposing additional items for meeting agendas and nominating qualified people to become Directors.

Section 5 : Responsibilities of the Board of Directors

5.1 Policy on Corporate Governance

The Board of Directors had carefully examined principles of good corporate governance and, on 4 December 2007, announced the Company's policy on good corporate governance as follows:

1. Management of the Company and its operations is based on principles of best practice in good corporate governance, elimination of conflicts of interest through careful and honest conduct, with reasonable and independent application of ethical standards of doing business.
2. Establish efficient systems of financial control, operation, accountability of conduct, internal auditing and risk management and control, which is reviewed at least once a year.
3. Promote, direct and nurture confidence in disclosure of the Company's key information by ensuring it is accurate, timely and transparent.
4. Promote and encourage equitable treatment of shareholders in accordance with guidelines on best practice of listed public companies.
5. Promote and provide equitable protection for the legal rights of stakeholders such as clients, employees, trading partners, shareholders, investors, creditors, business rivals, independent auditor, the public sector and the community in which the Company is located so that they can be confident of getting fair treatment.

In addition, in order to promote participation in management of operations and serve as a mechanism to monitor, hold accountable, improve and evaluate whether the above mentioned vision, mission and policy are achieved, the Company assigned the Board of Executive Directors the responsibility of examining and developing relevant guidelines, and then presenting its findings and recommendations so that the guidelines which are approved can be implemented in a practical way.

5.2 Policy Code of Conduct for Directors, Executives and Employees

In accordance with the principles of good corporate governance, especially in terms of accountability, transparency, honesty, moral integrity and ethics in order to achieve sustainable growth and business security, instill social responsibility and promote participation and team spirit in staff at all levels, the Company has prescribed the following Code of Conduct and Business Ethics for management and employees:

- Business operations must strictly comply with the relevant laws and regulations, together with management strategies based on efficiency, effectiveness and transparency.
- Responsibility toward shareholders must be upheld through appropriate returns on investment as well as sufficient and accurate disclosure of the Company's vital information.
- Any conduct which would result in conflict of interests, including disclosure of commercial-in-confidence information as well as use of company information for self interests and/or for the benefit of others, will not be tolerated and violators must duly be punished for such transgression.
- Good relations must be maintained and appropriate treatment of clients and trading partners must always be provided on the basis of integrity.
- Responsibility toward employees must be upheld in compliance with relevant laws and regulations pertaining to employment and labour, as well as staff welfare. Development and training for employees must be promoted, including provision of occupational health and safety measures which can be clearly evaluated and justified.
- Social and environmental awareness and responsibility must be fostered through the compliance with relevant environmental laws and regulations, including support for activities which benefit the community and society as a whole.
- The company has provided a new employee orientation. And has clarified the guidelines to follow Code of Conduct to all employees. Be followed by regular practice. Which year ago Not found to have done wrong Code of Conduct .

5.3 Corporate Vision and Mission

The Company's Board of Directors has a firm commitment to executing their duties and responsibilities to the best of their knowledge, capability and experience. Their roles are to formulate policy, and to prescribe the Company's vision, strategies, targets, corporate mission, business plan and budget, as well as to hold the Management accountable for efficiently implementing policy and managing operations to achieve the set objectives in accordance with company regulations.

Vision: To establish ASIMAR as an internationally recognized brand name in the shipbuilding and ship repair industry, through the application of technology in developing its manufacturing process to achieve excellence in quality, timely delivery and ultimate client satisfaction.

Mission: Commitment to providing a high standard of service to clients by means of effective quality and time control comparable to a leading world-class shipyard, with continuing development and optimal efficiency in the management of company resources for

Clients: Well-received outcomes and complete client satisfaction

Shareholders: Target returns on investment to their satisfaction

Employees: Human resources development with opportunities for career advancement and good quality of life

Environment and Community: Participation in environmental and social development activities

The Company places great importance on having effective internal control and internal audit systems, efficient risk evaluation and management. In addition, the Company also has an effective internal review system in order to ensure that operations comply with all legal and regulatory requirements as well as produce best results for the Company in terms of internal control.

The Board of Directors established clear demarcation of the respective role, duties and responsibilities between the Board of Directors and the Board of Executive Directors, details of which are given under the heading Corporate Structure.

The Board of Directors supervises to the Board of Executive Directors in managing the operations of the Company in accordance to the prescribed policies. In circumstances where there might be issues of conflict of interest or personal gain or loss, including issues which require shareholders' opinions, the Company will follow the guidelines of the Stock Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Company supports and facilitates training and development for its directors. Useful documentation and information which assist in carrying out their duties are also provided, such as the Director's Handbook, etc.

5.4 Corporate Structure

5.4.1 The Board of Directors comprises 11 members, namely

Six members who are Executive Directors, and five Non-executive Directors of which four are independent directors (the Chairman and the members of the Audit Committee) who fulfill all the required qualifications as prescribed by the Announcement of the Securities Exchange of Thailand on Qualifications and Modus Operandi of the Audit Committee. The directors function to monitor and provide checks and balance of the management of company operations to ensure fair and proper business management for the best interest of shareholders.

5.4.2 Definition of Independent Directors

1. An independent director must hold not more than 1 percent of the Company shares with voting rights in the Company, or those of any affiliated or associated company.(including related persons as prescribed in Section 258 of the Stock Exchange of Thailand Act).
2. An independent director must not take part in direct management and not be an employee, staff member, or adviser who receives a regular salary, nor is an auditor, lawyer, or other professional who by virtue of their profession might affect the giving of impartial opinion to the Company, affiliated or associated company. Further, the independent director must not have other such control over the Company, affiliated or associated company, nor be compromised by a conflict of interest, except where the candidate has resigned from any such position for at least two year prior to appointment.
3. An independent director must have no direct or indirect business relationship nor benefit from the finance or management of the Company, affiliated or associated company, nor be compromised by a conflict of interest that could affect him or her from giving an unbiased opinion.
4. An independent director must not be a close relative of any member of senior management or majority shareholder of the Company, affiliated or associated company, nor be a person with such a similar conflict of interest. Nor shall the director be a representative of another director acting to safeguard the interests of their principal Company director or majority shareholder.

5.4.3 Combining or Separating Positions

The Chairman of the Board of Directors is a Non-executive Director and not the same person as the Managing Director, and must not be related in any way to the Management. The Company has clear separation of the role, duties and responsibilities between the Board of Directors and company management which are precisely defined in writing.

The Chairman needs to oversee the management's performance, guide and assist, but not to take part in or interfere management, which is the duty of the Chairman of the Executive and Management Director under the authority delegated by the Board.

5.4.4 Restriction on the Number of Companies Each Director Can Serve as Director and Tenure of Office

The Company has not stipulated any such policy due to the fact that all its directors have been able to fully devote their time to company business. As for the tenure of directors, this is somewhat restrictive by the shortage of expertise as the company business is a specialized industry and it would be disadvantaged by having a limit placed on the tenure of directors.

5.4.5 Sub-committees

The Board of Directors has appointed an Audit Committee to examine and reinforce the Company's internal control process. Members of this Committee are Independent Directors who are not company executives and possess the qualifications prescribed by the Stock Exchange of Thailand and Stock Exchange Commission regulations. The company Board of Directors has also appointed a Selection and Remuneration Committee to function in accordance with company policy, of which details regarding their structure and duties and responsibilities are disclosed under the heading Management Structure. As for the number of times the committees have met, those details are provided under the heading Compliance with Good Corporate Governance in Section 4 "Information Disclosure and Transparency".

5.5 Defining the Role, Duties and Responsibilities of the Board of Directors and the Managing Director

The Company has clear and distinct division of the roles, duties and responsibilities of the company directors and management. Details of their respective duties and authority are provided under the heading Management Structure.

5.6 Orientation and Knowledge Development for Directors

Orientation for Directors

Newly-appointed directors will get general briefing on the shipbuilding and ship repair industry as well as company specific information.

Knowledge Development for Directors

The Company, on a regular basis, sends its directors on knowledge development training courses organized by the Thai Institute of Directors Association as follows

Name		Program	Year
Mr.Prakit Pradipasen		- The role of Chairman (RCM)	2007
		- Director Accreditation Program (DAP)	2003
Mr.Sutham Tanpaibul		- The role of Chairman (RCM)	2004
Mr.Vibul Panitvong		- Director Certification Program (DCP)	2007
		- The role of Chairman (RCM)	2007
Mr.Prawat Chanruang		- Role of the Compensation Committee	2008
Mrs.Warawan Nganthavee		- Board & Director Performance and Evaluation	2008
		- Successful Formulation and Execution of Strategy	2008
		- Director Certification Program (DCP)	2004
		- Director Accreditation Program (DAP)	2004
		- Finance for Non-Finance Director (FN)	2004
Mr.Suthin Tanpaibul		- Director Certification Program (DCP)	2003
Mr.Chinsuk Viravan		- Audit Committee Program (ACP)	2006
		- Director Certification Program (DCP)	2000
Mr.Sribhumi Sukhanetr		- Director Forum	2004
		- Board Performance Evaluation	2004
		- CEO Performance Evaluation	2004
		- The role of Chairman (RCM)	2003
		- Finance for Non-Finance Director (FN)	2003
		- Director Certification Program (DCP)	2002
Dr.Bumroong Chinda		- Audit Committee Program (ACP)	2008
		- Director Certification Program (DCP)	2002
		- Finance for Non-Finance Director (FN)	2002
Dr.Nonn Panitvong		- Director Certification Program (DCP)	2012

Matters not yet Implemented

The Board of Directors hasn't yet formulated policy and practical guidelines on its senior executives serving as directors of other companies. This is because at present all of its senior executives are capable of fully devoting their time to company business and their position as directors of other companies has not yet posed any problem for the management of company operations.

5.7 Evaluation of Performance of the Board of Directors and the Managing Director

The Board of Directors does an annual evaluation of its performance.

The Board of Directors approved the evaluation form for the Board of Directors which was reviewed by the Selection and Remuneration Committee. The results from the evaluation process are utilized to improve the performance of its duties as a collective unit. Evaluation is in the following key areas:

- Meeting attendance
- Efficiency of communication
- Operational procedure
- Relations with the management

The Board of Directors improves the performance of its duties each year on the basis of evaluation outcomes.

The Board of Directors authorizes performance evaluation of the Senior Executives

The Selection and Remuneration Committee is responsible for considering the presentation and approving the results of performance appraisal of the Managing Director and senior Executives of the Company (at the level of Deputy Managing Director and Assistant Managing Director) for submission to the Board of Directors on an annual basis. In the performance appraisal system, consideration is given to achievement of targets at the corporate level and capabilities at the personal level, including the rate of return in the industry of which the Company periodically conducts a market survey on remuneration for executives in order to be competitive in the market and offer sufficient remuneration to be able to retain and provide incentives to high performing executives. The Chairman is the person designated as to advise the Managing Director and senior company executives of the evaluation outcomes.

5.8 Formulation of Plans for Succession to Senior Executive Positions

The Board of Directors has assigned the Selection and Remuneration Committee the responsibility of setting plans for succession to top executive positions namely the Managing Director and other senior executives of the Company through a process to screen qualified candidates in order to build up the confidence of investors and employees in continuing growth and development of the Company's business operations.

5.9 Company Secretary

The Board of Directors recognizes the importance of the role and duties of the Company Secretary. In order to comply with best practice guidelines for listed companies and statutory requirements, the Board deemed it appropriate to appoint a Company Secretary to perform the prescribed duties. At present, the Company has appointed Mr. Auychai Tivirach, Secretary to the Board of Directors as the Company Secretary. He has a Bachelor of Laws, Thammasat University, and has taken a course in company secretary, the Company Secretary Program of IOD.

5.10 Internal Control and Internal Audit

Safeguarding Internal Information

The Company has general guidelines for its executives in safeguarding Important internal information which can impact on investors' decision, in order that such information, especially information on its financial statements, is not leaked to outsiders before being presented to the Stock Exchange of Thailand and the Stock Exchange Commission.

As such, when there are purchase-sale transactions of company shares, company directors and senior executives, including their spouses and children who have not attained legal age, must conclude the purchase or sale transactions within three working days in order to report such transactions to the Stock Exchange Commission.

Perspective Regarding Internal Control

The Board of Directors realizes the necessity and importance of having an effective internal control system. Since it is the responsibility of the Board to supervise business operations so as to create the best return to shareholders, having an effective and appropriate internal control system which is current and harmonious with the changing business climate which is much more fiercely competitive would certainly foster confidence of achieving company targets. The Company has, therefore, hired an external juristic person, Sriruek Limited Partnership to conduct internal auditing of the Company. The Company has an Internal Audit Unit which is responsible for liaising between the Audit Committee and the said juristic person.

The Company has clearly assigned specific power and duties to approve and perform according to types of transactions which are classified into the following categories, namely management, financial, manufacturing and procurement, permanent assets and other expenses.

The Board of Directors has set precise targets to comply with good corporate governance guidelines. Moreover, the Board and the company management have established an appropriate and efficient internal control system which is effectively sufficient in preventing and managing significant risks under this ever changing business environment.

The Board of Directors has authorized the Audit Committee which is composed of 3 suitably qualified and independent directors to review the efficiency and effectiveness of the Company's internal control system and report directly to the Board of Directors, with an internal audit division responsible for reporting internal auditing and evaluating the system's effectiveness. The Audit Committee has a joint meeting with the auditors at least once a year in order to examine significant issues relating to key work systems and the internal control measures used to evaluate their effectiveness. Findings of this review process are regularly reported to the Board of Directors in its meetings and, should there be any problem or recommendation which needs to be addressed, this will also be reported to the Board of Directors and followed up accordingly.

In addition, the Audit Committee also gave its endorsement to the company management to proceed with the formulation of a risk management plan before its submission to the Board of Directors for approval. The Audit Committee attaches great importance to the risk management plan as a valuable and vital management tool and a key element in good corporate governance. The Audit Committee also oversees the preparation of the risk management component in the monthly internal audit report.

Risk Management

The Company has a set policy and process on risk management which apply to the organization as a whole. These (the policy and the process) place emphasis on the connection, consistency and harmony of strategy, budget and risk management. Risk factors are specified and evaluated in order to establish an efficient risk management system which is suitable to the activities of the work unit. The Risk Management Working Group is responsible for monitoring and reviewing the risks regularly on a monthly basis in order that measures can be improved to deal with changing risks. The Committee is also responsible for communicating to staff at all levels so that they are aware of and can utilize risk management principles in their daily work routine.

The Risk Management Working Group comprises the Managing Director, Department Manager and the Internal Audit Manager and is responsible for

- development of the risk management plan
- overseeing implementation of risk management
- communicating to staff and providing training on risk management
- overseeing that risk assessment and risk control measures are developed on the job
- implementing risk management by means of assessing, controlling, reviewing and supervising
- ensuring that the Audit Committee considers and endorses the risk management plan before its submission to the Board of Directors at each quarter

5.11 Board of Directors' Report

The Board of Directors is responsible for the financial statements of the Company and its subsidiaries, as well as for the financial information which appear in the Annual Report. It is the Board's duty to establish an effective internal control system in order to ensure confidence that records pertaining to financial and accounting information are accurate and complete. In addition, it is also the Board's duty to disclose information regarding the company business operations, financial and otherwise, in a complete, sufficient, transparent, credible and timely manner. This is so that shareholders get equitable treatment in terms of access to information as prescribed in the regulations of the Stock Exchange of Thailand and the Stock Exchange Commission.



CONNECTED TRANSACTIONS

During the year 2013, the company had connected business transactions with its subsidiary companies and related companies (related by way of common shareholders, directors and/or management) principally in respect of loans, ship repair, lease of land and utilities expenses ending 31 December 2013 the Audit Committee is of the opinion that the aforementioned items were transacted in accordance with the Company's regular business practices and in a reasonable manner. The setting of prices, terms and conditions were done in the same manner as those offered to non-related parties. There were no transfer benefits between the Company, subsidiaries, related companies and shareholders are summarized as below:-

1. Assets, Liabilities and Contingent Liabilities between the companies with subsidiary company, associated company and related companies as follows:-

	31 Dec 2013 Million Baht	31 Dec 2012 Million Baht	Percentage of holding
Trade account receivable-related parties			
<u>Subsidiary company</u>			
- Ecomarine Co., Ltd.	0.58	2.87	93.15
<u>Related company</u>			
- Seatran Ferry Co., Ltd.	0.15	-	-
- Seatran Ports Co., Ltd.	-	2.90	-
Amounts due from related parties			
<u>Subsidiary company</u>			
- Asimar Marine Co., Ltd.	17.78	15.04	99.90
- Ecomarine Co., Ltd.	1.40	2.83	93.15
<u>Related company</u>			
- Seatran Ferry Co., Ltd.	0.02	-	-
Unbilled complete construction in progress			
<u>Related company</u>			
- Seatran Ports Co., Ltd.	-	6.76	-
- Seatran Ferry Co., Ltd.	16.27	-	-
Trade accounts payable-related parties			
<u>Subsidiary company</u>			
- General Warehouse Co., Ltd.	0.09	0.89	99.99
- Asimar Marine Co., Ltd.	27.62	22.08	99.90
- Ecomarine Co., Ltd.	0.06	0.05	93.15
<u>Related company</u>			
- Seatran Ferry Co., Ltd.	10.93	-	-

2. Revenues and Expenses between the company with subsidiary company, associated company and related companies as follows:-

(Unit: Million Baht)

For the years ended 31 December		
	2013	2012
Subsidiary company		
<u>Revenues</u>		
Ship repair income	0.50	0.10
Other income	2.70	1.80
<u>Expenses</u>		
Cost of services	59.00	40.10
Rental expenses	-	3.00
Dockage expenses	0.60	1.60
Utilities expenses	2.00	5.60
Related company		
<u>Revenues</u>		
Ship repair income	25.70	8.80
<u>Expenses</u>		
Service expense	7.6	0.5

The Approval Criteria for Connected Transactions

The company has systematic procedures and approval system for the connected transactions by ensuring their necessity, and their value, fair and reasonable, in compliance with the rules and regulations of SET and other related regulation. In addition, the connected transaction which is not normal business or supporting business must been reviewed by the Audit Committee.

Tendency on future related parties transactions

The Audit Committee will oversee future related parties transactions to ensure that transactions are made properly with a fair rate of return and approved in accordance with appropriate processes and procedures. Items and values of related parties transactions with connected persons are to be disclosed in compliance to the announcement and regulations by the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET).

Director ship and Management Position among Related comprise which have connected Transactions

Name		General Warehouse	Asimar Marine	Eco Marine	Seatran Ferry	Seatran Line	Seatran Ports
1. Mr.Prakit	Pradipasen	X					
2. Mrs.Warawan	Nganthavee	X,XX	X,XX	X,XX	X		X
3. Mr.Sutep	Tanpaibul	X	X				
4. Mr.Sutham	Tanpaibul	X	X	X	X	X	X
5. Mr.Vibul	Panitvong	X					
6. Mr.Suthin	Tanphaibul			X	X	X	X
7. Dr.Bumroong	Chinda			X			
8. Dr.Nonn	Panitvong			X			

X = Directors, XX = Management

ADDITIONAL INFORMATION REGARDING AUDITOR'S SERVICE FEE

1. Audit fee

The company and subsidiaries paid the audit fee to Dharmniti Auditing Co., Ltd. office limited for year 2013 totaling Baht 710,000.00

2. Non-audit fee

-No-



REPORT OF THE AUDIT COMMITTEE

The company's Audit Committee comprises three independent directors appointed by the Shareholders Meeting. All three directors possess qualifications which fully meet the criteria set by the Stock Exchange of Thailand. The Audit Committee comprises:

1. Mr.Chinsuk Viravan Chairman of Audit Committee
2. Mr.Sribhumi Sukhanetr Member, Audit Committee
3. Dr. Bumroong Chinda Member, Audit Committee

The Audit Committee further appointed an external expert responsible for internal auditing, Mr. Sathirapong Sangwalya, to be the Secretary (no voting rights) of the Audit Committee in order to enhance the efficiency of the Committee in carrying out its role and responsibilities.

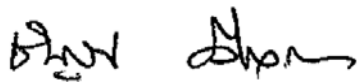
The Audit Committee fully executed its obligations and responsibilities in the framework and guidelines prescribed in its charter, which had been set by the Board of Directors and last amended on 25 November 2008.

In 2013, the Audit Committee held 4 official meetings covering substantive issues as follows:

1. The Audit Committee invited the Managing Director, the Finance and Accounts Manager, the Internal Auditor and the External Auditor for consultations regarding a number of queries the Committee had, as well as ways and means to improve accounts management and disclosure of information to ensure complete compliance and efficiency in terms of the company's financial statements, reports of internal audits, reports on risk management and internal control plans and systems, recommendations pertaining to accounting standards and requirements of all concerned regulatory authorities, including a review of the Letter of Representation the company provided to the auditor.
2. The Audit Committee had one meeting with the auditor without the presence of the Company's management in order to seek the auditor's view of the quality and efficiency of the company's accounts and finance officers, their reports on the progress of various projects which have significant impact on the Company's financial reports, problems and obstacles the auditor had found in carrying out his/her mandate, as well as reviewing data relating to accrued expenses, allowance for doubtful debts, and other account items which could have significant impact on the company's financial statements.
3. The Audit Committee reviewed connected transactions and transactions which might be construed as possible conflicts of interest, to promote confidence that disclosure of those items were accurate and complete.

4. The Audit Committee reviewed the company's risks management and was informed of risk management outcomes from company management and reports of the internal audit unit to ensure that risk management had been undertaken responsibly and efficiently in order to achieve operational targets.
5. The Audit Committee appointed an internal auditor to review the Company's compliance with legislation pertaining to the Stock Exchange of Thailand, regulatory requirements of the SET as well as other legislation which may be relevant to the Company's business operations, the findings of which were reported to the Audit Committee.
6. In order to ensure that external experts who are brought in to conduct internal audits of the company are efficient and that the objectives of the audits are achieved, the Audit Committee together with relevant officers conducted assessments of the internal audit outcome and internal auditor performance. The assessments found the auditors to be fully effective and the internal auditors have been commissioned to continue their work with the company.
7. The Audit Committee prepared minutes of meetings of the Audit Committee and presented these to the Board of Directors of the company on a regular basis in order to keep the company's board fully informed of its activities and its views on the various issues under its responsibility.
8. The Audit Committee selected, nominated and proposed remuneration for Dharmaniti Auditing Co., Ltd. as the Company's auditor to the Board of Directors for endorsement before proposing the nomination to the 2013 Shareholders' Meeting for approval. It should be noted that Dharmaniti Auditing Co., Ltd. did not provide any other service to the Company in 2013 aside from conducting the audit.

Finally, it is the opinion of the Audit Committee that the Company's financial reports, reports on financial transactions which may be construed as possible conflicts of interest, internal control systems, risk management, compliance, qualifications of the auditor and its internal audit procedures were effectively operated in accordance with good corporate governance principles.



Mr.Chinsuk Viravan

Chairman of Audit Committee



REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consisting of 3 members was appointed by the Board of Directors of the Company. In so doing, the Board appointed one of the Company's Independent Directors as the Chair of the Nomination and Remuneration Committee. The Committee comprises:

1. Mr.Sribhumi Sukhanetr Chairman, Nomination and Remuneration Committee
2. Mr.Vibul Panitvong Member, Nomination and Remuneration Committee
3. Mr.Prawat Chanruang Member, Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for selecting qualified and suitable candidates for appointment as directors, members of the various sub-committees which are assigned duties and responsibilities directly by the Board of Directors and the senior executives of the Company from the Deputy Managing Director upward. The Committee is also authorised to consider the remuneration package for members of the Board of Directors and senior executives of the Company from the Deputy Managing Director upward for submission to the Board of Directors for further consideration and approval.

In 2013, the Nomination and Remuneration Committee met thrice to consider matters under its responsibility, including formulation of plans for the succession to senior executive positions, with emphasis given to qualifications, knowledge, capability, experience, diverse expertise and leadership as well as vision and a positive attitude toward the organization which will have positive impact on the Company's business operation. The Committee also gave consideration as to the appropriate size, structure and composition of the Board of Directors in order to optimize management and promote effective internal control and audit, in compliance with the requirements of regulatory authorities. In determining remuneration for the Board of Directors and senior executives, the Nomination and Remuneration Committee based its consideration on what would be commensurable with the professional obligations, duties and responsibility as well as performance of each position, factoring in the Company's business performance and overall business environment.

As for the remuneration package for the Board of Directors and the senior executives, which is presented under the heading "Remuneration for Directors and Senior Executives in 2013", the Nomination and Remuneration Committee regards this as appropriate and such package has already been considered and approved by the Board of Directors.

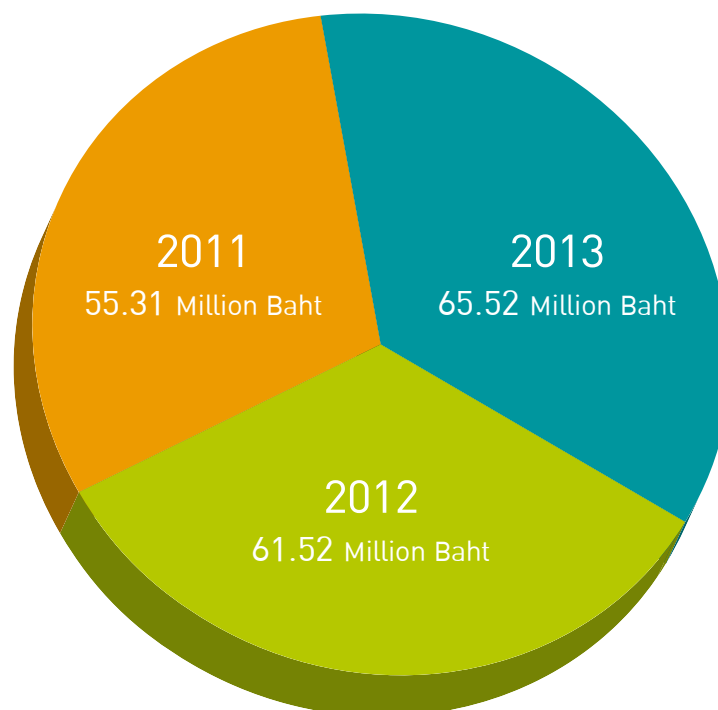
Sribhumi Sukhanetr

Chairman, Nomination and Remuneration Committee



PERFORMANCE IN 2013

Net Profit



SUMMARY OF FINANCIAL INFORMATION

Consolidated Financial Data

Unit: Thousand Baht

	2013	2012	2011
Total Assets	564,236	685,952	870,920
Total Liabilities	189,700	374,329	590,292
Shareholders' Equity	374,536	311,623	280,628
Revenue from services	701,666	595,569	557,023
Revenue from Ship Repair	298,800	280,000	315,800
Revenue from Shipbuilding	369,200	313,600	237,700
Total Revenue	719,806	632,770	580,873
Gross Profit	187,748	165,172	200,621
Net Earning (Loss)	65,524	61,520	55,311

Financial Ratio

		2013	2012	2011
Net Profit Margin	(%)	9.10	9.72	9.52
Return on Equity	(%)	19.10	20.93	22.24
Return on Asset	(%)	10.48	7.93	6.64
Book Value per share	(Baht)	1.45	1.33	1.18
Earnings per share	(Baht)	0.25	0.24	0.24

Performance in 2013

The Company's performance in 2013 compared to the previous year posted an increase in revenue from hired services of Baht 106.10 million, or 17.81 percent. Revenue from ship repair operations amounted to Baht 298.80 million-an increase of Baht 18.80 million or 6.71 percent from the previous year. The increase was mainly due to global, as well as Thailand's own, economic recovery of which the marine transport industry was among the beneficiaries. This resulted in acceleration of ship repair and maintenance activities to support sea transport businesses. Meanwhile revenue from shipbuilding came to Baht 369.20 million, an increase of Baht 55.60 million or 17.73 percent over 2012, mainly derived from revenue recognition of the ALGOSAIBI Project which was completed and delivered as well as progressive revenue recognition of the lighter barges project which is due to be completed in February 2014.

Capital costs for hired services totaled Baht 513.92 million-an increase of Baht 83.52 million, from Baht 430.40 million in 2012, up 19.40 percent, proportionate to the increased revenue for hired services.

Expenses from sales amounted to Baht 10.97 million which is only a slight increase. Administrative expenses amounted to Baht 93.87 million, an increase of Baht 8.34 million or 9.75 percent over the previous year due to necessary renovations of the corporate office building. Meanwhile, financial cost amounted to Baht 1.60 million, a decrease of Baht 1.37 million or 46.13 percent due to repayment of loans from financial institutions resulting in reduced interest payment requirements.

In summary, the company registered net profit in 2013 of Baht 65.52 million, an increase of Baht 4 million compared to Baht 61.52 million in 2012, or an increase of 6.50 percent.

Financial Statements

1) Assets

The Company's assets contracted by Baht 121.71 million or 17.74 percent. Significant changes were due to the following:

Cash and cash equivalent items decreased by Baht 178.51 million or 81.06 percent due to the decrease of bills of exchange of less than 3-months' maturity by a total value of Baht 185.0 million, which were utilised as working capital.

Net trade account receivable appreciated by Baht 26.74 million or 198.37 percent, most of this increase was derived from ship repair works.

Unbilled receivables totalled Baht 65.62 million, an increase of Baht 53.63 million or 447.29 percent, of which Baht 59.82 million were from ship repair works due to recognized revenue on the basis of deliverables not yet due according their contract.

Inventory decreased by Baht 25.54 million, representing 42.71 percent-a significant decrease over the previous year, due to drawing of raw materials and equipment coinciding with the completion of the ALGOSAIBI Project and delivery of 4 lighter barges in 2013.

Net property (land, building and equipment) decreased by Baht 3.55 million or 1.32 percent from the previous year, an insignificant decrease due mainly to depreciation in value as there was no significant acquisition or sale of company property during 2013.

Cash deposits with limitations on withdrawal, namely fixed time deposits and savings, decreased by Baht 4.60 million, representing 100 percent, in accordance with conditions set in the financial services agreement in the shipbuilding projects which required that each instalment payment must be partly set aside as guarantee with the banks because in 2013 the Company was able to return bank guarantees on projects to build two tow vessels and was able to withdraw the portion of its income deposited with the bank.

2) Liabilities and Shareholders' Equity

Liabilities and shareholders' equity in 2013 were Baht 564.24 million, Baht 121.71 million or 17.74 percent lower than the previous year, due to the following:

Liabilities, of which significant changes were:

Overdrafts and short term loans from financial institutions increased by Baht 60.04 million due to the drawing of Baht 60 million in promissory notes.

Trust receipt decreased by Baht 21.03 million due to the completion of shipbuilding projects which meant that purchase of raw materials from abroad also lessened.

Advance payment from clients decreased Baht 224.82 million because of the gradual revenue recognition from the ALGOSAIBI Project.

Shareholders' equity totaled Baht 374.54 million, an increase of Baht 62.91 million from Baht 311.62 million in 2012, of which significant change was due to:

Increase of issued and paid capital due to stock dividends worth Baht 23.48 million

Unappropriated retained earnings amounted to Baht 53.97 million, an increase by Baht 25.07 million, as the Company was able to increase profit in every quarter resulting in higher retained earnings.

3) Liquidity

The current ratio stood at 1.26, an increase from 1.00 in 2012 despite the decline in the Company's current assets such as cash and other cash equivalent items, trade accounts receivables and inventory, because of the higher proportion in the decrease of the Company's liabilities. The Company's cash flow from operations amounted to Baht 162.91 million-most of which came from trade accounts receivable, unbilled receivables and advance payment from clients. Cash flow for investment activities stood at Baht 50.56 million-derived from cash paid for purchase of fixed assets of Baht 27.18 million and payment for leasehold land and buildings of Baht 32.04 million. As for net cash from funding activities, the total stood at Baht 34.81 million due to the drawing of Baht 60 million in promissory notes.

Debt to equity ratio stood at 0.51, a decrease from 1.20 in 2012, due to the decrease in total liabilities of Baht 184.63 million, representing 49.32 percent. Shareholders' equity rose by Baht 62.92 million or 20.19 percent. This decrease of the debt to equity ratio demonstrated that the Company was able to reduce the cost of debt which is a significant factor in obtaining credit from financial institutions in the future.

The profitability ratio decreased slightly in proportion to increased capital cost compared to 2012. Net profit margin was 9.10 percent, down from 9.72 percent in 2012 due to higher administration costs. The interest coverage ratio was 113.29, an increase from 99.87 times in the previous year, which demonstrated that if the Company needed to seek loans from financial institutions in the future, it would remain in a good position to continue with debt servicing and interest payment coverage. The debt service coverage ratio (cash basis) posted an increase to 5.11 which showed that the Company's debt service capability remained high, as were its credibility and potential to undertake new projects.

4) Capital Source

In 2013, the Company's total liabilities amounted to Baht 189.70 million, a decrease of Baht 184.63 million, comprising Baht 171.31 million in current liabilities and Baht 18.39 million in other liabilities. The decrease in current liabilities was mainly from trust receipts and advance payment from clients of shipbuilding projects. Short term loans from financial institutions increased by Baht 60 million due to the drawing in promissory notes. Shareholders' equity consisted of Baht 258.29 million in paid up capital, Baht 18.72 million in appropriated retained earnings and Baht 97.52 million in unappropriated retained earnings, an increase from 2012 because the Company issued dividend shares and was able to make profit in every quarter of the year.

Return on assets was 10.48, an increase from 7.93 in 2012 due to more efficient use of income-generating property.



BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Asian Marine Services PCL and subsidiary companies have been prepared in line with the requirements of the Public Company Limited Act B.E. 2535 (1992), the Securities and Exchange Act B.E. 2535 and the Announcement of the Department of Commercial Registration dated September 14, 2001, issued according to Section 11, paragraph 3, of the Accounting Act B.E. 2543 (2000), by conforming to accounting standards prescribed by the Federation of Accounting Professions.

The Board of Directors is responsible for the financial reports of the Company, prepared to assure that the statements of the financial position, income and cash flows are reliable and accurate, that effective internal control systems are in place, that accounting information has been accurately, completely and adequately recorded to safeguard assets and to protect against fraud and material irregularities. In preparing the financial reports, a large amount of consideration has been given to the selection of suitable accounting policies, which have been continuously maintained and are complied with generally accepted accounting standards. Significant information has been adequately disclosed in the notes to the financial statements, to which the opinion of the auditor on the financial statements of Asian Marine Services PCL and the consolidated financial statements of Asian Marine Services PCL and subsidiary companies have been given in the report of the certified public accountant.

Mr. Prakit Pradipasen
Chairman

Ms. Warawan Nganthavee
Managing Director



AUDITOR OF REPORT

To The Shareholders and Board of Directors of
Asian Marine Services Public Company Limited

I have audited the accompanying consolidated financial statements of Asian Marine Services Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and the separate financial statements of Asian Marine Services Public Company Limited, which comprise the statement of financial position as at December 31, 2013, and the statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In my opinion, the consolidated financial statements of Asian Marine Services Public Company Limited and its subsidiaries and the separate financial statement of Asian Marine Services Public Company Limited referred to above present fairly, in all material respects, the financial position as at December 31, 2013, and the financial performance and cash flows for the year then ended in accordance with the Financial Reporting Standards.

Emphasis of Matter

I draw attention to Note 2.2 to the financial statements. In presenting the financial statements the year ended December 31, 2013, the Company and its subsidiaries has adopted new financial reporting standards issued by the Federation of Accounting Professions (FAP) which are effective from the period beginning on or after January 1, 2013. The effect of changing in accounting policy has been described in Note 2.3 to the financial statements. The comparative information presented herewith has been restated on this matter. My opinion to the financial statements is not qualified in respect of this matter.



(Mr. Pichai Dachanapirom)

Certified Public Accountant Registration No. 2421

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 24, 2014

2014/067/0201



STATEMENTS OF FINANCIAL POSITION

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
AS AT DECEMBER 31, 2013

(Unit: Baht)

Consolidated				The Company Only			
		As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012	As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012
	Note						
Assets							
Current assets							
Cash and cash equivalents	4.3, 5	41,703,327	220,207,531	58,111,252	29,806,837	210,905,200	55,998,345
Trade accounts receivable	4.4, 7						
Related parties	6, 7	156,772	2,905,681	1,291,276	740,037	5,773,552	4,055,888
Unrelated parties		57,958,042	28,984,858	163,678,770	48,135,142	28,984,858	163,678,770
Less: Allowance for doubtful accounts		(17,897,353)	(18,409,577)	(17,968,860)	(17,897,353)	(18,409,577)	(17,968,860)
Trade accounts receivable	7	40,217,461	13,480,962	147,001,186	30,977,826	16,348,833	149,765,798
Unbilled complete construction in progress							
Related parties	6, 8	16,275,036	6,761,496	-	16,275,036	6,761,496	-
Unrelated parties		49,342,727	5,236,158	42,613,575	49,342,727	5,236,158	42,613,575
Unbilled complete construction in progress	8	65,617,763	11,997,654	42,613,575	65,617,763	11,997,654	42,613,575
Short-term loan to subsidiary		-	-	-	-	-	1,000,000
Other receivables - related parties	6	19,795	-	-	19,179,042	17,873,579	18,112,211
Inventories	4.5, 9	34,257,160	59,796,629	165,107,244	33,831,684	59,626,089	164,333,339
Other current assets							
Withholding tax deducted at source	10	19,601,757	17,403,824	16,438,454	13,056,022	13,056,022	13,056,022
Advance payment for purchase of goods		48,232	24,158,644	13,292,346	48,231	24,158,644	13,292,346
Account receivable Revenue Department		6,439,855	2,104,985	11,926,245	6,439,855	2,092,349	11,693,023
Others		8,210,791	8,943,021	17,711,654	7,777,169	9,749,635	13,797,997
Total current assets		216,116,141	358,093,250	472,201,956	206,734,429	365,808,005	483,662,656

Notes to financial statements form an integral part of these statements.



STATEMENTS OF FINANCIAL POSITION (CONTINUED)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2013

(Unit: Baht)

Consolidated					The Company Only		
		As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012	As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012
	Note						
Non-current assets							
Restricted bank deposits	11	-	4,598,881	69,339,830	-	4,598,881	69,339,830
Installment receivable for ship repair	4.6, 12	-	-	-	-	-	-
Investments in subsidiaries							
for under the cost method	4.7, 13	-	-	-	21,883,179	21,883,179	21,883,179
Property, plant and equipment	4.8, 14	264,423,443	267,967,005	270,625,514	259,412,358	261,602,517	262,944,060
Leasehold right of land and building	4.10, 15	30,185,094	-	-	30,185,094	-	-
Intangible assets	4.11, 16	2,739,729	2,799,701	3,750,097	1,489,036	1,068,343	1,538,073
Assets held for sale	4.12, 17	37,549,808	38,912,356	43,000,000	37,549,808	38,912,356	43,000,000
Deferred tax assets	4.19, 18	5,307,547	7,161,576	5,471,085	5,151,654	5,634,280	3,991,769
Other non-current assets		7,914,886	6,419,600	6,531,346	6,914,886	5,406,002	5,517,747
Total non-current assets		348,120,507	327,859,119	398,717,872	362,586,015	339,105,558	408,214,658
Total assets		564,236,648	685,952,369	870,919,828	569,320,444	704,913,563	891,877,314
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term loans							
from financial institutions	19	65,466,451	5,432,628	56,147,361	65,466,451	5,432,628	56,147,361
Trust receipts payable	19	7,038,130	28,075,993	42,620,855	7,038,130	28,075,993	42,620,855
Trade accounts payable							
Related parties	6	10,926,571	-	-	27,773,032	23,012,465	26,024,644
Unrelated parties		31,197,951	51,349,204	37,564,034	29,687,449	50,994,058	37,055,061
Total trade accounts payable		42,124,522	51,349,204	37,564,034	57,460,481	74,006,523	63,079,705

Notes to financial statements form an integral part of these statements.



STATEMENTS OF FINANCIAL POSITION (CONTINUED)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2013

(Unit: Baht)

	Note	Consolidated			The Company Only		
		As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012	As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012
Accrued construction cost		9,029,165	5,127,210	10,290,325	9,029,165	5,127,210	10,290,325
Current portion of liabilities							
under financial lease agreement		575,167	411,210	393,731	575,167	411,210	393,731
Current portion of long-term loans		-	-	26,336,000	-	-	26,336,000
Other current liabilities							
Advance received from customers	8	5,223,930	230,043,244	320,887,204	5,223,930	230,014,417	320,887,204
Accrued expenses		17,003,034	12,760,499	22,205,745	14,190,457	8,766,720	18,110,749
Accrued corporate income tax		4,605,947	7,428,688	9,033,997	4,571,591	7,338,772	9,033,997
Provisions	20	5,294,903	5,294,903	9,356,831	5,294,903	5,294,903	9,356,831
Warranty provisions	21	238,766	5,005,381	-	238,766	5,005,381	-
Dismantling provisions		-	2,250,000	2,216,813	-	2,250,000	2,216,813
Others		14,709,866	5,629,756	15,613,397	10,995,064	4,363,327	15,148,029
Total current liabilities		171,309,881	358,808,716	552,666,293	180,084,105	376,087,084	573,621,600
Non-current liabilities							
Liabilities under financial lease							
agreement - net of current portion		476,974	579,135	1,024,635	476,974	579,135	1,024,635
Long-term loan - net of current portion		-	-	25,008,000	-	-	25,008,000
Employee benefit obligations	4.17, 22	13,228,673	10,474,634	6,879,749	12,422,793	10,010,254	6,691,806
Deferred tax liabilities	4.19, 18	1,189,285	971,246	1,217,523	1,189,285	971,246	1,217,523
Other non-current liabilities		3,495,820	3,495,820	3,495,820	3,495,820	3,495,820	3,495,820
Total non-current liabilities		18,390,752	15,520,835	37,625,727	17,584,872	15,056,455	37,437,784
Total liabilities		189,700,633	374,329,551	590,292,020	197,668,977	391,143,539	611,059,384

Notes to financial statements form an integral part of these statements.



STATEMENTS OF FINANCIAL POSITION (CONTINUED)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2013

(Unit: Baht)

	Note	Consolidated			The Company Only		
		As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012	As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012
Shareholders' equity							
Share capital	23						
Registered share capital							
(258,291,110 ordinary shares of Baht 1 each)		<u>258,291,110</u>			<u>258,291,110</u>		
(234,810,100 ordinary shares of Baht 1 each)			<u>234,810,100</u>	<u>234,810,100</u>		<u>234,810,100</u>	<u>234,810,100</u>
Issued and paid-up share capital							
(234,810,100 ordinary shares of Baht 1 each)		234,810,100	234,810,100	234,810,100	234,810,100	234,810,100	234,810,100
(23,480,987 ordinary shares of Baht 1 each)		<u>23,480,987</u>	-	-	<u>23,480,987</u>	-	-
		258,291,087	234,810,100	234,810,100	258,291,087	234,810,100	234,810,100
Retained earnings							
Appropriated							
Statutory reserve	24	18,723,301	15,698,673	12,667,151	18,723,301	15,698,673	12,667,151
Unappropriated		97,521,627	61,114,045	33,150,557	94,637,079	63,261,251	33,340,679
Other components of equity		-	-	-	-	-	-
Equity attributable to the parent company's shareholders		<u>374,536,015</u>	<u>311,622,818</u>	<u>280,627,808</u>	<u>371,651,467</u>	<u>313,770,024</u>	<u>280,817,930</u>
Non-controlling interests		-	-	-	-	-	-
Total shareholders' equity		<u>374,536,015</u>	<u>311,622,818</u>	<u>280,627,808</u>	<u>371,651,467</u>	<u>313,770,024</u>	<u>280,817,930</u>
Total liabilities and shareholders' equity		<u>564,236,648</u>	<u>685,952,369</u>	<u>870,919,828</u>	<u>569,320,444</u>	<u>704,913,563</u>	<u>891,877,314</u>

Notes to financial statements form an integral part of these statements.



THE STATEMENTS OF COMPREHENSIVE INCOME

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

Consolidated			The Company Only	
	2013	2012	2013	2012
Note		(Restated)		(Restated)
Revenues				
Service income	701,666,153	595,569,279	668,029,923	593,516,577
Other income	18,140,040	37,200,615	20,626,659	38,249,799
Total revenues	719,806,193	632,769,894	688,656,582	631,766,376
Expenses				
Cost of services	513,917,931	430,398,464	498,394,739	433,439,832
Selling expenses	10,967,106	10,379,887	10,967,276	10,379,887
Administrative expenses	93,873,032	85,531,138	84,783,555	79,833,817
Management remuneration	617,388,486	19,738,561	17,388,486	19,738,561
Finance costs	1,598,036	2,970,062	1,572,782	2,952,899
Total expenses	637,744,591	549,018,112	613,106,838	546,344,996
Income (loss) before corporate income tax	82,061,602	83,751,782	75,549,744	85,421,380
Tax expense (income)	1816,537,294	22,231,459	15,057,190	21,943,973
Profit (loss) for the year	65,524,308	61,520,323	60,492,554	63,477,407
Other comprehensive income	-	-	-	-
Comprehensive income (loss) for the year	65,524,308	61,520,323	60,492,554	63,477,407
Attributable to :				
Parent company's shareholders	65,524,308	61,520,323	60,492,554	63,477,407
Non-controlling interests	-	-	-	-
	65,524,308	61,520,323	60,492,554	63,477,407
Earnings per share				
25				
Profit (loss) for the year (Baht/share)	0.25	0.24	0.23	0.25
Weighted average number of ordinary share (Shares)	258,291,087	258,291,087	258,291,087	258,291,087

Notes to financial statements form an integral part of these statements.



STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

Consolidated (Restated)							
Note	Common shareholders					Non -controlling interests	Total
	Issued and paid up share capital	Retained earnings		Other components of equity			
		Appropriated- statutory reserve	Unappropriated	Other comprehensive income			
				Total			
Beginning balance, as at January 1, 2012 - as previously reported	234,810,100	12,667,151	28,896,995	-	276,374,246	-	276,374,246
Adjustment							
The cumulative effect of change in accounting policy							
on income tax	2.3	-	-	4,253,562	-	4,253,562	-
Balance as at January 1, 2012 - as restated		234,810,100	12,667,151	33,150,557	-	280,627,808	-
Profit (loss) for the year 2012		-	-	61,520,323	-	61,520,323	-
Legal reserve		-	3,031,522	(3,031,522)	-	-	-
Cash dividend	30	-	-	(30,525,313)	-	(30,525,313)	-
Ending balance, as at December 31, 2012		234,810,100	15,698,673	61,114,045	-	311,622,818	-
Profit (loss) for the year 2013		-	-	65,524,308	-	65,524,308	-
Legal reserve		-	3,024,628	(3,024,628)	-	-	-
Cash dividend	30	-	-	(2,611,111)	-	(2,611,111)	-
Stock dividend	23, 30	23,480,987	-	(23,480,987)	-	-	-
Ending balance, as at December 31, 2013		258,291,087	18,723,301	97,521,627	-	374,536,015	-

Notes to financial statements form an integral part of these statements.



STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

The Company Only (Restated)						
	Note	Issued and paid-up share capital	Retained earnings		other components of equity	
			Appropriated - statutory reserve	Unappropriated	other comprehensive income	Total
Beginning balance, as at January 1, 2012 - as previously reported		234,810,100	12,667,151	30,566,433	-	278,043,684
Adjustment						
The cumulative effect of change in accounting policy on income tax	2.3	-	-	2,774,246	-	2,774,246
Balance as at January 1, 2012 - as restated		234,810,100	12,667,151	33,340,679	-	280,817,930
Profit (loss) for the year 2012		-	-	63,477,407	-	63,477,407
Legal reserve		-	3,031,522	(3,031,522)	-	-
Cash dividend	30	-	-	(30,525,313)	-	(30,525,313)
Ending balance, as at December 31, 2012		234,810,100	15,698,673	63,261,251	-	313,770,024
Profit (loss) for the year 2013		-	-	60,492,554	-	60,492,554
Legal reserve		-	3,024,628	(3,024,628)	-	-
Cash dividend	30	-	-	(2,611,111)	-	(2,611,111)
Stock dividend	23, 30	23,480,987	-	(23,480,987)	-	-
Ending balance, as at December 31, 2013		258,291,087	18,723,301	94,637,079	-	371,651,467

Notes to financial statements form an integral part of these statements.



STATEMENTS OF CASH FLOWS

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

	Consolidated		The Company Only	
	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from operating activities				
Profit (loss) for the year	65,524,308	61,520,323	60,492,554	63,477,407
Adjustments to reconcile net profit (loss) to net cash provided by (paid from) operating activities: -				
Allowance for doubtful accounts	942,126	2,570,350	942,126	2,570,350
Allowance for doubtful accounts (reversal)	(1,557,547)	(1,761,597)	(1,557,547)	(1,761,597)
Stock obsolescence (decrease)	(892,785)	(332,838)	(892,785)	(332,838)
Depreciation and amortization	32,067,541	34,704,270	29,811,226	32,092,036
Loss (gain) on sales of fixed assets	(2,058,118)	(3,020,964)	(2,054,616)	(3,009,305)
Loss (gain) on sales of intangible assets	-	11,445	-	11,445
Loss on impairment of asset held for sale	1,362,548	4,087,644	1,362,548	4,087,644
Loss on fixed assets write-off	1,555,261	427,809	1,555,261	427,809
Increase (decrease) in warranty provisions	(1,702,550)	5,005,381	(1,702,550)	5,005,381
Unrealized foreign exchange loss (gain)	(930,829)	(410,836)	(369,632)	(410,836)
Expenses for employee benefit obligations	2,763,425	3,233,509	2,447,179	2,974,234
Dismantling provisions (reversal)	(2,250,000)	-	(2,250,000)	-
Investment income	(2,324,536)	(4,341,903)	(2,277,380)	(4,324,722)
Interest expenses	1,598,036	2,970,062	1,572,782	2,952,899
Tax expense (income)	16,537,294	22,231,459	15,057,190	21,943,973
Income from operating activities before changes in operating assets and liabilities	110,634,174	126,894,114	102,136,356	125,703,880
Decrease (increase) in operating assets				
Trade accounts receivable	(25,282,149)	132,621,874	(13,724,640)	132,518,615
Trade accounts receivable - installment ship repair	103,198	89,597	103,198	89,597
Unbilled income	(53,620,108)	30,615,920	(53,620,108)	30,615,921
Other receivables - related parties	(19,795)	-	(1,305,463)	238,632

Notes to financial statements form an integral part of these statements.



STATEMENTS OF CASH FLOWS (CONTINUED)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

	Consolidated		The Company Only	
	2013	2012 (Restated)	2013	2012 (Restated)
Inventories	26,432,254	105,643,453	26,687,191	105,040,088
Other current assets	20,507,772	8,632,817	21,735,373	3,689,789
Other non-current assets	(1,495,285)	111,745	(1,508,885)	111,746
Increase (decrease) in operating liabilities				
Trade accounts payable	11,452,878	14,036,766	4,120,319	11,178,414
Accrued cost of construction	3,901,955	(5,163,115)	3,901,955	(5,163,114)
Advances received from customers	(224,819,314)	(90,843,960)	(224,790,487)	(90,872,787)
Other current liabilities	(7,598,494)	(19,347,298)	(8,865,663)	(20,047,147)
Cash received (paid) from operating activities	(139,802,914)	303,291,913	(145,130,854)	293,103,634
Corporate income taxes paid	(19,612,118)	(27,923,040)	(17,123,706)	(26,486,163)
Cash refund from withholding tax refunded	126,218	223,785	-	-
Indemnity provisions paid	(3,064,065)	(4,061,928)	(3,064,065)	(4,061,928)
Employee benefit obligations paid	(553,640)	(104,060)	(553,640)	(104,060)
Net cash from (used in) from operating activities	(162,906,519)	271,426,670	(165,872,265)	262,451,483
Cash flows from investing activities				
Cash paid for purchasing fixed assets	(27,185,610)	(33,516,440)	(26,760,006)	(32,687,129)
Proceeds from sales of fixed assets	2,929,902	5,132,735	2,923,041	5,106,367
Proceeds from sales of intangible assets	-	50	-	50
Cash paid for leasehold right of land and building	(32,036,250)	-	(32,036,250)	-
Cash paid for purchasing intangible assets	(1,195,040)	(130,000)	(1,195,040)	(130,000)
Repayment of short-term loan from subsidiaries	-	-	-	1,000,000
(Increase) decrease in fixed deposit	4,598,881	64,740,950	4,598,881	64,740,950
Interest received	2,324,536	4,393,029	2,277,380	4,375,848
Net cash from (used in) investing activities	(50,563,581)	40,620,324	(50,191,994)	42,406,086

Notes to financial statements form an integral part of these statements.



STATEMENTS OF CASH FLOWS (CONTINUED)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

	Consolidated		The Company Only	
	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	60,033,823	(50,714,733)	60,033,823	(50,714,733)
Increase (decrease) in trust receipts payable	(21,137,957)	(14,465,880)	(21,137,957)	(14,465,879)
Repayment of liabilities under financial lease greement	(597,449)	(428,021)	(597,449)	(428,021)
Repayment of long-term loan	-	(51,344,000)	-	(51,344,000)
Dividend paid	(2,611,111)	(30,525,313)	(2,611,111)	(30,525,313)
Interest paid	(880,851)	(2,553,025)	(880,851)	(2,553,025)
Net cash from (used in) financing activities	34,806,455	(150,030,972)	34,806,455	(150,030,971)
Net increase (decrease) in cash and cash equivalents	(178,663,645)	162,016,022	(181,257,804)	154,826,598
Unrealized gain (loss) on exchange rate				
from deposit in foreign currency	159,441	80,257	159,441	80,257
Cash and cash equivalents at the beginning of the year	220,207,531	58,111,252	210,905,200	55,998,345
Cash and cash equivalents at the end of the year	41,703,327	220,207,531	29,806,837	210,905,200
Supplemental disclosure of cash flows information: -				
1. Cash and cash equivalents consisted of: -				
Cash on hand	185,000	185,000	150,000	150,000
Cash at bank - Saving account	40,320,681	28,759,210	28,851,647	19,987,625
- Current account	1,118,912	1,005,325	726,456	509,579
Fixed deposit 3 months or less	78,734	5,257,996	78,734	5,257,996
Bill of exchange-not over 3 months	-	185,000,000	-	185,000,000
	41,703,327	220,207,531	29,806,837	210,905,200
2. Non-cash items consist of:-				
Purchase of fixed assets by mean of financial lease agreement	659,244	-	659,244	-

Notes to financial statements form an integral part of these statements.



NOTES TO THE FINANCIAL STATEMENTS

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
DECEMBER 31, 2013

1. GENERAL INFORMATION

1.1 Legal status and address

Asian Marine Services Public Company Limited ("The Company") is a public company incorporated and domiciled in Thailand.

The address of its registered office is as follows:

128 Moo 3 Suksawad Road, Leamfapa, Prasamutjedee, Samutprakarn, Thailand.

1.2 Nature of the Company's business

The main business activities are principally engaged in the ship building and ship repair services.

1.3 Major shareholder

The major shareholder is Tanphaibul Company Limited, a company incorporated in Thailand.

1.4 Data of employees

As at December 31, 2013 and 2012, the numbers of employees of the Company and its subsidiaries approximate 466 persons and 418 persons, respectively. (The Company Only : 297 persons and 293 persons, respectively)

The staff costs for the year 2013 and 2012 amounted to Baht 99.2 million and Baht 94.1 million, respectively (The Company Only : Baht 73.6 million and Baht 70.9 million, respectively), The staff costs were consisted of salary, wages, bonus, contributions to social security fund, provident fund, benefits and welfare.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with Thai financial reporting standards for Publicly Accountable Entities. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

2.2 Accounting standards effective for using in current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the revised 2009, and the new issued of accounting standards financial reporting standards, the interpretations and accounting treatment guidance of which they are effective for using in the periods beginning on or after January 1, 2013, as follows.

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
Accounting Treatment Guidance for Transfers of Financial Assets	

The management of the Company believes that these accounting standards do not have any significant impact on the financial statements for the year when they are initially applied, except for TAS 12 Income Taxes that the Company has used at the effective date and have the effects of changes in the Company's accounting policies as disclosed in note 2.3 ; Effect of changes in accounting policies.

2.3 Effect of changes in accounting policies due to application of new accounting standards

From January 1, 2013, the Company has used of TAS 12 Income Taxes. This accounting standard requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the statement of financial position and its tax base in order to recognize the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria.

The Company has used this accounting policy in this current year and restated the prior year's financial statements, presented for comparative purposes, as though the Company had initially recognized the tax effects as deferred tax assets or liabilities. The change in accounting policies has been the effects are as follows:

(Unit:Baht)

	Consolidated		
	As at December 31, 2013	As at December 31, 2012	As at January 1, 2012

Statements of financial position

Deferred tax assets	5,307,547	7,161,576	5,471,085
Deferred tax liabilities	1,189,285	971,246	1,217,523
Retained earnings increase	4,118,262	6,190,330	4,253,562

(Unit:Baht)

	The Company Only		
	As at December 31, 2013	As at December 31, 2012	As at January 1, 2012

Statements of financial position

Deferred tax assets	5,151,654	5,634,280	3,991,769
Deferred tax liabilities	1,189,285	971,246	1,217,523
Retained earnings increase	3,962,369	4,663,034	2,774,246

(Unit:Baht)

	Consolidated	
	2013	2012

Statements of comprehensive income

Profit or loss:

Income taxes increase (decrease)	2,072,067	(1,936,767)
Net profit decrease (increase)	2,072,067	(1,936,767)
Basic earnings per share decrease (increase)	0.01	(0.01)

(Unit:Baht)

	The Company Only	
	2013	2012

Statements of comprehensive income

Profit or loss:

Income taxes increase (decrease)	700,665	(1,888,788)
Net profit decrease (increase)	700,665	(1,888,788)
Basic earnings per share decrease (increase)	0.00	(0.01)

2.4 The new and revised accounting standards but are not yet effective

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the new and revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards.

These new and revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2014 are as follows:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

The new accounting standard which is effective for the fiscal year beginning on or after January 1, 2016 is as follows:

TFRS 4 Insurance Contracts

The management of the Company is evaluating the impact of these new and revised accounting standards when they are initially applied.

3. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and the following subsidiaries which were incorporated in Thailand.

Company's name	Nature of business	Percentage of shareholding		Percentage of assets included in total assets as at		Percentage of revenues included in total revenues for the years	
		2013 Percent	2012 Percent	2013 Percent	2012 Percent	2013 Percent	2012 Percent
General Warehouse Co., Ltd.	Dockage service	100	100	1.15	1.33	0.35	1.61
Asimar Marine Co., Ltd.	Subcontractor of ship repair	100	100	0.06	3.76	8.23	6.41
Eco Marine Co., Ltd.	Pollution control and environmental management services	93	93	4.45	1.64	4.77	0.41

The significant outstanding balances and related transactions of the Company and its subsidiaries have been eliminated from the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

The Company recognized service income on the basis of percentage of completion based on the assessment of completion of a physical proportion of work under the contract by its engineer. The provision for the total anticipated loss on ship building and ship repair will be made in the accounts when the possibility of loss is ascertained. The recognized revenue which has not yet been due as per contract is presented under the caption of "Unbilled complete construction in progress" in the statements of financial position.

Rental income and Dockage charges are recognized by the subsidiaries on an accrual basis, and service revenue is recognized by the subsidiaries when services have been rendered taking into account the stage of completion.

Interest income is recognized on an accrued basis, based on the effective rate method.

Other income is recognized on an accrual basis.

4.2 Cost of services

Cost of services are determined by allocating cost of material, direct labour and overhead as anticipated to be incurred for the whole project and recognizing as cost of services in the income statements in proportion to percentage of completion.

The recognized cost of services which has not yet been paid has been shown under the caption of "Accrued construction cost" in the statements of financial position. In case that the cost of service according to the percentage of completion method is lower than the incurring cost of service, it will be shown as "work in process" under the inventory account in the statement of financial position.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at financial institutions, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is generally based on collection experiences and analysis of each debtor aging that is expected to have collection problem.

4.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Costs of raw materials and semi-raw materials are determined on the first-in, first-out basis and are charged to cost of ship building or ship repair whenever consumed.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the sale.

Allowance for obsolete stock is set up at the rate 100 percents for old, slow-moving, deteriorated and at the rate 20 percents for unmovable inventories over 2 years.

4.6 Trade accounts receivable - installment

Account Receivable - installment are stated at the value is calculated from future cash flows are discounted using interest rate for the Company's capital. The difference between fair value and investment in account receivable are include in determining income.

4.7 Investments in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements.

4.8 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives and remaining value at the disabled of the assets are as follows:-

	Years	Residual Value at disabled date
Floating dockyards	20	Estimated by the engineer
Building and other constructions	5 - 20	Estimated by the engineer
Building improvements	5 - 20	-
Machinery and equipments	2 - 5	Estimated by the engineer
Furniture and fixtures	2 - 5	-
Marine and motor vehicles	5 - 10	-

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

The Company has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

4.9 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

4.10 Leasehold right of land and building and amortization

Leasehold right of land and building are stated at cost less accumulated amortization.

Amortization of leasehold right of land and building is calculated by reference to cost on a straight-line basis over the leasehold right period 30 years.

4.11 Intangible assets and amortization

Intangible assets that are acquired by the Company with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any). Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Know-how for use in building pollution control ships	10 years
Software (Application software)	3 -10 years

4.12 Assets held for sale

Assets held for sale are stated at the cost less allowance for loss on impairment of assets (if any).

4.13 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.14 Derivatives

Forward exchange contracts to reduce its exposure from exchange rate on cash flow of a part of account receivable that dominated in foreign currency. As at the entered date of forward exchange contracts, the Company records its obligation on assets and liabilities in balance sheet and recognizes its variance on exchange rate under account "Premium or discount on cash flow hedging deferred account" which will be amortized on straight-line method through a term of its forward exchange contract. Exercised forward exchange contracts that occurred during the period are translated into Baht at the rates ruling on the transaction dates and recognized its realized gain/loss when delivered currency in determining income of incurring period. Forward exchange contracts outstanding at the statements of financial position date are presented as net transaction under account "Forward exchange contracts receivable/payables" and its unrealized gain/loss resulting from currency translation are recognized gain/loss in comprehensive income in the period in which it occurs.

4.15 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currencies outstanding at the statement of financial position date are translated into Baht at the exchange rates ruling on the statement of financial position date.

Gains and losses on exchange are included in determining income.

4.16 Impairment of assets

As at the statement of financial position date, the Company assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

4.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to social security fund are recognized as expenses when incurred.

Post-employment benefit (Defined Contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments to employees upon retirement under the Company's article and labour law. The Company treated these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

The Company has opted to record the entire amount of this liability by recognizing the benefit upon retirement in the past as an expense on the straight - line basis throughout the period of 5 years (since in 2011 to 2015) in the statement of comprehensive income, in accordance with the transitional provisions of TAS 19.

4.18 Provisions

Provisions are recognized when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.19 Corporate income tax

Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company records income tax expense, if any, based on the amount currently payable. Income tax is calculated in accordance with tax laws and at the rate (2013 : 20%, 2012 : 23%) of net profit after deducting other income which is exempt from corporate income tax and adding back certain expenses and provisions which are forbidden expenses for tax computation purposes.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

4.20 Using of Accounting Estimation

Preparation of financial statements in conformity with the financial reporting standards requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates. Significant estimated are as follows :

Allowances for doubtful accounts

Management provides adequate allowance for doubtful accounts for the estimated losses that may be incurred in the collection of receivables. The allowance is generally based on collection experiences and analysis of each debtor aging that is expected to have collection problem.

Allowances for defective inventories and net realizable value

Management maintains an allowance for defective inventories. The allowance is based on for obsolete stock is set up at the rate 100 percents for old, slow-moving, deteriorated and at the rate 20 percents for unmovable inventories over 2 years. The Company also maintains an allowance for below cost sale based on the consideration of estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Company's property, plant and equipment, and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

Estimated for cost of project and percentage of completion

Management determines the estimated for cost of project and percentage of completion based on the assessment of completion of a physical proportion of work under the contract by its engineer. The provision for the total anticipated loss on ship building and ship repair will be made in the accounts when the possibility of loss is ascertained.

4.21 Operating lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :-

(Unit:Baht)

	Consolidated		The Company Only	
	2013	2012	2013	2012
Cash on hand and petty cash	185,000	185,000	150,000	150,000
Cash at banks - Savings account	40,320,681	28,759,210	28,851,647	19,987,625
- Current account	1,118,912	1,005,325	726,456	509,579
- Fixed account 3 months	78,734	5,257,996	78,734	5,257,996
Bill of exchange - not over 3 months	-	185,000,000	-	185,000,000
	<u>41,703,327</u>	<u>220,207,531</u>	<u>29,806,837</u>	<u>210,905,200</u>

Cash at bank-savings account carry interest at the floating rates which are set by the bank.

Bill of exchange-not over 3 months carry interest at 0.50 - 2.80% per annum. (2012 : 2.13 - 3.15% per annum)

6. RELATED PARTY TRANSACTIONS

During the years the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

Million Baht			
Transactions with subsidiaries	2013	2012	Pricing Policy
(being eliminated from the consolidated financial statement)			
Ship repair income	0.5	0.1	Price close to that charged to ordinary customers
Other income	2.7	1.8	Supervisor fee and office service fee amounted to Baht 50,000 per month and equipment storage rental Baht 1,500 per month and were sold supplies at cost plus margin 3 - 10%
Cost of services	59.0	40.1	Baht 300 - 450 per day per person and agreed upon basis
Utilities expenses	2.0	5.6	Cost plus margin 10%

Million Baht			
Transactions with subsidiaries	2013	2012	Pricing Policy
Dockage expenses	0.6	1.6	Calculate to capacity of ship Baht 1,000 - 8,000 per day
Rental expenses	-	3.0	January - March 2012 of Baht 237,600 per month
<u>Transactions with related parties</u>			
Ship repair income	25.7	8.8	Price close to that charged to ordinary customers
Service expense	7.6	0.5	Based on each subcontractor work order

The outstanding balances as at December 31, 2013 and 2012 between the Company and the related companies are as follows:

(Unit: Baht)

Relationship		Consolidated		The Company Only	
		2013	2012	2013	2012
<u>Trade accounts receivable - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	583,265	2,867,871
Seatran Port Co., Ltd.	Common directors	-	2,905,681	-	2,905,681
Seatran Ferry Co., Ltd.	Common directors	156,772	-	156,772	-
		<u>156,772</u>	<u>2,905,681</u>	<u>740,037</u>	<u>5,773,552</u>
<u>Unbilled complete construction in progress</u>					
Seatran Port Co., Ltd.	Common directors	-	6,761,496	-	6,761,496
Seatran Ferry Co., Ltd.	Common directors	16,275,036	-	16,275,036	-
		<u>16,275,036</u>	<u>6,761,496</u>	<u>16,275,036</u>	<u>6,761,496</u>
<u>Amounts due from related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	1,401,384	2,835,015
Asimar Marine Co., Ltd.	Subsidiary	-	-	17,777,658	15,038,564
Seatran Ferry Co., Ltd.	Common directors	19,795	-	-	-
		<u>19,795</u>	<u>-</u>	<u>19,179,042</u>	<u>17,873,579</u>
<u>Trade accounts payable - related parties</u>					
General Warehouse Co., Ltd.	Subsidiary	-	-	91,521	888,128
Eco Marine Co., Ltd.	Subsidiary	-	-	61,182	45,983
Asimar Marine Co., Ltd.	Subsidiary	-	-	27,620,329	22,078,354
Seatran Ferry Co., Ltd.	Common directors	10,926,571	-	-	-
		<u>10,926,571</u>	<u>-</u>	<u>27,773,032</u>	<u>23,012,465</u>

Management remuneration

Management remuneration represents the benefit paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management remuneration for the year 2013 and 2012 are as follow;

(Unit:Baht)

	Consolidated		The Company Only	
	2013	2012	2013	2012
Short-term employee benefits	16,987,349	19,427,019	16,987,349	19,427,019
Post employee benefits	401,137	311,542	401,137	311,542
Total	17,388,486	19,738,561	17,388,486	19,738,561

7. TRADE ACCOUNTS RECEIVABLE

(Unit:Baht)

	Consolidated		The Company Only	
	2013	2012	2013	2012
Trade accounts receivable - related parties				
Trade accounts receivable - ship repair	156,772	2,905,681	740,037	5,773,552
Total	156,772	2,905,681	740,037	5,773,552
Trade accounts receivable - unrelated parties				
Trade accounts receivable - ship repair	32,281,176	21,634,787	32,281,176	21,634,787
Trade accounts receivable - ship building	15,853,966	7,350,071	15,853,966	7,350,071
Trade accounts receivable - service	9,822,900	-	-	-
Total	57,958,042	28,984,858	48,135,142	28,984,858
Less: Allowance for doubtful accounts	(17,897,353)	(18,409,577)	(17,897,353)	(18,409,577)
Net	40,060,689	10,575,281	30,237,789	10,575,281
Total trade accounts receivable - net	40,217,461	13,480,962	30,977,826	16,348,833

The agings of the outstanding balances of trade accounts receivable as at December 31, 2013 and 2012, as classified by due dates, are as follows:

(Unit:Baht)

	Consolidated		The Company Only	
	2013	2012	2013	2012
<u>Age of receivables</u>				
Undue	20,301,327	9,874,012	10,478,426	9,943,744
Not over 3 months	13,710,934	3,279,950	13,710,934	3,279,950
Over 3 months to 6 months	6,205,200	-	6,788,466	-
Over 6 months to 12 months	-	-	-	38,933
Over 12 months	17,897,353	18,736,577	17,897,353	21,495,783
Total	58,114,814	31,890,539	48,875,179	34,758,410
Less: Allowance for doubtful accounts	(17,897,353)	(18,409,577)	(17,897,353)	(18,409,577)
Net	40,217,461	13,480,962	30,977,826	16,348,833

The movements of allowance for doubtful accounts were as follows :-

(Unit:Baht)

	Consolidated		The Company Only	
	2013	2012	2013	2012
Beginning balance	(18,409,577)	(17,968,860)	(18,409,577)	(17,968,860)
Doubtful debt recovered	1,454,350	1,672,000	1,454,350	1,672,000
(Increase) decrease of allowance	(942,126)	(2,112,717)	(942,126)	(2,112,717)
Ending Balance	(17,897,353)	(18,409,577)	(17,897,353)	(18,409,577)

The Company and its subsidiaries have long time outstanding balances of trade accounts receivable, consisting of 8 debtors as at December 31, 2013 totaling Baht 17.9 million. (as at December 31, 2012 : Baht 18.4 million of 9 debtors) The Company and its subsidiaries have set aside an allowance for doubtful accounts in the full amount of approximately Baht 17.9 million (As at December 31, 2012 : Baht 18.4 million). These accounts are under a follow-up by the company and it subsidiaries

8. UNBILLED COMPLETE CONSTRUCTION IN PROGRESS/ ADVANCES RECEIVED FROM CUSTOMERS

(Unit:Baht)

Consolidated/The Company Only			
		2013	2012
Revenue recognized in the periods	- ship building	369,187,767	313,557,927
	- ship repair	298,842,156	279,958,650

(Unit:Baht)

		Consolidated		The Company Only	
		2013	2012	2013	2012
Aggregate amount of cost incurred and recognized profit					
		644,218,381	865,235,120	644,218,381	865,235,120
Unbilled complete construction in progress for					
- Ship building		5,800,622	-	5,800,622	-
- Ship repair		59,817,141	11,997,654	59,817,141	11,997,654
		65,617,763	11,997,654	65,617,763	11,997,654
Advances received from customers					
- Ship building		5,223,930	230,014,417	5,223,930	230,014,417
- Service		-	28,827	-	-
		5,223,930	230,043,244	5,223,930	230,014,417

9. INVENTORIES

(Unit:Baht)

		Consolidated		The Company Only	
		2013	2012	2013	2012
Raw materials		33,249,330	47,175,731	32,823,854	47,005,191
Semi - raw materials		1,705	29,211	1,705	29,211
Work in process		2,858,512	13,640,786	2,858,512	13,640,786
Good in transit		-	1,696,073	-	1,696,073
Total		36,109,547	62,541,801	35,684,071	62,371,261
Less : Allowance for stock obsolescence		(1,852,387)	(2,745,172)	(1,852,387)	(2,745,172)
Net		34,257,160	59,796,629	33,831,684	59,626,089

For the year 2013 and 2012, the Company has capitalized interest on the loan for construction as part of work in process of approximately Baht 1.25 million and Baht 0.39 million, respectively.

Allowance for stock obsolescence and decline in value of inventories is changed during the years as follows :

(Unit:Baht)

	Consolidated		The Company Only	
	2013	2012	2013	2012
Beginning balance	(2,745,172)	(3,078,010)	(2,745,172)	(3,078,010)
Addition	-	-	-	-
Deduction	892,785	332,838	892,785	332,838
Ending balance	(1,852,387)	(2,745,172)	(1,852,387)	(2,745,172)

(Unit:Baht)

	Consolidated		The Company Only	
	2013	2012	2013	2012
Reversal of the decline in value of inventory for the year	(892,785)	(332,838)	(892,785)	(332,838)

10. WITHHOLDING TAX DEDUCTED AT SOURCE

This represents the withholding tax deducted at source of the following years:

(Unit:Baht)

	Consolidated		The Company Only	
	2013	2012	2013	2012
Year 2008	434,533	434,533	-	-
Year 2009	6,749,276	6,749,276	5,771,939	5,771,939
Year 2010	8,138,743	8,138,743	7,284,083	7,284,083
Year 2011	763,727	889,945	-	-
Year 2012	1,191,327	1,191,327	-	-
Year 2013	2,324,151	-	-	-
Total	19,601,757	17,403,824	13,056,022	13,056,022

The Company and its subsidiaries regard withholding tax deducted at source as an asset since they have the right to claim for refund or during refundable process. However, the net realizable value of withholding tax is subject to the exercise of the claim right by the Company and its subsidiaries, and the result of the Company and its subsidiaries' tax audit by the Revenue officials.

11. RESTRICTED BANK DEPOSITS

As at December 31, 2012, these time deposits at financial institutions amounted Baht 4.6 million have been pledged with banks to secure bank guarantees issued by banks on behalf of the Company.

12. INSTALLMENT RECEIVABLE – SHIP REPAIR

(Unit: Baht)

	Consolidated/The Company Only	
	2013	2012
Installment receivables for ship repair	5,102,887	5,206,084
<u>Less</u> Allowance for doubtful accounts	<u>(5,102,887)</u>	<u>(5,206,084)</u>
Net	<u>-</u>	<u>-</u>

As at December 31, 2013 and 2012 the Company had two trade accounts installment receivable of: -

- (1) During the years 2008 and 2009, the Company agreed to repair three ships from a local company engaged in the fuel transportation business in ASEAN, totaling Baht 103.45 million.

Later, on December 26, 2009 the Company and account receivable for ship repair had agreed to amend the repayment conditions of the remaining debt and the debtor agreed to transfer ownership in 1 ship at the agreed amount of Baht 43 million. This was appraised by SEC independent appraiser using the replacement cost method of Baht 51.0 million on the appraisal date November 2, 2009 in order to repay partial amount of the debt to the Company. As such, the remaining debt including interest Baht 9.76 million is to be repaid in monthly installments not less than Baht 2 million with interest rate 9% per annum. Since 2009 - 2010, this debtor had already settled payment of Baht 7.17 million with the value of debt balance amounting to Baht 2.59 million. Later, in 2011, the Company had provided an allowance for doubtful accounts in the full amount of the unpaid portion due to the payment default in the year. The transferred asset will be sold and the Company is now offering it for sale to other interested party, which needs to be modified to suit the commercial use to sell to the person who wants to buy it.

- (2) In the year 2009, the account receivable which an allowance for doubtful accounts was provided had entered into a business restructuring plan with the Legal Execution Department. It had ordered the payment of debt to the Company in the amount of Baht 10.24 million, with the forfeited amount of Baht 7.27 million. The rest is paid quarterly in total 30 installments. The forfeited amount was recorded as bad debts in the financial statements of 2009 and the rest had been set aside as doubtful accounts. During the year 2013 and 2012, the Company received the payment Baht 0.10 million and Baht 0.09 million, respectively, with the value of debt balance as at December 31, 2013 and as at December 31, 2012 amounting to Baht 2.51 million and 2.61 million, respectively.

13. INVESTMENTS IN SUBSIDIARIES FOR UNDER THE COST METHOD

These represent investments in ordinary shares in the following subsidiaries.

(Unit:Baht)

The Company Only								
Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2013	2012	2013	2012	2013	2012	2013	2012
	Million Baht	Million Baht	Percent	Percent				
<u>Investments in subsidiaries</u>								
General Warehouse Ltd.	10.0	10.0	100	100	10,000,000	10,000,000	5,903,016	5,729,245
<u>Less</u> Allowance for impairment					(5,115,021)	(5,115,021)	-	-
					4,884,979	4,884,979	5,903,016	5,729,245
Asimar Marine Co., Ltd.	5.0	5.0	100	100	4,998,200	4,998,200	9,769,371	8,095,728
Eco marine Co., Ltd.	18.25	18.25	93	93	16,999,300	16,999,300	8,125,156	666,853
<u>Less</u> Allowance for impairment					(4,999,300)	(4,999,300)	-	-
					12,000,000	12,000,000	8,125,156	666,853
Total					21,883,179	21,883,179	23,797,543	14,491,826

14. PROPERTY, PLANT AND EQUIPMENT

(Unit: Baht)

Consolidated							
	For the year ended December 31, 2013						
	Book value as at December 31, 2012	Transactions					Book value as at December 31, 2013
		Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	
<u>Cost</u>							
Land	2,733,086	-	-	-	-	-	2,733,086
Floating dockyards	261,287,281	-	167,590	-	-	-	261,119,691
Building, building improvement and other constructions	230,561,456	-	2,134,954	8,477,295	-	-	236,903,797
Machinery and equipment	139,545,869	6,654,348	5,697,160	4,125,859	-	-	144,628,916
Furnitures and fixtures	23,824,853	1,184,001	560,604	434,930	-	-	24,883,180
Vehicles	49,380,524	802,000	4,785,701	-	-	-	45,396,823
Construction in progress	7,202,042	19,204,505	-	-	13,038,084	1,476,026	11,892,437
Total	714,535,111	27,844,854	13,346,009	13,038,084	13,038,084	1,476,026	727,557,930
<u>Less</u> Accumulated depreciation							
Floating dockyards	155,489,123	5,504,238	120,837	-	-	-	160,872,524
Building, building improvement and other constructions	125,730,607	10,122,384	1,415,556	-	-	-	134,437,435
Machinery and equipment	103,587,376	9,492,214	5,614,152	-	-	-	107,465,438
Furnitures and fixtures	21,095,562	1,131,894	522,668	-	-	-	21,704,788
Vehicles	40,665,438	2,710,661	4,721,797	-	-	-	38,654,302
Total	446,568,106	28,961,391	12,395,010	-	-	-	463,134,487
Equipment, net	267,967,005						264,423,443

(Unit: Baht)

Consolidated							
	For the year ended December 31, 2012						
	Book value	Transactions					Book value
	as at	Additions	Deduction	Transferred	Transferred	Transferred	as at
	December			in	out	to Expense	December
31, 2011							31, 2012
<u>Cost</u>							
Land	2,733,086	-	-	-	-	-	2,733,086
Floating dockyards	249,647,472	-	-	11,639,809	-	-	261,287,281
Building, building improvement							
and other constructions	230,684,801	-	243,141	119,796	-	-	230,561,456
Machinery and equipment	153,445,112	8,810,121	37,348,610	14,639,246	-	-	139,545,869
Furnitures and fixtures	28,372,863	729,437	5,277,447	-	-	-	23,824,853
Vehicles	51,147,841	516,987	2,284,304	-	-	-	49,380,524
Construction in progress	10,565,916	23,459,895	-	-	26,398,851	424,918	7,202,042
Total	726,597,091	33,516,440	45,153,502	26,398,851	26,398,851	424,918	714,535,111
<u>Less</u> Accumulated depreciation							
Floating dockyards	150,626,004	4,863,119	-	-	-	-	155,489,123
Building, building improvement							
and other constructions	115,616,439	10,269,316	155,148	-	-	-	125,730,607
Machinery and equipment	126,027,367	13,234,154	35,674,145	-	-	-	103,587,376
Furnitures and fixtures	25,068,762	1,064,759	5,037,959	-	-	-	21,095,562
Vehicles	38,633,005	4,204,021	2,171,588	-	-	-	40,665,438
Total	455,971,577	33,635,369	43,038,840	-	-	-	446,568,106
Equipment, net	270,625,514						267,967,005

Depreciation for the year

2013 (Baht 17.68 million included in cost of services, and the rest in administrative expenses)	28,961,391
2012 (Baht 22.15 million included in cost of services, and the rest in administrative expenses)	33,635,369

(Unit: Baht)

The Company Only							
	For the year ended December 31, 2013						
	Book value	Transactions					Book value
	as at December 31, 2012	Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	as at December 31, 2013
<u>Cost</u>							
Land	2,733,086	-	-	-	-	-	2,733,086
Floating dockyards	261,287,281	-	167,590	-	-	-	261,119,691
Building, building improvement and other constructions	207,435,818	-	2,134,954	8,477,295	-	-	213,778,159
Machinery and equipment	137,255,693	6,282,404	5,688,590	4,125,859	-	-	141,975,366
Furnitures and fixtures	23,382,512	1,130,341	560,035	434,930	-	-	24,387,748
Vehicles	30,050,134	802,000	4,785,701	-	-	-	26,066,433
Construction in progress	7,202,042	19,204,505	-	-	13,038,084	1,476,026	11,892,437
Total	669,346,566	27,419,250	13,336,870	13,038,084	13,038,084	1,476,026	681,952,920
<u>Less</u> Accumulated depreciation							
Floating dockyards	155,489,123	5,504,238	120,837	-	-	-	160,872,524
Building, building improvement and other constructions	102,604,979	10,122,384	1,415,556	-	-	-	111,311,807
Machinery and equipment	101,808,155	9,177,357	5,608,939	-	-	-	105,376,573
Furnitures and fixtures	20,750,614	1,068,957	522,101	-	-	-	21,297,470
Vehicles	27,091,178	1,312,807	4,721,797	-	-	-	23,682,188
Total	407,744,049	27,185,743	12,389,230	-	-	-	422,540,562
Equipment, net	261,602,517						259,412,358

(Unit: Baht)

The Company Only							
	For the year ended December 31, 2012						
	Book value as at December 31, 2011	Transactions					Book value as at December 31, 2012
		Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	
Cost							
Land	2,733,086	-	-	-	-	-	2,733,086
Floating dockyards	249,647,472	-	-	11,639,809	-	-	261,287,281
Building, building improvement and other constructions	207,559,163	-	243,141	119,796	-	-	207,435,818
Machinery and equipment	151,284,293	8,569,261	37,237,107	14,639,246	-	-	137,255,693
Furnitures and fixtures	27,959,566	657,973	5,235,027	-	-	-	23,382,512
Vehicles	32,334,438	-	2,284,304	-	-	-	30,050,134
Construction in progress	10,565,916	23,459,895	-	-	26,398,851	424,918	7,202,042
Total	682,083,934	32,687,129	44,999,579	26,398,851	26,398,851	424,918	669,346,566
Less Accumulated depreciation							
Floating dockyards	150,626,004	4,863,119	-	-	-	-	155,489,123
Building, building improvement and other constructions	92,942,769	9,817,358	155,148	-	-	-	102,604,979
Machinery and equipment	124,453,671	12,928,794	35,574,310	-	-	-	101,808,155
Furnitures and fixtures	24,756,282	992,912	4,998,580	-	-	-	20,750,614
Vehicles	26,361,148	2,901,618	2,171,588	-	-	-	27,091,178
Total	419,139,874	31,503,801	42,899,626	-	-	-	407,744,049
Equipment, net	262,944,060						261,602,517
Depreciation for the year							
2013 (Baht 17.38 million included in cost of services, and the rest in administrative expenses)							27,185,743
2012 (Baht 21.44 million included in cost of services, and the rest in administrative expenses)							31,503,801

Portion of buildings of the Company and its subsidiary are erected on the land which the Company has a lease agreement of the state land and construction with the Treasury Department and the right of such assets will be transferred to the lessor at the end of the agreement. (See note 15). As at December 31, 2013, cost value and book value of those assets were Baht 186.5 million and Baht 80.4 million, respectively. (The Company only : Baht 163.4 million and Baht 80.4 million respectively).

As at December 31, 2013 and 2012, the Company has mortgaged one floating dockyards and two floating dockyards, respectively, with a total net book value, of Baht 54.4 million and Baht 57.9 million, respectively, and land and construction thereon with a total net book value of Baht 4.3 million and 4.6 million, respectively to secure credit facilities and loans obtained from financial institutions.

As at December 31, 2013 and 2012 motor vehicle of Company with a total net book value of Baht 1.9 million and Baht 1.6 million, respectively were under financial lease agreements with leasing companies.

As at December 31, 2013 and 2012 certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 172.6 million and Baht 164.9 million, respectively. (The Company Only: As at December 31, 2013 and 2012 Baht 147.4 million and Baht 140.4 million, respectively).

15. LEASEHOLD RIGHT OF LAND AND BUILDING

(Unit: Baht)

Consolidated/The Company Only				
	For the year ended December 31, 2013			
	Book value	Transactions		Book value
	as at December 31, 2012	Additions	Deduction	as at December 31, 2013
<u>Cost</u>				
Leasehold right of land and building	-	32,036,250	-	32,036,250
Total	-	32,036,250	-	32,036,250
<u>Less</u> Accumulated amortization				
Leasehold right of land and building	-	1,851,156	-	1,851,156
Total	-	1,851,156	-	1,851,156
Net book value	-			30,185,094
Amortization for the year				
2013				1,851,156
2012				-

Since January 20, 1988, a subsidiary company entered into a sublease agreement of the state land, dock and warehouse from a sub-lessor. The agreement has a term of 24 years, which has already expired in January 2012. The Company has requested to negotiate in continuing to rent such property from the previous agreement in place of the subsidiary. In the year 2013, the Company receives its entitlement to rent directly from the Treasury Department. The details and conditions are specified in the new lease agreement dated April 26, 2013.

On April 26, 2013, the Company entered into a lease agreement of the state land and construction with the Treasury Department. The lease has a term of 30 years starting from April 22, 2012 and ending on April 21, 2042. The Company has to pay for the land and construction leasehold right on the agreement date and costs involved totaling Baht 32,036,250 and is required to pay the rent annually throughout the term of the lease agreement. The details of the annual rental rates as specified in the agreement are as follows:

Year 1-5	at Baht	1,467,139 per year
Year 6-10	at Baht	1,687,210 per year
Year 11-15	at Baht	1,940,290 per year
Year 16-20	at Baht	2,231,335 per year
Year 21-25	at Baht	2,566,035 per year
Year 26-30	at Baht	2,950,940 per year

Total rental payment throughout the lease term is Baht 64,214,745.

Future minimum rentals payable under these leases are as follows:

		(Unit:Baht)
Payable within	Consolidated/The Company Only	
1 year		1,467,139
1 to 5 years		6,308,698
Thereafter 5 years		53,504,630
Total		61,280,467

16. INTANGIBLE ASSETS

(Unit:Baht)

Consolidated							
	For the year ended December 31, 2013						
	Book value	Transactions					Book value
	as at December 31, 2012	Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	as at December 31, 2013

Cost

Know-how for use in building

pollution control ships 4,806,653 - - - - - 4,806,653

Copy - right ship blue print - 1,025,000 - - - - - 1,025,000

Software 8,372,271 170,040 20,160 - - - 8,522,151

Total 13,178,924 1,195,040 20,160 - - - 14,353,804

Less Accumulated amortization

Know-how for use in building

pollution control ships 3,075,295 480,665 - - - - 3,555,960

Copy-right ship blue print - 60,096 - - - - - 60,096

Software 7,303,928 714,231 20,140 - - - 7,998,019

Total 10,379,223 1,254,992 20,140 - - - 11,614,075

Net book value 2,799,701 2,739,729

(Unit:Baht)

Consolidated							
	For the year ended December 31, 2012						
	Book value	Transactions					Book value
	as at December 31, 2011	Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	as at December 31, 2012

Cost

Know-how for use in building

pollution control ships 4,806,653 - - - - - 4,806,653

Software 8,334,755 130,000 92,484 - - - 8,372,271

Total 13,141,408 130,000 92,484 - - - 13,178,924

(Unit:Baht)

Consolidated							
	For the year ended December 31, 2012						
	Book value as at December 31, 2011	Transactions					Book value as at December 31, 2012
		Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	
Less Accumulated amortization							
Know-how for use in building							
pollution control ships	2,594,629	480,666	-	-	-	-	3,075,295
Software	6,796,682	588,235	80,989	-	-	-	7,303,928
Total	9,391,311	1,068,901	80,989	-	-	-	10,379,223
Net book value	3,750,097						2,799,701
Amortization for the year							
2013							1,254,992
2012							1,068,901

(Unit:Baht)

The Company Only							
	For the year ended December 31, 2013						
	Book value as at December 31, 2012	Transactions					Book value as at December 31, 2013
		Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	
Cost							
Copy-right ship blue print	-	1,025,000	-	-	-	-	1,025,000
Software	8,372,271	170,040	20,160	-	-	-	8,522,151
Total	8,372,271	1,195,040	20,160	-	-	-	9,547,151
Less Accumulated amortization							
Copy-right ship blue print	-	60,096	-	-	-	-	60,096
Software	7,303,928	714,231	20,140	-	-	-	7,998,019
Total	7,303,928	774,327	20,140	-	-	-	8,058,115
Net book value	1,068,343						1,489,036

(Unit:Baht)

The Company Only							
	For the year ended December 31, 2012						Book value as at December 31, 2012
	Book value as at December 31, 2011	Transactions					
		Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	
<u>Cost</u>							
Software	8,334,755	130,000	92,484	-	-	-	8,372,271
Total	8,334,755	130,000	92,484	-	-	-	8,372,271
<u>Less</u> Accumulated amortization							
Software	6,796,682	588,235	80,989	-	-	-	7,303,928
Total	6,796,682	588,235	80,989	-	-	-	7,303,928
Net book value	<u>1,538,073</u>						<u>1,068,343</u>
Amortization for the year							
2013							<u>774,327</u>
2012							<u>588,235</u>

As at at December 31, 2013 and 2012 certain software items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 6.0 million and Baht 3.3 million, respectively (The Company Only : December 31, 2013 and 2012 Baht 6.0 million and Baht 3.3 million, respectively).

17. ASSETS HELD FOR SALE

In 2009, the Company amended the condition of payment with a local ship repair account receivable by receiving the ownership transfer in the vessel as a security of Baht 43 million (Appraised value by the replacement cost method of Baht 51 million as shown in Note 12) for repayment of the debt. The Company aims to sell this vessel and now is in the process of offering it for sale to other interested party, of which it should be modified to suit the commercial use to propose to the person who wants to buy it. For the year 2013 and 2012 the Company has considered to record the impairment of asset by condition in the amount of Baht 1.36 million and Baht 4.09 million, respectively.

(Unit : Baht)

Consolidated/The Company Only				
	For the year December 31, 2013			
	Book value	Transactions		Book value
	as at December 31, 2012	Additions	Deduction	as at December 31, 2013
<u>Cost</u>				
Assets held for sale	43,000,000	-	-	43,000,000
Total	43,000,000	-	-	43,000,000
<u>Less Allowance for impairment</u>				
Assets held for sale	4,087,644	1,362,548	-	5,450,192
Total	4,087,644	1,362,548	-	5,450,192
Assets held for sale - net	38,912,356			37,549,808

(Unit : Baht)

Consolidated/The Company Only				
	For the year December 31, 2012			
	Book value	Transactions		Book value
	as at December 31, 2011	Additions	Deduction	as at December 31, 2012
<u>Cost</u>				
Assets held for sale	43,000,000	-	-	43,000,000
Total	43,000,000	-	-	43,000,000
<u>Less Allowance for impairment</u>				
Assets held for sale	-	4,087,644	-	4,087,644
Assets held for sale - net	-	4,087,644	-	4,087,644
	43,000,000			38,912,356
Loss on impairment for the year				
2013				1,362,548
2012				4,087,644

18. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

18.1 Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2013 are summarized as follows:

(Unit: Baht)

Consolidated				
	Balance as at Dec. 31, 12	Revenue (expenses) during the year		Balance as at Dec. 31, 13
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Trade account receivables	813,090	(311,510)	-	501,580
Inventories	549,034	(178,557)	-	370,477
Assets held for sale	817,529	272,509	-	1,090,038
Intangible assets	451,500	43,431	-	494,931
Employee benefit obligations	2,091,958	548,494	-	2,640,452
Warranty provisions	1,001,076	(953,323)	-	47,753
Loss carry forward on tax base	1,437,389	(1,437,389)	-	-
Operating Lease	-	162,316	-	162,316
Total	7,161,576	(1,854,030)	-	5,307,547
Deferred tax liabilities:				
Property, plant and equipment	971,246	218,039	-	1,189,285
Total	971,246	218,039	-	1,189,285

(Unit:Baht)

The Company Only				
	Balance as at Dec. 31, 12	Revenue (expenses) during the year		Balance as at Dec. 31, 13
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Trade account receivables	813,090	(311,510)	-	501,580
Inventories	549,034	(178,557)	-	370,477
Assets held for sale	817,529	272,509	-	1,090,038
Intangible assets	451,500	43,431	-	494,931
Employee benefit obligations	2,002,051	482,508	-	2,484,559
Warranty provisions	1,001,076	(953,323)	-	47,753
Operating Lease	-	162,316	-	162,316
Total	5,634,280	(482,626)	-	5,151,654
Deferred tax liabilities:				
Property, plant and equipment	971,246	218,039	-	1,189,285
Total	971,246	218,039	-	1,189,285

18.2 Tax expense (income)

18.2.1 Major components of tax expense (income) consisted of:

(Unit:Baht)

	Consolidated		The Company Only	
	2013	2012	2013	2012
Income tax expense (income) shown				
in profit or loss :				
Current tax expense:				
Income tax expense for the year	14,465,227	24,168,227	14,356,525	23,832,761
Deferred tax expense (income):				
Changes in temporary differences relating				
to the original recognition and reversal	2,072,067	(1,936,768)	700,665	(1,888,788)
Total	16,537,294	22,231,459	15,057,190	21,943,973

18.2.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate as follows:

(Unit: Baht)

	Consolidated		The Company Only	
	2013	2012	2013	2012
Accounting profit (loss) for the year	82,601,602	83,751,782	75,549,744	85,421,380
Add loss from subsidiary	-	(3,135,055)	-	-
Total	82,601,602	80,616,727	75,549,744	85,421,380
The applicable tax rate (%)	20	23	20	23
Tax expense (income) at the applicable tax rate	16,412,320	18,541,847	15,109,949	19,646,917
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	228,404	3,855,567	50,671	2,463,011
Others	(103,430)	(165,955)	(103,430)	(165,955)
Total reconciliation items	124,974	3,689,612	(52,759)	2,297,056
Total tax expense (income)	16,537,294	22,231,459	15,057,190	21,943,973

18.2.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate as follows:

(Unit: Baht)

	Consolidated			
	2013		2012	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	82,061,602		80,616,727	
Tax expense (income) at the applicable tax rate	16,412,320	20.00	18,541,847	23.00
Reconciliation items	124,974	0.15	3,689,612	4.58
Tax expense (income) at the average effective tax rate	16,537,294	20.15	22,231,459	27.58

(Unit:Baht)

The Company Only				
	2013		2012	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	75,549,744		85,421,380	
Tax expense (income) at the applicable tax rate	15,109,949	20.00	19,646,917	23.00
Reconciliation items	(52,759)	(0.07)	2,297,056	2.69
Tax expense (income) at the average effective tax rate	15,057,190	19.93	21,943,973	25.69

19. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS / TRUST RECEIPTS

(Unit:Baht)

		Consolidated		The Company Only	
	Interest rate Percent per annum	2013	2012	2013	2012
Bank overdrafts	MOR	5,466,451	5,432,628	5,466,451	5,432,628
Short - term loans					
from financial institutions	5.05	60,000,000	-	60,000,000	-
Total		65,466,451	5,432,628	65,466,451	5,432,628
Trust receipts	2.78 - 4.47	7,038,130	28,075,993	7,038,130	28,075,993

Bank overdrafts, short-term loans from financial institutions and trust receipt facilities are secured by the mortgage of the Company's floating dockyards and land and construction thereon.

As at December 31, 2013, the Company has bank overdraft facilities amounted to approximately Baht 38.0 million, short-term loans Baht 110.0 million and trust receipt Baht 110.0 million (as at December 31, 2012: Bank overdraft facilities Baht 38.0 million, short-term loans Baht 130.0 million and trust receipt Baht 99.0 million).

20. PROVISIONS

These comprise the following:

(Unit:Baht)

	Consolidated/The Company Only	
	2013	2012
Provision for compensation claims from a lawsuit (Note 31.6(2))	5,294,903	5,294,903
Total	<u>5,294,903</u>	<u>5,294,903</u>

21. PROVISION FOR WARRANTY UNDER CONTRACT

In 2013 and 2012, the Company has set a provision for product warranty against any loss or damage that might occur for the ship building project delivery approximately Baht 0.6 million and Baht 21.8 million, respectively. The warranty upon management criteria and experience.

(Unit:Baht)

	Consolidated/The Company Only	
	2013	2012
Balance, beginning of the years	5,005,381	-
<u>Add</u> Addition during the years	560,000	21,825,320
<u>Less</u> Payment during the years	(3,064,065)	(800,269)
Reversal	(2,262,550)	(16,019,670)
Balance, ending of the years	<u>238,766</u>	<u>5,005,381</u>

In 2013 and 2012, the Company decrease provision for warranty is approximately Baht 2.26 million and Baht 16.02 million, respectively regarding the engineering revision accordance with present information.

22. EMPLOYEE BENEFIT OBLIGATIONS

The Company and its subsidiaries obligations for employee benefits are as follows :

(Unit:Baht)

	Consolidated		The Company Only	
	2013	2012	2013	2012
Employee benefit obligations, balance forward	10,474,634	6,879,749	10,010,254	6,691,806
Current cost of service	1,247,072	1,717,157	996,185	1,523,242
Interest in the period	544,254	465,436	519,000	448,274
Past cost of service and interest (the past that gradually recognized 5 years) in the period	1,516,353	1,516,352	1,450,994	1,450,992
Employee benefit paid in the period	(553,640)	(104,060)	(553,640)	(104,060)
Employee benefit obligations, ending forward	<u>13,228,673</u>	<u>10,474,634</u>	<u>12,422,793</u>	<u>10,010,254</u>

Assumptions in the estimates based on the actuarial principles

	Percentage	
	Consolidated	The Company Only
Discount rate	3.59	3.59
Salary increase rate	3.00	3.00
Employee turnover rate	0.00 - 25.00	0.00 - 25.00
Disability rate	5.00	5.00
Mortality rate	of Thai mortality table 2008	of Thai mortality table 2008

23. SHARE CAPITAL

	Consolidated/The Company Only	
	Ordinary shares	
	Number of ordinary share	Baht
As at January 1, 2013	234,810,100	234,810,100
Issue of stock dividend (Note 30)	23,480,987	23,480,987
As at December 31, 2013	<u>258,291,087</u>	<u>258,291,087</u>

24. STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit for the period after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

25. EARNINGS (LOSS) PER SHARE

Profit (loss) per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares issued during the year.

	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Profit for the years (Baht)	65,524,308	61,520,323	60,492,554	63,477,407
Weighted average number of ordinary shares (Share)	258,291,087	258,291,087	258,291,087	258,291,087
Basic earnings per share (Baht/Share)	0.25	0.24	0.23	0.25

26. EXPENSE BY NATURE

Significant expenses by nature are as follows :

(Unit:Baht)

	For the year ended December 31			
	Consolidated		The Company only	
	2013	2012	2013	2012
Raw material and consumable used	268,351,117	238,409,792	264,212,864	236,857,175
Change in material and work in process	24,736,181	107,339,526	24,991,117	106,736,161
Depreciation and amortization	32,067,541	34,704,270	29,811,226	32,092,036
Employee benefit cost	96,445,451	90,899,858	71,120,614	67,971,411
Employee benefit after retired	2,763,425	3,233,509	2,447,179	2,974,234

27. FINANCIAL INFORMATION BY OPERATING SEGMENTS

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources and assess its performance to the company's operating segment.

The Company and its subsidiaries' business operations involve 2 principal segments: (1) Ship repairing and (2) Ship building. These operations are mainly carried on in Thailand. Below is the consolidated financial information for the year 2013 and 2012 of the Company and its subsidiaries by operating segments.

(Unit: Million Baht)

Consolidated										
	For the year ended December 31,									
	Ship repairing segment		Ship building segment		Other segments		Elimination of inter-segment revenues		Consolidation	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012 (Restated)
Revenue from external customers	298.8	280.0	369.2	313.6	34.2	2.1	-	-	701.7	595.6
Inter-segment revenues	36.6	27.3	22.4	12.8	2.7	10.2	(61.7)	(50.3)	-	-
Total revenues	<u>335.4</u>	<u>307.3</u>	<u>391.6</u>	<u>326.4</u>	<u>36.9</u>	<u>12.3</u>	<u>(61.7)</u>	<u>(50.3)</u>	<u>701.7</u>	<u>595.6</u>
Segment income (loss)	79.2	62.6	93.2	97.4	15.3	5.2	-	-	187.7	165.2
Unallocated income and expenses:										
Interest income									2.3	4.3
Other income									15.8	32.9
Administrative expenses									(122.2)	(115.7)
Finance costs									(1.6)	(3.0)
Income taxes expense									(16.5)	(22.2)
Profit (loss) for the year									<u>65.5</u>	<u>61.5</u>
Property, plant and equipment - net									264.4	268.0
Intangible assets									2.7	2.8
Leasehold right									30.2	-
Unallocated assets									<u>266.9</u>	<u>415.2</u>
Total assets									<u>564.2</u>	<u>686.0</u>

28. PROVIDENT FUND

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contributed to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by Siam Commercial Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. For the year 2013 and 2012 amount totaling Baht 2.9 million and Baht 3.0 million, respectively, (the Company only : Baht 2.8 million and Baht 2.8 million, respectively).

29. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the separate statements of financial position as at December 31, 2013 and 2012, the Company's debt-to-equity ratio was 0.53 : 1 and 1.25 :1, respectively.

30. Dividend

YEAR 2013

At the Annual General Meeting of the Shareholders held on April 3, 2013, it had the resolution to approve the dividend payment as dividend shares and cash for the operating results of 2012 as follows:

1. Paid the dividend as 23,481,010 common shares at the par value of Baht 1 per share to the shareholders of the company at the ratio 10 existing shares: 1 dividend share amounting to Baht 23.48 million.
2. Paid the dividend in cash at the rate Baht 0.11112 per share amounting to Baht 2.61 million on May 2, 2013.

The total dividend payment is at the rate of Baht 1.11112 per share, totaling Baht 26.09 million on May 2, 2013.

YEAR 2012

At the Annual General Meeting of the Shareholders held on April 3, 2012, it had the resolution to approve the dividend payment for the 2011 earnings in cash at the rate of Baht 0.13 per share, totaling Baht 30.53 million.

31. COMMITMENTS AND CONTINGENT LIABILITIES

31.1 Commitments relating to operating lease and service agreements

The Company and its subsidiaries have entered into several lease agreements in respect of land, condominium units and motor vehicles, service agreements relating to the staff bus service, hire of work agreement, and services agreements.

Future minimum rentals payable under these leases as December 31, 2013 are as follows:

(Unit: Million Baht)

Payable within:	Consolidated	The Company Only
1 year	2.30	2.30
2 to 5 years	7.81	7.81
Thereafter 5 years	53.50	53.50
Total	63.61	63.61

31.2 Commitments relating to ship building and ship repairing contracts

As at December 31, 2013 the Company has undelivered and unrendered ship building and ship repair contracts totaling approximately Baht 54.48 million.

31.3 Commitments for purchase goods

As at December 31, 2013 the Company had outstanding commitments on a machinery and equipment for ship repair and ship building purchase of Baht 0.21 million.

31.4 Guarantees

As at December 31, 2013 there were outstanding bank guarantees of approximately Baht 26.84 million which have been issued by banks on behalf of the Company in respect of certain performance bonds as required in the ordinary course of business of the Company.

31.5 Securities against credit facilities and loans as obtained from financial institutions

Credit facilities and loans obtained from banks have been secured by the mortgage of the Company's a floating dockyard and land and construction thereon.

31.6 Litigations

(1) In July 2004, the Company was sued by a customer claiming compensation of approximately Baht 7.8 million for breach of a ship building agreement. On May 19, 2006, the Company received a ruling from an Arbitration Committee to pay compensation amounting to Baht 4.1 million to the customer. The Company believes that the Arbitration Committee's ruling has some issue that do not comply with agreement terms and laws. During the third quarter of 2006, the Company has petitioned the court to withdraw the ruling. In September 2007, the court had the decision to uphold the ruling of the arbitrator and dismiss the petition of the company. The Company disagreed with the court order and filed an appeal to court on May 23, 2012. "The Supreme Court had the same opinion as the Court of First Instance. Therefore, the Company's petition was dismissed. Later, on June 8, 2012 the Company agreed to make a compromise agreement with the court by willing to pay damages including interest totaling Baht 4.2 million. The lawsuit is final. The Company has paid the compensation in June 2012.

- (2) In March 2005, the Company was sued by a company claiming compensation of approximately Baht 108.2 million for breach of a joint venture agreement between the Company and that company which resulted in the termination of a ship repair agreement between the plaintiff and an employer. Subsequently, in May 2005, the Company counter-sued on the grounds that the management believes the above reason for contract termination was due to the breach of ship repair agreement of such company with the employer and the amount of the damages to be claimed under the lawsuit had no clear source. On October 30, 2006, the Court of First Instance delivered judgment, to dismiss the lawsuit and the Company's countersuit, with the decision that both parties have joint responsibilities to the employer that cannot be separated. However, the Company submitted an appeal to this judgment in December 2006. As at December 31, 2011, the Appeal Court had a ruling on October 11, 2011 by ordering the company to pay damages of Baht 5.3 million. The Company has already recorded this amount of liability in its financial statement. However, on December 25, 2011, the Company had filed a petition and as at December 31, 2013 the case is under consideration by the Supreme Court.
- (3) In November 2012, the Company was sued for damage by a business partner who had entered the auction to buy scrap steel on the charge of breaking the contract in the amount of Baht 5 million plus interest 7.5% per annum. The Company submitted a statement to the court explaining that the plea of the lawsuit is ungrounded. On December 19, 2013, the Court of first instance delivered judgment to dismiss the lawsuit. The Company considered not providing the contingent liabilities provision as the prosecutor had not submitted an appeal to this judgment.

32. FINANCIAL INSTRUMENTS

32.1 Financial risk management and policies

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable and payable, loans, bank overdrafts, trust receipts, and short-term loans. The financial risks associated with these financial instruments and how they are managed are described below.

32.1.1 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans and other receivables. The Company and its subsidiaries manage the risk by adopting credit control policies and procedures, and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans and other receivables as stated in the statements of financial position.

The Company is subject to concentrations of credit risk because the Company builds and repairs ships for general customers, in both the private and public sectors. The ability of these debtors to meet their obligations is sensitive to the health of the local economy.

32.1.2 Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to their cash at financial institutions, loans to subsidiaries, bank overdrafts, trust receipts, and loan borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at December 31, 2013 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date).

	Fixed interest rates			Floating interest rate	Non-in-terest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
(Million Baht)							(% p.a.)

Financial assets

Cash and cash equivalent	-	-	-	40.4	1.3	41.7	0.50 - 2.80
	-	-	-	40.4	1.3	41.7	

Financial liabilities

Bank overdrafts

and short-term loans
from financial

institutions

-	-	-	65.5	-	65.5	4.95 - 5.10
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Trust receipts

-	-	-	7.0	-	7.0	4.30 - 4.47
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-	-	-	72.5	-	72.5	
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32.1.3 Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arises mainly from trading and service transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when they considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies as at December 31, 2013 are summarized below.

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at December 31, 2013
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	0.43	-	32.69
SG dollar	-	0.07	24.9
KRONE NORWAY	-	0.01	5.34

32.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial assets and parts of their financial liabilities are short-term in nature, and lendings and loans borrowings have floating interest rates, the fair value of these financial assets and liabilities is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

33. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Directors on February 24, 2014.





Towards ►
a New Challenge of AEC



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