

Annual Report 2018

รายงานประจำปี 2561



**WE EMPHASIZE ON TIME
AND QUALITY**



บริษัท เอเชียน มารีน เซอร์วิสส์ จำกัด (มหาชน)
ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED

contents

01

Financial Highlight 2018

02

Vision Mission

04

Message from the
Chairman

06

Corporate Social
Responsibility

12

Board of Directors

18

Management Team

- 20 Organization Chart
- 21 History and Significant Developments
- 29 Achievements and Major Events in 2018
- 30 Business Overview of the Company and Affiliated
- 33 Investment in Subsidiaries
- 34 Revenue Structure
- 35 Competitive Environment and Industry Trend
- 40 General Information
- 42 Risk Factors
- 43 Major Shareholders and Executives
- 44 Management and Corporate Governance
- 50 Good Corporate Governance
- 69 Connected Transactions
- 72 Additional Information Regarding Auditor's Service Fee
- 73 Report of the Audit Committee
- 75 Report of the Nomination and Remuneration Committee
- 76 Performance in 2018
- 81 Board of Directors' Responsibility for the Financial
Reporting
- 82 Auditor's Report
- 87 Financial Statement and Notes to the Financial
Statements



FINANCIAL HIGHLIGHT 2018

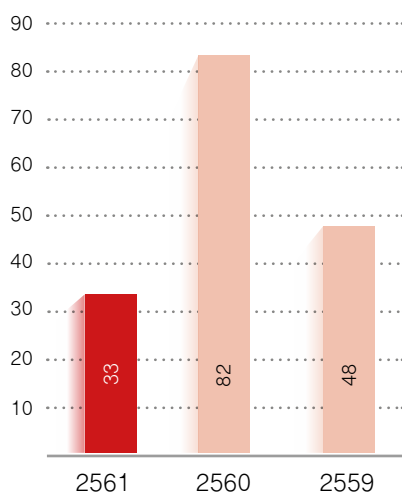
Unit : Million Baht

Financial Data	2018	2017	2016
Total Assets	759	734	701
Total Liabilities	295	251	264
Total Shareholders'Equity	464	483	438
Service Income	516	691	600
Total Revenue	525	705	615
Gross Profit	166	247	178
Net Profit (Loss)	33	82	48

Financial Ratio	2018	2017	2016
Net Profit Margin	6.22	11.57	7.87
Return on Equity	6.90	17.73	11.02
Return on Asset	4.38	11.37	7.86
Book Value per Share (Baht)	1.80	1.87	1.69
Net Profit per Share (Baht)	0.13	0.32	0.19

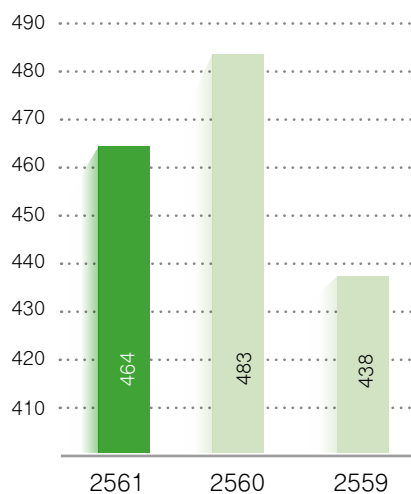
PROFIT

Unit : Million Baht



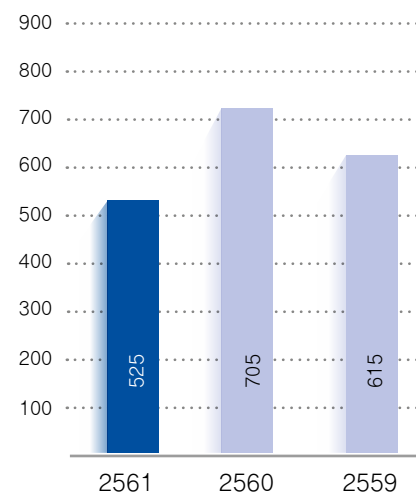
TOTAL SHAREHOLDER'S

Unit : Million Baht



รายได้รวม

Total Revenues





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 & COMMUNITY

Participation in environmental and social development activities





QUALITY & STANDARD

ASIMAR has a vision to match the standards of work and services of other renowned International shipyards. ASIMAR has invested its resources for development in all areas.

ASIMAR has been certified with Quality system by Lloyd's Register Quality Assurance (LRQA) for Ship Repair and Ship Building.



MESSAGE FROM THE CHAIRMAN



“ Good planning and flexibility in modifying strategies to align with change will render ASIMAR’s sustainable growth ”





2018 was a year of very high competition in the ship repair-shipbuilding business due to pressure from clients and ship owners who had limited budget for ship repairs due to impacts from the high volatility in both the domestic and international economic landscape. Volatility which resulted from such developments as the trade war between the US and China, higher interest rate trends, the slowing down of export sector, as well as oil prices. The Company has had to change its strategy with a shift in more emphasis on quality and time, bringing in new technology to enhance operational development and customers' confidence in the end product and timely delivery. This has resulted in continuing growth in the Company's ship repair business, both at the corporate headquarters in Samut Prakan and at its branch in Surat Thani. Moreover, the Company was able to expand its revenue base to sub-contracting steel structural works in a number of major state projects due to its expertise, further enhancing its experience in related businesses to be able to support additional work in the future.

For its shipbuilding business in the past year, the Company completed delivery of 4 ecological vessels to government agencies in various provinces, and there is a likely trend of increased demand for such vessels because of growing problems of water hyacinth obstructing Thailand's waterways. The Company views this as an opportunity to accelerate development by bringing in new technology in this field so as to enhance its potential to become a leader in the market for ecological vessels, in line with corporate policy on environmental care.

And although the Company's performance this past year may have fallen short of set targets, the Company remains committed to its policy of continuing regular financial returns to all stakeholders to build their confidence in the efficiency of operational management and readiness for further growth in the future. Lastly, the Board of Directors would like to extend our thanks to each stakeholder for the steadfast support of the Company. The Board and the corporate management team promise that we will dedicate all our efforts to creating sustainable growth for ASIMAR and long-term added value for all shareholders.

Prakit Pradipasen
Chairman





PARTICIPATION IN DEVELOPMENT OF COMMUNITY, SOCIETY AND ASIMAR FAMILY

ASIMAR is firmly dedicated and committed to the belief that sustainable business growth can only be achieved with corresponding development and growth for the community and society through corporate social and environmental responsibility, whereby the Company has formulated policy and operational guidelines for sustainable development to promote a better quality of life for the community.

The Company is fully engaged in the development and sharing of happiness for society and the community by encouraging employees to participate regularly and continually in creating activities for the community. Key community activities and projects in 2018 are the following;



ASIMAR Protects the World, Gives Back to the Community, Society and the Environment



- Participated in volunteer activities "Doing good with our hearts" under the Beautiful Canal, Clear Water, Attention to Water Resources Project of the Laem Fa Pha Municipality. in honor of His Majesty King Maha Vajiralongkorn Bodindra Debayavarangkun.



Presented used mobile phones donated by employees in the project "Used Mobile Phones Giving New Life and Books to the Small Children's Development Centre"



- Donated disposal diapers to the Laem Fa Pha Municipality to be provided as welfare assistance to citizens in communities in Laem Fa Pha Sub-district in the Long-term Care for Elderly People with Dependency Project.



Support Community Activities to Promote Good Relations



- Supported Children's Day activities by donating gifts to schools, communities and various government agencies in nearby areas. The Company also allowed the use of the area in front of the corporate office and provided electrical power to arrange the Children's Day celebration by Moo 3 Klong Mai Community of Laem Fa Pha Sub-district, Phra Samut Chedi District of Samut Prakan Province.



- The Company co-hosted a Children's Day celebration at the Chulachomklao Naval Shipyard, Samut Prakan Province by organizing a ship model exhibition, the Company's own work, as well as having games and prizes for the children who attended.

ASIMAR Family

The Company promoted and provided support for activities which allowed its employees to participate in sharing and social development cooperation, details of which are as follows:

Happiness in Giving, One Gives and Many Receive



- Promoted and supported employees in donating blood to the Thai Red Cross Society annually to help patients in need of blood and as reserve in the Blood Bank for patients nationwide.



Promotion of Dharma



- Every month, the Company organizes merit making for employees to offer food to Buddhist monks from temples in the surrounding communities.



- Invited Phra Ratchadharma Nites or Phra Phayom Kalyano from Wat Suankaew, Nonthaburi so that employees could make merit by offering food and hearing his sermon on "Living Life to Suit the Present Day Social and Economic Environment".

Promoted and Provided Education Opportunity to Employees' Children



- Scholarship Project for Employees' Children provided funding to support 20 good students who are children of its employees so that they may have the education opportunity to further develop into productive and qualified human resources in the future.



Caring for Our ASIMAR Siblings Project



- Provided prescription eyeglasses to low-income employees with problematic eyesight who were good employees.
- Collaborated with the Health Department in providing knowledge and demonstrating good dental and oral hygiene practice to employees, as well as providing information on Social Security coverage regarding dental procedures.

Flea Market Activity



- The Company supported activities to hold a flea market, at the start of every month, for food and consumer products so that employees can bring food, treats, second-hand goods such as clothing, for sale at cheap prices to their colleagues to supplement their income.

Run for Health Activities



- Supported the Southeast Asian Fisheries Development Center in organizing the "SEAFDEC Walk-Run Mini Marathon" Proceeds from the activity being donated to a Scholarship Fund for Needy Students at 7 schools in Phra Samut Chedi District.
- Supported the charity walk-run activity organized by the Ports Authority of Thailand, "Port Authority Mini Marathon 2018", Proceeds from the activity went to support the 33rd Border Patrol Police School at Ban Khor in Mae Jon Sub-district, Mae Jaem District of Chiang Mai Province.

A full-page photograph showing a worker in a red jumpsuit and yellow hard hat working on the hull of a large ship. The worker is bent over, handling heavy metal chains. Another worker's hand and yellow hard hat are visible on the right side of the frame. The background shows a body of water and industrial structures under a clear sky.

CAPABILITY

ASIMAR deliver large-scale, innovative fabrication solutions for the Marine and Energy sectors. Increasing global demands for quality and value mean that we must ensure that the highest standards of engineering integrity are maintained.



BOARD OF DIRECTORS



Mr. Prakit Pradipasen

Chairman and Independent Director

Age : 76 Year

Education

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

Work Experience Present

- 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.

Number of Shares (14/03/2018) : 200,200

% of Total Shares : 0.08

Appointing Date : 30/03/1995



Mr. Sribhumi Sukhanetr

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

Age : 86 Year

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, Chairman of Audit Committee, Chairman of Nominating and Remuneration 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 Honorary Consul of the Principality Monaco
- Director
The Foundation For The Crown Prince Hospitals
Asia-Pacific Development Center on Disability
- Advisor Director
The Support Arts and Crafts International Center of Thailand (Public Organization)

Number of Shares (14/03/2018) : -

% of Total Shares : -

Appointing Date : 26/04/1995



Mrs. Warawan Nganthavee

Chairman of Executive Committee
and Director

Age : 59 Year

Education

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

Work Experience Present

- Chairman of Executive Committee

2003 - 2017

- Managing Director
Asian Marine Services PCL.
- Director
Seatran Travel Co.,Ltd.
Seatran Port Co.,Ltd.
Seatran Ferry Co.,Ltd.
Seatran Coach Services Co.,Ltd.
Seatran Discovery Co.,Ltd.
Seatran Logistics Management Co.,Ltd.

2001 - 2004

- Managing Director
Seatran Ferry Co.,Ltd.

Number of Shares (14/03/2018) : 1,124,960

% of Total Shares : 0.44

Appointing Date : 09/09/2003



Mr. Suthin Tanpaibul

Director and Executive Director

Age : 80 Year

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
Tanpaibul Co.,Ltd. (Holding Company)
- Director
Seatran Ferry Co.,Ltd.
Seatran Port Co.,Ltd.

2002 - 2003

- Managing Director
Asian Marine Services PCL.

Number of Shares (14/03/2018) : -

% of Total Shares : -

Appointing Date : 03/07/1998

**Mr. Prawat Chanruang**

Director and Member of Nominating
and Remuneration Committee

Age : 80 Year

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

Number of Shares (14/03/2018) : 6,000,000

% of Total Shares : 2.32

Appointing Date : 26/11/2001

**Dr. Bumroong Chinda**

Independent Director and
Member of Audit Committee

Age : 82 Year

Education

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

Work Experience Present

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

Number of Shares (14/03/2018) : -

% of Total Shares : -

Appointing Date : 06/06/2000



Mrs. Luckana Srisod

Independent Director and
Member of Audit Committee

Age : 54 Year

Education

- Master of Accounting-Financial
Chulalongkorn University
- Bachelor of Accounting
Rajamangala University of
Technology

Work Experience Present

- Independent Director and Member of Audit
Committee
Asian Marine Services PCL.
- Finance and Accounting Senior Manager
Scoot Design Co.,Ltd.
- Finance and Accounting Director
Mae Fah Luang Foundation

Number of Shares (14/03/2018) : -

% of Total Shares : -

Appointing Date : 01/06/2016



Mr. Teerapong Tanphaibul

Director

Age : 54 Year

Education

- MBA
GOLDEN GATE UNIVERSITY
- BBA (Accounting)
Assumption University

Work Experience Present

- Director
Asian Marine Services PCL.
- Executive Director
Tanphaibul Co.,Ltd.
Marine Agencies Co.,Ltd.
Seatran Travel Co.,Ltd.
Omnitech Engineering Co.,Ltd.
Heritage Suites Co.,Ltd.
Seatran Ferry Co.,Ltd.
Seatran Discovery Co.,Ltd.
Seatran Port Co.,Ltd.
Seatran Dockyard Co.,Ltd.
Seatran Lin Co.,Ltd.
Pukit Heritage Co.,Ltd.
Heritage Town Home Co.,Ltd.

Number of Shares (14/03/2018) : -

% of Total Shares : -

Appointing Date : 01/07/2018

**Dr. Nonn Panitvong**

Director ,Executive Director and
Nominating and Remuneration Committee

Age : 42 Year

Education

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

Work Experience Present

- Executive Director, Nominating and
Remuneration Committee
Asian Marine Services PCL.
- Director
Ang Thong Sugar Terminal Co.,Ltd.
Vithai BioPoewr Co.,Ltd.
Nakorn Petch Green Energy Co.,Ltd.
Milton Biotec Co.,Ltd.
Nakorn Petch Sugar Co.,Ltd.

Number of Shares (14/03/2018) : 5,500,000

% of Total Shares : 2.13

Appointing Date : 04/06/2002

**Mr. Suradej Tanpaibul**

Chief Executive Officer
and Executive Director

Age : 45 Year

Education

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

Work Experience Present

- Chief Executive Officer

2016

- Deputy Managing Director
Asian Marine Services PCL.

2009 - 2015

- 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

Number of Shares (14/03/2018) : -

% of Total Shares : -

Appointing Date : 01/10/2015



Mr.Win Panitvong

Director and Executive Director

Age : 37 Year

Education

- MBA
Harvard Business School
(Harvard University), USA.
- Bachelor of Arts in Economics
(International)
Thammasat University

Work Experience Present

- Executive Director
Asian Marine Services PCL.
- Executive Director and International Sales
Manager
Nakorn Petch Sugar Co.,Ltd.
- Executive Director and Duputy Managing Director
Ang Thong Sugar Terminal Co.,Ltd.

2010 - 2016

- Managing Director
Vithai BioPoewr Co.,Ltd.

Number of Shares (14/03/2018) : 5,500,000

% of Total Shares : 2.13

Appointing Date : 04/04/2017



Management Team



Mr.Niti Prathumtin

Chief Operating Officer and Acting for
Production Department Manager

Age : 47 Year

Education

- MBA (Management and Organization)
Dhurakijpundit University
- Bachelor Degree
(Sc.in Industrial Technology)
Institute of Rajaphat Pranakorn

Work Experience Present

- Chief Operating Office and Acting for
Production Department Manager
Asian Marine Services PCL.

2016 - 2017

- General Manager and Acting for
Production Department Manager
Asian Marine Services PCL.

2014 - 2015

- Assistant General Manager
Asian Marine Services PCL.

2012 - 2014

- Assistant Vehicle Division Manager
Saha Pathanapibul PCL.

2007 - 2012

- Assistant Surveyor(ESP and Lifeboat Inspection)
K.P.SHIP MANAGEMENT CO., LTD.

Number of Shares (14/03/2018) : -

% of Total Shares : -

Appointing Date : 01/10/2015



Mr.Taweekiate Therdpaophong

Chief Marketing Officer and Acting for
Marketing Department Manager

Age : 47 Year

Education

- MBA (Innovation Management)
Ramkhamhaeng University
- Mechanical Engineer
Rajamangala Institute of Technology

Work Experience Present

- Chief Marketing Officer and Acting for
Marketing Department Manager
Asian Marine Services PCL.

2015 - 2017

- Duputy Managing Director
SEA Shipyard Co., Ltd.

Number of Shares (14/03/2018) : -

% of Total Shares : -

Appointing Date : 01/03/2017



Mrs. Arome Sajjawisoe

Material Service Department Manager

Age : 65 Year

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.

Number of Shares (14/03/2018) : -

% of Total Shares : -

Appointing Date : 31/01/2012



Ms. Rapeepan Piboonsilp

Finance and Accounting
Department Manager

Age : 45 Year

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.

Number of Shares (14/03/2018) : -

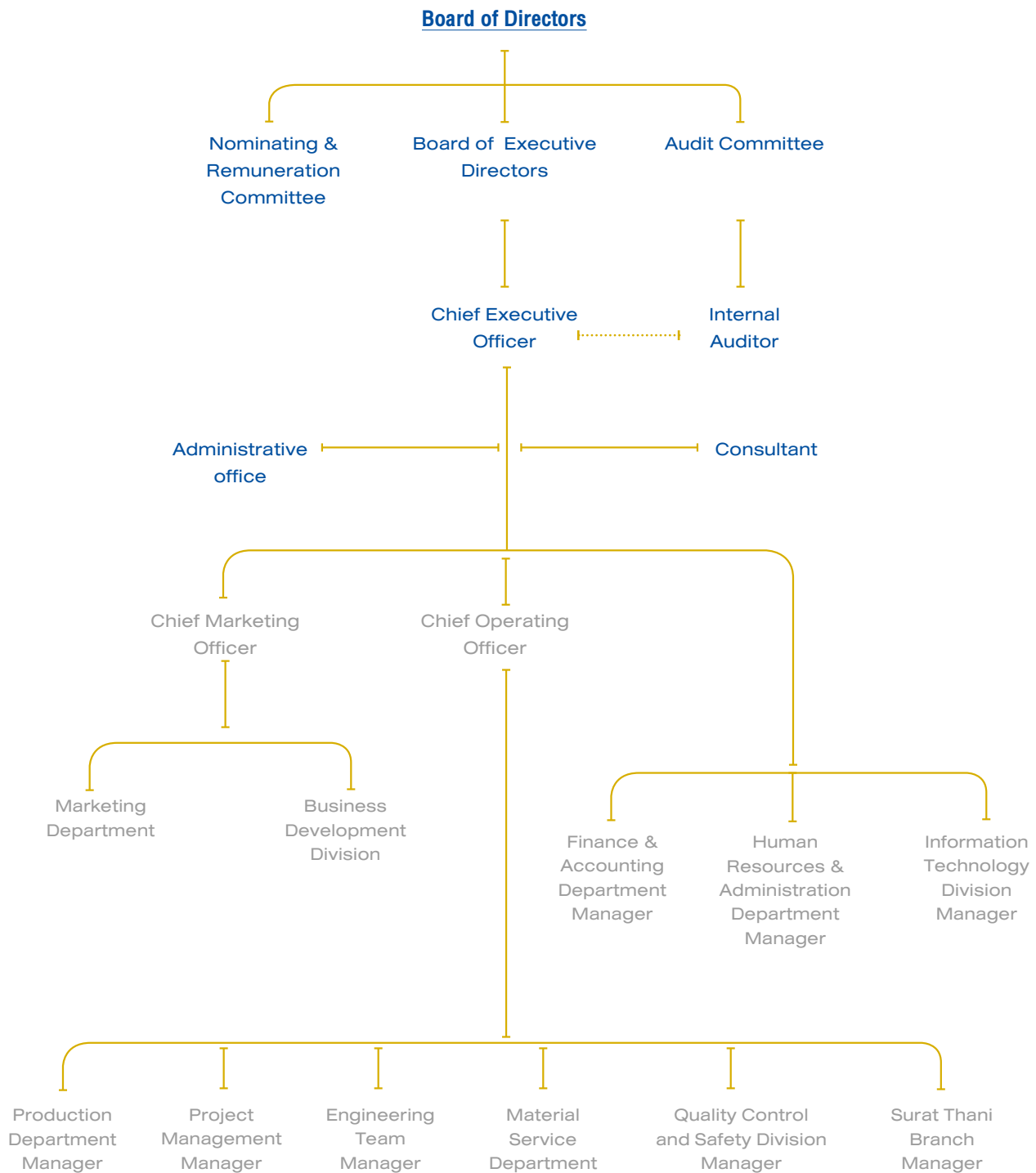
% of Total Shares : -

Appointing Date : 01/04/2011



ORGANIZATION CHART

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AS AT 31 DECEMBER 2016



7 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 MT401 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 USD13.4 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, 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 2009, 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, 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, 23 June 2011, signed a contract to build the Transshipment 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 Transshipment Barge Inter 7.

On 21 July 2011, the company signed a contract to modify the Transshipment 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 Transshipment 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.

In 2013, 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.

In 2014, On 17 February 2014, signed a contract to build 1 Tugboat vessels for Port Authority of Sihanoukville valued USD 6.30 million with a timeline of 18 month.

On 12 March 2014, signed a contract to build 1 for 12 MT BUOY TENDER vessels for Port Authority of Thailand valued 349.60 million Baht with a timeline of 15 month.

Ecomarine Co., Ltd. On 26 February 2014, commissioned by the Department of Public Works and Town & Country Planning to Repair of hydraulic systems and marine propulsion systems, water hyacinth removal 12 vessels valued 5.91 million Baht, with a timeline on 27 February 2014 and ended on 24 October 2014.

In 2015, On 4 August 2015, Delivered the Tug boat to Port Authority of Sihanoukville valued USD 6.30 million.

On 7 August 2015, The company launched the 12 MT BUOY TENDER vessel of Port Authority of Thailand.

On 17 August 2015, Ship commissioning Ceremony at Port Authority of Sihanoukville, Cambodia.

On 3 September 2015, Delivered the 12 MT BUOY TENDER vessel to Port Authority of Thailand valued 349.60 million Baht.

On 26 September 2015, Received the Award of "Premium Products of Thailand Year 2015" under the category of standard shipbuilding of Sea Vessels from Ministry of Industry Thailand.



Ecomarine Co., Ltd. On 5 February 2015, Signed a contract of 4 paddle wheel vessels at Department of Public Works and Town & Country Planning for the period of 241 days valued at 45.90 million Baht.

On 21 August 2015, Delivered 4 paddle wheel vessels of Department of Public Works and Town & Country Planning valued at 45.90 million Baht.

General Marine Co., Ltd. On 21 December 2015, has changed its company name from the title company, General Warehousing Co., LTD to General Marine Co., LTD and objectives for the business as a distributor of agricultural equipment. Operating as a distributor of machinery, spare parts and equipment.

In 2016, on 4 May 2016 Signed contract to build a Tugboat with pulling capacity of not less than 50 metric tons for the Ports Authority of Thailand, with project timeline of 18 months and project value of 398.30 million Baht.

On 27 July 2016 Transfer ownership of property comprising land and building in Surat Thani Province as additional branch to expand business operation to the southern region, at total value of 130 million Baht

On 26 August 2016 Signed a contract to build 6 barges A2500 DWT for Viravan Co., Ltd. with project timeline of 1 year and project value of 99.00 million Baht.

On 6 September 2016 Keel-laying Ceremony of the Tugboat with pulling capacity of not less than 50 metric tons commissioned by the Ports Authority of Thailand

On 28 September 2016 Keel-laying Ceremony of the VC 23 and VC 24 barges A2500 DWT commissioned by Viravan Co., Ltd.

On 29 December 2016 Keel-laying Ceremony of the VC 25 and VC 26 barges A2500 DWT commissioned by Viravan Co., Ltd.

Ecomarine Co., Ltd. On 29 March 2016 Signed a contract to build an ecological boat to harvest water hyacinth and other unwanted marine flora commissioned by the Department of Public Works and Town Planning, Nakhon Pathom Province, with project timeline of 240 days and project value of 13.90 million Baht.

On 28 April 2016 Signed a contract to build an ecological boat to harvest water hyacinth and other unwanted marine flora commissioned by the Chachoengsao Provincial Administration Organization, with project timeline of 180 days and project value of 9.94 million Baht.

On 14 June 2016 Completed delivery of 3 ecological boats to harvest water hyacinth and other unwanted marine flora commissioned by the Department of Public Works and Town Planning at total value of 37.84 million Baht.

On 15 September 2016 Completed delivery of 1 ecological boat to harvest water hyacinth and other unwanted marine flora commissioned by the Department of Public Works and Town Planning, Nakhon Pathom Province at total value of 13.90 million Baht.

On 19 September 2016 Completed delivery of an ecological boat to harvest water hyacinth and other unwanted marine flora commissioned by the Chachoengsao Provincial Administration Organization, at total value of 9.94 million Baht.

On 3 October 2016 Completed delivery of a major repair and refitting project of 15 ecological boats to harvest water hyacinth and other unwanted marine flora commissioned by the Department of Public Works and Town Planning, Bangkok at total value of 25.40 million Baht.



In 2017, On 19 January 2017 Completed the delivery of the 1st batch of VC 23 and VC 24 barges A2500 DWT commissioned by Viravan Co., Ltd. and had the keel-laying ceremony for the 3rd batch of VC 27 and VC 28 barges.

On 8 April 2017 Held the delivery ceremony for the 2nd batch of VC 25 and VC 26 barges A2500 DWT commissioned by Viravan Co., Ltd.

On 8 May 2017 Signed a contract to complete the assembly and installation of fencing along the Special Inter-city Highway between Bang Pa-In — Saraburi - Nakhon Ratchasima at the level crossing (Section 7) with Italian-Thai Development PLC at a total value of THB 10.70 million and a project timeline of 17 months.

On 31 August 2017 Completed the delivery of the 3rd batch of VC 27 and VC 28 barges A2500 DWT commissioned by Viravan Co., Ltd.

On 28 September 2017 Held ceremony to launch a Tugboat with pulling capacity of 50 metric tons (the Port Boat 304) commissioned by the Port Authority of Thailand.

On 24 October 2017 Completed delivery of the Tugboat with pulling capacity of 50 metric tons (the Port Boat 304) commissioned by the Port Authority of Thailand valued at THB 398.30 million.

Ecomarine Co., Ltd. On 25 April 2017 Signed a contract to build 2 ecological boats to harvest water hyacinth and other unwanted marine flora equipped with chopping device commissioned by the Department of Public Works and Town Planning of Sakon Nakhon Province at total value of THB 20.57 million and a project timeline of 180 days.

On 14 June 2017 Held keel-laying ceremony for 2 ecological boats to harvest water hyacinth and other unwanted marine flora commissioned by the Department of Public Works and Town Planning of Sakon Nakhon Province.

On 23 October 2017 Completed delivery of 2 ecological boats to harvest water hyacinth and other unwanted marine flora with 60 ton/hour capacity and equipped with chopping device commissioned by the Department of Public Works and Town Planning of Sakon Nakhon Province.



ACHIEVEMENTS AND MAJOR EVENTS IN 2018

Asian Marine Services Public Company Limited	
9 January 2018	Signed a contract to build a Ferry vessel for the Seatran Ferry Co., Ltd. valued 168.12 Million Baht.
25 January 2018	Signed a contract to Subcontractor for Steel structure of the New Sadao Customs house building, Songkla. with Power Line Engineering PCL. at a total value of 27.63 Million Baht.
6 July 2018	Signed a contract to Subcontractor for the installation of steel structure for Suvarnabhumi airport expansion CC1/2 project. with China State Construction Engineering (Thailand) Co.,Ltd. at a total value of 35.59 Million Baht. and a project timeline of 9 months.
Ecomarine Co., Ltd.	
19 January 2018	Signed a contract to build an ecological boats to harvest water hyacinth and other unwanted marine flora commissioned by the Department of Public Works and Town Planning of Sakon Nakhon Province at total value of 6.70 Million Baht and a project timeline of 180 days.
12 February 2018	Signed a contract to build 3 ecological boats to harvest water hyacinth and other unwanted marine flora commissioned by the Department of Public Works and Town Planning of Bangkok at total value of 25.30 Million Baht and a project timeline of 240 days.
28 February 2018	Held keel-laying ceremony for 4 ecological boats to harvest water hyacinth and other unwanted marine flora commissioned by the Department of Public Works and Town Planning of Sakon Nakhon Province. and by the Department of Public Works and Town Planning of Bangkok.
19 July 2018	Completed delivery of 1 ecological boats to harvest water hyacinth and other unwanted marine flora commissioned by the Department of Public Works and Town Planning of Sakon Nakhon Province.
September - October 2018	Completed delivery of 4 ecological boats to harvest water hyacinth and other unwanted marine flora commissioned by the Department of Public Works and Town Planning of Bangkok.



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 has slipways, equipment and machinery to accommodate large ship handling systems with operational capacity to build ships of up to 120 metres in length and up to 20,000 DWT. To date, the Company has been entrusted by clients - both in Thailand and from overseas, to build such versatile and specialized vessels.

ตัวอย่างผลงาน

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



TYPES	vessels	SHIPOWNERS
13. Offshore submarine operations support vessel.	1	K.A. AL-GOSAIBI DIVING AND MARINE SERVICES COMPANY
14. Tug Boat	1	Port Authority of Sihanoukville
15. BUOY TENDER for 12 MT	1	Port Authority of Thailand
16. Lighter Barge	6	Viravan Co., Ltd.
17. Bollard Pull Tractor Tug for 50 MT	1	Port Authority of Thailand
18. Paddle Wheel	15	The Department of Public Works and Town & Country Planning of Bangkok, Sakon Nokhon Province, Nakhon Pathom Province and Chachoengsao Provincial Administration Organization receive the contact from Eco Marine Co., LTD

3. Conversion Projects

The Company has the expertise in ship conversion which require specialized experience and technical knowledge, for example conversion of oil tankers into Double Hull vessels, cold storage vessels, patrol boats, or conversion of conventional bulk carriers into container ships, as well as hull expansion works and support vessels as accommodation at oil rig locations.

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.	20,000 DWT	2 x 12 t. 2 x Dock-knight

2. The shipyard has two separate slipways with 20,000 square meters and Suratthani branch has a separate slipways with 37,000 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



Type	Amount
4. An additional blast workshop	1 shop
5. Dock knight	2 set
6. Gantry Cranes 5-tonne	6 set
7. Hydro Blast	2 set
8. Tower Crane	1 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 and Suratthani branch has the working area is approximately 38,352 square meters with 87 meters waterfront.



INVESTMENT IN SUBSIDIARIES

Nature of Business

General Marine Co., Ltd.

The Company is a sole shareholder in General Marine Co., Ltd., Operating as a distributor of machinery, spare parts and equipment.

Asimar Marine Co., Ltd.

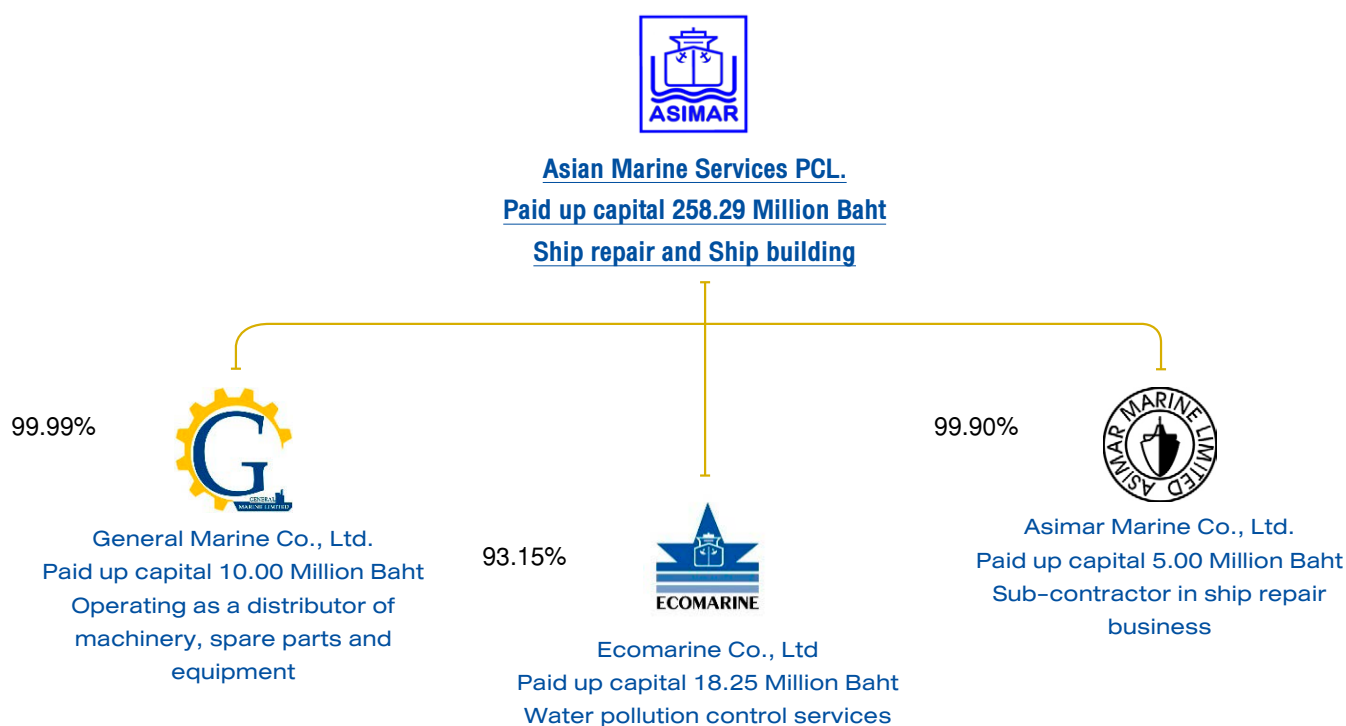
The Company is a sole shareholder in Asimar Marine Ltd. conducts business as ship repair contractor to the Company due to growing demand of the workforce in the market. The Company has great intention to develop highly skilled workforce to meet the standards set forth by Ship Classification Society.

Eco marine Co., Ltd.

Eco marine Co., Ltd. is a joint venture between ASIMAR and ITALMARE S.P.A. (last name 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, ITALMARE 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 2018





REVENUE STRUCTURE

ASIMAR AND AFFILIATES INCOME STRUCTURE

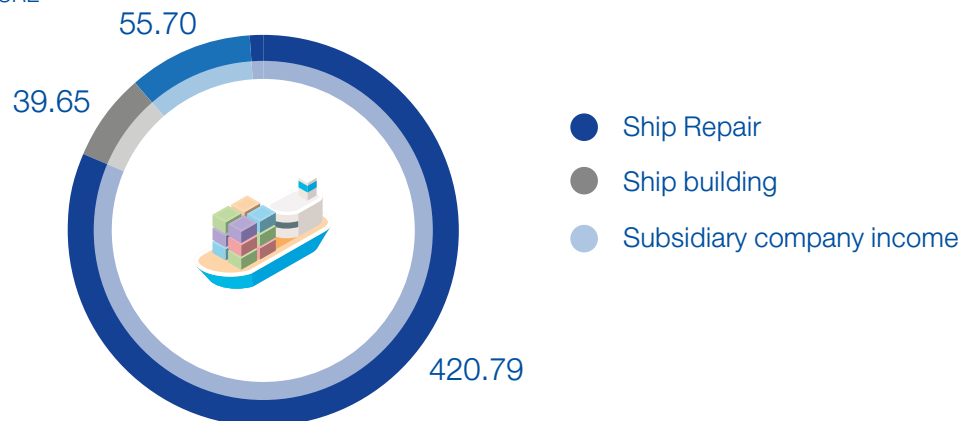
(Unit: Million Baht)

Revenue categories	2018		2017		2016	
	Amount	%	Amount	%	Amount	%
Ship repair	420.79	80.17	401.88	56.98	311.70	50.72
Ship building	39.65	7.55	265.08	37.59	205.76	33.48
Subsidiary company income	55.70	10.61	24.52	3.48	82.15	13.37
Other revenues *	8.76	1.67	13.78	1.95	14.98	2.44
Total	524.90	100.00	705.26	100.00	614.59	100.00

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

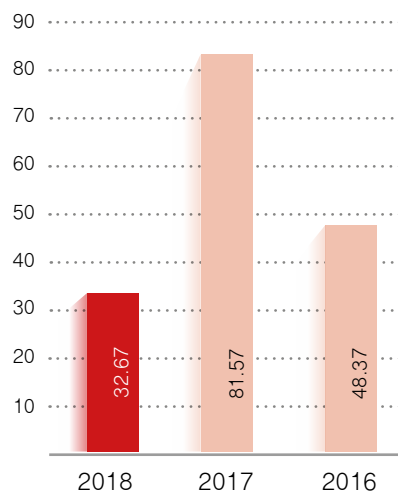
REVENUE STRUCTURE

Unit : Million Baht



NET PROFIT

Unit: Million Baht





COMPETITIVE ENVIRONMENT AND INDUSTRY TREND

Industry Overview

In 2018 shipbuilding volume was at its historically lowest ever, with current fleet order volume ratio at the end of 2018 at only 10.52 percent and prevalence of delivery postponement of new vessels due to the financial pressures on both buyers and shipyards. Such factors have eased the pressure from the supply sector, combined with positive factors from rising freight rates in late 2018, rendering a gradual balancing out of the oversupply situation.

In 2018, the net increase in additional number of ships accounted for 2.82 percent of the global fleet, resulting in the size of the global fleet as at year end totaling DWT 836.46 million with the rate of increase remaining low as estimated from new shipbuilding orders in 2019 and 2020. Net growth of the global fleet should remain at approximately 3.21 percent per annum.

Impacts from regulations prescribed by the International Maritime Organization (IMO) would require ship owners to have increased cost in ship modifications which, when value for money is considered, may cause more ships to be scrapped in 2019 and 2020 when the provisions come into effect. Following are examples:

- The International Convention on Ballast Water Management which is due to come into effect on 8 September 2019 following a 2-year waiver of enforcement, would render all sailing ships to be fitted with appropriate ballast water management system when entering dry dock after 8 September 2019. Ships of more than 15 years of age may be decommissioned when they are due to enter dry dock in the next 5 years after the date of enforcement. The high cost of fitting such system in the ships might not be worthwhile for ships of over 15 years of age whose value is equivalent to scrap and ship owners may be more inclined to decommission such ships.

- The limit on the amount of sulfur in fuel oil around the world to not more than 0.5 percent from the original stipulation of not more than 3.5 percent from 1 January 2020 onward would require all ships to either change to use diesel oil as fuel which currently is more expensive than their normal fuel, or continue to use their normal fuel but install appropriate equipment to clean the exhaust, of which the trend seemed more to be toward the latter option. Despite being able to cut cost by using cheaper fuel, but the expensive installation of the equipment would mean ship owners need a long time to recoup such cost.

During 2019 to 2020, a large number of ships fitted with the equipment to clean their exhaust would enter dry dock for inspection to verify whether they have complied with the regulations of the IMO 2020 regarding emissions. This should be a positive factor for shipyards and dockyards.

Shipbuilding volume continues to be very low from the decline in orders for new ships and the increasing number of decommissioned vessels. It is estimated that by the end of 2022, 13.01 percent of the global fleet aged more than 20 years would be decommissioned due to the stricter enforcement of regulations requiring higher cost to attain compliance, trend of BDI index and the selling price of vessels for scrap.

The global shipbuilding industry had just recovered from the downturn. It had adapted to survive the crisis with some returning to providing ship repair services, some have transformed into green recycling docks, as well as turning to management restructuring through mergers and acquisitions—especially the large shipyards, in an effort to reduce losses. Other measures include downsizing by terminating employment, reducing excess production

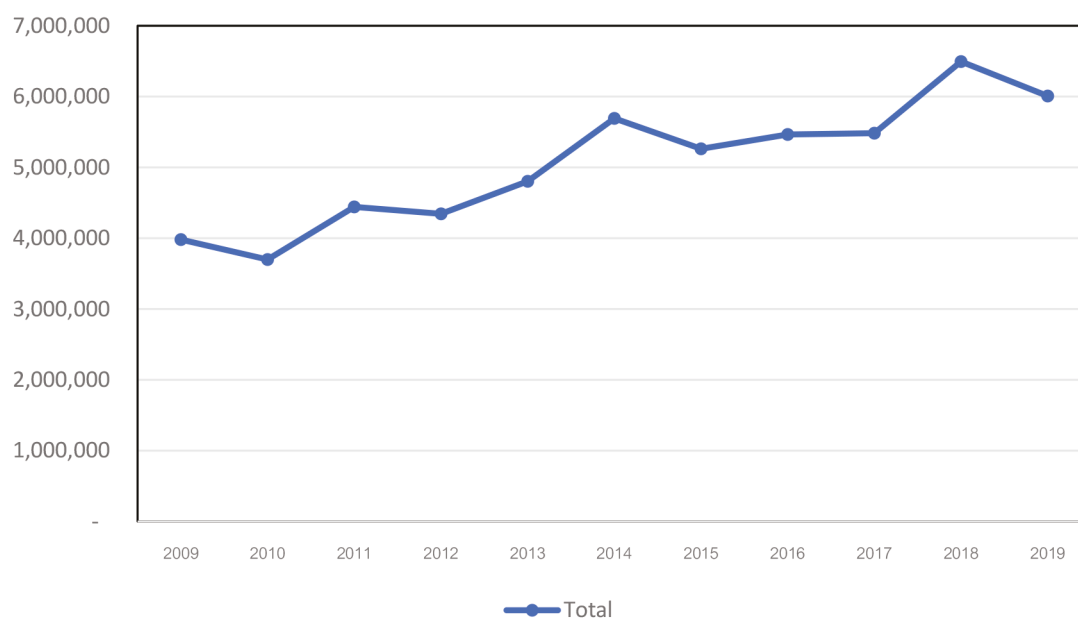


capacity and strengthening the industry. In South Korea, Hyundai Heavy Industries, the number 1 shipbuilder in the world announced a takeover of Daewoo Shipbuilding and Marine Engineering, its number 2 rival, estimated at USD 1.98 billion, becoming the largest shipbuilder in the world with market share of more than 20 percent of the global market, increasing its competitiveness vis a vis its closest rivals, China and Singapore. China also has plans to merge shipbuilders, namely between China State Shipbuilding Corp. (CSSC) and China Shipbuilding Industry Corp. (CSIC) in an effort to maintain its market share.

Domestic Industry Trend

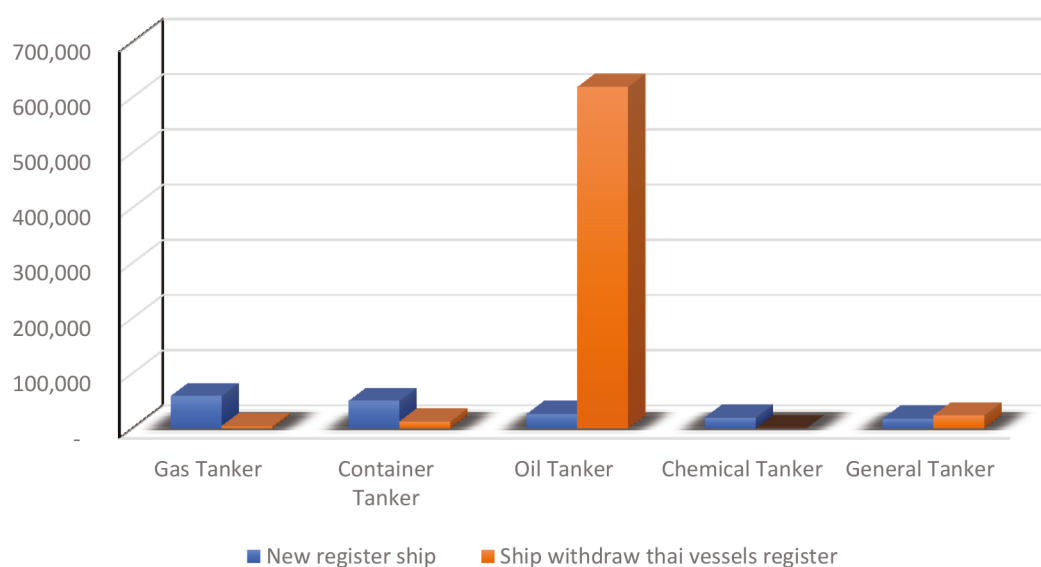
The overview of the shipbuilding and ship repair industry in Thailand saw the overall market remaining stable. In 2018, the domestic ship repair market declined due to the decrease in the number of foreign ships coming in for repair impacted by economic factors including the downturn in offshore oil exploration and drilling business, which resulted from the decline in prices of crude oil in the global market down to USD 50-60 per barrel, rendering diminished purchasing power among the customer group comprising vessels which support oil exploration and drilling operations. However, there were positive factors in the Thai export sector, despite some impact in October 2018 from the trade war prompted by the US decision to raise tariffs, Thailand's exports posted good growth to regional markets in Asia such as Japan, India and CLMV (Cambodia, Laos, Myanmar and Vietnam). Overall, customer groups which engaged in businesses requiring cargo ships, oil and liquefied petroleum tankers had increasing and continuous demand for services, both in terms of repair and fleet expansion, rendering the raising of standards, capitalization on the SET to invest in fleet expansion, reduce the average age of their fleet and increase operational efficiency. Such developments have resulted in an increase in the number of ships registered in Thailand in 2018, details of which are represented in the table.

Year	Dry Tankers		Liquid Tankers		Total		Growth rate of freight (%)
	Vessels	DWT	Vessels	DWT	Vessels	DWT	
2009	233	3,255,691	249	724,623	482	3,980,314	12.7
2010	207	2,603,200	270	1,096,764	477	3,699,964	-7.0
2011	198	2,389,963	285	2,051,268	483	4,441,231	20.0
2012	185	2,221,150	287	2,124,171	472	4,345,321	-2.2
2013	190	2,173,252	290	2,630,257	480	4,803,509	10.5
2014	190	2,295,460	292	3,396,869	482	5,692,329	18.5
2015	190	2,421,306	290	2,840,535	480	5,261,841	-7.6
2016	181	2,301,539	295	3,163,601	476	5,465,140	3.9
2017	165	2,030,168	308	3,452,648	473	5,482,816	0.3
2018	170	2,226,854	328	4,269,055	498	6,495,909	18.5
2019	173	2,257,793	335	3,750,090	508	6,007,883	-7.5



The vessels of new registered ships and the number of ships withdrawing Thai vessel registration in 2019

Ship Type	New register ship			Ship withdrawThai vessels register		
	Vessel	DWT	GRT	Vessel	DWT	GRT
Gas Tanker	4	58,675	54,622	1	4,187	3,516
Container Tanker	5	49,892	42,295	1	12,666	8,892
Oil Tanker	8	26,013	16,572	7	618,956	336,172
Chemical Tanker	3	19,490	13,026	-	-	-
General Tanker	2	17,392	11,962	3	23,679	16,683
Total	22	171,462	138,477	12	659,488	365,263





In 2018 positive factors in the shipbuilding industry the following:

1. Promotion of water transport by the state, for example, the acceleration of domestic transport ports in the country, the promotion of coastal water transport which is cheaper than land transport by road, thereby creating a demand for Container Feeder Vessels of the average size of approximately 200 TEU which are container ships used to transport goods from ports along the Chao Phraya River and from Surat Thani to Laem Chabang Deep Seaport.
2. The growth of tourism which saw the number of foreign tourists to Thailand increase to 38 million in 2018, rendering higher demand for vessels relating to tourism activities such as ferry boats, high-powered passenger vessels or speed boats, as well as dinner cruise ships.
3. Demand from the public sector for such vessels as off-shore patrol vessels (OPV), multi-purpose tug boats, Royal Thai Navy coastal patrol vessels, dredgers, and Tug Boats commissioned by the Port Authority of Thailand, fishery patrol vessels of the Fisheries Department, has enabled the domestic shipbuilding industry to generate work.
4. The continued strengthening of the Thai Baht against the US dollar rendered lower costs of imported spare parts such as for motors, drive systems, communications system, navigating system from the exchange rate.

Competitive Strategy of the Shipbuilding and Ship Repair Industry in 2019-2020

Since competition in the shipbuilding sector is not posed only from shipyards in the country but also comes from shipyards in foreign countries which have large shipbuilding industries such as China and Korea, as well as facing competition from entrepreneurs who are able to import used ships at low prices due to promotional tax privileges granted by the state. The competitive strategy of domestic shipyards, therefore, needs to operate in survival mode as follows:

1. Maintaining its base in ship repair business as a regular and continuing revenue source through effective management of costs to retain the same level of profitability in a contracted market climate. For example, keeping production lean by controlling unnecessary production waste, efficient management of available resources in order to reduce fixed costs, improvement of processes/reduction of work procedures which are non-productive activities.
2. Promotion of innovation in shipbuilding as a means of competitive capacity building such as in designing higher-efficiency vessels, utilizing production systems which are friendly to the community and the environment, application of new technology, development of new types of specialized vessels, for example ecological vessels for harvesting water hyacinth and other unwanted marine flora or high-speed passenger boats.
3. Closely monitoring new regulations and notifications issued by the International Maritime Organization (IMO), the Classification Society, as well as relevant government agencies and regulatory authorities to seek out new market opportunities and to ensure compliance with any new legal/regulatory requirements.
4. Seeking out new shipbuilding business opportunities in foreign countries, especially those in need of ships but whose shipbuilding industry may not yet fully respond to such demand in the short-term, namely Sri Lanka, the Philippines, Indonesia, Oman, etc. In implementing this strategy, it is necessary



for the shipyard to closely coordinate and cooperate with the public sector in those countries in order to gain strong state support which would result in higher competitiveness.

5. Diversification of opportunities in new markets utilizing the organization's core expertise, such as steel structural works in the construction of infrastructure systems by the state, for example, in the Passenger Building of Suvarnabhumi International Airport, in the Railway and electric train systems. Infrastructure projects relating to the Eastern Economic Corridor (EEC).

There is potential for growth in the ship repair and shipbuilding industry based on the development of water freight transportation infrastructure, provided there is support from the state. The industry is a large one with the ability to generate a lot of revenue for the country as in China, Japan and South Korea. However, at present shipyards in Thailand have the capacity to build smaller freight vessels of not more than 20,000 tons or transport containers of approximately 1,300 TEU, in contrast to a neighboring country such as Vietnam which can build larger ships of between 30,000 to 100,000 tons or transport containers of 2,000-7,000 TEU per ship. Shipyards in Thailand should focus on 3 aspects in the effort to penetrate the market and increase competitiveness in the world market, namely:

1. In the ship repair market, because the workforce has high expertise in ship repair work, rather than skills in building large ships and the latter also requires application of high technology, which may put local shipyards at a disadvantage as foreign shipyards have more preparedness in this regard.
2. In shipbuilding, the industry should focus mainly on the market for specialized vessels such as off-shore patrol support vessels and off-shore oil transport vessels which are widely used in the domestic oil transport industry, and shipyards in Thailand already have high potential in this regard.
3. Focus should also be given to building smaller boats used in domestic freight transport along the waterways as this is in line with the potential of Thai labor and shipyards. In the longer term, if the government provides policy support and tangible measures to drive the industry, for example, in organizing roadshows to advertise the capability and potential of shipyards in Thailand, and supporting continual research and development of new technology for ship repair/maintenance for the private sector which will undoubtedly be a factor in promoting Thailand's competitiveness in this industry in a sustainable manner.



GENERAL INFORMATION

Asian Marine Services Public Company Limited

HEAD OFFICE AND PLANT LOCATION :

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

Tel : (662) 815-2060-7 **Fax :** (662) 453-7213-4

SURATTHANI BRANCH :

142/1 Moo 4 Saibanthongmai-banbangsumrong Rd., Thathongmai, Kanchanadit, Suratthani 84290, Thailand

Tel : 077-961-238 **Fax :** 077-961-239

TYPE OF BUSINESS : SHIP REPAIR AND SHIP BUILDING

REGISTER NO. 0107538000185

HOME PAGE : WWW.ASIMAR.COM

PAID UP CAPITAL : BAHT 258,291,087.00

JURISTIC PERSON, WHICH THE COMPANY HOLDS MORE THAN 10% OF THE ISSUED SHARES

General Marine Company Limited

HEAD OFFICE AND PLANT LOCATION :

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

Tel : (662) 815-2060-7 **Fax :** (662) 453-7213-4

TYPE OF BUSINESS : OPERATING AS A DISTRIBUTOR OF MACHINERY, SPARE PARTS AND EQUIPMENT

PAID-UP CAPITAL : BAHT 10,000,000.00

Asimar Marine Company Limited

HEAD OFFICE AND PLANT LOCATION :

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

Tel : (662) 815-2060-7 **Fax :** (662) 453-7213-4

SURATTHANI BRANCH :

142/1 Moo 4 Saibanthongmai-banbangsumrong Rd., Thathongmai, Kanchanadit, Suratthani 84290 Thailand

Tel : 077-961-238 **Fax :** 077-961-239

TYPE OF BUSINESS : SHIP REPAIR SUBCONTRACTOR TO ASIAN MARINE SERVICES PCL.

PAID-UP CAPITAL : BAHT 5,000,000.00

Ecomarine Company

HEAD OFFICE AND PLANT LOCATION :

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

Tel : 02-815-2060-7 **Fax :** 02-453-7213-4

TYPE OF BUSINESS : WATER POLLUTION CONTROL SERVICE

HOME PAGE : WWW.ECOMARINE.CO.TH

PAID-UP CAPITAL : BAHT 18,250,000.00



OTHER REFERENCE PERSONS

SHARE REGISTRAR

Thailand Securities Depository Co., Ltd.
Registrar Department
93 The Stock Exchange of Thailand Building, 1st Floor,
Ratchadaphisek Rd., Dindaeng, Bangkok
10400, Thailand
Tel : (662) 009-9000

AUDITOR

Dharmniti Auditing Co., Ltd.
267/1 Pracharaj Sai 1 Rd.,
Bangsue, Bangkok, 10800, Thailand.
Tel: (662) 587-8080
Mr. Pojana Asavasontichai
Certified Public Accountant (Thailand) No. 4891

INTERNAL AUDITOR

Srilerk Limited Partnership
208/132 Phothong Tower, 3th Floor,
Chaengwattana Rd., Bangkhen Talad, Laksi, Bangkok 10210, Thailand
Tel : (662) 973-4908

LEGAL OFFICE

NATIPATANA CO., LTD.
827/1, Ladphrao 87
Klong-Chan, Bangkapi, Bangkok, 10240 Thailand.
Tel : (662) 935-9779

CROSSROADS SOLUTION PTE LIMITED
1055/828-829 State Tower Bangkok, 36th Floor,
Silom Rd., 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 the company has lease from The Treasury Department the contract period 30 years. 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 2018 (Latest registrar closing date)

Name	As of 14 March 2018	
	Number of shares	(%)
1 . Panitvong Group	49,600,041	19.20
2 . Tanpaibul Group	46,051,020	17.83
3 . Mr . Prawat Chanruang	6,000,000	2.32
4 . Mr . Tavee Changpetch	5,500,000	2.13
5 . Mr . Thanakorn Yodpetch	5,000,000	1.94
6 . Mr . Suwit Adisaitham	4,849,700	1.88
7 . Mr . Wiroj Tansirikongkol	4,730,000	1.83
8 . Mr . Wichian Srimuninnimit	4,000,000	1.55
9 . Mr . Kiat Srichomkwan	4,000,000	1.55
10 . Ms . Somjit Taraamornrat	3,957,770	1.53
Total	133,688,531	51.76

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 CONSISTS OF

- | | | |
|-----|-------------------------|--|
| 1. | Mr.Prakit Pradipasen | Chairman and Independent Director |
| 2. | Mrs.Warawan Nganthavee | Director and Chairman of Executive Board |
| 3. | Mr.Sribhumi Sukhanetr | Chairman of Nominating and Remuneration Committee,
Chairman of Audit Committee and Independent Director |
| 4. | Mr.Suradej Tanpaibul | Director, Executive Director and Chief Executive Officer |
| 5. | Mr.Suthin Tanpaibul | Director and Executive Director |
| 6. | Dr.Bumroong Chinda | Independent Director and Audit Committee |
| 7. | Mr.Prawat Chanruang | Director, Nominating and Remuneration Committee |
| 8. | Mrs.Luckana Srisod | Independent Director and Audit Committee |
| *9. | Mr.Teerapong Tanphaibul | Director |
| 10. | Dr.Nonn Panitvong | Director, Executive Director , Nominating
and Remuneration Committee |
| 11. | Mr.Win Panitvong | Director and Executive Director |

Note:*Mr.Teerapong Tanphaibul was appointed on 1 July 2018 replaced Mr. Sutham Tanpaibul that passed away

Board Secretary

Mr. Auychai Tivirach

Authorized directors

The authorized directors are Mr.Prakit Pradipasen, Mr.Suthin Tanphaibul, Mrs.Warawan Nganthavee, Mr.Suradej Tanpaibul and Mr.Nonn Panitvong . The two directors from five, 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. Mrs.Warawan | Nganthavee | Chairman of the Executive Board |
| 2. Mr.Suthin | Tanpaibul | Executive Director |
| 3. Dr.Nonn | Panitvong | Executive Director |
| 4. Mr.Suradej | Tanpaibul | Executive Director |
| 5. Mr.Win | 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 CONSISTS OF**

- | | | |
|----|-----------------------|---|
| 1. | Mr.Sribhumi Sukhanetr | Chairman of Audit Committee having knowledge of management and logistic operations. |
| 2. | Dr.Bumroong Chinda | Member of Audit Committee having knowledge of management and design. |
| 3. | Mrs.Luckana Srisod | Member of Audit Committee having knowledge of accounting, finance, banking and capital markets. |

Audit Committees Secretary

Mr.Supalerk Khodchachiratkul	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

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.Prawat Chanruang | Member of Nominating and Remuneration committee
Non-Executive Director and Independent Director |
| 2. | Dr.Nonn Panitvong | Member of Nominating and Remuneration committee |



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. Mr.Suradej | Tanpaibul | Chief Executive Officer |
| 2. Mr.Niti | Prathumtin | Chief Operating Officer and Acting for
Production Department Manager |
| 3. Mr.Taweekiate | Therdpaophong | Chief Marketing Officer and Acting for
Marketing Department Manager |
| 4. Mrs.Arome | Sajjawisoe | Material Service Department Manager |
| 5. Ms.Rapeepan | Piboonsilp | Finance and Accounting Department Manager |

Duties and Responsibilities of the Chief Executive officer

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

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 Annual General Meeting 2018 on 5 April 2018 which was attended by 10 of the total of 11 members of the Board of Directors, including the Chairman, Chairman 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 Annual General Meeting 2018 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: Mr. Sribhumi Sukhanetr and Mrs. Luckana Srisod to represent them and vote on their behalf. However, in the Annual General Meeting 2018, 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 2018 Annual General 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 that it is not leaked before being submitted to the SET and SEC and defines the policy of disclosing or reporting the sale, purchase or receipt of such shares, changes of share owner ships to the directors and management to the Board meeting. statement, that could influence investor decision so
- On 17 December 2018, 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 17 December 2018 to 15 February 2019. 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 has established remuneration policies that offer appropriate remunerations to employees on all levels and are competitive with those of other companies in the same industry with adherence to fair and equitable compensation practices. Each job is appropriately assigned to a pay grade that represents employees performing similar work in the compensation structures. The performance management system : PMS used as an administrative compensation, succession plan, and advancement

The Company determines compensation in alignment with the Company's short- and long-term operating results. In the short term, the annual operating results such as, net profit will be factored into the equation. In the long term, the Company's long-term comparatives including profit growth, overall operating results and ongoing operational enhancement are taken into consideration.

- Establishing a Workers Provident Fund for long-term employee care
- 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 2018, 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.

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 2018 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.



Participation in Community and Social Development

ASIMAR is firmly dedicated and committed to the belief that sustainable business growth can only be achieved with corresponding development and growth for the community and society through corporate social and environmental responsibility, whereby the Company has formulated policy and operational guidelines for sustainable development to promote a better quality of life for the community.

The Company is fully engaged in the development and sharing of happiness for society and the community by encouraging employees to participate regularly and continually in creating activities for the community. Key community activities and projects in 2018 are the following;

ASIMAR Protects the World, Gives Back to the Community, Society and the Environment

**Participated in volunteer activities “Doing good with our hearts” under the Beautiful Canal, Clear Water, Attention to Water Resources Project of the Laem Fa Pha Municipality. in honor of His Majesty King Maha Vajiralongkorn Bodindra Debayavarangkun, to raise public awareness and advocate for reduction of waste and protection of water resources by organizing activities to clean up canals and waterways, as well as the public sewerage system in the municipality.

**Sent team of futsal athletes to participate, as well as contributed drinking water, in the futsal competition organized by the Klong Mai Community of Laem Fa Pha District.

**Presented used mobile phones donated by employees to the Ministry of Interior in collaboration with the Local Administration Promotion Department, through the Laem Fa Pha Municipality in the “Used Mobile Phones Giving New Life and Books to the Small Children’s Development Centre” Project whereby electronic waste in the form of mobile phones are donated for appropriate recycling, with funds raised from the recycling used for acquiring needed books and other learning media and tools for Small Children’s Development Centers in remote rural areas.

**Took the Company’s nursing staff to visit and provide health examination for Mrs. Samruay Pongsri, a resident of Ban Klong Mai community, a neighbor of the Company, as well as providing health care to her other neighbors.

**Donated disposal diapers to the Laem Fa Pha Municipality to be provided as welfare assistance to 38 senior citizens in communities in Laem Fa Pha Sub-district in the Long-term Care for Elderly People with Dependency Project.

**The Company sent representatives to attend meetings with the Laem Fa Pha Municipality on the “Bright and Beautiful Town Free of Pollution” Project of which the project objective was to campaign for public participation in mitigating environmental impacts on the community and for companies to reduce waste by the 3 R principles of reduce, reuse and recycle, as well as creating awareness and participation in reducing waste from origin based on a prepared 60-day action plan “Separate before Throwing out”.

Support Community Activities to Promote Good Relations

**Supported Children’s Day activities by donating gifts to a total of 17 schools, communities and various government agencies in nearby areas. The Company also allowed the use of the area in front of the corporate office and provided electrical power to arrange the Children’s Day celebration by Moo 3 Klong Mai Community of Laem Fa Pha Sub-district, Phra Samut Chedi District of Samut Prakan Province.

**The Company co-hosted a Children’s Day celebration at the Chulachomklao Naval Shipyard, Samut Prakan Province by organizing a ship model exhibition, the Company’s own work, as well as having games and prizes for the children who attended.



ASIMAR Family

The Company promoted and provided support for activities which allowed its employees to participate in sharing and social development cooperation, details of which are as follows:

Happiness in Giving, One Gives and Many Receive

**Promoted and supported employees in donating blood to the Thai Red Cross Society annually to help patients in need of blood and as reserve in the Blood Bank for patients nationwide.

Promotion of Dharma

** Every month, the Company organizes merit making for employees to offer food to Buddhist monks from temples in the surrounding communities, as well as organizing Dharma sermons and meditation practice in order that they may have a moral compass to guide them as good Buddhists.

**Invited Phra Ratchadharma Nites or Phra Phayom Kalyano from Wat Suankaew, Nonthaburi so that employees could make merit by offering food and hearing his sermon on “Living Life to Suit the Present Day Social and Economic Environment”. Moreover, the temple also brought to the event agricultural produce for sale at economic prices and asked for a donation of used electrical goods which were broken to take back for repair and subsequent sale to raise funds for its SuanKaew Foundation to help the poor and unemployed.

Promoted and Provided Education Opportunity to Employees’ Children

**Scholarship Project for Employees’ Children provided funding to support 20 good students who are children of its employees so that they may have the education opportunity to further develop into productive and qualified human resources in the future.

Caring for Our ASIMAR Siblings Project

**Provided prescription eyeglasses to low-income employees with problematic eyesight who were good employees.

**Collaborated with the Health Department in providing knowledge and demonstrating good dental and oral hygiene practice to employees, as well as providing information on Social Security coverage regarding dental procedures. The Company also received commendation from the Department of Health and the Dental Innovation Foundation for participating in the Project to Develop Oral Health Promotion System for the Workforce to Enter Senior Years with Quality: “Healthy teeth in adults lead to healthy family and happy society.”

Flea Market Activity

**The Company supported activities to hold a flea market, at the start of every month, for food and consumer products so that employees can bring food, treats, second-hand goods such as clothing, for sale at cheap prices to their colleagues to supplement their income.

Run for Health Activities

*Supported the Southeast Asian Fisheries Development Center in organizing the “SEAFDEC Walk-Run Mini Marathon” to promote healthy physical activity among the Center’s staff and personnel of the Phra Samut Chedi District agencies, as well as the general public with funds from the activity being donated to a Scholarship Fund for Needy Students at 7 schools in Phra Samut Chedi District.



*Supported the charity walk-run activity organized by the Ports Authority of Thailand, “Port Authority Mini Marathon 2018”, to promote healthy physical activity among employees, their family and the general public, as well as participate in a charitable cause. Proceeds from the activity went to support the 33rd Border Patrol Police School at Ban Khor in Mae Jon Sub-district, Mae Jaem District of Chiang Mai Province.

6. Policy and Best Practice toward the Environment

The company is aware of its environmental responsibility, retaining employee's healthy and safety include continuous improvement process to reduce energy consumption, natural resources, prevent an environmental pollution. It is a policy of environmental protection and ISO 14001: 2004 environmental management system has been implemented in the company. By appointing an Environmental Management Representative had the following environmental responsibilities :

1. To plan the implementation of environmental management systems. Publish policy develop and maintain an environmentally responsible environmental management system.
2. To follow up progress and review the implementation of the environmental management system of the Environmental Management System Committee.
3. To report on the progress of environmental management system implementation to top management. 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. In addition to fulfilling legal and SET reporting requirements, The Company has established its own broad infrastructure of dissemination channels to reach interested parties. These communications channels include: Activities to meet investors and other stakeholders, Company visits for shareholders, investors, analysts, the media, and other stakeholders, Systematic distribution to the media of press releases, photo captions, news stories, advertisements, and social media include financial performance of the Company.

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 Annual Report 2018
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 The objective and target of company	Vision and Mission
4.5 Financial position and operating results	The Company's Performance in 2018, Financial Statements and The level of customer satisfaction.
4.6 Nature of business and competition	Major Businesses, Competitive Environment and Industry Trend
4.7 Risks in business operations	Risk Factors
4.8 Connected business transactions	Connected Transactions

4.9 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.

4.10 Remuneration for Directors and the Management

Remuneration to Directors for the Year 2018

Unit: Baht

Name	Board of Directors	Audit Committee	Nominating and Remuneration Committee
1. Mr.Prakit Pradipasen	240,000	-	-
2. Mr.Sutham Tanpaibul	150,000	150,000	60,000
3. Mr.Prawat Chanruang	150,000	-	-
4. Ms.Warawan Nganthavee	150,000	-	60,000
5. Mr.Suthin Tanpaibul	150,000	-	-
6. Dr.Nonn Panitvong	150,000	-	-
7. Mr.Sribhumi Sukhanetr	150,000	120,000	-
8. Dr.Bumroong Chinda	150,000	120,000	-
9. Mrs.Luckana Srisod	150,000	-	60,000



Unit: Baht

Name		Board of Directors	Audit Committee	Nominating and Remuneration Committee
10. Mr.Suradej	Tanpaibul	150,000	-	-
11. Mr.Win	Panitvong	150,000	-	-
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 10 ***managements is Baht 10.72 Million.

*Remuneration is paid annually and no allowances.

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

***Remuneration is paid salary provident fund members received contributions at the rate of 5 percent and bonus(if).

4.11 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 2 ordinary meetings in 2018, each director's attendance in these meetings are as follows:

Name		Board of Directors	Audit Committee	Nominating and Remuneration Committee
1. Mr.Prakit	Pradipasen	3/4	-	-
2. Mr.Prawat	Chanruang	4/4	4/4	2/2
3. Mrs.Warawan	Nganthavee	4/4	-	-
4. Mr.Suthin	Tanpaibul	4/4	-	2/2
5. Mr.Sribhumi	Sukhanetr	4/4	-	-
6. Dr.Bumroong	Chinda	4/4	4/4	-
7. Mrs. Luckana	Srisod	4/4	4/4	-
*8. Mr.Teerapong	Tanphaibul	2/4	-	-
9. Dr.Nonn	Panitvong	3/4	-	2/2
10. Mr.Suradej	Tanpaibul	4/4	-	-
11. Mr.Win	Panitvong	3/4	-	-

Note:*Mr.Teerapong Tanphaibul was appointed on 1 July 2018 replaced Mr. Sutham Tanpaibul that passed away



4.12 Policy buy, sell company shares and Stakeholders Report

Establish a policy that requires the Company's directors and executives to report their own interests, and those of any related persons, which are vested interests relating to the management of the Company or its subsidiaries according to the criteria and reporting procedures prescribed by the Company. with 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 to the directors and management to the Board meeting.

4.13 Changes Held by Directors and Executives in 2018

Name			Shares held as of 31 December 2018	Shares held as of 31 December 2017	Percentage of shares held(%)	
1	Mr.Prakit	Pradipasen	200,200	200,200	-	0.08
	Spouse and minor children		-	-	-	-
2	Mr.Sribhumi	Sukhanetr	-	-	-	-
	Spouse and minor children		-	-	-	-
3	Mrs.Warawan	Nganthavee	1,124,960	1,124,960	-	0.44
	Spouse and minor children		-	-	-	-
4	Mr.Suthin	Tanpaibul	-	-	-	-
	Spouse and minor children		-	-	-	-
5	Dr.Bumroong	Chinda	-	-	-	-
	Spouse and minor children		-	-	-	-
6	Mr.Prawat	Chanruang	5,209,700	6,000,000	(790,300)	2.02
	Spouse and minor children		-	-	-	-
7	Mrs.Luckana	Srisod	-	-	-	-
	Spouse and minor children		-	-	-	-
8	Mr.Teerapong	Tanphaibul	1,000,000	-	1,000,000	0.39
	Spouse and minor children		-	-	-	-
9	Dr.Nonn	Panitvong	-	-	-	-
	Spouse and minor children		-	-	-	-
10	Mr. Suradej	Tanpaibul	5,500,000	5,500,000	-	2.13
	Spouse and minor children		-	-	-	-
11	Mr.Win	Panitvong	5,500,000	5,500,000	-	2.13
	Spouse and minor children		-	-	-	-



	Name	Shares held as of 31 December 2018	Shares held as of 31 December 2017	Percentage of shares held(%)
12	Mr. Niti Prathumtin	-	-	-
	Spouse and minor children	-	-	-
13	Mr. Taweekiate Therdpaophong	-	-	-
	Spouse and minor children	-	-	-
14	Mrs.Arome Sajjawisoe	-	-	-
	Spouse and minor children	-	-	-
15	Ms.Rapeepan Piboonsilp	-	-	-
	Spouse and minor children	-	-	-

In 2018, 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. The Board will review the vision mission and strategy of the company annually.



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

Five members who are Executive Directors, and six 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 in its 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		- <i>The role of Chairman (RCM)</i>	2007
		- <i>Director Accreditation Program (DAP)</i>	2003
Mr.Sutham Tanpaibul		- <i>The role of Chairman (RCM)</i>	2004
Mr.Prawat Chanruang		- <i>Role of the Compensation Committee</i>	2008
Mrs.Warawan Nganthavee		- <i>Board Nomination and Compensation Program (BNCP)</i>	2018
		- <i>Board & Director Performance and Evaluation</i>	2008
		- <i>Successful Formulation and Execution of Strategy</i>	2008
		- <i>Director Certification Program (DCP)</i>	2004
		- <i>Director Accreditation Program (DAP)</i>	2004
		- <i>Finance for Non-Finance Director (FN)</i>	2004
Mr.Suthin Tanpaibul		- <i>Director Certification Program (DCP)</i>	2003
Mr.Sribhumi Sukhanetr		- <i>Board Nomination and Compensation Program (BNCP)</i>	2018
		- <i>Director Forum</i>	2004
		- <i>Board Performance Evaluation</i>	2004
		- <i>CEO Performance Evaluation</i>	2004
		- <i>The role of Chairman (RCM)</i>	2003
		- <i>Finance for Non-Finance Director (FN)</i>	2003
		- <i>Director Certification Program (DCP)</i>	2002
Dr.Bumroong Chinda		- <i>Audit Committee Program (ACP)</i>	2008
		- <i>Director Certification Program (DCP)</i>	2002
		- <i>Finance for Non-Finance Director (FN)</i>	2002
Dr.Nonn Panitvong		- <i>Board Nomination and Compensation Program (BNCP)</i>	2018
		- <i>Director Certification Program (DCP)</i>	2012
Mr.Suradej Tanpaibul		- <i>Director Certification Program (DCP)</i>	2011
Mr.Win Panitvong		- <i>Director Certification Program (DCP)</i>	2011
Mrs.Luckana Srisod		- <i>Director Accreditation Program (DAP)</i>	2017
		- <i>Advanced Audit Committee Program (AACP)</i>	2017



Name	Program	Year
Mr.Teerapong Tanphaibul	- <i>Director Accreditation Program (DAP)</i>	2018

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, Srilerk 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 2018, 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 2018 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 2018 Million Baht	31 Dec 2017 Million Baht	Percentage of holding
TRADE ACCOUNT RECEIVABLE-RELATED PARTIES			
<u>Subsidiary company</u>			
- Ecomarine Co.,Ltd.	0.54	0.67	93.15
<u>Related company</u>			
- Seatran Ferry Co.,Ltd.	18.66	7.82	-
- Seatran Discovery Co.,Ltd.	0.05	-	-
- Seatran Line Co.,Ltd.	0.21	-	-
- Seatran Dockyard Co.,Ltd.	0.46	-	-
AMOUNTS DUE FROM RELATED PARTIES			
<u>Subsidiary company</u>			
- Asimar Marine Co.,Ltd.	0.98	4.55	99.90
- Ecomarine Co.,Ltd.	0.92	0.29	93.15
- General Marine Co.,Ltd.	0.007	0.007	99.99
UNBILLED COMPLETE CONSTRUCTION IN PROGRESS-RELATED PARTIES			
<u>Related company</u>			
- Seatran Ferry Co.,Ltd.	2.53	37.22	-
- Seatran Discovery Co.,Ltd.	-	0.02	-
TRADE ACCOUNTS PAYABLE-RELATED PARTIES			
<u>Subsidiary company</u>			
- Asimar Marine Co.,Ltd.	8.47	14.07	99.90
- Ecomarine Co.,Ltd.	0.009	0.01	93.15
<u>Related company</u>			
- Seatran Ferry Co.,Ltd.	0.29	1.03	-



	31 Dec 2018 Million Baht	31 Dec 2017 Million Baht	Percentage of holding
ACCRUED INTEREST-RELATED PARTIES			
<u>Subsidiary company</u>			
- Ecomarine Co.,Ltd.	0.01	-	93.15
- General Marine Co.,Ltd.	0.005	-	99.99
LONG-TERM LOANS-RELATED PARTIES			
<u>Subsidiary company</u>			
- Ecomarine Co.,Ltd.	9.00	-	93.15
- General Marine Co.,Ltd.	4.00	-	99.99

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	
	2018	2017
SUBSIDIARY COMPANY		
<u>Revenues</u>		
Ship building income	39.70	16.10
Ship repair income	0.20	0.30
Other income	1.70	1.80
<u>Expenses</u>		
Cost of services	31.60	32.70
Purchase material	0.10	2.00
Interest expense	0.30	-
RELATED COMPANY		
<u>Revenues</u>		
Ship repair income	55.40	56.90
Service income and sale	1.10	0.50
<u>Expenses</u>		
Service income and sale	-	1.30
Purchase material	0.20	-

Purchase material

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 be 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 Marine	Asimar Marine	Eco Marine	Seatran Ferry	Seatran Discovery	Seatran Line	Seatran Dockyard
1.	Mr.Prakit Pradipasen	X						
2.	Mrs.Warawan Nganthavee	X	X	X	X	X		
3.	Mr.Suthin Tanphaibul			X	X	X	X	
4.	Dr.Bumroong Chinda			X				
5.	Mr.Teerapong Tanphaibul				X	X	X	X
6.	Dr.Nonn Panitvong			X				
7.	Mr.Suradej Tanpaibul	X,XX	X,XX	X,XX				

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 2018 totaling Baht 1,035,000.00

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. Sribhumi Sukhanetr Chairman of Audit Committee
2. Dr. Bumroong Chinda Member, Audit Committee
3. Mrs. Luckana Srisod Member, Audit Committee

The Audit Committee appointed Mr. Suparerk Khotjiratkul, an independent external specialist responsible for internal auditing, as Secretary of the Audit Committee with no voting right, in order that the business of the Audit Committee can proceed with optimal efficiency.

The Audit Committee fully discharged its duties and responsibilities as prescribed in the Charter of the Audit Committee by the Company's Board of Directors.

In 2018, the Audit Committee held a total of 4 meetings in which the following substantive matters considered :

1. The Audit Committee invited the Managing Director, Finance and Accounting Manager, the Internal Auditor and the Company Auditor to provide explanation and clarity on a number of matters queried by the Committee, as well as for joint consultations regarding improvement of information disclosure to ensure accuracy and completeness disclosure of financial statements, internal control outcomes, findings regarding risk management, audit plans, recommendations on accounting standards and compliance with requirements of the regulatory authorities, as well as consideration and review of Letters of Representation from corporate management given to the Auditor.

2. The Audit Committee met with the Company Auditor, without the participation of corporate management to seek the Auditor's opinion regarding the quality of finance and accounting staff, progress report on projects with material impact on the Company's financial statements, problems or difficulties the Auditor experienced in the course of work, review account accrual balance, allowance for doubtful accounts, write offs and other account items which may have material impact on the Company's financial statements.

3. The Audit Committee reviewed and vetted related transactions and transactions which may conflict of interest based on reasonableness, transparency, and accurate and complete disclosure thereof in the Company's best interest.

4. The Audit Committee reviewed the Company's risk management from the corporate management team and the report by the Internal Audit Unit, rendering confidence that the Company's risk management has been efficient and effective in achieving the business operation targets.

5. The Audit Committee assigned the Internal Auditor to review the Company's compliance with legal and regulatory requirements on securities and securities exchange, the notifications of the Stock Exchange of Thailand and other relevant laws governing the Company's business, and report the findings to the Audit Committee.

6. For the purpose of ascertaining that the performance of external experts in internal control is efficient and effective in achieving the set objectives, the Audit Committee, in cooperation with relevant personnel, evaluated the performance of the Internal Auditor and found that such performance was satisfactory and decided to continue such service.



7. The Audit Committee prepared the minutes of meetings of the Audit Committee for submission to the Board of Directors meetings on a regular basis to inform the Board of the Committee's activities and opinions on different matters in a clear and straightforward manner.

8. In the selection of the Company's Auditor, the Audit Committee based its consideration on expertise, capabilities, experience, credibility and sufficient capacity in terms of personnel as well as the quality of the Company Auditor in the past year. In terms of remuneration of the Auditor, consideration was given to the scope of responsibilities and the rate of remuneration of other auditing firms.

The Audit Committee selected for nomination and proposed remuneration for the Company Auditor, choosing Dharmniti Auditing Co., Ltd. Result of the Committee's consideration was submitted to the Board of Directors for consideration and endorsement prior to being submitted to and approved by shareholders in the Annual General Meeting of 2018. Incidentally, this auditing firm does not provide any other service to the Company besides being the Company Auditor in 2018.

Finally, the Audit Committee is of the opinion that the Company's financial statements, report on transactions which may have conflict of interest, risk management, compliance, suitability of the Company Auditor, and its internal control processes are efficient and effective and conducted in accordance with good corporate governance principles.

Mr. Sribhumi Sukhanetr

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. Prawat Chanruang | Member, Nomination and Remuneration Committee |
| 3. Mr. Nonn Panitvong | 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 2018, the Nomination and Remuneration Committee met twice 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 2018", the Nomination and Remuneration Committee regards this as appropriate and such package has already been considered and approved by the Board of Directors.

A handwritten signature in black ink, appearing to read 'Sribhumi', with a horizontal line underneath.

Mr.Sribhumi Sukhanetr

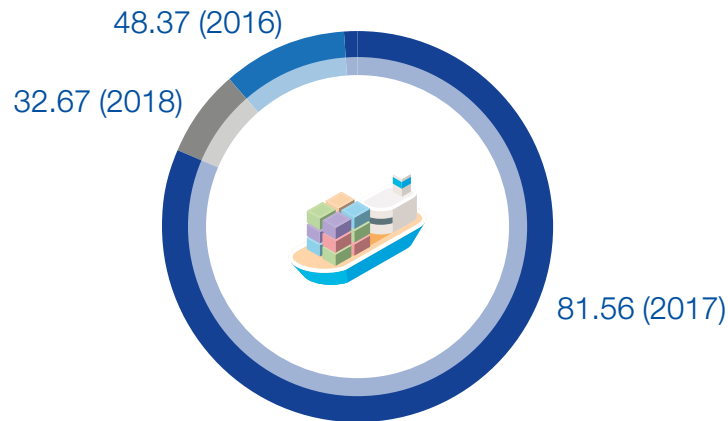
Chairman, Nomination and Remuneration Committee



PERFORMANCE IN 2018

NET PROFIT

Unit : Million Baht



SUMMARY OF FINANCIAL INFORMATION

Consolidated Financial Data

Unit: Thousand Baht

	2018	2017	2016
Total Assets	759,077	733,805	701,301
Total Liabilities	295,046	251,136	263,675
Shareholders' Equity	464,031	482,669	437,625
Revenue from services	516,134	691,483	599,610
Revenue from Ship Repair	420,785	401,881	311,702
Revenue from Shipbuilding	39,650	265,085	205,758
Subsidiary company income	55,699	24,517	82,150
Total Revenue	524,897	705,262	614,589
Gross Profit	165,804	247,105	178,016
Net Earning (Loss)	32,669	81,565	49,399

Financial Ratio

		2018	2017	2016
Net Profit Margin	(%)	6.22	11.57	7.87
Return on Equity	(%)	6.90	17.73	11.02
Return on Asset	(%)	4.38	11.37	7.86
Book Value per share	(Baht)	1.80	1.87	1.69
Earnings per share	(Baht)	0.13	0.32	0.19

Performance in 2018

The Company's operational performance in 2018 compared to the previous year saw a decline in revenue from services by THB 175.35 million or equivalent to 25.36 percent. The analyses of changes in revenue costs and expenses are as follows:



Revenue

Revenue from ship repairs accounted for THB 420.80 million, an increase of THB 18.70 million or 4.65 percent from the previous year, with the increase in 2018 attributable to the rise in revenue from ship repairs at the shipyard in Surat Thani and from the Project to repair 2 mine sweepers due for delivery in Quarter 1 of 2019.

Revenue from shipbuilding stood at THB 39.65 million, a decrease of THB 241.55 million from the previous year due to the fact that in 2018 the Company did not have any major shipbuilding projects of the same scale in value as in 2017 when the Company had income recognition from the project of the Ports Authority of Thailand to commission a tugboat with pulling capacity of 50 metric tons. In 2018, the Company only had projects to build 4 ecological vessels for government agencies, through its subsidiary, Ecomarine Co., Ltd., of which delivery was completed.

In 2018, the Company had additional revenue from engineering projects, namely steel structural works in the Project to Build the New Sadao Customs House in Songkhla Province, of which there was already 94 percent income recognition and due for completion in Q1 of 2019, and the steel structural work at Suvarnabhumi Airport Project, of which income recognition amounted to 52 percent and due for completion in Q2 of 2019.

Costs and Expenses

The Company's gross profit in 2018 declined from 2017 by 3.62 percent with contracting costs of THB 350.33 million, a decrease of THB 94.05 million compared to 2017, equivalent to 21.16 percent. The declining costs were due to better control and management of shipbuilding works rendering costs which were lower than budgeted. There were higher costs pertaining to ship repair work, however, as there were some government projects which had higher costs than the appropriated budget and the profit rate for government projects was normally lower than projects for private clients, rendering lower gross profit from ship repairs in 2018.

Meanwhile, selling expenses were THB 9.18 million, a decrease of THB 3.94 million, and administration expenses stood at THB 101.26 million, a decrease of THB 9.56 million or 8.63 percent, due to more efficient control over expending budget.

Financial cost amounted to THB 7.62 million, an increase of THB 1.29 million from 2017, resulting from interest on short-term loans for use in business.

All of these factors resulted in the Company's net profit in 2018 amounting to THB 32.67 million, a decrease when compared with net profit in 2017 of THB 81.57 million by THB 48.90 million, equivalent to a change of 59.95 percent.



Financial Statements

1. Assets

The Company's total assets amounted to THB 759.08 million, an increase of THB 25.27 million or 3.44 percent. Current assets increased by THB 11.97 million, equivalent to 5.09 percent, details of which are as follows:

1. Cash and cash equivalents decreased by THB 18.48 million or 30.45 percent due to cash payment for purchase of machinery and improvement of the dock front area to accommodate future projects in 2018.
2. Net trade account receivable increased by THB 4.45 million or 9.03 percent, mostly debts from ship repair works not yet due for payment, with debts of more than 12 months amounting to THB 10.35 million for which the Company had set full allowance for doubtful accounts.
3. Unbilled receivables increased by THB 22.67 million or 33.16 percent which is the increase in ship repair works in process amounting to THB 4.86 million and the steel structural works of the Suvarnabhumi Airport Project of THB 17.81 million not yet due for billing.
4. Inventory decreased by THB 6.53 million or 13.82 percent because in 2018 the Company did not yet have shipbuilding projects which required plans to order raw materials in advance.
5. Net property (land, building and equipment) increased by THB 17.12 million or 4.04 percent because in 2018, the Company improved another floating dock at a value of THB 4.98 million, purchased additional machinery and equipment (Tower Crane) amounting to THB 9.32 million as well as improving the dock front area accounting for THB 35.10 million to accommodate future projects, both ship repairs and shipbuilding.

2. Liabilities

Total liabilities of the Company amounted to 295.05 million, an increase of THB 43.91 million or 17.48 percent, significant details of which are as follows:

1. Overdrafts and short-term loans from financial institutions increased by THB 67.00 million as the Company had borrowed short-term loans from financial institutions for use as working capital.
2. Long-term loans from commercial banks increased by THB 28.32 million during 2018 due to the withdrawal of long-term loans amounting to THB 43.10 million, of which THB 35.10 million was for improvement of the front area of the dock and THB 8.00 million for improvement at Surat Thani shipyard.

3. Shareholders' Equity

Shareholders' equity stood at THB 464.03 million, decreasing by THB 18.64 million or 3.86 percent from 2017, due to a decline in total comprehensive income of THB 43.35 million and increased dividend payment of THB 20.66 million when dividend payment from operating Corporate results in the year 2017 in the amount of THB 51.50 million was deducted.



4. Liquidity

The Group's current ratio stood at 1.40 times, decreasing from 1.56 times in 2017 due to increased current liabilities of THB 11.97 million over current assets resulting from an increase in trade accounts receivable, unbilled income—mostly from the Sadao Customs House Project and the Suvarnabhumi Airport Project, which were waiting for scheduled billing. Meanwhile, there were increased current liabilities amounting to THB 24.84 million from the increase in short-term loans and long-term loans due within one year.

Gross profit margin in 2018 was 32.12 percent, decreasing from the previous year, due to the decline in shipbuilding revenue and certain ship repair projects commissioned by government agencies had higher costs than earlier estimated.

- Cash flow from operating activities in 2018 amounted to THB 1.55 million, a decrease of THB 116.39 million from 2017 with the main item that resulted in the decrease in cash flow coming from the decrease in net profit and total payment of all trust receipts amounting to THB 28.46 million.
- Cash flow for investment activities amounted to THB 54.90 million, down from 2017 by THB 3.34 million, as in 2017 the Company had investment in purchasing fixed assets amounting to THB 54.66 million, namely the purchase of machinery and equipment (Tower Crane), improvement of the dock-front area at corporate headquarters and improvement of the shipyard in Surat Thani to support and develop efficiency in operational work and business operations.
- Net cash from funding activities amounted to THB 35.09 million because the Company borrowed short-term loans from financial institutions in the amount of THB 87.00 million, and long-term loans of THB 43.10 million for use as working capital, repaid THB 14.79 million in long-term loans and paid dividend to shareholders amounting to THB 51.50 million.

Debt to equity ratio stood at 0.64 times, increasing from 0.52 times in 2017, because the Company had increased short-term and long-term loans and shareholders' equity declined due to the net profit of only THB 32.67 million in 2018, a decrease from 2017 by THB 48.90 million or 59.95 percent.

Profitability ratio decreased compared to 2017 with net profit margin of 6.22, down from 11.57, while the interest coverage ratio was 2.15 times of which the decrease was due to the decline of net profit in 2018, as well as increased financial cost from interest on short-term loans secured as the Company's working capital. Nevertheless, the Company was still able to pay on debts in full and on time.



5. Capital Source

In 2018, the Company had total liabilities amounting to THB 295.05 million, increasing by THB 43.91 million, comprising current liabilities of THB 175.83 million and non-current liabilities of THB 119.22 million. The increase in current liabilities this year was due mainly to interest-bearing liabilities, namely the increase by THB 8.72 million in long-term loans due within one year. While the increase of THB 19.07 million in non-current liabilities resulted from long-term loans for the purpose of investment in assets and improvement of the dockyard areas at both corporate head office and at the Surat Thani branch.

Shareholders' equity consisted of paid capital of THB 258.29 million, allocated retained earnings of THB 25.83 million-because in 2018 the Company did not further allocate its profit as reserve funds as its legal obligation in this regard had been fulfilled, unallocated retained earnings of THB 177.95 million, a decrease due to the net profit of only THB 32.67 million as well as dividend payment of THB 51.50 million from the 2017 operating results.

Return on assets (ROA) was 4.38, down from 11.37 in 2017. The Company had an increase in assets of THB 25.27 million and a decrease in profit of THB 48.90 million. The Company had lower ability to use its assets to generate income due to the fact that most of the additional assets were either under construction or installed but not yet operable, being due for completion in 2019.

In 2018, the company achieved scores of customer satisfaction by the standard score is 90 points as follows.

No	Month	Score (%)
1	January	91.66
2	February	92.92
3	March	94.81
4	April	90.12
5	May	95.95
6	June	95.55
7	July	94.74
8	August	94.89
9	September	92.67
10	October	94.21
11	November	94.71
12	December	91.90
Total		93.68



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 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.

A stylized, handwritten signature in black ink, consisting of several loops and curves.

Mr. Prakit Pradipasen
Chairman

A stylized, handwritten signature in blue ink, featuring a prominent horizontal stroke and several loops.

Mr. Suradej Tanpibul
Chief Executive officer



INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated financial statements of Asian Marine Services Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, 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 notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Asian Marine Services Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Asian Marine Services Public Company Limited and its subsidiaries as at December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Asian Marine Services Public Company Limited as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

**Revenue recognition from shipbuilding and ship repairing**

The Company's main business operations are shipbuilding and ship repairing. The Company has recognized the revenue from providing services on shipbuilding and ship repairing by the percentage of completion method. It is based on the judgment and experience of the engineer as a basis in the estimation of work completion if such work is being done as at the financial reporting preparation. However, the company has the control to make reasonable judgments and the completion of work to consider the revenue recognition must not exceed the actual cost of the operation. As the income account is a significant transaction to the financial statements as a whole. As at December 31, 2018, the Company has earned the revenue from shipbuilding and ship repairing amounting to Baht 502.21 million (Separate financial statements). I have paid special attention in the recognition of revenue from shipbuilding and ship repairing.

Risk response by auditor

Regarding my audit approach, I have audited and assessed the appropriateness of preparing the percentage of completion by the engineer, comparing the work completion with the actual cost and the observing of the work progress of the construction in progress. I have paid attention to the valuation and the adequacy of the disclosure of information related to the revenue from shipbuilding and ship repairing. The disclosure of information related to the revenue from service employment is stated in Note 7 in the notes to the financial statements. I have applied such audit approach and reach a conclusion that the Company has appropriately recognized its revenue.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

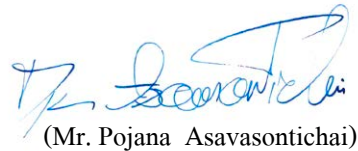
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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



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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Pojana Asavasontichai.



(Mr. Pojana Asavasontichai)

Certified Public Accountant

Registration No. 4891

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 15, 2019



STATEMENTS OF FINANCIAL POSITION

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents		42,209,014	60,694,350	20,694,291	31,062,213
Trade accounts receivable	6				
Related parties	5, 6	19,383,404	7,822,283	19,543,618	8,429,002
Unrelated parties		44,669,018	51,847,502	44,501,453	51,552,364
Less: Allowance for doubtful accounts		(10,355,908)	(10,420,863)	(10,355,908)	(10,420,863)
Total trade accounts receivable	6	53,696,514	49,248,922	53,689,163	49,560,503
Unbilled complete construction in progress					
Related parties	5	2,527,682	37,246,531	2,527,682	37,246,531
Unrelated parties		88,517,119	31,123,461	88,517,119	31,123,461
Total unbilled complete construction in progress	7	91,044,801	68,369,992	91,044,801	68,369,992
Other receivables - related parties	5	-	-	197,331	4,848,579
Other receivables - unrelated parties	32	7,463,890	-	7,463,890	-
Inventories	8	40,724,762	47,250,513	40,358,631	46,758,856
Other current assets					
Advance payment for purchase of goods		180,563	3,197,511	180,563	3,197,511
Others		11,612,997	6,200,060	9,037,464	6,417,810
Total current assets		246,932,541	234,961,348	222,666,134	210,215,464
Non-current assets					
Investments in subsidiaries for under the cost method	9	-	-	26,882,479	26,882,479
Property, plant and equipment	10	440,586,764	423,465,620	439,542,253	422,250,883
Leasehold right of land and building	11	24,845,719	25,913,594	24,845,719	25,913,594
Intangible assets	12	11,877,589	12,970,779	11,877,589	12,970,779
Deferred tax assets	14	10,682,270	12,677,760	10,438,133	12,458,874
Withholding tax deducted at source	15	10,699,592	9,942,895	8,878,968	7,982,489
Other non-current assets	13	13,452,769	13,873,260	13,452,769	13,873,260
Total non-current assets		512,144,703	498,843,908	535,917,910	522,332,358
Total assets		759,077,244	733,805,256	758,584,044	732,547,822

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, 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	16	87,000,000	20,000,000	87,000,000	20,000,000
Trust receipts payable	16	-	28,460,018	-	28,460,018
Trade accounts payable					
Related parties	5	291,575	1,029,875	8,499,998	15,116,962
Unrelated parties		33,763,168	41,150,062	32,843,609	40,047,335
Total trade accounts payable		34,054,743	42,179,937	41,343,607	55,164,297
Accrued construction cost		277,714	261,555	277,714	261,555
Warranty provisions	17	1,157,461	10,179,758	1,157,461	10,179,758
Current portion of liabilities under financial					
lease agreement		809,895	1,026,735	809,895	1,026,735
Current portion of long term loans from bank	18	20,598,120	11,881,320	20,598,120	11,881,320
Other current liabilities					
Accrued expenses	5	17,832,431	16,588,540	16,538,179	15,611,594
Accrued corporate income tax		311,669	7,193,627	-	7,019,930
Others		13,785,452	13,212,973	11,760,167	11,994,937
Total current liabilities		175,827,485	150,984,463	179,485,143	161,600,144
Non-current liabilities					
Liabilities under financial lease					
agreement - net of current portion		631,931	1,441,825	631,931	1,441,826
Long - term loans - related parties	5	-	-	13,000,000	-
Long - term loans from bank	18	107,856,265	88,259,985	107,856,265	88,259,985
Employee benefit obligations	19	10,730,353	10,450,079	9,504,660	9,351,851
Total non-current liabilities		119,218,549	100,151,889	130,992,856	99,053,662
Total liabilities		295,046,034	251,136,352	310,477,999	260,653,806

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, 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered share capital					
(258,291,110 ordinary shares of Baht 1 each)		258,291,110	258,291,110	258,291,110	258,291,110
Issued and paid-up share capital					
(258,291,087 ordinary shares of Baht 1 each)		258,291,087	258,291,087	258,291,087	258,291,087
Retained earnings					
Appropriated					
Statutory reserve	20	25,829,111	25,829,111	25,829,111	25,829,111
Unappropriated		177,948,008	196,984,291	163,985,847	187,773,818
Equity attributable to the parent company's shareholders		462,068,206	481,104,489	448,106,045	471,894,016
Non-controlling interests		1,963,004	1,564,415	-	-
Total shareholders' equity		464,031,210	482,668,904	448,106,045	471,894,016
Total liabilities and shareholders' equity		759,077,244	733,805,256	758,584,044	732,547,822

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



STATEMENTS OF COMPREHENSIVE INCOME

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues					
Service income		516,134,017	691,482,971	502,210,123	683,325,398
Other income		8,762,694	13,778,586	9,853,932	14,704,256
Total revenues		524,896,711	705,261,557	512,064,055	698,029,654
Expenses					
Cost of services		350,330,260	444,378,249	353,257,815	448,649,590
Selling expenses		9,176,585	13,112,618	9,148,716	13,018,386
Administrative expenses		101,256,288	110,820,462	92,030,361	101,958,132
Loss on impairment of other non-current assets	13	129,941	10,394,330	129,941	10,394,330
Management remuneration	5	16,089,542	19,780,584	16,089,542	19,780,584
Finance costs		7,621,403	6,328,427	7,880,462	6,308,462
Total expenses		484,604,019	604,814,670	478,536,837	600,109,484
Income before tax expense (income)		40,292,692	100,446,887	33,527,218	97,920,170
Tax expense (income)	14	7,225,387	18,812,454	5,609,160	18,390,918
Profit for the year		33,067,305	81,634,433	27,918,058	79,529,252
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial losses from defined employee benefit plans					
- net of income tax		46,842	5,595,697	47,872	5,280,839
Total comprehensive income for the year		33,020,463	76,038,736	27,870,186	74,248,413
Profit attributable to :					
Parent company's shareholders		32,668,709	81,565,369	27,918,058	79,529,252
Non-controlling interests		398,596	69,064	-	-
		33,067,305	81,634,433	27,918,058	79,529,252
Total comprehensive income attributable to :					
Parent company's shareholders		32,621,874	75,971,675	27,870,186	74,248,413
Non-controlling interests		398,589	67,061	-	-
		33,020,463	76,038,736	27,870,186	74,248,413
Earnings per share	21				
Profit for the year of parent company's shareholders		32,668,709	81,565,369	27,918,058	79,529,252
Weighted average number of ordinary shares (Shares)		258,291,087	258,291,087	258,291,087	258,291,087
Basic earnings per share for the year (Baht per share)		0.13	0.32	0.11	0.31

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, 2018

(Unit: Baht)

	Consolidated financial statements				
	Common shareholders			Non-controlling interests	Total
	Issued and paid up share capital	Appropriated- statutory reserve	Retained earnings Unappropriated		
Beginning balance, as at January 1, 2017	258,291,087	25,829,111	152,007,523	1,497,354	437,625,075
Total comprehensive income for the year 2017	-	-	75,971,675	67,061	76,038,736
Dividend paid	-	-	(30,994,907)	-	(30,994,907)
Ending balance, as at December 31, 2017	258,291,087	25,829,111	196,984,291	1,564,415	482,668,904
Total comprehensive income for the year 2018	-	-	32,621,874	398,589	33,020,463
Dividend paid	-	-	(51,658,157)	-	(51,658,157)
Ending balance, as at December 31, 2018	258,291,087	25,829,111	177,948,008	1,963,004	464,031,210

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, 2018

Separate financial statements					(Unit: Baht)
	Issued and paid-up share capital	Retained earnings		Total	
		Appropriated - statutory reserve	Unappropriated		
Beginning balance, as at January 1, 2017	258,291,087	25,829,111	144,520,312	428,640,510	
Total comprehensive income for the year 2017	-	-	74,248,413	74,248,413	
Dividend paid	-	-	(30,994,907)	(30,994,907)	
Ending balance, as at December 31, 2017	258,291,087	25,829,111	187,773,818	471,894,016	
Total comprehensive income for the year 2018	-	-	27,870,186	27,870,186	
Dividend paid	-	-	(51,658,157)	(51,658,157)	
Ending balance, as at December 31, 2018	258,291,087	25,829,111	163,985,847	448,106,045	

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, 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit for the year	33,067,305	81,634,433	27,918,058	79,529,252
Adjustments to reconcile net profit for the year to net cash provided by (paid from) operating activities: -				
Allowance for doubtful accounts	(6,000)	(5,500)	(6,000)	(5,500)
Stock obsolescence (decrease)	(1,079,606)	1,313,443	(1,079,606)	1,313,443
Depreciation and amortization	39,020,496	38,839,380	38,703,398	38,502,760
Loss (gain) on sale of fixed assets	(136,178)	1,339,639	(133,270)	1,351,819
Loss on fixed assets write-off	1,425,053	2,234,637	1,029,191	2,152,602
Loss on impairment of other non-current asset	129,941	10,394,330	129,941	10,394,330
Warranty provisions	1,200,000	11,200,000	1,200,000	11,200,000
Warranty provisions (reversal)	(4,938,376)	(1,064,530)	(4,938,376)	(865,786)
Unrealized foreign exchange loss (gain)	223,282	(83,649)	223,282	(83,649)
Employee benefits obligations	1,286,915	1,344,730	1,158,399	1,252,620
Interest income	(97,163)	(548,561)	(65,811)	(113,421)
Interest expenses	7,349,495	5,954,123	7,635,777	5,954,121
Income tax expenses	7,225,387	18,812,454	5,609,160	18,390,918
Income from operating activities before changes in operating assets and liabilities	84,670,551	171,364,929	77,384,143	168,973,509
Decrease (increase) in operating assets				
Trade accounts receivable	(4,441,052)	(16,936,420)	(4,122,120)	(15,948,001)
Installment receivable for ship repair				
Unbilled income	(22,674,809)	25,547,252	(22,674,809)	25,914,791
Other receivables - related parties	-	62,060	4,651,248	(2,930,350)
Other receivables - unrelated parties	(7,463,890)	-	(7,463,890)	-
Inventories	7,605,357	(24,542,831)	7,479,831	(24,340,421)
Advance payment for purchase of goods	3,016,948	14,703,342	3,016,948	14,703,342
Other current assets	(5,412,925)	(4,326,199)	(2,619,642)	(4,511,019)
Other non-current assets	290,550	4,730,827	290,550	3,730,827

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, 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Increase (decrease) in operating liabilities				
Increase (decrease) in trust receipts payable	(28,460,018)	(24,693,602)	(28,460,018)	(24,693,602)
Trade accounts payable	(8,125,194)	(3,310,144)	(13,836,700)	(411,359)
Accrued cost of construction	16,159	(2,165,625)	16,159	(2,165,625)
Advance received from customers	-	(11,186,348)	-	(11,186,348)
Other current liabilities	1,734,941	7,466,269	610,386	9,009,416
Cash received (paid) from operating activities	20,756,618	136,713,510	14,272,086	136,145,160
Cash received from interest income	367,423	552,054	65,799	113,421
Corporate income taxes paid	(21,928,155)	(16,586,265)	(19,475,349)	(15,274,497)
Cash refund from withholding tax refunded	8,701,242	1,701,144	8,006,482	-
Warranty provisions paid	(5,283,921)	(1,418,531)	(5,283,921)	(1,418,531)
Employee benefit obligations paid	(1,065,430)	(3,025,370)	(1,065,430)	(3,025,370)
Net cash from (used in) operating activities	1,547,777	117,936,542	(3,480,333)	116,540,183
Cash flows from investing activities				
(Increase) decrease in fixed deposit	-	2,947,290	-	2,947,290
Cash paid for purchase of fixed assets	(54,657,225)	(61,437,291)	(54,504,900)	(61,313,649)
Proceeds from sale of fixed assets	280,454	252,803	273,653	222,043
Received for dividened in subsidiary	(522,370)	-	(522,370)	-
Net cash from (used in) investing activities	(54,899,141)	(58,237,198)	(54,753,617)	(58,144,316)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	67,000,000	10,000,000	67,000,000	10,000,000
Repayment of hire-purchase payable	(1,026,735)	(2,937,122)	(1,026,735)	(2,937,121)
Received for long - term loans - related paties	-	-	15,780,000	-
Repayment for long - term loans - related paties	-	-	(2,780,000)	-
Repayment for long - term loans from bank	43,100,000	-	43,100,000	-
Repayment of long - term loans to bank	(14,786,920)	(6,430,440)	(14,786,920)	(6,430,440)
Dividend paid	(51,499,468)	(30,873,961)	(51,499,468)	(30,873,961)
Interest paid	(7,697,027)	(5,803,823)	(7,697,027)	(5,803,820)
	35,089,850	(36,045,346)	48,089,850	(36,045,342)

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, 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net cash from (used in) financing activities	(18,261,514)	23,653,998	(10,144,100)	22,350,525
Unrealized gain (loss) on exchange rate				
from deposit in foreign currency	(223,822)	143,770	(223,822)	143,770
Cash and cash equivalents at the beginning of the year	60,694,350	36,896,582	31,062,213	8,567,918
Cash and cash equivalents at the end of the year	42,209,014	60,694,350	20,694,291	31,062,213
Supplemental disclosure of cash flows information: -				
1. Cash and cash equivalents consisted of: -				
Cash on hand	214,823	226,766	179,823	191,766
Cash at bank - Savings account	38,137,808	53,290,994	17,666,797	24,704,220
- Current account	3,797,865	7,102,787	2,789,153	6,092,424
Fixed deposit 3 months or less	58,518	73,803	58,518	73,803
	42,209,014	60,694,350	20,694,291	31,062,213
2. Non-cash items consisted of :-				
Purchase of fixed assets by mean of financial				
lease agreement	-	3,550,000	-	3,550,000

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



NOTES TO FINANCIAL STATEMENTS

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2018

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 shipbuilding 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, 2018 and 2017, the numbers of employees of the Company and its subsidiaries approximate 486 persons and 469 persons, respectively. (Separate financial statements : 325 persons and 329 persons, respectively)

The staff costs for the year 2018 and 2017 amounted to Baht 117.7 million and Baht 120.2 million, respectively (Separate financial statements : Baht 87.5 million and Baht 100.1 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 the financial reporting standards. 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 The financial reporting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets



TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics



TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Company and its subsidiaries evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

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	
		2018	2017	2018	2017	2018	2017
		Percent	Percent	Percent	Percent	Percent	Percent
General Marine Co., Ltd.	Agent of machinery and equipment for marine service	100	100	0.74	0.88	0.13	0.62
Asimar Marine Co., Ltd.	Subcontractor of ship repair	100	100	1.60	2.20	6.03	4.64
Eco Marine Co., Ltd.	Pollution control and environmental management services	93	93	4.22	3.33	10.29	3.26

- The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.
- Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.



4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

The Company recognized service income by the percentage of completion method based on the assessment of completion of 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.

The subsidiaries on an 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
Permission	6	years



4.12 Other Non-current Assets

Other Non-current Assets 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 in other comprehensive income.

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 20% 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.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Company offsets deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

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.

Other non-current assets

The management has set the provisions on allowance for impairment in other non-current assets from the deterioration of assets. The assumptions are based on a period of time and considered the adjustment of the appraised value of assets using the replacement - cost method.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.



Provisions from the work guarantee

The management has set the provisions on the work guarantee from the damage that may arise. It is applied for the shipbuilding project that has been delivered by using the basis of cost expected to be paid according to the provisions determined by the engineers of the Company.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

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. 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.

Transactions with subsidiaries (being eliminated from the consolidated financial statement)	Million Baht		Pricing Policy
	2018	2017	
Shipbuilding income	39.7	16.1	Based on each subcontractor work order
Ship repair income	0.2	0.3	Price close to that charged to ordinary customers
Other income	1.7	1.8	Supervisor fee and office service fee amounted to Baht 7,000-50,000 per month and rental fee for storage room amounted to Baht 1,500 per month and supplies were sold at cost plus margin 3 - 10% and service income at cost plus margin 20%
Cost of services	31.6	32.7	Baht 300 - 450 per day per person and agreed upon basis
Purchase material	0.1	2.0	Cost plus margin 10-150%
Interest expense	0.3	-	Interest rate 1.45%
Transactions with related parties			
Ship repair income	55.4	56.9	Price close to that charged to ordinary customers
Service income and sales	1.1	0.5	Price close to that charged to ordinary customers
Cost of service	-	1.3	Based on each subcontractor work order
Purchase material	0.2	-	Cost plus margin 10%



The outstanding balances as at December 31, 2018 and 2017 between the Company and the related companies are as follows:

		(Unit: Baht)			
	Relationship	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<u>Trade accounts receivable - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	539,558	673,273
Seatran Ferry Co., Ltd.	Common directors	18,663,604	7,822,283	18,284,260	7,755,729
Seatran Discovery Co., Ltd.	Common directors	53,500	-	53,500	-
Seatran Line Co., Ltd.	Common directors	208,350	-	208,350	-
Seatran Dockyard Co., Ltd.	Common directors	457,950	-	457,950	-
		<u>19,383,404</u>	<u>7,822,283</u>	<u>19,543,618</u>	<u>8,429,002</u>
<u>Unbilled complete construction in progress</u>					
Seatran Ferry Co., Ltd.	Common directors	2,527,682	37,221,672	2,527,682	37,221,672
Seatran Discovery Co., Ltd.	Common directors	-	24,859	-	24,859
		<u>2,527,682</u>	<u>37,246,531</u>	<u>2,527,682</u>	<u>37,246,531</u>
<u>Amounts due from related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	91,771	288,445
Asimar Marine Co., Ltd.	Subsidiary	-	-	98,560	4,553,134
General Marine Co., Ltd.	Subsidiary	-	-	7,000	7,000
		<u>-</u>	<u>-</u>	<u>197,331</u>	<u>4,848,579</u>
<u>Trade accounts payable - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	9,437	14,740
Asimar Marine Co., Ltd.	Subsidiary	-	-	8,474,551	14,072,347
Seatran Ferry Co., Ltd.	Common directors	291,575	1,029,875	-	1,029,875
		<u>291,575</u>	<u>1,029,875</u>	<u>8,483,988</u>	<u>15,116,962</u>
<u>Accrued interest - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	11,084	-
General Marine Co., Ltd.	Subsidiary	-	-	4,926	-
		<u>-</u>	<u>-</u>	<u>16,010</u>	<u>-</u>
		<u>291,575</u>	<u>1,029,875</u>	<u>8,499,998</u>	<u>15,116,962</u>
<u>Long-term loans - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	9,000,000	-
General Marine Co., Ltd.	Subsidiary	-	-	4,000,000	-
		<u>-</u>	<u>-</u>	<u>13,000,000</u>	<u>-</u>

As at December 31, 2018, the Company has the long-term loan with two subsidiaries at the total amount of Baht 13 million with the interest rate of 1.45% per annum. The loan repayment is due by September 30, 2020.



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 years ended December 31, 2018 and 2017 are as follow;

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	15,957,534	19,580,423	15,957,534	19,580,423
Post employee benefits	132,008	200,161	132,008	200,161
Total	16,089,542	19,780,584	16,089,542	19,780,584

6. TRADE ACCOUNTS RECEIVABLE

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Trade accounts receivable - related parties</u>				
Trade accounts receivable - ship repair	19,004,061	7,755,729	19,043,618	7,929,002
Trade accounts receivable - other	-	-	500,000	500,000
Trade accounts receivable - service	379,343	66,554	-	-
Total	19,383,404	7,822,283	19,543,618	8,429,002
<u>Trade accounts receivable - unrelated parties</u>				
Trade accounts receivable - ship repair	36,960,201	43,954,700	36,960,201	43,954,700
Trade accounts receivable - ship building	7,541,252	7,597,664	7,541,252	7,597,664
Trade accounts receivable - service	167,565	295,138	-	-
Total	44,669,018	51,847,502	44,501,453	51,552,364
Less: Allowance for doubtful accounts	(10,355,908)	(10,420,863)	(10,355,908)	(10,420,863)
Net	34,313,110	41,426,639	34,145,545	41,131,501
Total trade accounts receivable - net	53,696,514	49,248,922	53,689,163	49,560,503



The agings of the outstanding balances of trade accounts receivable as at December 31, 2018 and 2017, as classified by due dates, are as follows:

			(Unit: Baht)	
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Age of receivables				
Undue	22,483,462	12,643,585	22,045,437	12,323,623
Not over 3 months	26,322,991	35,535,278	26,253,665	35,666,821
Over 3 months to 6 months	4,745,561	1,070,059	4,745,561	1,070,059
Over 6 months to 12 months	144,500	-	144,500	500,000
Over 12 months	10,355,908	10,420,863	10,855,908	10,420,863
Total	64,052,422	59,669,785	64,045,071	59,981,366
Less: Allowance for doubtful accounts	(10,355,908)	(10,420,863)	(10,355,908)	(10,420,863)
Net	53,696,514	49,248,922	53,689,163	49,560,503

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

			(Unit: Baht)	
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Beginning balance	(10,420,863)	(11,233,005)	(10,420,863)	(11,233,005)
Doubtful debt recovered	6,000	5,500	6,000	5,500
(Increase) decrease of allowance	58,955	806,642	58,955	806,642
Ending Balance	(10,355,908)	(10,420,863)	(10,355,908)	(10,420,863)

The Company have long time outstanding balances of trade accounts receivable, consisting of 7 debtors as at December 31, 2018 totaling Baht 10.9 million. (As at December 31, 2017 : Baht 10.4 million of 6 debtors). The Company have set aside an allowance for doubtful accounts in amount of approximately Baht 10.4 million (As at December 31, 2017 : Baht 10.4 million). These accounts are under a follow-up by the company.

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

			(Unit : Baht)	
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Revenue recognized in the years - Shipbuilding	-	265,084,801	39,650,000	281,184,801
- Ship repair	420,551,512	401,881,198	420,785,461	402,140,597
- Service	94,951,570	22,726,252	41,774,662	-
- Sale equipment for marine service	630,935	1,790,720	-	-



	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Aggregate amount of cost incurred and recognized profit	-	470,843,000	39,650,000	486,943,000
Unbilled complete construction in progress for - Ship repair	73,234,047	68,369,992	73,234,047	68,369,992
- Service	17,810,754	-	17,810,754	-
	91,044,801	68,369,992	91,044,801	68,369,992

8. INVENTORIES

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Raw materials	35,765,839	43,971,565	35,573,520	43,666,300
Work in process	6,084,898	5,484,529	5,911,086	5,298,137
Total	41,850,737	49,456,094	41,484,606	48,964,437
Less : Allowance for stock obsolescence	(1,125,975)	(2,205,581)	(1,125,975)	(2,205,581)
Net	40,724,762	47,250,513	40,358,631	46,758,856

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

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Beginning balance	(2,205,581)	(892,138)	(2,205,581)	(892,138)
Increase	-	(1,313,443)	-	(1,313,443)
Decrease	1,079,606	-	1,079,606	-
Ending balance	(1,125,975)	(2,205,581)	(1,125,975)	(2,205,581)

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Reversal of the decline in value of inventory for the year ended	1,079,606	-	1,079,606	-



9. INVESTMENTS IN SUBSIDIARIES FOR UNDER THE COST METHOD

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Baht)

Company's name	Consolidated financial statements							
	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2018	2017	2018	2017	2018	2017	2018	2017
	(Million Baht)	(Million Baht)	(Percent)	(Percent)				
<u>Investments in subsidiaries</u>								
General Marine Co., Ltd.	10.0	10.0	100	100	10,000,000	10,000,000	5,561,289	6,556,598
<u>Less</u> Allowance for impairment					(5,115,021)	(5,115,021)	-	-
					4,884,979	4,884,979	5,561,289	6,556,598
Asimar Marine Co., Ltd.	5.0	5.0	100	100	4,998,200	4,998,200	8,586,289	8,472,782
Eco marine Co., Ltd.	18.25	18.25	93	93	16,999,300	16,999,300	26,693,987	21,273,760
Total					26,882,479	26,882,479	40,841,565	36,303,140

10. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

	Consolidated financial statements						
	Book value	Transactions					Book value
	as at December	Additions	Deduction	Transferred in	Transferred out	Transferred to	as at December
	31, 2017					Expense	31, 2018
<u>Cost</u>							
Land	86,081,287	-	-	-	-	-	86,081,287
Floating dockyards	301,657,896	-	-	4,981,216	-	-	306,639,112
Building, building improvement and other constructions	297,897,679	105,000	-	1,165,369	-	-	299,168,048
Machinery and equipment	202,655,614	2,993,063	(3,095,542)	11,110,985	-	-	213,664,120
Furnitures and fixtures	28,641,899	1,030,204	(406,439)	-	-	-	29,265,664
Vehicles	43,853,503	36,156	(769,000)	-	-	-	43,120,659
Construction in progress	25,428,766	50,492,802	-	-	(17,257,570)	(1,053,184)	57,610,814
Total	986,216,644	54,657,225	(4,270,981)	17,257,570	(17,257,570)	(1,053,184)	1,035,549,704
<u>Less</u> Accumulated depreciation							
Floating dockyards	(183,671,571)	(7,671,652)	-	-	-	-	(191,343,223)
Building, building improvement and other constructions	(175,990,248)	(13,330,037)	-	-	-	-	(189,320,285)
Machinery and equipment	(142,601,007)	(11,971,470)	2,961,470	-	-	-	(151,611,007)
Furnitures and fixtures	(24,372,592)	(1,852,053)	394,677	-	-	-	(25,829,968)
Vehicles	(36,115,606)	(1,511,849)	768,998	-	-	-	(36,858,457)
Total	(562,751,024)	(36,337,061)	4,125,145	-	-	-	(594,962,940)
Equipment, net	423,465,620						440,586,764



(Unit : Baht)

Consolidated financial statements							
	Book value	Transactions					Book value
	as at December	Additions	Deduction	Transferred in	Transferred out	Transferred to	as at December
	31, 2016					Expense	31, 2017
Cost							
Land	86,081,287	-	-	-	-	-	86,081,287
Floating dockyards	285,464,591	-	-	16,193,305	-	-	301,657,896
Building, building improvement and other constructions	286,727,114	61,500	(5,211,252)	16,320,317	-	-	297,897,679
Machinery and equipment	178,165,370	3,677,950	(3,343,406)	24,155,700	-	-	202,655,614
Furnitures and fixtures	27,299,735	1,500,937	(158,773)	-	-	-	28,641,899
Vehicles	39,910,001	3,690,000	-	253,502	-	-	43,853,503
Construction in progress	27,768,597	56,056,904	-	19,615	(56,922,824)	(1,493,526)	25,428,766
Total	931,416,695	64,987,291	(8,713,431)	56,942,439	(56,922,824)	(1,493,526)	986,216,644
Less: Accumulated depreciation							
Floating dockyards	(177,216,540)	(6,455,031)	-	-	-	-	(183,671,571)
Building, building improvement and other constructions	(166,792,471)	(12,882,547)	3,684,770	-	-	-	(175,990,248)
Machinery and equipment	(132,222,765)	(13,657,252)	3,279,010	-	-	-	(142,601,007)
Furnitures and fixtures	(22,667,585)	(1,862,216)	157,209	-	-	-	(24,372,592)
Vehicles	(34,620,173)	(1,495,433)	-	-	-	-	(36,115,606)
Total	(533,519,534)	(36,352,479)	7,120,989	-	-	-	(562,751,024)
Equipment, net	397,897,161						423,465,620
Depreciation for the year							
2018 (Baht 24.42 million included in cost of services, and the rest in administrative expenses)							36,337,061
2017 (Baht 24.64 million included in cost of services, and the rest in administrative expenses)							36,352,479

(Unit : Baht)

Separate financial statements							
	Book value	Transactions					Book value
	as at December	Additions	Deduction	Transferred in	Transferred out	Transferred to	as at December
	31, 2017					Expense	31, 2018
Cost							
Land	86,081,287	-	-	-	-	-	86,081,287
Floating dockyards	301,657,896	-	-	4,981,216	-	-	306,639,112
Building, building improvement and other constructions	274,772,041	105,000	-	1,165,369	-	-	276,042,410
Machinery and equipment	201,327,022	2,933,863	(2,980,980)	11,110,985	-	-	212,390,890
Furnitures and fixtures	28,117,036	1,017,937	(361,660)	-	-	-	28,773,313
Vehicles	24,014,403	2,701	(769,000)	-	-	-	23,248,104
Construction in progress	25,476,170	50,445,399	-	-	(17,257,570)	(1,053,184)	57,610,815
Total	941,445,855	54,504,900	(4,111,640)	17,257,570	(17,257,570)	(1,053,184)	990,785,931
Less: Accumulated depreciation							
Floating dockyards	(183,671,571)	(7,671,652)	-	-	-	-	(191,343,223)
Building, building improvement and other constructions	(152,864,620)	(13,330,037)	-	-	-	-	(166,194,657)
Machinery and equipment	(141,479,915)	(11,848,426)	2,848,689	-	-	-	(150,479,652)
Furnitures and fixtures	(23,900,813)	(1,827,446)	353,570	-	-	-	(25,374,689)
Vehicles	(17,278,053)	(1,342,402)	768,998	-	-	-	(17,851,457)
Total	(519,194,972)	(36,019,963)	3,971,257	-	-	-	(551,243,678)
Equipment, net	422,250,883						439,542,253



								(Unit : Baht)
Separate financial statements								
	Book value as at December 31, 2016	Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	Book value as at December 31, 2017	
<u>Cost</u>								
Land	86,081,287	-	-	-	-	-	86,081,287	
Floating dockyards	285,464,591	-	-	16,193,305	-	-	301,657,896	
Building, building improvement and other constructions	263,601,476	61,500	(5,211,252)	16,320,317	-	-	274,772,041	
Machinery and equipment	176,298,481	3,563,349	(2,690,508)	24,155,700	-	-	201,327,022	
Furnitures and fixtures	26,683,578	1,496,937	(63,479)	-	-	-	28,117,036	
Vehicles	20,324,403	3,690,000	-	-	-	-	24,014,403	
Construction in progress	27,567,540	56,051,863	-	19,615	(56,669,322)	(1,493,526)	25,476,170	
Total	886,021,356	64,863,649	(7,965,239)	56,688,937	(56,669,322)	(1,493,526)	941,445,855	
<u>Less</u>								
Accumulated depreciation								
Floating dockyards	(177,216,540)	(6,455,031)	-	-	-	-	(183,671,571)	
Building, building improvement and other constructions	(143,666,843)	(12,882,547)	3,684,770	-	-	-	(152,864,620)	
Machinery and equipment	(130,565,717)	(13,558,857)	2,644,659	-	-	-	(141,479,915)	
Furnitures and fixtures	(22,139,103)	(1,823,658)	61,948	-	-	-	(23,900,813)	
Vehicles	(15,982,287)	(1,295,766)	-	-	-	-	(17,278,053)	
Total	(489,570,490)	(36,015,859)	6,391,377	-	-	-	(519,194,972)	
Equipment, net	396,450,866						422,250,883	
Depreciation for the year								
2018 (Baht 24.29 million included in cost of services, and the rest in administrative expenses)							36,019,963	
2017 (Baht 24.54 million included in cost of services, and the rest in administrative expenses)							36,015,859	

As at December 31, 2018 and 2017, the Company capitalizes borrowing cost as the cost of construction amount of Baht 1.0 million and Baht 0.1 million respectively (interest rate of 4.35% per annum)

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 11). As at December 31, 2018, cost value and book value of those assets were Baht 188.9 million and Baht 48.1 million, respectively. (The Company only : Baht 165.8 million and Baht 48.1 million, respectively).

As at December 31, 2018 and 2017, the Company has mortgaged two floating dockyards, with a total net book value, of Baht 115.3 million and Baht 118 million, respectively, and land and construction thereon with a total net book value of Baht 133.9 million and 136.5 million, respectively, and machinery, with a net book value of Baht 0.1 million and Baht 0.1 million, respectively to secure credit facilities and loans obtained from financial institutions. (See note 16 and 18)

As at December 31, 2018 and 2017, the subsidiary has mortgaged two ships, with a total net book value of Baht 0.03 million ,to secure credit facilities and loans obtained from financial institutions. (See note 16)

As at December 31, 2018 and 2017 motor vehicles of Company with a total net book value of Baht 4.3 million and Baht 5.4 million, respectively were under financial lease agreements with leasing companies.



As at December 31, 2018 and 2017 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 465.3 million and Baht 417.9 million, respectively. (The Company Only: As at December 31, 2018 and 2017, Baht 414.7 million and Baht 367.4 million, respectively).

11. LEASEHOLD RIGHT OF LAND AND BUILDING

	(Unit : Baht)		
	Consolidated financial statements/Separate financial statements		
	Book value as at December 31, 2017	Amortization	Book value as at December 31, 2018
Leasehold right of land and building (30 years)	32,036,250	-	32,036,250
Less Accumulated amortization	(6,122,656)	(1,067,875)	(7,190,531)
Net book value	25,913,594		24,845,719

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.

As at December 31, 2018, the Company has the obligation to pay the outstanding rent as follows:

	(Unit: Baht)
Payable within	Consolidated financial statements/ Separate financial statements
1 year	1,687,210
1 to 5 years	7,255,000
Thereafter 5 years	44,562,420
Total	53,504,630



On August 23, 2018, Treasury Department Samutprakan has issued a letter requesting the Company to pay the rent, rental fees and additional damages in case of building construction and structures without permission, damages from demolition of buildings and structures under the original lease agreement and in case of taking the royal property to seek the benefits without permission at the total amount of Baht 222.17 million.

Later on September 12, 2018, the Company has issued a letter of objection to the collection of rent, rental fees and compensation in such amount. The significant reason is the land and buildings lease agreement that is legitimate from the Ministry of Finance. It is carried out according to the resolution of the state property No. 1/2012 as well as informing the rental rate, rental fees and other conditions. The Company has considered and agreed to enter into the lease agreement and always pay the rent and follow the agreement correctly. Therefore, this claim is not in the terms of the agreement. In addition, the various claims for damages is a matter between Ministry of Finance and the lease parties during that time (The Agricultural Co-operative Federation of Thailand). The Company, with such facts, has not recorded rental fees and additional fees according to the request from Treasury Department in the financial statements as at December 31, 2018.

12. INTANGIBLE ASSETS

Consolidated financial statements							(Unit : Baht)
	Book value as at December 31, 2017	Transactions				Transferred to Expense	Book value as at December 31, 2018
		Additions	Deduction	Transferred in	Transferred out		
Cost							
Know – how for use in building							
pollution control ships	4,806,653	-	-	-	-	-	4,806,653
Copy-right ship blue print	1,025,000	-	-	2,626,170	-	-	3,651,170
Software	21,179,379	58,300	-	-	-	-	21,237,679
Permission	-	464,070	-	-	-	-	464,070
Copy-right ship blue print in progress	2,626,170	-	-	-	(2,626,170)	-	-
Total	29,637,202	522,370	-	2,626,170	(2,626,170)	-	30,159,572
Less Accumulated amortization							
Know – how for use in building							
pollution control ships	(4,806,653)	-	-	-	-	-	(4,806,653)
Copy-right ship blue print	(470,096)	(249,278)	-	-	-	-	(719,374)
Software	(11,389,674)	(1,321,570)	-	-	-	-	(12,711,244)
Permission	-	(44,712)	-	-	-	-	(44,712)
Total	(16,666,423)	(1,615,560)	-	-	-	-	(18,281,983)
Net book value	12,970,779						11,877,589



(Unit : Baht)

Consolidated financial statements							
	Book value	Transactions					Book value
	as at December					Transferred to	as at December
	31, 2016	Additions	Deduction	Transferred in	Transferred out	Expense	31, 2017
<u>Cost</u>							
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	21,179,379	-	-	-	-	-	21,179,379
Software in progress	604,615	-	-	-	(19,615)	(585,000)	-
Copy-right ship blue print in Progress	2,626,170	-	-	-	-	-	2,626,170
Total	30,241,817	-	-	-	(19,615)	(585,000)	29,637,202
<u>Less Accumulated amortization</u>							
Know – how for use in building							
pollution control ships	(4,806,653)	-	-	-	-	-	(4,806,653)
Copy-right ship blue print	(367,596)	(102,500)	-	-	-	-	(470,096)
Software	(10,073,148)	(1,316,526)	-	-	-	-	(11,389,674)
Total	(15,247,397)	(1,419,026)	-	-	-	-	(16,666,423)
Net book value	14,994,420						12,970,779
Amortization for the year							
2018							1,615,560
2017							1,419,026

(Unit : Baht)

Separate financial statements							
	Book value	Transactions					Book value
	as at December					Transferred to	as at December
	31, 2017	Additions	Deduction	Transferred in	Transferred out	Expense	31, 2018
<u>Cost</u>							
Copy - right ship blue print	1,025,000	-	-	2,626,170	-	-	3,651,170
Software	21,179,379	58,300	-	-	-	-	21,237,679
Permission	-	464,070	-	-	-	-	464,070
Copy - right ship blue print in progress	2,626,170	-	-	-	(2,626,170)	-	-
Total	24,830,549	522,370	-	2,626,170	(2,626,170)	-	25,352,919
<u>Less Accumulated amortization</u>							
Copy - right ship blue print	(470,096)	(249,278)	-	-	-	-	(719,374)
Software	(11,389,674)	(1,321,570)	-	-	-	-	(12,711,244)
Permission	-	(44,712)	-	-	-	-	(44,712)
Total	(11,859,770)	(1,615,560)	-	-	-	-	(13,475,330)
Net book value	12,970,779						11,877,589



							(Unit : Baht)
Separate financial statements							
	Book value	Transactions					Book value
	As at December	Transferred to					As at December
	31, 2016	Additions	Deduction	Transferred in	Transferred out	Expense	31, 2017
Cost							
Copy-right ship blue print	1,025,000	-	-	-	-	-	1,025,000
Software	21,179,379	-	-	-	-	-	21,179,379
Software in progress	604,615	-	-	-	(19,615)	(585,000)	-
Copy-right ship blue print in progress	2,626,170	-	-	-	-	-	2,626,170
Total	25,435,164	-	-	-	(19,615)	(585,000)	24,830,549
Less Accumulated amortization							
Copy-right ship blue print	(367,596)	(102,500)	-	-	-	-	(470,096)
Software	(10,073,148)	(1,316,526)	-	-	-	-	(11,389,674)
Total	(10,440,744)	(1,419,026)	-	-	-	-	(11,859,770)
Net book value	14,994,420						12,970,779
Amortization for the year							
2018							1,165,560
2017							1,419,026

As at December 31, 2018 and 2017 certain software items of the Company have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 8 million.

13. OTHER NON-CURRENT ASSETS

In 2009, the Company amended the condition of debt payment with a local ship repair account receivable by receiving the ownership transfer in the vessel as a security of Baht 43 million 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, which the ship should be modified to suit the commercial use to propose to the person who wants to buy it. For the years 2018 and 2017, the Company has considered to record the impairment of asset by condition of such ship in the amount of Baht 0.13 million and Baht 10.39 million, respectively.

Movements of the other non-current assets account for the years ended December 31, 2018 and 2017 are summarized as follows.

				(Unit : Baht)
Consolidated financial statements		Separate financial statements		
2018	2017	2018	2017	
Value of ship	43,000,000	43,000,000	43,000,000	43,000,000
Less Allowance for impairment	(34,400,941)	(34,271,000)	(34,400,941)	(34,271,000)
Net book value	8,599,059	8,729,000	8,599,059	8,729,000
Other non-current assets	4,853,710	5,144,260	4,853,710	5,144,260
Total other non-current assets	13,452,769	13,873,260	13,452,769	13,873,260



The movements of allowance for impairment during the years were as follows :-

	(Unit : Baht)	
	Consolidated financial statements/ Separate financial statements	
	2018	2017
Beginning balance	34,271,000	23,876,670
Increase	129,941	10,394,330
Ending balance	34,400,941	34,271,000

The Company has set the provisions on allowance for impairment of other non-current assets from the deteriorated of assets. It is applied by the assumption according to the length of time together with the appraisal fair value of the assets by market approach method less selling cost. In 2017, the value of the assets has been adjusted based on the appraised value by the replacement - cost method amounted Baht 8.73 million. In 2018, the Company has applied the impairment method according to remaining useful life of ship and the independent appraiser does not allows to evaluate the residual value.

14. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

14.1 Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2018 are summarized as follows:

	(Unit:Baht)		
	Consolidated financial statements		
	Balance as at	Revenue (expenses) during the year	Balance as at
	Dec. 31, 2017	In profit or loss	Dec. 31, 2018
		In other comprehensive income	
Deferred tax assets:			
Inventories	441,116	(215,921)	-
Assets held for sale	6,854,200	25,988	-
Property, plant and equipment	402,290	(97,071)	-
Intangible assets	80,591	(50,496)	-
Employee benefit obligations	2,089,256	43,865	11,948
Warranty provisions	2,035,952	(1,804,460)	-
Operating lease	774,355	90,657	-
Total	12,677,760	(2,007,438)	11,948



(Unit: Baht)

	Separate financial statements		
	Balance as at	Revenue (expenses) during the year	Balance as at
	Dec. 31, 2017	In profit or loss	Dec. 31, 2018
		In other comprehensive income	
Deferred tax assets:			
Inventories	441,116	(215,921)	225,195
Assets held for sale	6,854,200	25,988	6,880,188
Property, plant and equipment	402,290	(97,071)	305,219
Intangible assets	80,591	(50,496)	30,095
Employee benefit obligations	1,870,370	18,594	1,900,932
Warranty provisions	2,035,952	(1,804,460)	231,492
Operating lease	774,355	90,657	865,012
Total	12,458,874	(2,032,709)	10,438,133

14.2 Tax expense (income)

14.2.1 Major components of tax expense (income) for the year ended December 31, 2018 and 2017

consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	5,217,949	22,748,265	3,576,451	22,294,427
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	2,007,438	(3,935,811)	2,032,709	(3,903,509)
Total	7,225,387	18,812,454	5,609,160	18,390,918
Income tax relating to components of other comprehensive income :				
Deferred tax relating to actuarial losses from defined employee benefit plans	11,948	1,397,980	11,968	1,320,210
Total	11,948	1,397,980	11,968	1,320,210



14.2.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2018 and 2017 as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit (loss) for the year	40,292,692	100,446,887	33,527,218	97,920,170
Add loss from subsidiary	866,900	-	-	-
Total	41,159,592	100,446,887	33,527,218	97,920,170
The applicable tax rate (%)	20	20	20	20
Tax expense (income) at the applicable tax rate	8,231,918	20,089,377	6,705,444	19,584,034
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	215,876	148,072	93,015	107,925
- Expenses which is deductible increasing from actual payment	(1,222,407)	(1,424,995)	(1,189,299)	(1,301,041)
Total reconciliation items	(1,006,531)	(1,276,923)	(1,096,284)	(1,193,116)
Total tax expense (income)	7,225,387	18,812,454	5,609,160	18,390,918

14.2.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2018 and 2017 are summarized as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	41,159,592		100,446,887	
Tax expense (income) at the applicable tax rate	8,231,918	20.00	20,089,377	20.00
Reconciliation items	(1,006,531)	(2.45)	(1,276,923)	(1.27)
Tax expense (income) at the average effective tax rate	7,225,387	17.55	18,812,454	18.73

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	33,527,218		97,920,170	
Tax expense (income) at the applicable tax rate	6,705,444	20	19,584,034	20.00
Reconciliation items	(1,096,284)	(3.27)	(1,193,116)	(1.22)
Tax expense (income) at the average effective tax rate	5,609,160	16.73	18,390,918	18.78



15. WITHHOLDING TAX DEDUCTED AT SOURCE

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Year 2016	-	7,982,489	-	7,982,489
Year 2017	-	1,960,406	-	-
Year 2018	10,699,592	-	8,878,968	-
Total	10,699,592	9,942,895	8,878,968	7,982,489

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.

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

(Unit: Baht)

	Interest rate Percent per annum		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
Short - term loans from financial institutions	4.25 - 4.30	5.42	87,000,000	20,000,000	87,000,000	20,000,000
Total			87,000,000	20,000,000	87,000,000	20,000,000
Trust receipts	-	4.30	-	28,460,018	-	28,460,018

As at December 31, 2018 and 2017, the Company has bank overdraft facilities amounted to approximately Baht 38 million, short-term loans Baht 160 million and trust receipt Baht 110 million, secured by the mortgage of the Company's two floating dockyards and land and construction thereon.

As at December 31, 2018 and 2017, the subsidiaries has bank overdraft facilities amounted to approximately Baht 2 million and short-term loans Baht 10 million, secured by the mortgage of the subsidiary's two ships and secured by parent company.



17. PROVISION FOR WARRANTY UNDER CONTRACT

The Company has set a provision for product warranty against any loss or damage that might occur for the ship building project delivery. The warranty upon management criteria and experience.

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance, beginning of the year	10,179,758	1,462,819	10,179,758	1,264,075
<u>Add</u> Addition during the year	1,200,000	11,200,000	1,200,000	11,200,000
<u>Less</u> Payment during the year	(5,283,921)	(1,418,531)	(5,283,921)	(1,418,531)
Reversal	(4,938,376)	(1,064,530)	(4,938,376)	(865,786)
Balance, ending of the year	<u>1,157,461</u>	<u>10,179,758</u>	<u>1,157,461</u>	<u>10,179,758</u>

In 2018 and 2017, the Company has set the provisions from the work guarantee amounting to Baht 1.20 million and Baht 11.2 million ,respectively, according to the estimated from the engineers.

18. LONG-TERM LOANS FROM BANK

Long-term loan consisted of:

(Unit : Baht)

	Consolidated financial statements/ Separate financial statements	
	2018	2017
Loan from local commercial bank	<u>128,454,385</u>	<u>100,141,305</u>
Total long-term loans	128,454,385	100,141,305
<u>Less</u> Current portion	<u>(20,598,120)</u>	<u>(11,881,320)</u>
Long-term loans from bank-net	<u>107,856,265</u>	<u>88,259,985</u>

As at December 31, 2018 and 2017, the Company entered into two long-term loan agreements with the bank at the amount of Baht 125 million and Baht 72 million.

First agreement : Long-term loan amounted Baht 125 million divided into 2 parts as follows:

Loan for land and construction thereon amounted 105 million, MLR-2.00 per annum, 108 installments with Baht 0.98 million per installment, first installment will repay on the final business date of 13th month from the first withdrawal date from bank and finish within 120 months from the first withdrawal month.

Loan for shipyard maintenance amounted 20 million, MLR-2.25 per annum, 48 installments with Baht 0.42 million per installment, first installment will repay on the final business date of 13th month from the first withdrawal date from bank and finish within 60 months from the first withdrawal month.

Such long-term loan are guaranteed by land and construction thereon (See note 10).



Second agreement : Long-term loan amounted Baht 160 million for harbor improvement as follows:

- Month No. 1-36, MLR-1.90 per annum
- Month No. 37-60 MLR-1.65 per annum
- Month No. 61-120 MLR-1.40 per annum

Later on December 26, 2017, the Company has reduced some parts of loan amount according to the credit agreement by the loan agreement from the bank is totaled Baht 72 million.

The total repayments are 108 installments, the first installment will be made on the final business date of 13th month from the first withdrawal installment from bank and finish within 120 months from the first withdrawal month under the repayment conditions as follows :

- Installment no. 1: Repay the loan principal not less than Baht 1.49 million
- Installment no. 2- 13: Repay the loan principal Baht 10,110 each
- Installment no. 14-107: Repay the loan principal Baht 736,510 each
- Installment no. 108: Agree to pay equal to the outstanding amount of principal loan and interest under the loan agreement completely

Such long-term loan is guaranteed by a floating dockyards (See note 10).

Other significant practice according to agreement

The Company has to comply with the conditions as specified in the loan agreement on significant matters such as the Company has not to take the loan for other purposes except specified in the agreement and has not transfer, sell, rent, dispose or coursing any encumbrance to assets and debt obligations or burden by loan or guarantee any persons. As a result, the ratio of total liabilities to shareholders' equity is more than 1.3:1. However, it must not be less than zero. The Company agrees to hold the ratio of the ability to repay debt at the ratio of not less than 1.5 times.

19. EMPLOYEE BENEFIT OBLIGATIONS

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Employee benefit obligations, balance forward	10,450,079	5,137,042	9,351,851	4,523,552
Current cost of service	1,015,007	970,426	913,713	898,279
Interest in the year	271,908	374,304	244,686	354,341
Actuarial losses from defined				
employee benefit plans	58,789	6,993,677	59,840	6,601,049
Employee benefit paid in the year	(1,065,430)	(3,025,370)	(1,065,430)	(3,025,370)
Employee benefit obligations, ending forward	10,730,353	10,450,079	9,504,660	9,351,851

(Unit : Baht)



Assumptions in the estimates based on the actuarial principles

	Percentage			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.39 - 3.06	2.39 - 3.06	2.72	2.81
Salary increase rate	3.00 - 6.00	3.00 - 6.00	5	5
Employee turnover rate	1.91 - 68.76	1.91 - 68.76	8.60 - 34.38	8.60 - 34.38
Mortality rate (Of thai mortality table 2017)	105	105	105	105

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018 are summarized below:

	Increase (decrease) (% p.a.)	(Unit: Thousand Baht)			
		Consolidate financial statements		Separate financial statements	
		increase	decrease	increase	decrease
Discount rate	1	(9.44)	11.32	(8.30)	9.99
Salary increase rate	2	12.62	(8.52)	11.16	(7.48)
Turnover rate	40	(7.20)	15.57	(6.22)	13.98
Mortality rate	40	(10.05)	10.58	(8.85)	9.33

Employee benefits obligations

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. When the labour law comes into force, the Company and its subsidiaries will recognize the increase in the employee benefits obligations approximately Baht 2.42 million, resulting in the decrease in profit approximately Baht 1.94 million. (The Company only : Baht 2.21 million and Baht 1.77 million, respectively).



20. 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.

21. 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	
	2018	2017	2018	2017
Profit for the years (Baht)	32,668,709	81,565,369	27,918,058	79,529,252
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)	0.13	0.32	0.11	0.31

22. EXPENSE BY NATURE

Significant expenses by nature are as follows :

	(Unit : Baht)			
	For the year ended December 31			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Raw material and consumable used	167,017,592	237,704,980	166,075,334	237,330,408
Change in material and work in process	7,605,357	(24,542,831)	7,479,831	(24,340,421)
Depreciation and amortization	39,020,496	38,839,380	38,703,398	38,502,760
Employee benefit cost	117,784,225	120,256,409	87,503,482	100,065,436
Employee benefit after retired	1,015,006	970,426	913,713	898,279

23. 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 years ended December 31, 2018 and 2017 of the Company and its subsidiaries by operating segments.

(Unit: Million Baht)

Consolidated financial statements										
For the year ended December 31,										
	Ship repairing segment		Ship building segment		Other segments		Elimination of inter-segment revenues		Consolidation	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from external customers	420.6	401.9	-	265.1	95.6	24.5	-	-	516.2	691.5
Inter-segment revenues	0.2	0.2	39.7	16.1	31.7	34.6	(71.6)	(50.9)	-	-
Total revenues	420.8	402.1	39.7	281.2	127.3	59.1	(71.6)	(50.9)	516.2	691.5
Segment income (loss)	124.8	129.8	23.3	109.3	17.7	8.0	-	-	165.8	247.1
Unallocated income and expenses:										
Interest income									0.4	0.5
Other income									8.4	13.2
Selling and administrative expenses									(126.7)	(154.1)
Finance costs									(7.6)	(6.3)
Income taxes expense									(7.2)	(18.8)
Profit (loss) for the year									33.1	81.6
Property, plant and equipment - net									440.6	423.4
Intangible assets									11.9	12.9
Leasehold right									24.8	26.0
Unallocated assets									281.8	271.5
Total assets									759.1	733.8

24. 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 2018 and 2017 amount totaling Baht 4.5 million and Baht 4.2 million, respectively, (the Company only : Baht 4.2 Million and Baht 4.0 million, respectively).

25. 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, 2018 and 2017, the Company's debt-to-equity ratio was 0.69 : 1 and 0.55 : 1, respectively.



26. DIVIDEND

YEAR 2018

At the Annual General Meeting of the shareholders held on April 5, 2018, it had the resolution to approve the dividend payment for the 2017 earnings in cash at the rate of Baht 0.20 per share, totaling Baht 51.66 million, payment on 2 May, 2018

YEAR 2017

At the Annual General Meeting of the Shareholders held on April 4, 2017 it had the resolution to approve the dividend payment for the 2016 earnings in cash at the rate of Baht 0.12 per share, totaling Baht 30.99 million, payment on May 2, 2017

27. PRIVILEGES AND BENEFITS UNDER INVESTMENT PROMOTION

The Company has received several tax privileges according to the Investment Promotion Act B.E. 2520 approved on April 26, 2018, with the Promotional Certificate No. 61-0481-1-04-1-0 for improving the production efficiency to reduce the impact on the environment. It can be summarized as follows:

1. To approve a promoted person shall be grant permission to bring into the Country who are skilled workers or experts, spouses and dependents of persons in both types and in such numbers and for such periods of time as the Board may deem appropriate even in excess of such quotas or period of time permitted to stay in the Country approved by the Board for the period of permitted stay in the Country.
2. To exempt import duties for the machineries under the Board approved.
3. To exempt the juristic income tax on the net profit derived from the promoted activity altogether not over 50 percent of the investment amount in order to improve the production efficiency excluding cost of land and working capital for a period of 3 years from the date income is first derived from such activity.
4. To exempt the dividends derived from a promoted activity that is granted an exemption of juristic person income tax under section 31 from computation of taxable income.
5. To approve a promoted person to take out or remit abroad money in foreign currency.



28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2018 and 2017 are as follows:

	(Unit : Baht)				
	Consolidated financial statements				
	Balance	Cash flows	Non-cash transaction		Balance
	as at January	Increase	Increase	Acquisition of	as at December
	1, 2018	(decrease)*		subsidiary	31, 2018
				on translation	
				of financial	
Short-term borrowings from financial institutions	20,000,000	67,000,000	-	-	87,000,000
Long-term borrowings from financial institutions	100,141,305	28,313,080	-	-	128,454,385
Liabilities under a finance lease agreement	2,468,561	(1,026,735)	-	-	1,441,826
Total	122,609,866	94,286,345	-	-	216,896,211

	(Unit : Baht)				
	Consolidated financial statements				
	Balance	Cash flows	Non-cash transaction		Balance
	as at January	Increase	Increase	Acquisition of	as at December
	1, 2017	(decrease)*		subsidiary	31, 2017
				on translation	
				of financial	
Short-term borrowings from financial institutions	10,000,000	10,000,000	-	-	20,000,000
Long-term borrowings from financial institutions	106,571,745	(6,430,440)	-	-	100,141,305
Liabilities under a finance lease agreement	1,855,682	(2,937,121)	3,550,000	-	2,468,561
Total	118,427,427	632,439	3,550,000	-	122,609,866

	(Unit : Baht)				
	Separate financial statements				
	Balance	Cash flows	Non-cash transaction		Balance
	as at January	Increase	Increase	Acquisition of	as at December
	1, 2018	(decrease)*		subsidiary	31, 2018
Short-term borrowings from financial institutions	20,000,000	67,000,000	-	-	87,000,000
Long-term borrowings from financial institutions	100,141,305	28,313,080	-	-	128,454,385
Long-term borrowings from related - parties	-	13,000,000	-	-	13,000,000
Liabilities under a finance lease agreement	2,468,561	(1,026,735)	-	-	1,441,826
Total	122,609,866	107,286,345	-	-	229,896,211

	(Unit : Baht)				
	Separate financial statements				
	Balance	Cash flows	Non-cash transaction		Balance
	as at January	Increase	Increase	Acquisition of	as at December
	1, 2017	(decrease)*		subsidiary	31, 2017
Short-term borrowings from financial institutions	10,000,000	10,000,000	-	-	20,000,000
Long-term borrowings from financial institutions	106,571,745	(6,430,440)	-	-	100,141,305
Liabilities under a finance lease agreement	1,855,682	(2,937,121)	3,550,000	-	2,468,561
Total	118,427,427	632,439	3,550,000	-	122,609,866

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.



29. COMMITMENTS AND CONTINGENT LIABILITIES

29.1 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 other services agreements.

Future minimum rentals payable under these leases as at December 31, 2018 are as follows:

(Unit: Million Baht)

Payable within	Consolidated financial statements	Separate financial statements
1 year	4.41	4.41
1 to 5 years	10.56	10.56
Thereafter 5 years	44.56	44.56
Total	59.53	59.53

29.2 Commitments relating to ship building and ship repairing contracts

As at December 31, 2018 the Company has undelivered related to unrendered ship building and ship repair contracts to be paid for another Baht 13.38 million.

29.3 Commitments for purchase goods

As at December 31, 2018, the Company has outstanding commitments on the contracts to purchase machinery and equipment for ship repair of Baht 1.47 million.

29.4 Commitments relating to Construction Contract

As at December 31, 2018, the Company has commitments related to construction work of the harbor to be paid for another Baht 3.47 million.

29.5 Guarantees

As at December 31, 2018 there were outstanding bank guarantees of approximately Baht 27.89 million (The Company Only : Baht 22.94 million) which have been issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the ordinary course of business of the Company and its subsidiaries.

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

As at December 31, 2018 The Company's credit facilities and loans obtained from banks at the amount of Baht 505 million and have been secured by the mortgage of the Company's two floating dockyard and land and construction thereon.

As at December 31, 2018 The subsidiary's credit facilities and loans obtained from banks at the amount of Baht 12 million and have been secured by the mortgage of the subsidiary's two ships and secured by parent company.



30. FINANCIAL INSTRUMENTS

30.1 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.

30.1.1 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.

30.1.2 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, 2018 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-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
	(Million Baht)						
Financial assets							
Cash and cash equivalent	-	-	-	38.20	4.01	42.21	0 - 0.375
	-	-	-	38.20	4.01	42.21	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	-	-	-	87.0	-	87.0	4.25 - 4.30
	-	-	-	87.0	-	87.0	



30.1.3 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, 2018 are summarized below.

Foreign currency	Financial assets	Financial liabilities	exchange rate as at December 31, 2018
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	0.26	-	32.2848 (Buying rate)

30.2 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.

31. THE NEWLY ISSUED AND REVISED FINANCIAL REPORTING STANDARDS AND EFFECTIVE IN THE FUTURE

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

These newly issued and revised financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2019 are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases



TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease



TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

Newly financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Company and its subsidiaries believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

**32. OTHER RECEIVABLES – NON-RELATED PARTIES**

In 2018, the Company had the works in steel structure installation, warehouse and passenger terminal in the new Sadao customs building project, Songkhla province. The Company has hired a construction contractor at the hiring limit of Baht 3.24 million but the contractor cannot finish work as agreed, On November 8, 2018, the Company entered into the memorandum with 2 contractor and subcontractor to be jointly responsible for the costs incurred by the Company entering into the work replaced the contractor's work until the project will be finished. However, the contractor entered into the debt settlement memorandum in February 2019 in order to take such damages incurred to deduct with the contract wages for installation construction of steel structure of Suvarnabhumi Airport expansion project. The Company has considered to record the transaction as other receivables in the financial statements as at December 31, 2018 amount of Baht 7.46 million.

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Directors on February 15, 2019.



บริษัท เอเชียน มารีน เซอร์วิส จำกัด (มหาชน)
 128 หมู่ 3 ถนน สุขสวัสดิ์ ตำบล แหลมฟ้าผ่า
 อำเภอ พระสมุทรเจดีย์ จังหวัด สมุทรปราการ 10290
 โทร : (662) 815-2060-7 โทรสาร : (662) 453-7214

Asian Marine Services Public Company Limited

128 Moo 3 Suksawad Rd., Laemfapa,
 Prasamutjedee, Samutprakan, 10290, Thailand
 Tel: (662) 815-2060-7 Fax: (662) 453-7214

Website: www.asimar.com