



Annual Report **2019**

PRIMA MARINE PUBLIC COMPANY LIMITED



PRIMA MARINE
PUBLIC COMPANY LIMITED

Total vessel

44

vessels

Revenue from
rendering of services

5,346.7

Million Baht

Net profit

1,122.5

Million Baht

LEADER
SHIPS BUSINESS
IN THAILAND



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Definitions

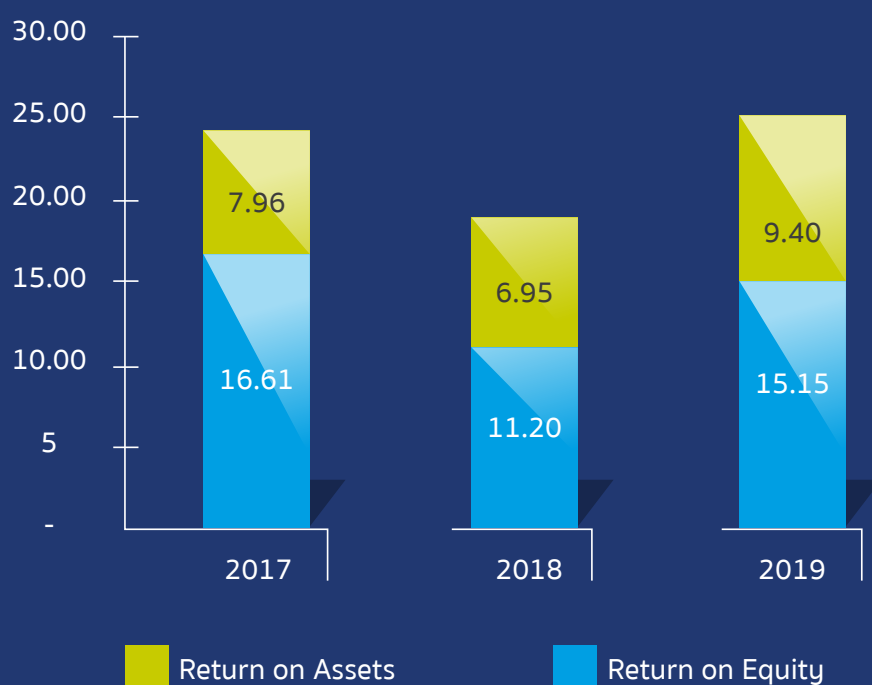
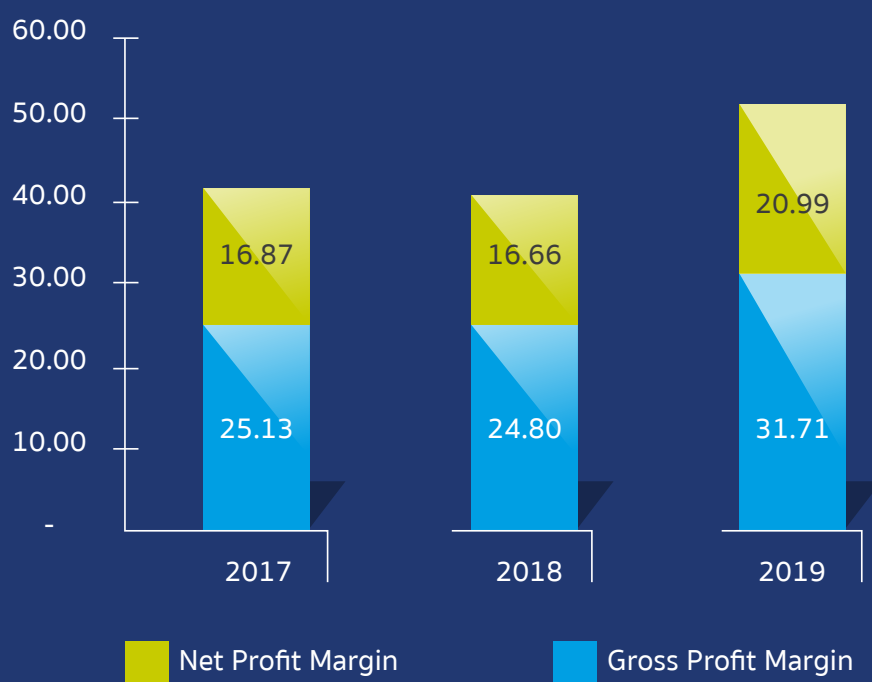
Financial Highlights

Statement of comprehensive income	Separate Financial Statements			Consolidated Financial Statements		
(Unit : Million Baht)	2017	2018	2019	2017	2018	2019
Revenue from rendering of services	2,038.74	1,744.56	1,798.27	4,501.00	4,479.72	5,346.66
Gross profit	510.27	351.68	430.28	1,131.22	1,111.16	1,695.49
EBITDA	1,403.38	608.61	921.86	1,636.46	1,474.38	2,097.82
Profit for the year	1,083.25	382.26	610.28	759.11	746.42	1,122.49
Basic earnings per share	0.50	0.15	0.24	0.33	0.28	0.41

Statement of financial position	Separate Financial Statements			Consolidated Financial Statements		
(Unit : Million Baht)	2017	2018	2019	2017	2018	2019
Total assets	7,304.17	6,855.76	8,892.26	10,678.67	10,814.82	13,063.00
Total liabilities	1,388.94	805.36	2,731.59	4,431.96	3,844.35	5,783.16
Total equity	5,915.23	6,050.40	6,160.68	6,246.71	6,970.47	7,279.84
Authorized share capital	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Issued and paid-up share capital	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00

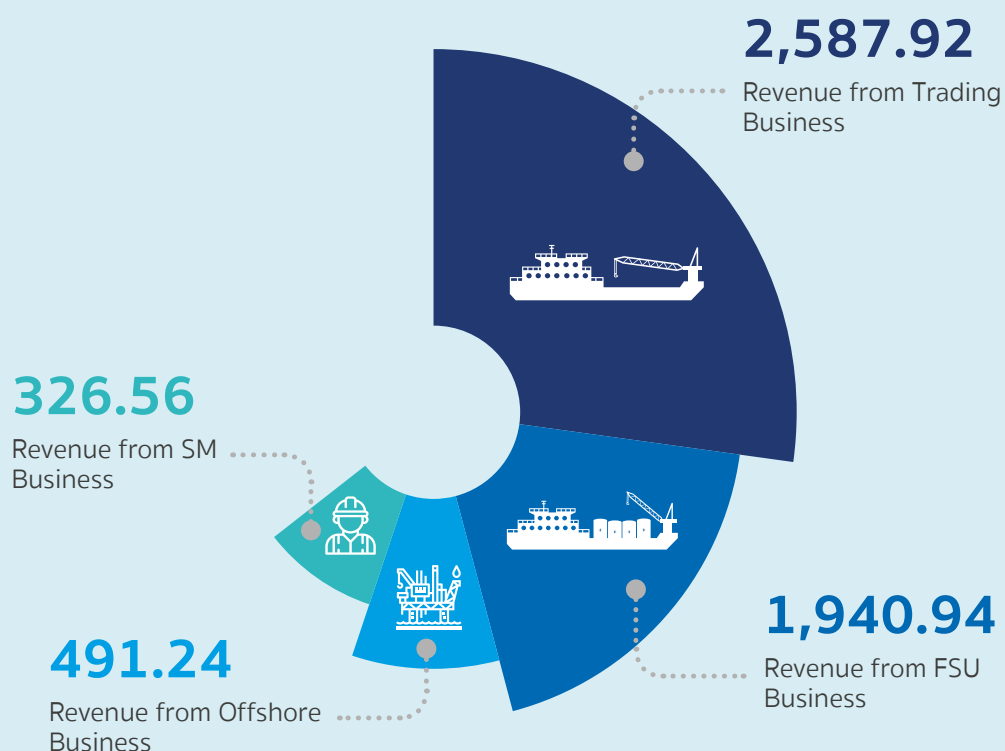
Financial Ratio	Separate Financial Statements			Consolidated Financial Statements		
	2017	2018	2019	2017	2018	2019
Current Ratio (Times)	5.26	2.24	0.79	2.36	1.19	0.92
Gross Profit Margin (%)	25.03	20.16	23.93	25.13	24.8	31.71
Net Profit Margin (%)	53.13	21.91	33.94	16.87	16.66	20.99
Return on Assets (%)	18.92	5.40	7.75	7.96	6.95	9.40
Return on Equity (%)	27.92	6.39	10.00	16.61	11.2	15.15

Financial Ratio

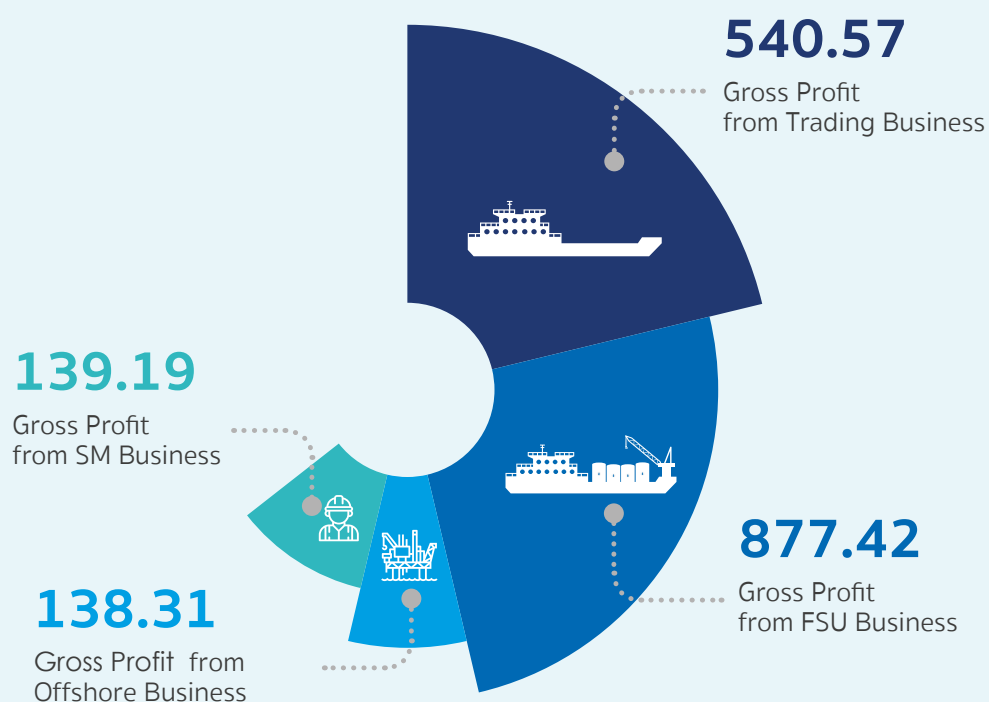


Operating Results of the Company and its subsidiaries for the year 2019

Revenue from the Core Business Unit

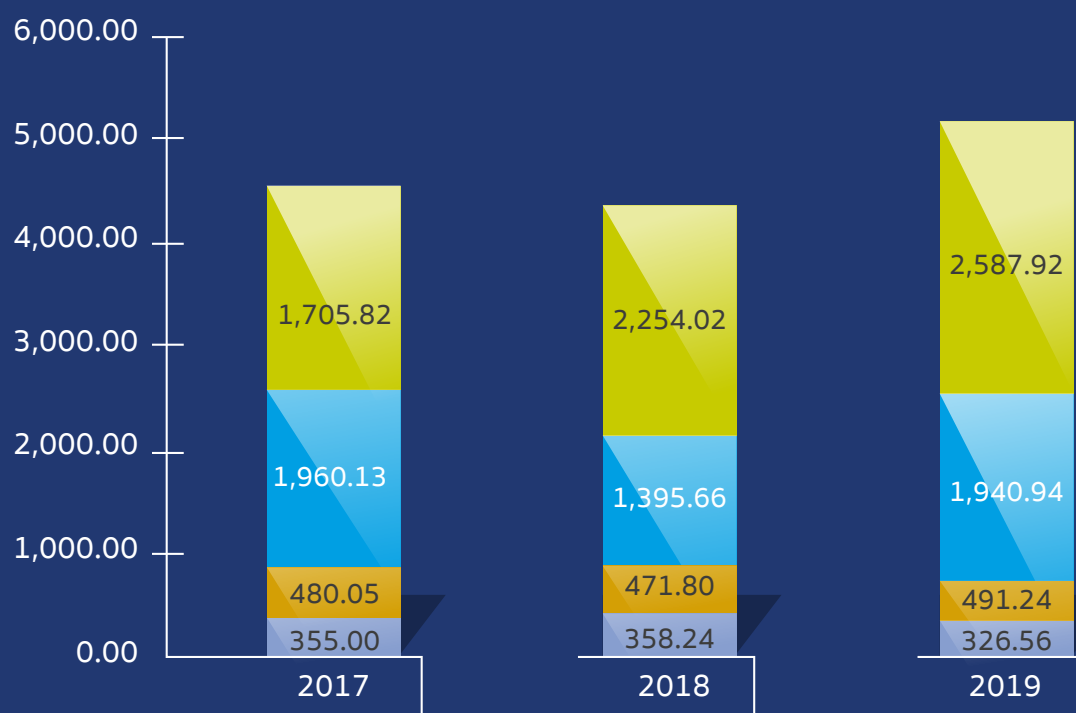


Gross Profit Margin from the Core Business Unit



Revenue from rendering of services during the period of 2017 - 2019

(Unit : Million Baht)



Message from the Chairman



Prima Marine Public Company Limited (the “Company”) has stepped to be the listed company in the Stock Exchange of Thailand since 2019. Until present, the Company has developed and adjusted an investment and continuous investment strategy both in term of internal management, improvement of the operation standard to achieve the acceptance of both domestic and foreign oil companies, and adjustment of each type of business proportion to be consistent with the market and maritime transport industry situation under fluctuation based on the change of the global society context in environment and technological development affecting a national energy industry.

The year of 2019 has been regarded as “**the Year of Leap Forward Growth**” of the Company, particularly in the Floating Storage Unit Business (“FSU Business”) and Domestic Oil and Petrochemical Tanker Business. After adjusting an investment plan for business expansion from the end of 2018 to be consistent with the change in industrial situation, FSU Business could generate revenues up to 1,940.9 million baht, increasing by 39.1% from 2018 and generate the revenue from the Domestic Oil and Petrochemical Tanker Business for 2,268.1 million baht, increasing by 19.5% from previous year. As the result of the adjustment on the said business proportion adjustment plan, the proportion of the revenue from FSU Business which is the business with long-term charter was high up to 36.3% of total revenues in 2019. The proportion of almost of the revenue from the Domestic Oil and Petrochemical Tanker Business with Long-Term COA Contract with oil companies both in Thailand and overseas was high up to 42.4% of total revenues. The vessel service fee of the Domestic Oil and Petrochemical Tanker Business is mutually agreed with the customers in a long-term agreement whereas the Company can increase the rate of service fee based on market price of the fuel oil, resulting in no impact on the Company’s gross profit due to a fluctuation of the fuel oil price. Such business expansion has caused its revenue from rendering of services 5,346.7 million baht and net profit 1,122.5 million baht in 2019, increasing by 19.4% and 52.6 % from 2018, respectively.

According to an enforcement of IMO2020 measure by International Maritime Organization (IMO), the said measure prescribes that the international shipping operators must use Low Sulphur Fuel Oil (LSFO) (0.5% by weight) as fuel in replacement of High Sulphur Fuel Oil (HSFO) (3.5% by weight) from 1 January 2020 onwards, except few vessels installed with air pollution treatment system or Scrubber on the vessels to capture Sulphur from air pollution derived from the vessel operation. Thus, the usage demand of LSFO (0.5% by weight) has been highly increased, resulting in an increase of the furnace oil traders in using FSU Vessels for storing and mixing furnace oil to acquire LSFO (0.5% by weight) in accordance with the IMO requirement for selling to the international sea-going vessels. Due to FSU Vessel’s ability to store and mix various kinds of oils, and flexibility in oil transfer from oil tankers of all types and sizes when compared with oil storage and mixing in the on ground storage tanks with limitation of their sizes and number of wharfs. In 2019, the transnational oil companies both from Europe and Asia have selected to use FSU services of the Company for more three vessels due to the Company’s success on the international standardization of its operation, decision flexibility, and rapid investment to meet the customer demand. Upon combination with the existing five vessels that have rendered services, total of 8 FSU Vessels of the Company for services at the end of 2019 consist of one Vessel which is the first FSU Vessel of Thailand and seven Vessels for services in Malaysia, or market share of 41% of FSU Business that have entirely on service in Malaysia. Moreover, the Company has been able to negotiate for increasing service fee of FSU Vessels based on an increase in LSFO mixing and storage demand.

The continual growth of the Company's Domestic Oil and Petrochemical Tanker Business has been corresponding to an increasing ratio of the domestic fuel oil consumption at average of 4% per year. The Company has been the top dominant of Thailand market share.

The Company's business expansion purpose in the past 2019 by accepting five new built 3,000 DWT capacity vessels has supported the replacement of three old vessels (with 1,800 - 2,000 DWT capacity) and the fulfillment of an increasing customer demand for two vessels. All of the new vessels are the vessels with Double Hulls and designed as surfboat to ensure an increase in tonnage. Moreover, the Company has held shares in Big Sea Co., Ltd. ("Big Sea") for 80% of total ordinary shares in 2019 due to its purchase of the additional ordinary shares of Big Sea for 10% under the agreed purchase and sale agreement for shares.

Big Sea has also expanded its business by accepting the additional one new built 5,300 DWT capacity vessel to support an increasing customer demand. Therefore, upon combination of all domestic tankers of the Company and Big Sea, there have been total of 31 vessels with tonnage capacity of 101,363.03 DWT at the end of 2019 when compared with 26 vessels with tonnage capacity of 83,251 DWT at the end of 2018.

The successful operation of the aforesaid expansion of the FSU Business and Domestic Oil and Petrochemical Tanker Business will create a secure business foundation for the Company in long run. Meanwhile, the Company has established the strategy for retaining the customer base and service levels in other areas consisting of Offshore Business, International Oil and Petrochemical Tanker Business, and Ship Management Business in 2019. The Company has been ready to expand its business to continuously satisfy the customer demand at the time of which market situation is favorable, and has still aimed at looking for an extension opportunity of Trading Business to the neighboring countries in Southeast Asia Region, and similar businesses for expanding revenue base and creating a variety of businesses in order to ensure the Company's long-term efficiency in coping with market fluctuation.

Domestic trading
vessel totaling **31** vessels

tonnage capacity of

101,363.03 DWT

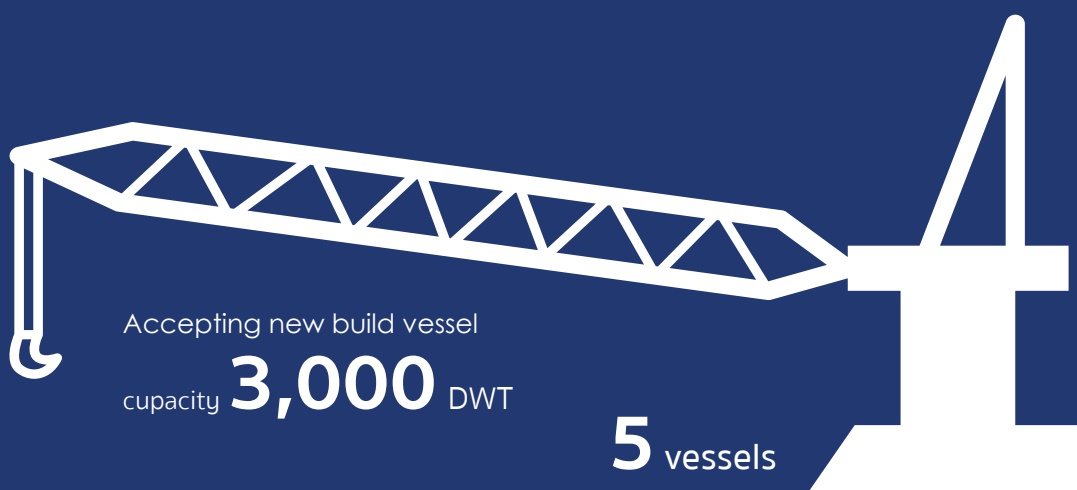
revenue from rendering of services **5,346.7** million baht
net profit **1,122.5** million baht
in 2019

In respect to the management, the Company has observed the Principle of Good Corporate Governance and created sustainability for business operation in accordance with good governance at the same time, under responsibility on all parties of the stakeholders and environmental and social care. In 2019, the Company was graded for assessment of Five Stars or “Excellent” CG score from a survey of the 2019 Corporate Governance Report of Thai Listed Companies (CGR), conducted by Thai Institute of Directors (IOD) under support of the Stock Exchange of Thailand. The Company has been certified as Collective Action Coalition Against Corruption (CAC) due to its serious emphasis on anti-corruption, to be 1 of 417 companies being certified by 953 companies which have declared their intention to participate in the Project.

In this occasion, on behalf of the Board of Directors, I would like to deliver the gratitude to the group of the executives and all employees in working collaboration with will and dedication, resulting in the Company’s high success in 2019; as well as deliver the gratitude to the shareholders, supporters, and stakeholders, as well as all related parties, for their well consistent trust, confidence, and support on the Company. You can rest assured of the Company’s business operation by observing the good governance for the stable growth and maximum benefit of the stakeholders in all sectors.



(Mr. Bowon Vongsinudom)
Chairman of the Board of Directors



Annual Audit Committee Report for 2019



(Mr. Chainoi Puankosoom)
Chairman of the Audit Committee

To All Shareholders Prima Marine Public Company Limited

The Audit Committee of Prima Marine Public Company Limited (the “Company”) has been appointed by the Board of Directors, consisting of 3 independent directors with qualification and experiences in Energy Business, Law, Accounting & Finance and Management, namely, consisting of Mr. Chainoi Puankosoom as the Chairman of the Audit Committee, Mr. Somchai Kuvijitsuwan and Mr. Kosit Fuangswasdi as members of the Audit Committee. However, Mr. Kosit Fuangswasdi requested to resign from the member of the Company’s Audit Committee office and Mr. Bowon Vongsinudom has been appointed to hold the member of the Company’s Audit Committee office, effective from 8 May 2019.

The Audit Committee has independently performed its duties as assigned by the Board of Directors and in accordance with the authorities and duties as specified in the Charter of the Audit Committee, the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Nine Audit Committee’s Meetings were held under the objective to oversee the administration, review the internal control, comply with laws, rules and regulations relevant to the Company’s business operation, including one meeting agenda with the Auditors without the attendance of the Management to ensure the independent auditing of the auditor and well cooperation from the Company’s executives and officers in providing the Company’s information. The details of the attendance of the Audit Committee’s Meeting for four members have been as follow.

Mr. Chainoi Puankosoom

Chairman of the Audit Committee Meeting Attendance 9/9

Mr. Somchai Kuvijitsuwan

Member Meeting Attendance 9/9

Mr. Bowon Vongsinudom (Has assumed the office in May 2019)

Member Meeting Attendance 7/7

Mr. Kosit Fuangswasdi (Requested to resign in May 2019)

Member Meeting Attendance 2/2

The operational performance and opinions on various matters from the Audit Committee can be summarized as follows:

1. Review of financial reports: The Audit Committee reviewed the Company’s and its subsidiaries’ quarterly and annual financial statements of the year 2019, and convened the meeting with the certified public accountant. The Audit Committee reviewed the correctness and completeness of the information in financial statements, compliance with the observations and opinions of the Auditors, accounting entry adjustment, accounting policies, adequacy of the information disclosed in financial statements, to ensure that the Company and its subsidiaries have prepared their financial statements in accordance with the requirements of the laws, accounting and auditing standards.

2. Review of the adequacy of internal control system and internal audit governance: The Audit Committee annually reviewed the internal control system of the Company in accordance with the framework of COSO's (The Committee of Sponsoring Organizations of the Treadway Commission) internal control system to ensure more confidence in the appropriateness and efficiency of the Company's internal control system. The internal control adequacy assessment result of 2019 in form of the assessment form of the Office of the Securities and Exchange Commission (SEC) indicated that the Company's internal control system is adequate and appropriate.

In addition, the Audit Committee considered and approved the annual internal audit plan, and governed the internal auditors to independently audit in accordance with the internal audit standards. The improvement of the internal control system was emphasized to be consistent with the changing work procedure and efficiently applied. The appropriateness of the internal audit unit structure, appointment, removal, manpower of the internal auditors per auditing workload of the Company was taken into account.

3. The compliance with laws, rules and regulations: The Audit Committee reviewed the compliance with the Laws on Securities and Exchange, Regulations and Notifications of the Stock Exchange of Thailand and other laws relevant that applicable to the Company's business. It was found that in 2019, the Company fully followed the Laws on Securities and Exchange, Regulations and Notifications of the Stock Exchange of Thailand and other laws relevant that applicable to the Company's business.

4. The consideration and appointment of Auditors: The Audit Committee selected the Auditors by considering their past performance, independence, knowledge, competency, audit experience, scope of work, working quality and standard of the audit firm, and audit fees and then proposed to the Company's Board of Directors to ask for consideration and approval from the Annual General Meeting of Shareholders on audit fee and appointment of KPMG Phoomchai Audit Co., Ltd.. The Auditors who will be responsible for auditing and certifying the financial statements for the year 2020 are Mr. Thanit Osathalert, Certified Public Accountant Registration No. 5155, Miss Marisa Tharathornbunpakul, Certified Public Accountant Registration No. 5752, Miss Pornthip Rimdusit, Certified Public Accountant Registration No. 5565, and Mr. Banthit Tangpakorn, Certified Public Accountant Registration No. 8509.

5. Review of related parties transactions with potential conflict of interest: The Audit Committee reviewed related parties transactions with potential conflict of interest to ensure that such transactions comply with rules and regulations of the Company and the requirements of the Stock Exchange of Thailand. It was found that the related parties transactions in 2019 followed the general and fair commercial condition under price comparison for selecting

service provider or vendor, and asking for approval in accordance with the approval authority specified by the Company, and disclosure of complete and adequate information.

6. Good Corporate Governance: The Audit Committee reviewed the performance in accordance with the management policy for the Good Corporate Governance following the CG Code of the Securities and Exchange Commission Office and Anti-Corruption Policy, especially related parties transactions and transactions with potential conflict of interest. It was found that the Company's directors and employees have strictly adhered to the Company's corporate governance policy and code of conduct.

7. Risk Management: The Audit Committee reviewed the efficiency and effectiveness of the risk management process. It was found that the Company established the Risk Management Committee and risk management working group to regularly perform the assessment of the investment project risk, risk review and risk management monitoring in part relating to the operation in various areas. The working group prepared and proposed the risk and risk management report to the Risk Management Committee for approval to ensure that the Company has efficient risk management process which can control significant risks to be at an acceptable level.

Anti-bribery and corruption: The Audit Committee considered reviewing the self-assessment on anti-corruption measure of Thailand's Private Sector Collective Action Coalition Against Corruption Project of Prima Marine Public Company Limited, and entrusted Internal Audit to review the documentations of CAC application, consisting of policies, rules, and approval authority, as well as other relevant documents, and propose to the Board of Directors for approval and signing by the Chairman of the Audit Committee prior to submission of CAC assessment form and supporting documents. However, the Company has been certified to be the member of CAC Project on 4 November 2019.

In summary, in 2019, the Audit Committee has strictly performed its duties in accordance with scope of duties entrusted by the Board of Directors and the Charter of the Audit Committee. Therefore, the Audit Committee's opinion remarked that the Company and its subsidiaries' preparation of the accurate and reliable financial reports, disclosure of adequate information, efficient internal control and audit system, strict compliance with the relevant laws, rules and regulations, entry into the related parties transactions in accordance with the relevant requirements and laws, and risk management under governance of the Risk Management Committee. The Company has given precedence to anti-corruption and bribery, considered selecting the auditors in accordance with the prescribed rules, and complied with CG Code throughout last year.

Annual Nomination, Remuneration and Corporate Governance Committee Report for 2019

To All Shareholders
Prima Marine Public Company Limited

The Nomination, Remuneration and Corporate Governance Committees (“NRC Committee”) consists of 4 members including Admiral Nibhon Changsudulya as the Chairman of the NRC Committee, Mr. Chainoi Puankosoom (independent director), Mr. Somchai Kuvijitsuwan (independent director) and Mr. Surasak Chaiyen as the members of the NRC Committee. Miss Udomrat Sitthikorn, the Head of Compliance and Company Secretary Department, acts as the Secretary of the NRC Committee and has scope, duties and responsibilities under framework of the NRC Committee’s Charter, and as delegated by the Board of Directors in consistency with Best Practice of the Stock Exchange of Thailand.

In 2019, the NRC Committee convened total of 4 meetings to perform its duty in accordance with the scope and responsibilities under the NRC Committee’s Charter as per the following summary.

Nomination Consideration

- Proposing the Board of Directors to consider and propose the 2019 Annual General Meeting of Shareholders for approval the election of 3 directors who retired by rotation, consisting of Mr. Suraphon Meesathien, Mr. Surasak Chaiyen and Acting Sub Lt. Chanwit Anakkul, to resume the director office for another term.
- Proposing the Board of Directors to consider and appoint Mr. Bowon Vongsinudom as a member of the Audit Committee to replace Mr. Kosit Fuangswasdi who resigned.
- Proposing the Board of Directors to consider and appoint Mr. Surasak Chaiyen as an additional member of the NRC Committee.
- Proposing the Board of Directors to consider and appoint the committee members who retired by rotation to resume their position for another term as follows:
 - Mr. Suraphon Meesathien to resume the position of a member of the Risk Management Committee
 - Mr. Surasak Chaiyen to resume the position of Member of the Board of Executives
 - Acting Sub Lt. Chanwit Anakkul to resume the position of Member of the Board of Executives



Admiral

(Nibhon Changsudulya)
Chairman of the Nomination
and Remuneration and
Corporate Governance Committees

- Proposing the Board of Directors to consider and appoint Mr. Prompong Chairsrisawatsuk as Chief Executive Officer to replace Acting Sub Lt. Chanwit Anakkul who retired due to the expiration of the employment contract.

Remuneration Determination

- Proposing the Board of Directors to consider and approve the payment of bonus for directors for the year 2018 in the amount of 5.75 Million Baht, consisting of 1.5 Million Baht for the Chairman of the Board, 1.25 Million Baht for Vice Chairman of the Board, and 3 Million Baht for 3 independent directors (1 Million Baht per person)
- Proposing the Board of Directors to consider and propose the 2019 Annual General Meeting of Shareholders for approval the determination of remuneration for the Board of Directors and Sub-committees for the year 2019 in the amount not exceeding 20 Million Baht, the Nomination Committee considered based on the Company's operation performance, responsibilities and performance of each director, the level of proposed remuneration is suitable and comparable to other companies in the same industry group, and sufficient to motivate and maintain quality directors with the Company.
- Proposing the Board of Directors to consider and approve the Chief Executive Officer (CEO) Performance Evaluation for the year 2018, including the annual salary increase and bonus rates for the Chief Executive Officer (CEO).
- Proposing the Board of Directors to consider and approve the performance evaluation criteria and indicators of the Chief Executive Officer (CEO) for the year 2019.

Corporate Governance

- Proposing the Board of Directors to consider and approve the amendment of the Company's Corporate Governance Policy to comply with the Corporate Governance Code 2017 for listed companies (CG Code 2017) issued by the Office of the Securities and Exchange Commission.

- Approving the implementation of the Corporate Governance Code 2017 for listed companies (CG Code 2017) issued by the Office of the Securities and Exchange Commission, deemed that the Company's overview has policies and guidelines that are in line with the CG Code 2017. In addition, it is agreed to review the Charter of the Board of Directors and divide duties of the Board and Management as well as operate the confidentiality, communication and disclosure of the Company information.
- Determining to organize the seminar on "Anti-Corruption" on 22 July 2019, with Miss Somsuda Tanchanpongs as a lecturer so that the directors, executives and employees of the Company shall actually understand about anti-corruption and can properly comply with the Company's policy to prevent the company and employees from violating anti-corruption laws.
- Acknowledging the annual self-assessment results of the Board of Directors and Sub-Committees.

However, with the commitment of the Company in operating businesses with efficient, transparent, and verifiable management in accordance with good corporate governance principles, and the NRC Committee has consistently performed its duties on good corporate governance, so that in 2019, the Company has been ranked as one of "excellent" or "5-star" companies with good corporate governance under the project of Corporate Governance Report of Thai Listed Companies for the year 2019 (or CGR 2019) organized by the Thai Institute of Directors, after the company has been listed on the Stock Exchange of Thailand for 2 years only. In addition, in 2019, the Company was also certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) from the Private Sector Collective Action Coalition Against Corruption Council.

The NRC Committee reviewed and assessed the performance of its entrusted duties and deemed that the structure and composition of the NRC Committee is appropriate and the NRC Committee can completely and continuously perform its duties.

Annual Risk Management Committee Report for 2019

To All Shareholders
Prima Marine Public Company Limited

The Board of Directors recognized the importance of risk management, which will keep the business steadily running and growing, therefore, the Risk Management Committee was appointed to consider and screen significant risks, as well as propose proper solutions, this Committee consists of 3 members who are knowledgeable, talent, experience and understanding of business operations as follows:

1. Mr. Kosit Fuangswasdi (Independent Director)
Chairman of the Risk Management Committee
2. Mr. Suraphon Meesathien (Director)
Member of the Risk Management Committee
3. Mr. Prompong Chaisrisawatsuk (Director)
Member of the Risk Management Committee

The Risk Management Committee is committed to the risk management under 3 principles which are risk governance and management in accordance with corporate governance principle, establishment of risk management policy for the whole organization and risk management implementation to create the assurance for the Company's business operation, the Risk Management Committee formulated the risk management in 4 key areas including Governance Risk, Strategy & Planning Risk, Operation & Infrastructure Risk, and Financial Reporting Risk. The Company implements risk management based on ISO 9001:2015 and COSO ERM 2017 Standards.

In the previous year of 2019, the Risk Management Committee continuously held both seven formal meetings and two informal meetings to ensure the smooth consideration of the Meetings to be consistent with the organizational business operation and the meeting rapidity. In every Risk Management Committee's Meeting, the members attended the meeting to meet the constituted quorum. The following essence of the duty performance can be summarized.

1. To consider and approve the project risk in accordance with strategy & planning risk for business operation both in part of new vessel building and investment in purchase of second hand vessel for replacement, and an additionally purchase of the ordinary shares of Big Sea Company Limited after business merger in the rate of 70% in 2018 to be consistent with the corporate strategy and business plan, business expansion, and



(Mr. Kosit Fuangswasdi)

Chairman of the Risk Management Committee

rapid change of oil tanker and petroleum product market, and petroleum exploration and production in both domestic and foreign markets; and to provide suggestions of additional protection to minimize the potential impacts as well as assign to continuously report the monitoring and reviewing of risk management.

2. To regularly consider and acknowledge the controlling and monitoring results of the Enterprise Risk Management - Treatment Plan which is the enterprise risk management in governance risk, operation & infrastructure risk, and financial reporting risk by controlling and monitoring risk management approach to be at acceptable level or reduce likelihood in accordance with the prescribed preventive measure, impact abatement measure and corrective measure to ensure that the Company systematically and efficiently manages risk to attain the setting objectives. The said risk included risk from financial reporting or other relevant reports that may affect the financial statements preparation and submission of the organizational financial statements both internal and external regulators. The Company continuously planned to communicate the employees and executives of the Company and the Company Group for acknowledgement so that the financial documents can be properly and timely submitted in the specified preparation period of the financial statements.

3. To consider and acknowledge organizing the seminar training on Enterprise Risk Management by hiring the external lecturer with knowledge, competency, and expertise on risk management to provide a basic knowledge and building an awareness of the Company and the Company Group's employees and executives in the importance of the operation & infrastructure risk management which must be carried out together with strategy & planning risk management for the Company including regularly deliver Monthly Newsletter to the Risk Management Committee, executives and employees to acknowledge the internal risk management communication of the Company and the Company Group in the same direction.

4. To consider and acknowledge the backup plan for the Company and the Company Group's situation of Low Sulphur Fuel Oil (LSFO) consumption in accordance with the requirement announced by International Maritime Organization (IMO) on 1 January 2020 (B.E. 2020) ("IMO2020") as the first effective date of the measure. The measure prescribes that all vessels in the world must be replaced with fuel containing below 0.5% of Sulphur from the current average of 3.5% of Sulphur in vessel fuel oil under an objective to reduce air pollution and emission rate of Green House Gas (GHG) that causes global warming. This will ensure that the Company and the Company Group adequately manages the risk of the said situation, and appropriately complies with the enforcement measure of both internal and external regulators, and follows the operation & infrastructure risk management of the Company's fleet.

5. To consider and acknowledge the risk management strategy plan for 2020 - 2022 to be consistent with the Company and the Company Group's business operation plan to ensure that the Company manages strategy & planning risk for business operation of the good organization.

6. To report the significant risk management results and backup plan for the Company and the Company Group's situation of Low Sulphur Fuel Oil (LSFO) consumption in accordance with the IMO2020 measure, and risk management strategy plan for 2020 - 2022 for acknowledgement of the Board of Directors to ensure that the Company manages the strategy & planning risk in line with the operations in all areas, including governance risk management for a sustainable.

From the above operations, the Risk Management Committee's opinion remarked that the Company appropriately implemented the corporate-level significant risk management and control risks to be at the acceptable level and in line with principles and practices of good corporate governance for sustainable and efficient risk management.

Vision, mission, objective, target and strategy of the operation of the Company Group

Vision

The Company Group shall be the leading organization in the integrated business of shipment and offshore support business for petroleum exploration and production in Asia Pacific Region, with excellency of operations and services of shipment and floating storage unit that are reliable and fair for all groupsof stakeholders, and fulfill customer satisfaction”.

Mission

- » The Company Group shall be the leading organization in the Stock Exchange in maritime and logistics field, and support of offshore petroleum exploration and production activities.
- » The Company Group shall expand market to cover Asia Pacific Region in one-stop shipment of chemical products, petroleum, liquefied petroleum gas, and logistics, as well as support of offshore petroleum exploration and production activities.
- » The Company Group shall expand the investment in form of joint venture with the business group which is expert in each field for sustainable growth.
- » The Company Group shall focus on development of the staff competency, teamwork promotion with happy working atmosphere on mutual trust basis.
- » The Company Group shall be the organization that yields fair return, effectively fulfills determined investment plan under standard management system and equitable care of stakeholders.
- » The Company Group shall focus on Corporate Governance Code and adhere to social and environmental responsibility.

Operating objective and target of the Company Group

With the will in operating the one-stop service and trading business of the Company Group for both tangible and intangible sustainable profit making to all stakeholders, the Company Group thus persists in and dedicates our intention with operating objective and target of just one group that is “**care of all stakeholders for true sustainability creation**” and observes the motto of “**operation mainly for public interest**”. That is why the Company Group which is the element of the society will also valuably grow and stably operate business upon prosperity and advancement of people at large, community and society.

Operating strategy of the Company Group

For maximum effective operation that will generate worthwhile achievement and cause interest to all stakeholders, the Company Group has determined the direction and policy of strategic operation by dividing into two important aspects which are service strategy and marketing strategy, as per below details.

1. Service strategy

The Company Group plans the customer service in each type of business to cover customer demand and satisfaction both in term of working quality and service. The element of such strategy includes the following.

(1) The Company Group focuses on One-stop Service

As trading business, FSU business, offshore business, and ship management service business which are the businesses requiring specification due to the operating complication and availability of set of regulations requiring strict compliance, the Company Group therefore focuses on being One-Stop Service Center. The service element is to give advice on supply of vessel which is appropriate for type of cargo required by the customer to ship, facilitate the information of seaports, select seafarers to be consistent with the requirement of the charter party and customer in accordance with standard and efficiency pursuant to the international requirements, and give advice on management strategy for shipment expenses of the customers for customer efficiency in shipment cost and service quality control for life, property and environment safety.

➤ Focus on service of quality fleet

The fleets of the the Company Group include trading vessels FSU vessels and Offshore vessels from the size of approximately 1,000 - 300,000 DWT. This indicates the capability to supply types and sizes of the vessel to meet the different customer demand and to be appropriate for type of shipping cargo, and shipping route and seaway. Moreover, the the Company Group is prepared and expert in adaptation of systems and equipment on board to be proper for utilization based on customer demand.

➤ Focus on expert ship management

From over than 30 years of experiences in shipment services for various types of oils, as well as petrochemical products petrochemical products and liquefied petroleum gas, these have built numerous experiences until the Company Group is confident that it has experienced personnel and adequate competency in effectively and safely providing shipment and storage service to customers on basis of laws, requirements and regulations consisting of: (1) relevant laws and rules of domestic organizations (2) relevant laws and rules of the countries where the vessels of the Company Group operate the business, (3) major conventions prescribed by International Maritime Organization (IMO) (“IMO”) and (4) Guideline and Requirements for Ship Inspection Report Program (SIRE) of Oil Companies International Marine Forum (“OCIMF”), etc.

From the aforementioned, the fleet of the Company Group has been accredited by Marine Department in the matter of standardization in accordance with international conventions in safety, prevention of pollution from ships, and seafarers. The quality control and preparedness in effective navigating operation and the fleet of the Company Group, have been accredited by Classification Societies such as certificates from Lloyd’s Register (“LR”), American Bureau of Shipping (“ABS”), Nippon Kaiji Kyokai (“NK”), Bureau Veritas (“BV”) and Det Norske Veritas and Germanischer Lloyd (“DNV GL”), etc.

Moreover, the Company Group realizes on the importance of the personnel in leading to the expert ship management. The Company Group therefore determines that seafarers shall be regularly trained for knowledge and competency development and enhancement of the qualification of the seafarers of the Company Group, for instance, training and change

in the certificate of seafarers of the Group of the Company from SCTW 1995 to be SCTW 2010 in accordance with the relevant set of regulations.

➤ Focus on strict control of service quality

The Company Group absolutely gives precedence to control of service quality resulting in safety of vessel operation and cargo, and punctuality of required customer schedule. The Company is strict to vessel staffs for strict compliance with relevant procedures and rules, and regular inspection of efficiency and condition of vessel to be in good condition in accordance with internal standard. The shipment-related counseling such as consulting on cargo operation and vessel technical work, and documentary execution with the government and private controlling organizations, are given so that safe and punctual cargo shipment service without error of shipment can be rendered.

(2) Focus of the Company Group on producing high experienced personnel team

➤ Executive team

The executive team of the Company Group is experienced in the industry for long time, and has knowledge and well understanding in the business, in accompany with monitoring the crucial development and change of the industry and customer feedback survey in services. The executive team therefore can apply industrial knowledge and customer comments in improvement and development of services of the Company Group to enhance the competitiveness in the industry.

➤ Operational supporting personnel team

The Company Group has the operational supporting personnel team which is experienced in the industry for long time, resulting in understanding on Trading Business, FSU Business, Offshore Business, and Ship Management Business, in proper operation and execution in accordance with relevant laws, rules and standards for customer acceptance and trust. The advice on operation and compliance with relevant laws, rules and standards, can be given to the customers that have different cargo and routes of shipment.

➤ Seafarers

The Company Group is able to recruit seafarers such as captain, chief officer, second officer, etc. who are qualified as prescribed in relevant laws, rules and standards and appropriate for type and size of vessel,

as well as route of shipment, such as qualifications in educational background, work experience, license for professional practice in specific related field, etc. The ability to recruit seafarers causes the Company Group enable to provide effective shipment and storage services for cargo to the customers under shipment punctuality and safety of cargo and vessel, resulting in more confidence of customers on use of services of the Group of the Company.

(3) Focus of the Company Group on maintain the domestic shipment leadership

The Company Group has currently been the shipment leader for oil and liquefied petrochemicals, with continuous growth of revenue and shipment volume due to customer confidence on its quality and services.

However, the Company Group remains continually aiming at developing its services and business to maintain the leadership in long term, and has the service quality development plan by ordering new vessels and overhaul vessel to be able to transport more volumes, or ordering vessel with low life for replacement of old vessel which will be out of commission. This can reduce average life of the fleet and enhance the serviceability to the customers in shipment and floating storage unit in term of more volume and quality, resulting in ability to increase revenue from customer service, and decrease vessel maintenance expense. The Company Group also select the potential and experienced staffs for growth support, retain staffs with good working performance, and seek for opportunity to increase the shipment proportion in the domestic oil trader companies, etc.

(4) Focus of the Group of the Company on enhancement of potential in foreign market business

The Company Group has continually grown in FSU Vessel Business. It therefore has established the subsidiary in Singapore where is regional oil Trading Hub. The operating standard of the Company Group is internationally standardized and accepted by the foreign customers. Thus, the Company has planned to expand its business and enhance the potential of the fleet of FSU in Singapore and Malaysia to support more customer demands on the services of the Company Group.

(5) Focus of the Company Group on customer care in term of Long-Term Partnership

The Company Group focuses on building customer relationship in term of Long-Term Partnership through preparedness of human resources and capital that can enhance the serviceability and increase navigating routes in both domestic and international regions. The personnel of the Company Group are knowledgeable and experienced whether in navigation, geography, and relevant rules and standards. The the Company Group also has strong financial position that can enhance the potential of the fleet to support the continuous growth of the customer businesses.

Moreover, the Company Group also takes care of its customers throughout service period, and closely coordinates and works with customers, resulting in the ability of the Company Group to immediately recognize the customer problems. The Company Group therefore can rapidly fulfill the customer demand. The customers can contact the Company Group round the clock to be ready for coping with the contingent problems, and ready for giving counsel and solving problems upon customer requirement.

(6) Availability of operating cost management strategy by the Company Group

The Company Group focuses on effective operating cost management under purchase planning of materials and equipment, and maintenance service by (1) purchasing materials, spare parts, and equipment on board for large quantity in each purchase, and (2) planning the maintenance service and strict implementation in accordance with maintenance service plan for each trading, contributing to decrease in expenses related to materials and spare parts of the vessel, and extension of useful life of trading.

Moreover, in purchasing materials, spare parts and equipment by the Company Group, business partners are requested to offer materials, spare parts and equipment and the Company Group shall evaluate the price and quality in making decision on selection of business partner by considering on comparison of more than two business partners in order to enhance price negotiation in another way.

2. Marketing strategy

The marketing strategy of the Company Group is to retain and expand customer base to create the business partner to be long-term business alliances and reduce risk from price cutback competition as follows.

(1) Focus of the Group of the Company on retention of potential brokerage network

The Company Group has both domestic and foreign potential brokerage network that performs the supply of vessels or cargo particularly in Singapore where is the Major Maritime Hub with large seaport whereas the brokers and the Company Group will regularly contact to share the information of both domestic and foreign market situations in order to supply vessels and works for services in the existing and new customer groups.

The potential brokerage network of the Company Group can enhance competitiveness to the Company Group and increase efficiency in seeking for new vessels and works in the supplying market of Trading vessel FSU vessel and Offshore vessel.

(2) Focus of the Company Group on marketing management to enhance the efficiency of ship utilization and competition potential

The Company Group focuses on ship management for shipment of cargo in the Company Group by increase in efficiency of maximum ship utilization. Upon acknowledgement of the Commercial Department of the Company Group on timetable of outbound shipment of the customer, the Company Group shall seek for customer that requires to transport cargo in Backhaul voyage to add revenue value and efficiency of maximum ship utilization for shipment of cargo, resulting in the ability of the Company Group to offer shipment cost both outbound and backhaul voyage which is competitive with other shipping companies and useful both for customers and operations of the Company Group.

(3) Focus of the Company Group on customer feedback survey on services for improvement of services before, during and after shipment of cargo

The executive team of the Company Group gives high precedence to improvement and development of customer services the Company Group. Thus, the survey of customer satisfaction on service, cargo shipment, planning of cargo shipment, compliance with relevant laws, rules and standards, and abroad operation and facilitation of consulting throughout the shipment, is conducted.

The Board of Directors

The Board of Directors consists of 8 directors as follows:



Mr. Bowon Vongsinudom

Chairman, Independent Director, and Member of the Audit Committee



Admiral Nibhon Chagsudulya

Vice Chairman, Chairman of the Nomination, Remuneration and Corporate Governance Committee, and Member of the Risk Management Committee



Mr. Chainoi Puankosoom

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



Mr. Somchai Kuvijitsuwon

Independent Director, Member of the Audit Committee, and Member of the Nomination, Remuneration and Corporate Governance Committee



Mr. Suraphon Meesathien

Director and Chairman of the Risk Management Committee



Mr. Prompong Chaisrisawatsuk

Director, Member of the Risk Management Committee, Chairman of the Board of Executives, and Chief Executive Officer



Mr. Surasak Chaigen

Director, Member of Nomination, Remuneration, and Corporate Governance Committee, and Member of the Board of Executives



Ms. Neeracha Panboonhom

Director

Management Team

The Company's management team as defined by Notification of the Securities and Exchange Commission, consists of the following 5 executives:



Mr. Prompong Chaisrisawatsuk
Chief Executive Officer



Mr. Nuthkorn Samran
Vice President of Ship Management
Business



Ms. Nipat Eamsiriwat
Commercial Director (Commercial 1)



Ms. Suthasinee Muenlamay
Project Investment and Quality Assurance
Director



Mr. Viritphol Churaisin
Chief Financial Officer

Information of Directors, Executives, the person taking the highest responsibility in finance and accounting, the person supervising accounting, and Company Secretary



Mr. Bowon Vongsinudom

Age: 65 Years

Chairman / Independent Director / Member of the Audit Committee

Date of first appointment as director: 22 January 2016

Proportion of shareholding in the Company

Own share : None
Relationship Persons* : Spouse holds 1,500,000 shares
(0.060% of total issued shares)

Family relationship between director and executive : None

Educations

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Master of Engineering (Chemical Engineering), Chulalongkorn University
- Bachelor of Engineering (Chemical Engineering), Chulalongkorn University

Training Programs by the Thai Institute of Directors Association (IOD)

- Role of the Chairman Program (RCP), Class 45/2019
- Advance Audit Committee Program (AACP), Class 28/2018
- Director Certification Program (DCP), Class 209/2015
- Director Accreditation Program (DAP), Class 76/2008

Other Training / Seminars

- The Joint State - Private Sector Course (NDJC), Class 17/2004, National Defence College

Working experiences

2019 - Present Member of the Audit Committee
Prima Marine Public Company Limited

2016 - Present Chairman and Independent Director
Prima Marine Public Company Limited

Position in other listed companies

2018 - Present Vice Chairman, Chief Executives Officer,
and President
Thai Vegetable Oil Public Company Limited

2015 - Present Director and Member of the Executive
Committee
WP Energy Public Company Limited

Position in other non-listed companies or organizations

2018 - Present Vice Chairman - Institute of Industrial Energy
The Federation of Thai Industries

2018 - Present Chairman
The Institute of Industrial Energy

2016 - Present Director
Bangkok Industrial Gas Company Limited

2015 - Present Chairman
UAC Advance Polymer & Chemicals
Company Limited

2015 - Present Director
ASEAN Potash Chaiyaphum Public
Company Limited

2015 - Present Member of PTIT Council
Petroleum Institute of Thailand

2012 - Present Chairman
PTT Phenol Company Limited

Working Experiences in the Last 5 Years

2015 - 2019 Chairman and Independent Director
Thai British Security Printing Public
Company Limited

2011 - 2019 Director and Chairman of Audit Committee
Plastics Institute of Thailand, Ministry of Industry

2017 - 2018 Director
State Railway of Thailand

2014 - 2018 Director
Metropolitan Waterworks Authority

2016 - 2017 Independent Director and Member of the
Audit Committee
Suthakan Public Company Limited

2014 - 2016 Chairman
Water Institute for Sustainability,
The Federation of Thai Industries

2014 - 2016 Chairman
Petrochemical Cluster,
The Federation of Thai Industries



Admiral Nibhon Chagsudulya

Age: 68 Years

Vice Chairman (Authorized Director) / Chairman of the Nomination, Remuneration and Corporate Governance Committee / Member of the Risk Management Committee

Date of first appointment as director: 22 January 2016

Proportion of shareholding in the Company

Owned shares : 500,000 shares (0.020% of total issued shares)

Relationship Persons* : None

Family relationship between director and executive : None

Educations

- Bachelor of Sciences (Royal Thai Navy), Royal Thai Naval Academy

Training Programs by the Thai Institute of Directors Association (IOD)

- Corporate Governance for Executive (CGE), Class 12/2018
- Director Certification Program (DCP), Class 104/2008

Other Training / Seminars

- Naval War College Course, Institute of Advanced Naval Studies
- The National Defence Course, National Defence Studies Institute
- Senior Executive Course (CMA 3), Capital Market Academy

Position in other listed companies

-None-

Position in other non-listed companies or organizations

2006 - Present Chairman
TMN Company Limited

Working Experiences in the Last 5 Years

2013 - 2016 Chairman
Nathalin Welstar Energy Company Limited

Working experiences

2020 - Present Member of the Risk Management Committee
Prima Marine Public Company Limited

2016 - Present Vice Chairman and Chairman of the Nomination, Remuneration and Corporate Governance Committee
Prima Marine Public Company Limited



Mr. Chainoi Puankosoom

Age: 69 Years

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

Date of first appointment as director : 22 January 2016

Proportion of shareholding in the Company :

Owned share : 1,500,000 shares
(0.060% of total issued shares)

Relationship Persons* : None

Family relationship between director and executive : None

Educations

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor Degree in Higher Accounting California College of Commerce, U.S.A.

Training Programs by the Thai Institute of Directors Association (IOD)

- The Role of Chairman in Leading Strategic Risk Oversight 2017
- The Role of the Chairman Program (RCP), Class 33/2014
- Financial Institutions Governance Program (FGP), Class 3/2011
- Directors Accreditation Program (DAP), Class 63/2007

Other Training / Seminars

-None-

Working Experiences

2016 - Present Independent Director, Chairman of the Audit Committee and Member of Nomination, Remuneration and Corporate Governance Committee Prima Marine Public Company Limited

Position in other listed companies

2017 - Present Chairman, Independent Director, Member of the Audit Committee, Chairman of the Compensation Committee, and Chairman of the Corporate Governance Committee Frasers Property (Thailand) Public Company Limited

2016 - Present Vice Chairman and Independent Director Tipco Asphalts Public Company Limited

Position in other non-listed companies or organizations

2017 - Present Director and Chairman of the Audit Committee Saphip Company Limited

2010 - Present Director and Member of the Executive Committee National Power Supply Public Company Limited

Working Experiences in the Last 5 Years

2017 - 2019 Independent Director, Member of Audit Committee, and Member of Human Resource and Remuneration Committee Demeter Corporation Public Company Limited

2012 - 2019 Independent Director, Chairman of the Audit Committee, Member of the Compensation and Nomination Committee, and Chairman of the Corporate Governance Committee Golden Land Property Development Public Company Limited

2016 - 2018 Director - Circulation Fund The Comptroller General's Department, Ministry of Finance

2011 - 2018 Director The Energy Fund Administration Institute (Public Organization), Ministry of Energy

2009 - 2018 Director Petroleum Institute of Thailand

2010 - 2016 Director Committee on State Enterprises Evaluation, Ministry of Finance



Mr. Somchai Kuvijitsuwan

Age: 69 Years

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

Date of first appointment as director : 22 January 2016

Proportion of shareholding in the Company :

Owned share : None

Relationship Persons* : Spouse holds 800,000 shares
(0.032% of total issued shares)

Family relationship between director and executive : None

Education

- Master of Public Administration Program in Public Administration, National Institute of Development Administration (NIDA)
- Thai Barrister-at-law, Institute of Legal Education of The Thai Bar
- Bachelor of Laws in Laws Program, Ramkhamhaeng University

Training Programs by the Thai Institute of Directors Association (IOD)

- The Role of the Chairman Program (RCP), Class 28/2012
- Director Certification Program (DCP), Class 76/2006
- Director Accreditation Program (DAP), Class 56/2006
- Understanding the Fundamental of Financial Statement (UFS), Class 3/2006

Other Training / Seminars

- Senior Executive Course (CMA 9), The Capital Market Academy
- Senior Executive in Energy Science Program (TEA 2), Thailand Energy Academy
- Provincial Chief Public Prosecutor Course, Class 9/1987

Working Experiences

2016 - Present Independent Director, Member of the Audit Committee, and Member of Nomination, Remuneration and Corporate Governance Committee
Prima Marine Public Company Limited

Position in other listed companies

2016 - Present Independent Director and Member of the Risk Management Committee
WP Energy Public Company Limited

Position in other non-listed companies or organizations

2018 - Present Chairman
Eastern Power Group Public Company Limited
2017 - Present Independent Director and Chairman of the Audit Committee
Kingsford Holdings Public Company Limited

Working Experiences in the Last 5 Years

2016 - 2018 Independent Director and Chairman of the Audit Committee
Eastern Power Group Public Company Limited
2016 - 2018 Chairman
AQ Estate Public Company Limited
2015 - 2018 Independent Director and Chairman of the Audit Committee
Thonburi Healthcare Group Public Company Limited
2011 - 2018 Director and Chairman of the Audit Committee
PTT Global Chemical Public Company Limited
2016 - 2016 Director and Chairman of the Audit Committee
International Engineering Public Company Limited
2013 - 2015 Attorney Director-General
Department of Economic Crime Litigation,
The Office of the Attorney General
2010 - 2015 Qualified Director in the Appeal Committee
The Thai Custom Department
2008 - 2015 Expert Director and Chairman of the Audit Committee
The Office of Securities and Exchange Commission



Mr. Suraphon Meesathien

Age: 66 Years

Director (Authorized Director) / Chairman of the Risk Management Committee

Date of first appointment as director : 22 January 2016

Proportion of shareholding in the Company :

Owned share : 600,000 shares (0.024% of total issued shares)
Relationship Persons* : Spouse holds 100,000 shares (0.004% of total issued shares)

Family relationship between director and executive : None

Educations

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor of Science, Royal Thai Naval Academy
- Diploma, Naval War College

Training Programs by the Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP), Class 155/2012
- Director Accreditation Program (DAP), Class 92/2011

Other Training / Seminars

- Enterprise Risk Management Course, Class 10, Chulalongkorn University

Working Experiences

2020 - Present Chairman of Risk Management Committee
Prima Marine Public Company Limited

2016 - Present Director and Member of the Risk Management Committee
Prima Marine Public Company Limited

Position in other listed companies

2011 - Present Director and Member of Nomination, Remuneration, and Corporate Governance Committee
Sea Oil Public Company Limited

Position in other non-listed companies or organizations

2018 - Present Director
Big Sea Company Limited

2017 - Present Director
Maritime Labour Committee,
Ministry of Labour

2007 - Present Chief Executive Officer
Nathalin Company Limited

2009 - Present Vice Chairman
Thai Shipowners' Association

Present Director
Nathalin Company Limited

Working Experiences in the Last 5 Years

2014 - 2018 Director
Nathalin Shipping Pte. Ltd.

2011 - 2017 Director
Khunnathee Company Limited

2014 - 2016 Director
N.T.L. Marine Company Limited

2011 - 2016 Director
TMN Company Limited



Mr. Prompong Chaisrisawatsuk

Age: 53 Years

Director (Authorized Director) / Chairman of the Board of Executives / Member of the Risk Management Committee / Chief Executive Officer

Date of first appointment as director : 22 January 2016

Date of first appointment as executive : 1 January 2020

Proportion of shareholding in the Company :

Owned share : 100 shares (0.000% of total issued shares)

Relationship Persons* : None

Family relationship between director and executive : None

Educations

- Master of Business Administration in Business Administration Program (Finance), Thammasat University
- Bachelor of Engineering in Chemical Engineering Program, Chulalongkorn University

Training Programs by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP), Class 97/2012

Other Training / Seminars

-None-

Working Experiences

2020 - Present Chief Executive Officer and Chairman of the Board of Executive
Prima Marine Public Company Limited

2016 - Present Director, Member of the Board of Executives, and Member of the Risk Management Committee
Prima Marine Public Company Limited

Position in other listed companies

2011 - Present Director and Member of the Executive Committee
Sea Oil Public Company Limited

Position in other non-listed companies or organizations

2020 - Present Director
Singha Tankers Company Limited

2016 - Present Director
Winchai Company Limited

2012 - Present Director
Nathalin Company Limited

2012 - Present Director
TATE Offshore Co., Ltd.

2011 - Present Director
Nathalin Shipping Pte. Ltd.

Working Experiences in the Last 5 Years

2013 - 2019 Chief investment Officer
Nathalin Company Limited

2012 - 2016 Director
TOP-NTL Pte. Ltd.



Mr. Surasak Chaigen

Age: 49 Years

Director (Authorized Director) / Member of the Nomination, Remuneration, and Corporate Governance Committee / Member of the Board of Executives

Date of first appointment as director : 22 January 2016

Proportion of shareholding in the Company :

Owned share : 200,000 shares (0.008% of total issued shares)
Relationship Persons* : Spouse holds 200,000 shares
(0.008% of total issued shares)

Family relationship between director and executive : None

Educations

- Master of Arts, Rangsit University
- Bachelor of Arts in Political Science, Chulalongkorn University

Training Programs by the Thai Institute of Directors Association (IOD)

- Corporate Governance for Executive (CGE), Class 12/2018
- Director Certification Program (DCP), Class 246/2017
- Financial Statement for Director (FSD), Class 28/2015
- Director Accreditation Program (DAP), Class 20/2012

Other Training / Seminars

- Assessment Center Certificate/ 7 Habits/ Global Organization Leadership Development (GOLD)

Working Experiences

2019 - Present Member of the Nomination, Remuneration, and Corporate Governance Committee
Prima Marine Public Company Limited

2016 - Present Director and Member of the Board of Executives
Prima Marine Public Company Limited

Position in other non-listed companies or organizations

2014 - Present Director and Chief Corporate Planning Officer
Nathalin Company Limited

Present Director
Linplus Retailing Company Limited
NW Resources Holding Company Limited
Rich Retailing Company Limited
N.A.T. Mart Company Limited
Subpud Energy 1 Company Limited
Subpud Energy 2 Company Limited
Black Dolphin Company Limited
Gold Dolphin Company Limited
Dolphin Group Company Limited
Bio Tech Green Energy Company Limited

Working Experiences in the Last 5 Years

-None-

Position in other listed companies

-None-



Ms. Neeracha Panboonhom

Age: 38 Years

Director

Date of first appointment as director : 1 February 2020

Proportion of shareholding in the Company :

Owned share : 5,761,000 shares
(0.23% of total issued shares)

Relationship Persons* : None

Family relationship between director and executive : None

Educations

- Master of Business Administration, RMIT University, Melbourne, Australia
- Bachelor of Business Administration, Assumption University

Training Programs by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 92 / 2011
- Director Certification Program (DCP) Class 170 / 2013

Other Training / Seminars

- Masterclass in Private Equity by London Business School (LBS) 2014
- Industrial and Investment Development for Executive (IBID) Class 2/2015
- Risk Management program for Corporate Leader (RCL) Class 4/2016
- Anti-corruption: The practical guide
- Fundamentals of petroleum economics
- Aligning Risk with Strategy and Performance
- Change Management
- Modern Marketing Management Generation 40

Position in other non-listed companies or organizations

- 2017 - Present Director
Living Energy Co., Ltd. and its subsidiaries*
- 2016 - Present Director
Sea Oil Petrochemical Co., Ltd.
- 2015 - Present Director
Sea Oil Petroleum Pte. Ltd.
- 2015 - Present Director
Sea Oil Offshore Limited
- 2014 - Present Director
Sea Oil Energy Limited
- 2012 - Present Director
Nathalin Co., Ltd.

Working Experiences in the Last 5 Years

- 2012 - 2015 Director
United Offshore Aviation Co., Ltd

Working Experiences

- 2020 - Present Director
Prima Marine Public Company Limited

Position in other listed companies

- 2011 - Present Director, Chairman of the Executive Committee, and President & Chief Executive Officer
Sea Oil Public Company Limited

Remarks:

- * Subsidiaries included; Sunny Solar Co., Ltd. / Sun Link Power Co., Ltd. / Solar Town Co., Ltd. / Sky Solar Power Co., Ltd. / Sky Solar Roof Co., Ltd. / NW Green Power Co., Ltd. / NW Solar Co., Ltd. / NW Energy Co., Ltd.



Mr. Nuthkorn Samran

Age: 53 Years

Vice President of Ship Management Business / Member of the Board of Executives

Date of first appointment as executive : 22 February 2018

Proportion of shareholding in the Company :

Owned share : None

Relationship Persons* : None

Family relationship between director and executive : None

Educations

- Master of Business Administration, Chiang Mai University
- Bachelor of Engineer, Royal Thai Naval Academy

Training Programs by the Thai Institute of Directors Association (IOD)

-None-

Other Training / Seminars

- Senior Executive Course, Capital Market Academy, Class 26/2018
- Risk Management and Incident Investigation Lloyd's Register
- Accelerated Finance and Accounting for Non-Finance Manager Boston Network
- Subsea Field Development Concept Optimization Universal Network Intelligence
- Regional Workshop on the IMO London Protocol in Thailand International Maritime Organization
- Navigation Risk "Assessment and Management" Workshop C.&P.
- SEA Survival & Offshore Safety Procedures SMTCC/Sribima Maritime Training Centre
- How to develop a risk management plan-HRP
- Advance Commercial Negotiation (Best Practice)

Working Experiences

2018 - Present Vice President of Ship Management Business
Prima Marine Public Company Limited

2017 - Present Member of the Board of Executives
Prima Marine Public Company Limited

Position in other non-listed companies or organizations

2016 - Present Director
Thai Marine Tanker Company Limited

2016 - Present Director
Bongkot Marine Services Company Limited

2016 - Present Director
Nathalin Management Company Limited

2016 - Present Director
BSC Management Recruitment Company Limited

2014 - Present Director
N.T.L. Marine Company Limited

Present Director
T.I.M. Ship Management Company Limited

Working Experiences in the Last 5 Years

2016 - 2019 Director
Srithai Capital Company Limited

2015 - 2018 Director of Technic
Prima Marine Public Company Limited

2016 - 2018 Managing Director (Acting)
Nathalin Management Company Limited

Position in other listed companies

-None-



Ms. Nipat Eamsiriwat

Age: 43 Years

Commercial Director (Commercial 1)

Date of first appointment as executive : 1 September 2015

Proportion of shareholding in the Company :

Owned share : None

Relationship Persons* : None

Family relationship between director and executive : None

Educations

- Master of Science in Logistics and Supply Chain Management, Burapha University
- Bachelor of Business Administration (Human Resource Management), Rajabhat Rajanagarindra University

Training Programs by the Thai Institute of Directors Association (IOD)

-None-

Other Training / Seminars

- Marketing Knowledge for Ship Business Unit

Working Experiences

2015 - Present Commercial Director (Commercial 1)
Prima Marine Public Company Limited

Position in other listed companies

-None-

Position in other non-listed companies or organizations

2018 - Present Director
Big Sea Company Limited

2018 - Present Director
BSC Management Recruitment Company Limited

2016 - Present Director
N.T.L. Marine Company Limited

2016 - Present Director
Nathalin Management Company Limited

Present Director
Thaimarine Tanker Company Limited

Working Experiences in the Last 5 Years

2013 - 2015 Managing Director
Kanjana Marine Company Limited



Ms. Suthasinee Muenlamay

Age: 36 Years

Project Investment and Quality Assurance Director

Date of first appointment as executive : 14 June 2018

Proportion of shareholding in the Company :

Owned share : None

Relationship Persons* : None

Family relationship between director and executive : None

Educations

- Master of Business Management (Merit), Oxford Brookes University, Oxford, UK
- Bachelor of Product Development of Agro-industry (1st Class Honor), Kasetsart University

Training Programs by the Thai Institute of Directors Association (IOD)

-None-

Other Training / Seminars

- Fundamentals of Petroleum Economics by Petroleum Institute of Thailand, February 2018
- Financial Management and Tax Planning by The Faculty of Economics, Chulalongkorn University Thailand, April-May 2016
- LNG/Gas Contracts - Negotiation, Drafting and Administration by IBC Asia Singapore, May 2015
- LNG Cargo Operations, Transportation and claims by IBC Asia Singapore, March 2015
- Tanker Chartering, Laytime and Demurrage by IBC Asia Singapore, June 2014
- Fundamental of Technical and Commercial of Tankers by NYK Line, Japan, May 2014
- Fundamental of Laytime and Demurrage by IBC Asia Singapore, March 2014
- Business Strategy, Law and Tax for Merger and Acquisition

Working Experiences

2018 - Present Project Investment and Quality Assurance Director
Prima Marine Public Company Limited

Position in other listed companies

-None-

Position in other non-listed companies or organizations

2020 - Present Director
Bongkot Marine Services Company Limited

2020 - Present Director
Nathalin Shipping Pte. Ltd.

2018 - Present Director
Thaimarine Tanker Company Limited

2018 - Present Director
Singha Tankers Company Limited

2018 - Present Director
Top Nautical Star Company Limited

Working Experiences in the Last 5 Years

2013 - 2018 Manager of Commercial Department
TOP-NTL Pte. Ltd.



Mr. Viritphol Churaisin

Age: 58 Years

Chief Financial Officer (The person taking the highest responsibility in finance and accounting) / Member of the Board of Executives

Date of first appointment as executive : 1 January 2017

Proportion of shareholding in the Company :

Owned share : None

Relationship Persons* : None

Family relationship between director and executive : None

Education

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor of Business Administration, University of Thai Chamber of Commerce

Training Programs by the Thai Institute of Directors Association (IOD)

-None-

Other Training / Seminars

- Strategic CFO In Capital Markets Program, Class 5/2017
- Orientation Course CFO (Focus on Financial Reporting)

Working Experiences

2560 - Present Chief Financial Officer, and Member of the Board of Executives
Prima Marine Public Company Limited

Position in other non-listed companies or organizations

2017 - Present Director
N.T.L. Marine Company Limited
2017 - Present Director
Thaimarine Tanker Company Limited
2017 - Present Director
Nathalin Management Company Limited

Working Experiences in the Last 5 Years

2017 - 2019 Director
Orchard Navee Company Limited
1992 - 2016 Director of Financial Department
Nathalin Company Limited

Position in other listed companies

-None-

Ms. Kusuma Moowan

Age: 38 Years

Accounting Manager (The person supervising accounting)

Date of first appointment as the person supervising accounting : 1 February 2016

Proportion of shareholding in the Company :

Owned share : None

Relationship Persons* : None

Family relationship between director and executive : None

Educations

- Master of Accountancy, Ramkhamhaeng University
- Bachelor of Accountancy, Southeast Bangkok College
- High Vocational Certificate of Accountancy, Attawit Commercial School

Training Programs by the Thai Institute of Directors Association (IOD)

-None-

Other Training / Seminars

- Tax Planning
- Tax Law and Retroactive Tax Inspection
- Change of Tax and fill in the P.N.D 50
- Tax for Accounting Manager, Accountant, and Head of Accounting Department
- Annual Financial Report
- Consolidated Financial Statements PACK5 and preparation problem of Consolidated Financial Statements
- New TFRS15 and TFRS16 and impact on tax preparation and net profit calculation
- The submission of Financial Statements via e-filing system for accountant
- Financial Reporting Standard for new listed company
- Dealing with disruption and adapting to survive and thrive
- Thailand Financial Reporting Standard direction (TFRSs / TFRS for NPAEs)
- Finance for executive

Working Experiences

2016 - Present Accounting Manager
Prima Marine Public Company Limited

Position in other listed companies

-None-

Position in other non-listed companies or organizations

-None-

Working Experiences in the Last 5 Years

2002 - 2015 Assistant Accounting Manager
Nathalin Co., Ltd.

Ms. Udornrat Sitthikorn

Age: 44 Years

Company Secretary

Date of first appointment as Company Secretary : 2 July 2018

Proportion of shareholding in the Company :

Owned share : None

Relationship Persons* : None

Family relationship between director and executive : None

Educations

- Master of Business Systems, Monash University, Australia
- Bachelor of Accountancy, Chulalongkorn University

Training Programs by the Thai Institute of Directors Association (IOD)

- Anti-Corruption the Practical Guide (ACPG), Class 47/2018
- Company Reporting Program (CRP), Class 22/2018
- Effective Minutes Taking EMT, Class 13/2009
- Company Secretary Program (CSP), Class 30/2009

Other Training / Seminars

- Advances for Corporate Secretaries, Class 1/2017, Thai Company Secretary Club

Working Experiences

2018 - Present Company Secretary
Prima Marine Public Company Limited

Position in other non-listed companies or organizations

-None-

Working Experiences in the Last 5 Years

2017 - 2018 Senior Manager Investor Relations and Company Secretary
Origin Property Public Company Limited

2014 - 2015 Senior Company Secretary
Kiatnakin Bank Public Company Limited

2004 - 2014 Senior Manager Executive Office
Eastern Water Resources Development and Management Public Company Limited

Position in other listed companies

-None-

Remarks:

* Relationship Persons means

(1) spouse or cohabiting couple;

(2) minor child;

(3) juristic person wherein directors, executives and the persons in (1) and (2) hold shares at an aggregate amount exceeding thirty percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof.

Significant change
and development
during
the past **3** years



Significant change and development during the past 3 years



Year

Events

2017

- The Company transformed to be public limited company and changed its name to “Prima Marine Public Company Limited” and then revised par value formerly from 100 Baht per share to be 1 Baht per share and issued new 500,000,000 ordinary shares for public offering. This resulted in the registered capital of the Company to be 2,500,000,000 Baht, divided into 2,500,000,000 ordinary shares at the par value of 1 Baht per share.
- The Company Group received 2 small vessels named “Sri Don Sak” and “Sri Khiri Chad” with a capacity of 3,000 DWT for Oil and Petrochemical Tanker Business (“Trading Business”).
- The Company performed joint venture with Bangchak Petroleum Pcl. to establish the joint venture company named Bongkot Marine Services Co., Ltd. and to supply “Bongkot Start” vessel for operation of Floating Storage Unit (FSU) Business (“FSU Business”). It is the first vessel entering to operate the business in Thailand.
- The Company opened for securities trading for the first day (short title of the securities is PRM) on 14 September 2017.
- N.T.L. Marine Co., Ltd. increased registered capital of 200,000,000 Baht (formerly from 503,000,000 Baht to be 703,000,000 Baht) to support the expansion of the fleet of the Company.
- On 23 December 2017, N.T.L. Marine Co., Ltd. signed the contract with the Company which not the connected party at China for employment in building 4 new vessels, a small vessel with capacity of 3,000 DWT for expansion of the fleet and enhancement of business competition potential in the Trading Business.

- In January 2018, the Company Group received a new build vessel named “Sri Kanchanadit”, a small vessel with capacity of 3,000 DWT for Trading Business, to support the transportation of products that increase according to the demands of major domestic oil companies.
- In February 2018, the Company Group sold the vessel named “Northern Star” which is the VLCC-sized vessel in FSU Business to adjust its business plan to be in line with the volatile market conditions.
- The Company Group signed to acquire assets by purchasing a total of 360,000 ordinary shares in Big Sea Co., Ltd., which is a limited company operating a marine oil transportation service for oil companies in Thailand, phase I was on 2 July, 2018, the Company Group purchased 252,000 ordinary shares, representing 70% of the total ordinary shares with a total amount of 1,540,000,000 Baht (which are cash payment 1,400 million Baht and obligation to pay 140 million Baht).
- In July 2018, the Company Group sold the Vessel named “Amity Star” which is the VLCC-sized vessel used in FSU Business, to adjust its business plan to be in line with the volatile market conditions.
- In July 2018, the Company Group purchased and received a second-hand vessel named “Siri Pipat”, a small vessel with a capacity of 3,500 DWT for the Trading Business, to support the transportation of liquid petrochemical products according to the demands of major domestic oil companies.



Events

2018

- N.T.L. Marine Co., Ltd. increased its registered capital amounting 250,000,000 baht (from 703,000,000 Baht to be 953,000,000 Baht) to prepare itself for the investment in 4 new build vessels.
- The Company Group has been ranked as a company with good corporate governance at “Very Good” or 4 stars level under the 2018 Corporate Governance Report of Thai Listed Companies (or CGR 2018) organized by the Thai Institute of Directors Association.

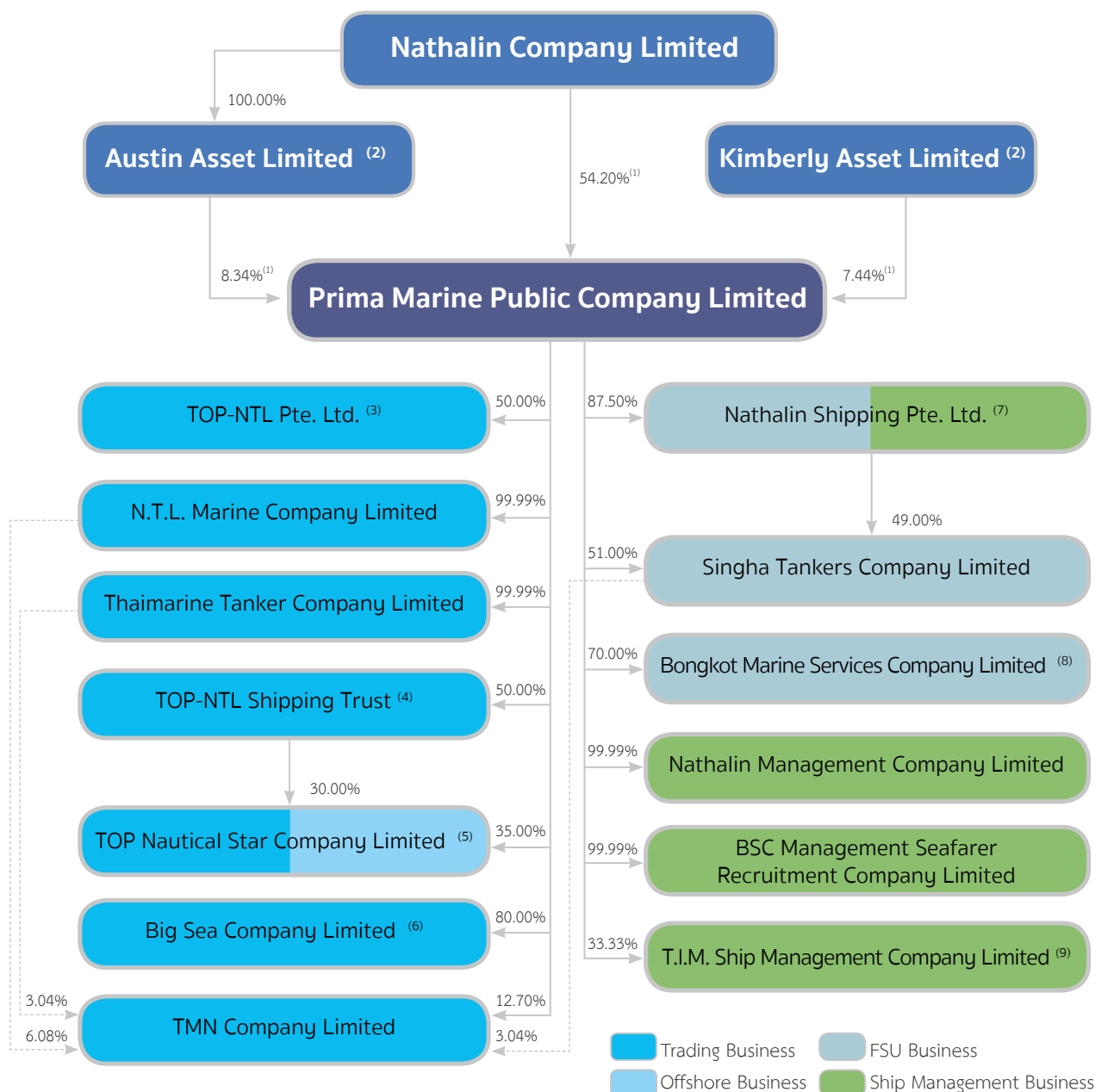
2019

- The Company Group received of 5 new vessels with capacity of 3,000 DWT (Sri Surat, Sri Chaiya, Sri Tahphet, Sri Phunpin and Sri Phumriang, respectively) and 1 new vessel with capacity of 5,300 DWT (BS106), all are vessels used in the Trading Business to support the increased transportation of goods as required by domestic major oil traders, between January - September 2019.
- The Company Group purchased 3 VLCC vessels to be used in the FSU Business (Aquarius Star, Crystal Star, and Darin Star, respectively) to support our customers’ needs for storage of Low Sulphur Fuel Oil, between January - August 2019.
- N.T.L. Marine Co., Ltd. increased its registered capital for 100,000,000 Baht (from 953,000,000 Baht to be 1,053,000,000 Baht) to invest in new vessels according to the 2019 investment plan.
- Singha Tankers Co., Ltd. increased its registered capital for 340,000,000 Baht (from 622,000,000 Baht to be 962,000,000 Baht) to support the Company’s business operations.
- The Company purchased additional ordinary shares of TMN Co., Ltd. from existing shareholders in the amount of 4,406,738 shares or 6.62% of a total issued share of TMN Co., Ltd. Total value of 43,359,552 Baht.
- The Company Group signed to acquire assets by purchasing additional ordinary shares of in Big Sea Co., Ltd. in the second phase for 36,000 shares, equivalent to 10 percent of the total issued shares of Big Sea Co., Ltd., resulting in holding totally 288,000 ordinary shares of Big Sea Co., Ltd., equivalent to 80 percent of the total issued shares of Big Sea Co., Ltd., totaling 1,687,953,608 Baht, on 13 August 2019.
- The Company Group has been ranked as a company with good corporate governance at “Excellent” or “5-star” level under the project of Corporate Governance Report of Thai Listed Companies for the year 2019 (or CGR 2019) organized by the Thai Institute of Directors.
- On 4 November 2019, the Company has been certified as a member of the Private Sector Collective Action Coalition Against Corruption (“CAC Project”) by the Private Sector Collective Action Coalition Against Corruption Council for 3 years period.
- On 23 December 2019, Orchard Navee Co., Ltd., a subsidiary company, completed the liquidation process to close its business due to none of internal business operations.
- On 26 December 2019, Srithai Capital Co., Ltd., a joint venture, completed the liquidation process to close its business due to the expiration of project contract.



Shareholding Structure of the Company Group

(Information as of 31 December 2019)



Remarks:

- (1) Information as of 28 November 2019
- (2) Registered Company in Hong Kong
- (3) Thai Oil Marine Company Limited holds 50.00% of shares
- (4) Thai Oil Marine Company Limited holds 50.00% of shares
- (5) Thai Oil Marine Company Limited holds 35.00% of shares
- (6) TWATT Limited holds 20.00% of shares
- (7) Other shareholders holds 12.50% of shares
- (8) Bangchak Corporation Public Company Limited holds 30.00% of shares

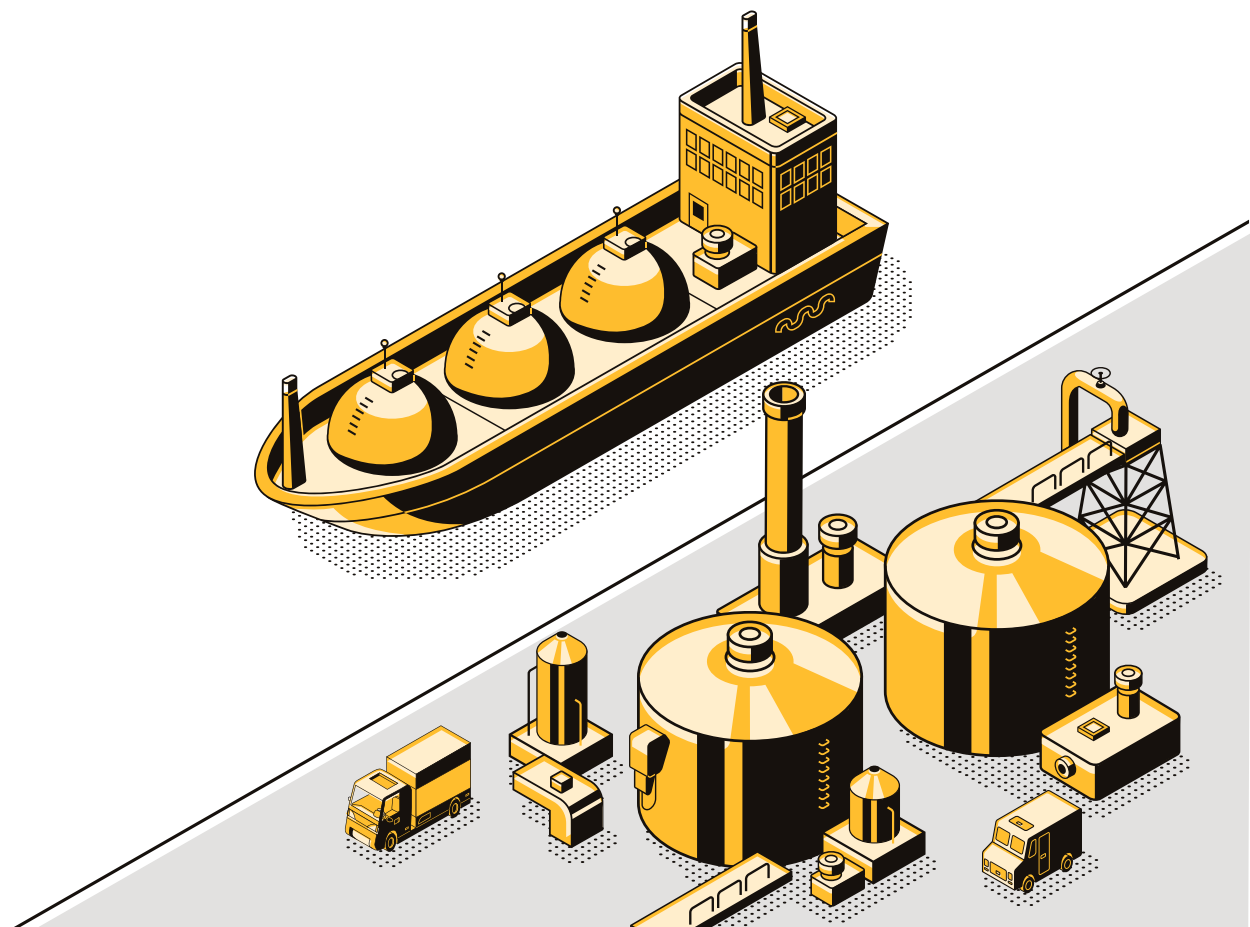
- (9) Thai Oil Marine Company Limited holds 33.33% of shares and Thorne Ship Management Pte. Ltd. holds 33.33% of shares
- (10) Orchard Navee Company Limited has registered to liquidate with Department of Business Development, Ministry of Commerce on 23 December 2019.
- (11) Srithai Capital Company Limited has registered to liquidate with Department of Business Development, Ministry of Commerce on 26 December 2019.

Relationship with the Major Shareholders' Business Group

As of 28 November 2019, a major shareholder of the Company is Nathalin Company Limited which has been 54.20% of the total issued and sold shares of the Company and indirectly held 8.34% of the total issued and sold shares of the Company via Austin Asset Limited.

As of 31 December 2019, the business operation of Nathalin Company Limited and its affiliates ("Nathalin Group") is classified into 3 core business groups consisting of (1) Ship Business Unit, (2) Trading & Service Business Unit, (3) Global Energy Business Unit. Nathalin separates the clear scope of business operation of the companies in the Group whereas the Company is the Flagship Company of Ship Business Unit.

For prevention of contingent conflict of interests, Nathalin company Limited sent Non-Business Competition Confirmation Letter) dated 19 April 2017 to the Company whereas Nathalin Company Limited agrees not to invest in assets related to operation of the core businesses of the Company Group or not to hold shares exceeding 10% in other companies that engage in the business that may have conflict of interests or operates the business that has similar nature or may compete with the business of the Company Group unless it is the shareholding in the company and/or execution in accordance with the effective contracts of Nathalin Company Limited or its subsidiaries.



Revenue Structure and Number of Vessels

The following table shows the revenue structure of the Company Group divided into the core business in the past 3 years.

Business Group	For the accounting year ended					
	31 December 2017		31 December 2018		31 December 2019	
	Revenue (Million Baht)	%	Revenue (Million Baht)	%	Revenue (Million Baht)	%
1. Trading Business	1,705.8	37.9	2,254.0	50.3	2,587.9	48.4
2. FSU Business	1,960.1	43.5	1,395.7	31.2	1,940.9	36.3
3. Offshore Business	480.0	10.7	471.8	10.5	491.3	9.2
4. SM Business	355.0	7.9	358.2	8.0	326.6	6.1
Total	4,501.0	100.0	4,479.7	100.0	5,346.7	100

As of 31 December 2019, the fleet of the Company Group can be divided into the nature of business of the Company Group as follows:

Type of vessel	Owned by the Company and its subsidiaries		Owned by Joint Venture		Hired by the Company Group*		Total	
	No. of vessel	DWT	No. of vessel	DWT	No. of vessel	DWT	No. of vessel	DWT
1. Vessel								
1.1 Trading Vessel								
Small Vessel (0 - 20,000 DWT)	31	101,363.03	-	-	1	2,772.00	32	104,135.03
Aframax Vessel	1	105,996.00	1	105,535.00	-	-	2	211,531.00
Total	32	207,359.03	1	105,535.00	1	2,772.00	34	315,666.03
1.2 FSU Vessel								
VLCC Vessel	7	2,127,430.00	1	299,930.00	-	-	8	2,427,360.00
Total	7	2,127,430.00	1	299,930.00	-	-	8	2,427,360.00
1.3 FSO Vessel								
Aframax Vessel	1	94,999.00	1	96,755.00	-	-	2	191,754 .00
Total	1	94,999.00	1	96,755.00	-	-	2	191,754 .00
Grand Total	40	2,429,788.03	3	502,220.00	1	2,772.00	44	2,934,780.03
2. Other Vessel								
AWB Vessel	1	13,207.00	-	-	-	-	1	13,207.00

Remarks:

* Vessel hired by the Company Group means the vessel that the Company Group has entered into the Bareboat Affreightment Contract and Time Charter Contract for managing the ship by themselves and then provide services to the customer of the Company Group.

Most vessels of the Company Group are Double Hull Vessels in accordance with the requirement of MARPOL Convention enacted by IMO which announced that oil tanker vessel shall be Double Hull Vessel. However, Marine Department has excepted the Thai flagged vessel and operates the business in Thai Waters can remain Single Hull Vessel until the life of the vessel is complete for 30 years from vessel delivery date and then it requires to change to Double Hull Vessel.

As of 31 December 2019, the fleet of the Company Group has Single Hull Vessels in the amount of 5 vessels. In this regard, The Company Group has planned to replace all of 5 vessels to be Double Hull Vessels, contributing to increase in safety of shipment and floating storage since Double Hull Vessel has two layers of hulls that can protect and reduce the opportunity of cargo leak down to the sea upon accident occurrence, resulting in the ability of the Company Group to provide more efficient transportation and storage service to the customers. This will also contribute to an increase in the opportunity of profit-making by the Company Group.



Business Overview

The Company Group provides one-stop services of shipment and floating storage unit of crude oil, refined oil products, and liquefied petrochemicals to the customers upon customer demands and provides services of Offshore Support Vessel for petroleum exploration and production, and ship management which is the key of supply chain of oil and petrochemical industry. The core businesses of the Company Group are classified into four types of businesses as follows.

1 Oil and Petrochemical Tanker Business (“Trading Business”)

The Company Group provides transportation service of crude oil, refined oil products, and liquefied petrochemicals (“Products”) to the customers that operate oil refinery business, and the major oil trader to transport the cargo to the destination specified by the customers. It gives precedence to safety, occupational health and environment, quality control of the products as determined by customers without contamination and alteration of chemical property of the transported products, and punctuality of transportation. Trading Business consists of domestic oil and petrochemical tanker, and international oil and petrochemical tanker.

International Oil and Petrochemical capacity **211,351 DWT**

2 vessels



Domestic Oil and Petrochemical tanker capacity not over **101,363.03 DWT**

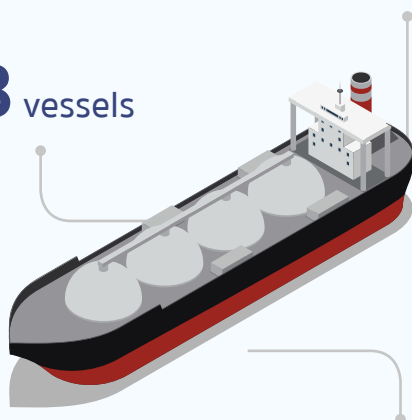
31 vessels

2 Floating Storage Unit (“FSU”) Business (“FSU Business”)

The Company Group provides Floating Storage Unit (FSU) services of crude oil and fuel oil by using vessel which has big cargo storage tank as storage place. The Company Group has duty to store cargo of the customer to have quality, property and quantity as determined by the customer in agreed period, and also provide oil blending service on broad based on specification of oil as required by the customer for cargo distribution to other customers in the region in accordance with regulations of laws.

Total Capacity **2,427,360 DWT**

8 vessels



ถึงจัดเก็บจำนวน **15-17** tanker/vesse

3

Offshore Support Vessel Business ("Offshore Business")

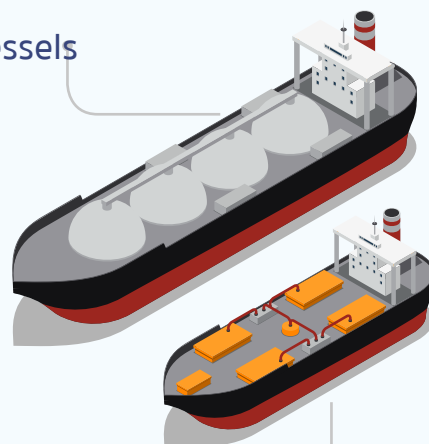
The Company Group provides offshore support vessel service for petroleum exploration and production to the customers which are mostly the offshore oil exploration and drilling companies. The business group for services includes Floating Storage and Offloading Unit (FSO) for oil drilling platform, Accommodation Work Barge (AWB) Vessel Business for oil drilling platform staffs, etc.



Floating Storage
and Offloading Vessel capacity

191,754 DWT

2 vessels

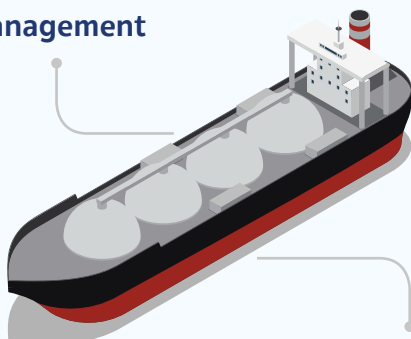


Accommodation Work Barge

13,207 DWT

1 vessels

**Crew
Management**



**Technical
Management**



4

Ship Management Business ("SM Business")

Ship management is important for core business operation of the Company Group. The main scope of work consists of navigation conning and controlling, supply of crews, training organizing and health and safety care of crews, maintenance of vessel hull, engine, and tools and equipment, execution of license and documents related to the government agencies, etc.

The company Group
OWNES
in the Trading
Business **33**
vessels



Nature of Business

1 Oil and Petrochemical Tanker Business ("Trading Business")



The Company Group provides its transport services of crude oil, refined oil products, and liquefied petrochemicals to the customers that operate the oil refinery business and major oil traders, and to ship cargoes from different places to other destinations. The Company Group of the Company shall supply the efficient oil tankers to meet the customer's demands including provide crew members who have knowledge, abilities and expertise for safe transportation of goods in accordance with customers' demands as well as for performance of works as per conditions agreed between the Company Group and its customers.

1.1 Nature of service provision

The Company Group provides its marine transport services in two main shipping routes including 1) domestic transport route, and 2) international transport route as per the following details.

Domestic transport route

The oil tankers of the Company Group shall pick up cargoes from the oil refineries, fuel depots, or ports of loading, and deliver to fuel depots or ports of discharge using tankers with tonnage capacity of not over 10,000 DWT for transport. Two transport routes are divided, based on the type of vessel which is registered for Thai vessel, into 1) Local Trade Vessel Routes, and 2) Vessel Engaged on Near-Coastal Voyages Routes.

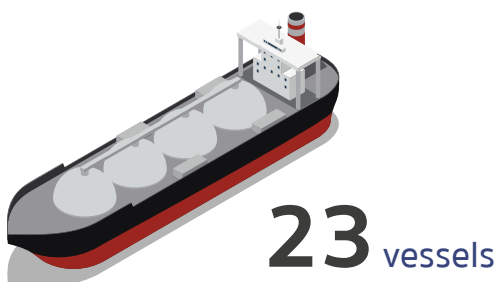
1 Local Trade Vessel Routes

The oil and liquefied petrochemical tankers of the Company Group shall pick up cargoes from oil refineries, fuel depots, or ports of loading in Thailand, such as Si Racha, Rayong and Bangkok (Bang Chak), and deliver cargoes at fuel depots or ports of discharge in Thailand such as Surat Thani, Samut Sakhon, Phuket, Songkhla and Bangkok.

2 Vessel Engaged on Near-Coastal Voyages Routes

The oil and liquefied petrochemical tankers of the Company Group shall pick up cargoes from oil refineries, fuel depots, or ports of loading in Thailand or between the countries which are the neighboring countries such as Singapore, Vietnam, Cambodia, Malaysia, and Myanmar, etc., and deliver to cargoes to fuel depots or port of discharge in Thailand or between the countries which are the neighboring countries as well.

As of 31 December 2019,
the company Group has local trade
vessels of



As of 31 December 2019,
the Company Group has vessels
engaged on near-coastal voyages of



In 2018, the merger of the Company Group was carried out by purchasing ordinary shares for 70% of total ordinary shares of Big Sea Co., Ltd. (“Big Sea”) which is the second-ranked big company of Thailand that provides the refined oil tankers. In 2019, the additional ordinary shares for 10% was purchase. This has resulted in its holding of the ordinary shares in Big Sea for 80% of total ordinary shares as of 31 December 2019 and caused a leaping increase of the number of vessels and trading volume of the Company Group from 2018 onwards.

In addition, in 2019, the Company Group has hired 40 tankers from the compapnies outside the Group for service circulation to support the customer’s transport demands in some period of time taht the vessels of the Company Group have provided their full capacity of services.



Interational transport route

The tankers of the Company Group shall pick up cargoes from ports of loading in Singapore to ports in various countries which are the international transport routes. The Company Group shall use tankers with the tonnage capacity of over 10,000 DWT in type of Aframax with tonnage capacity of 80,000 – 120,000 DWT for transport.

1.1.1 Products transported by the Company Group

Those transported products are crude oil, refined oil product, and liquefied petrochemicals such as benzene, diesel, A1 jet fuel, Naphtha, Cyclohexane, Ethanol, Paraxylene, mixed xylene and Toluene, etc.

1.1.2 Form of shipment service contract

The Company Group enters into the business agreement of 3 types of shipment services as per the following details:

(1) Voyage Charter Contract (“VOYAGE”)

The Company Group provides tanker service to its customers for cargo shipment in voyage itinerary. The Company Group shall execute shipment and take responsibility of the important cargo shipment expenses such as 1) ship management fee, 2) crew salary and remuneration, 3) fuel oil expense for tanker navigation, 4) Port Due and Port Charge in seaport access and exit, 5) vessel repair and maintenance costs, 6) lubricating oil expense, and 7) cost of insurance. VOYAGE can be classified into two types as follows.



Spot Charter Contract (“SPOT”)

The Company Group shall provide SPOT shipment service based on the customer’s requirement whereas the customer shall define the specification of trading vessel, type of trading vessel, type and volume of shipped cargo, shipment timetable, and place of cargo receiving and delivery, to the Company in order to make an agreement on the rate of spot shipment service charge and prepare Procurement Form to propose the customer in spot term.



Contract of Affreightment (“COA”)

The Company Group shall provide COA for customer that requires continuous shipment since the customer has large volume of cargoes. The important condition such as monthly minimum number of voyages, name list of trading vessels, freight rate, certain route of shipment, type and volume of product, and advance notice period for utilization requirement, etc., shall be specified.

(2) Time Charter Contract (“TC”)

The Company Group provides TC shipment service for customer that requires the continuous shipment of large volume of cargoes, and requires specific tanker for day and night control and availability. The customer therefore is able to more efficiently manage goods production process and inventory since the customer is able to release inventory all the time upon requirement. The important condition of TC shipment such as name of trading vessels, type and volume of shipped cargo, and freight rate, shall be specified.

For TC, the vessel owner shall be responsible for the following expenses: 1) ship management fee, 2) crew remuneration, 3) vessel and machinery maintenance service expense, 4) lubricating oil, and 5) cost of insurance.

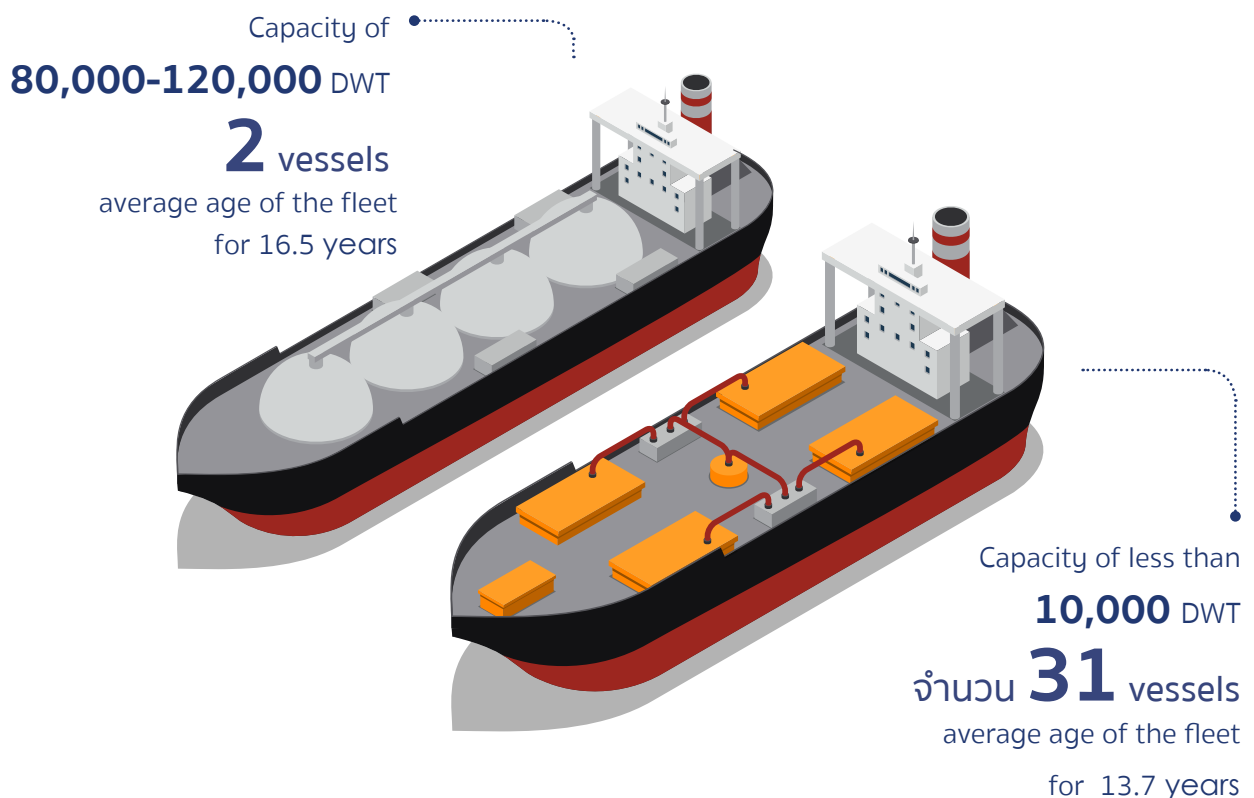
For the affreighting party, it shall be responsible for variable expenses such as 1) bunker expense, 2) Port Due and Port Charge in seaport access and exit, and 3) other variable expenses, etc.

(3) Bareboat Contract (“Bareboat”)

The Company Group shall supply bareboat and equipment on board to customer that requires to possess and control the tanker by the customer itself. The Company Group shall deliver just vessel and equipment on board only, and the customer shall have duty to supply crews, supervise works and pay expenses such as maintenance service expense, meal expense, and fuel oil expense, etc.

1.1.3 Tankers used in service

As of 31 December 2019, the Company Group owns 33 tankers in the Trading Business. Those tankers are categorized into 31 tankers in domestic tanker group with tonnage capacity of less than 10,000 DWT and approximate average age of the fleet for 13.7 years; and 2 international tanker group with tonnage capacity of over 10,000 DWT in type of Aframax (lading capacity from 80,000 – 120,000 DWT) and average of fleet for 16.5 years.



However, the detail of the information of the vessel in the Trading Business is as follows.

(1) Domestic tankers

Vessel name	Country of vessel registration	Maximum tonnage capacity (DWT)	Vessel age (Year)
N.T.L. Marine Company Limited			
1) Siri Thana	Thailand	4,999.42	34
2) Sri Nara	Thailand	4,999.00	27
3) Sri Phuket	Thailand	4,999.00	27
4) Sri Bandon	Thailand	3,138.83	7
5) Sri Tah Chana	Thailand	2,975.00	7
6) Sri Krabi	Thailand	2,016.41	32
7) Sri Tah Thong	Thailand	1,868.56	27
8) Sri Tapi	Thailand	3,022.00	3
9) Sri Khiri Chad	Thailand	4,988.00	2
10) Sri Don Sak	Thailand	3,020.76	2
11) Sri Kanchanadit	Thailand	2,911.00	2
12) Siri Pipat	Thailand	3,497.15	19
13) Sri Surat	Thailand	3,000.00	1
14) Sri Tahphet	Thailand	2,998.20	1
15) Sri Chaiya	Thailand	3,066.00	1
16) Sri Phumriang	Thailand	2,998.80	1
17) Sri Phunpin	Thailand	2,998.90	1
Thaimarine Tanker Company Limited			
1) Bhureemas	Thailand	7,099.00	10
Big Sea Company Limited			
1) Big Sea 9	Thailand	1,929.00	31
2) Big Sea 10	Thailand	1,830.00	31
3) Big Sea 14	Thailand	2,473.00	28
4) Big Sea 15	Thailand	1,890.00	27
5) Big Sea 17	Thailand	2,412.00	25
6) Big Sea 20	Thailand	1,907.00	25
7) Big Sea 21	Thailand	1,940.00	24
8) Big Sea 101	Thailand	3,200.00	9
9) Big Sea 102	Thailand	2,300.00	5
10) Big Sea 103	Thailand	2,300.00	5
11) Big Sea 104	Thailand	6,400.00	7
12) Big Sea 105	Thailand	3,187.00	2
13) Big Sea 106	Thailand	4,999.00	1
Total tonnage capacity		101,363.03	

(2) International tankers

Vessel name	Country of vessel registration	Maximum tonnage capacity (DWT)	Vessel age (Year)
Singha Tanker Company Limited			
1) Radiant Star	Thailand	105,996	14
Top Nautical Star Company Limited			
1) Northern Peal	Thailand	105,535	19
Total tonnage capacity		211,531	

1.2 Marketing and competition

1.2.1 Target customer group

The Company's target customer group is the group of large oil companies, oil refineries, and major oil traders both in the country and abroad such as PTT Plc., Shell (Thailand) Co., Ltd., Chevron (Thailand), Ltd., Esso (Thailand) Plc., Thaioil Plc., and Bangchak Petroleum Plc., Mercuria Energy Group Limited, SK Energy Co., Ltd., Mitsui & Co. (Asia Pacific) Pte. Ltd., and China International United Petroleum & Chemicals Co., Ltd. (UNIPEC), etc.

1.2.2 Price policy

The Company Group determines the rate of proper shipment service fee for customers by considering from type of shipment service. The important factors that are taken into consideration in charging shipment service fee are nature of shipment, route of shipment, period of shipment, type of cargo, etc. as per the following details.

Type of shipment service contract	Charging of shipment service fee
SPOT Charter Contract	The Company shall charge the rate of shipment service fee based on type of shipped cargo, fuel oil price, and shipping distance per voyage. Most of freight price is varied with retail price of diesel oil as agreed with the large oil company.
COA Charter Contract	The Company shall charge the rate of shipment service fee based on type of shipped cargo, fuel oil price, and shipping distance per voyage. The number of voyages or quantity of cargo, shipment period in type of single continual voyage, are determined. Most of freight price is varied based on retail price of diesel oil as agreed with the large oil company.
TC Charter Contract	The Company shall charge shipment service fee under Time Charter whereas service fee is dependent on period, size of vessel that provides shipment service, and wage of the ship manager.
Bareboat Charter Contract	The Company shall charge shipment service fee under Charter for the whole vessel whereas shipment service fee is dependent on period and size of vessel that provides shipment service.

The Company's policies in determining the rate of shipment service include the followings:

1. The pricing policy using Cost Plus Method whereas the cost and expense of shipment service are plus with profit as determined by the Company. In such pricing, demand and supply condition of the market are also considered.
2. The pricing policy in comparison with its competitor under concern on the actual cost and business opportunity in acquisition of new customer base as the major factors.

1.2.3 Industry competition

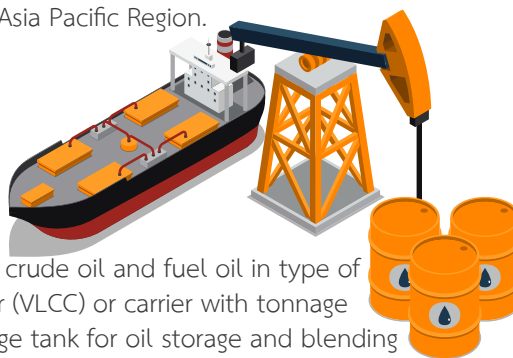
In the domestic tanker industry, there have been few entrepreneurs since it is the business that requires use of very high investment fund for investment in vessel and vessel equipment and very high operating expenses such as fuel oil expense, personnel expense, and insurance expense, etc. In addition, it must rely on the personnel who are experienced and expert in operation of oil shipment certified by the domestic regulatory agencies.

As of 31 December 2019, the Company Group's marketing proportion in the domestic tanker industry has been in the first rank of Thailand for not over 50% of total marketing proportion.

However, the tanker industry between the countries has quite fluctuated. Even though there have been large number of entrepreneurs but an entry to be the competitor in the market must use high investment fund, experiences in perceiving the international tanker market direction, and the personnel with operating expertise. However, the Company Group has still foreseen the opportunity of the international tanker industry growth due to the continuous increasing requirement of oil consumption in Asia Pacific Region.

2

Floating Storage Unit ("FSU") Business ("FSU Business")



2.1 Nature of service provision

The Company Group provides shipment and storage services for crude oil and fuel oil in type of Floating Storage Unit (FSU) by improving Very Large Crude Carrier (VLCC) or carrier with tonnage capacity of 160,000 – 320,000 DWT to have the large-sized storage tank for oil storage and blending place to meet the customer's demand.

The prominent points for the use of shipment and storage service by FSU Vessel which is more advantageous than Tank Terminal onshore are as follows.

- 1) Cost reduction: the Company Group can consider using secondhand vessel with property and useful life which are appropriate for customer utilization to be modified as FSU Vessel, and offer the shipment and storage service charge that contributes to reduction in the customer's overall cost of storage fee.
- 2) Flexibility of utilization: there are numerous laws and rules for construction and disuse of Tank Terminal required for compliance, particularly laws and rules related to the environmental impact, resulting in longer period of utilization after construction until disuse of Tank Terminal than utilization of FSU Vessel.
- 3) Addition of alternative in selection of strategic location site of oil depot: the utilization of FSU Vessel adds an alternative to the entrepreneurs in oil industry in selection of oil depot location in order to contribute to reduction in logistics cost as well as overall shipment cost of the entrepreneurs.
- 4) Increase in profitability: Oil storage warehouse of FSU Vessel is separated into oil storage compartment that enhances flexibility for customers in blending oil in order to have specifications in small lot per time, resulting in the ability of customers to plan for profit optimization.

2.1.1 Products of which the Company Group provide services of transport and storage:

Those products are crude oil and fuel oil.

2.1.2 Nature of service provision of leasing out tanks for storage and transport of cargoes:

The Company Group provides its services in leasing out 15-17 tanks per vessel for storage and transport of cargoes in FSU Vessels which are large vessels with large square storage tanks, by classifying into: leasing out the whole tanks for storage of cargoes in the whole vessel; and leasing out of some tanks for storage. The three types of services are offered including: 1) Solely Storage Service, 2) Fuel Mixing by Air Agitation and Inter Tank Transfer methods, and 3) Fuel Heating Service.

However, the Company Group can provide services of domestic and overseas transport and floating storage of cargoes. In 2019, 6 FSU Vessels of the Company Group have been docked at Tanjung Pelapas Port in Malaysia for providing storage and mixing services of Low Sulphur Fuel Oil of less than 0.5% by weight or Low Sulphur Fuel Oil. One FSU Vessel has been docked at Linggi in Malaysia for providing storage and mixing services of crude oil. In addition, another one FSU Vessel has been docked at the back of Ko Si Chang, Ko Si Chang District, Chon Buri Province, for providing storage and mixing services of crude oil.

Operating location of FSU Vessels in Malaysia



2.1.3 Form of shipment and storage service contract

The form of most of shipment and storage service contracts is in the nature of Time Charter Contract for 1-2 years term. In the contract, docking area, storage and shipment period, storage and shipment charge, etc. shall be specified.

2.1.4 Vessels used in shipment and storage

The Company Group shall supply FSU Vessel which is appropriate for customer requirement under concern on characteristic and property of stored cargo, cargo volume required by the customer for storage, and period required by customer for storage of cargo.

Table showing the information of Floating Storage Unit (FSU) Vessels of the Company Group as of 31 December 2019

Vessel name	Country of vessel registration	Maximum tonnage capacity (DWT)	Vessel age
Prima Marine Public Company Limited			
1) Energy Star	Thailand	309,966	22
2) Fortune Star	Thailand	298,023	20
1) Aquarius Star	Thailand	298,641	18
2) Crystal Star	Thailand	298,570	19
3) Darin Star	Thailand	299,700	25
Singha Tanker Company Limited			
1) Grace Star	Thailand	312,638	18
2) Jubilee Star	Thailand	309,892	23
Bongkot Marine Services Company Limited			
1) Bongkot Star	Thailand	299,930	22
Total		2,427,360	

2.2 Marketing and competition

2.2.1 Target customer group

The target customer group is the refinery and oil trading company group both in the country and abroad.

2.2.2 Price policy

The Company Group determines the rate of proper shipment and storage service fee for customers by considering from the form and condition of the shipment and storage service. The important factors that are taken into consideration in charging shipment and storage service fee are type of cargo, storage volume, size of vessel, route of shipment and storage, and period of service. The Company Group establishes the pricing policy as follows.

● The pricing is based on cost price plus appropriate gross profit using Cost Plus Method and in accordance with the demand and supply condition of the market under requirements that the Company Group can be competitive.

● The pricing is compared with the competitors and market price under concern on actual cost. However, the Company Group shall consider pricing based on the customer requirement together with the condition of the market competition.

2.2.3 Industry competition

Most of the customer group in FSU Business of the Group Company are foreign oil companies that operate in Singapore and Malaysia because they are the regional oil trading hub. These foreign oil companies mainly distribute their goods in Asia Pacific Region.

The use of high investment fund is required for entering into competition in this industry. The entrepreneurs must be expert and experienced in oil mixing under the customer requirement without loss of goods. In addition, anchorage location is also an important factor of market entry. The entrepreneur must be granted for Anchorage License from the government, and also renew the License every year.

Eleven FSU Vessels have currently been docked at Tunjung Pelapas Port in Malaysia, and six FSU Vessels of the Company Group has been stationed at the said Port. The companies that operate FSU Vessel Business in the said area include China Shipping Co., Ltd. and Sentek Marine Pte. Ltd., etc.



3 Offshore Support Vessel Business ("Offshore Business")

3.1 Nature of service provision

The Company Group provides its services of offshore support vessel for petroleum exploration and petroleum production to customer groups of offshore oil exploration and excavation companies. The services provided include Floating Storage and Offloading Units Vessel ("FSO Vessel") and Accommodation Work Barges (AWB).



3.1.1 Floating Storage and Offloading Unit Vessel Business ("FSO Vessel Business")

The Group Company provides its services of transport and storage of crude oil by using vessels with characteristics of large tank of crude oil and tools for support of direct transfer of crude oil from offshore oil rigs; whereas, the Company Group shall be obliged to support and store crude oil of the customers from oil rigs and to wait for transfer of oil to small vessels for transit to oil refineries.

As of 31 December 2019, the Company Group owns two Aframax-sized FSO vessels for service provision to its customers with the maximum tonnage capacity of 191,754 DWT and the approximate average service life of 24 years, as per the following table:

Vessel name	Country of vessel registration	Maximum tonnage capacity (DWT)	Vessel age
Prima Marine Public Company Limited			
Sriracha Eagle	Thailand	94,999	23
Top Nautical Star Company Limited			
Southern Pearl	Thailand	96,755	25
Total		191,754	

The shipment and storage contract using FSO Vessel shall be TC contract. At present, average term of the contract has been 5 years due to necessity of the customer to control FSO Vessel day and night to support the continuous oil drilling operation.

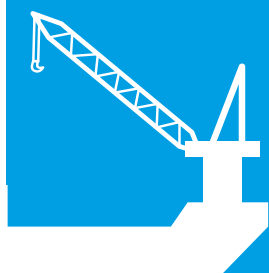
3.1.2 Accommodation Work Barge Business ("AWB Business")

The Company Group's Accommodation Work Barge is available for petroleum drilling platform staffs of the petroleum exploration and production companies to reside during their operations on petroleum drilling platform. The Accommodation Work Barge shall be docked at the area adjacent to petroleum drilling platform of the customer to facilitate petroleum drilling platform staffs for accommodation, preserved foodstuffs and nursing.

As of 31 December 2019, the Company Group has had one Accommodation Work Barge for service. The Company Group is the owner of the vessel such as Nava Thanee Vessel, that can support 300 staffs and equipped with facilities such as kitchen, dining room, and recreation room, etc.

Vessel name	Country of vessel registration	Maximum tonnage capacity (DWT)	Vessel age
Prima Marine Public Comapny Limited			
Nava Thanee	Thailand	13,207	9

Nava Thanee Vessel



The service contract of Accommodation Work Barge is TC contract. At present, the term of the contract is 7 months since AWB must be stationed at the area of oil drilling platform all the time to be the accommodation of the oil drilling platform staffs.

3.2 Marketing and competition

3.2.1 Target customer group

Target customer group of the Company Group in Offshore Business is the group of offshore crude oil exploration and production companies that operate offshore crude oil exploration and production inside Thailand.

3.2.2 Pricing policy

The Group Company determines rate of service fee which is appropriate for customers by considering from service form and condition. The important factors are taken into consideration in charging service fee, such as type of cargo, size of vessel, type of vessel, route of shipment and storage, and period of service.

The Company Group shall charge service fee under type of service as follows:

Type of service	Charge of service fee
Offshore Support Vessel Service	Service fee is charged based on Time Charter.

The Company's pricing policy is as follows:

- The pricing is based on cost price plus appropriate gross profit using Cost Plus Method and in accordance with the demand and supply condition of the market under requirement that the Company can be competitive.

- The pricing is compared with the competitors and market price under concern on actual cost.

However, the Company shall consider the pricing based on the customer requirement together with the condition of the market competition.

3.2.3 Industry competition

In the Offshore Support Vessel industry, the entrepreneurs have been few since it is the business that needs the use of very high investment fund in operation, such as investment of vessel and vessel equipment, and insurance expense, etc. The experiences and expertise in ship management must be used.

4 Ship Management Business ("SM Business")

4.1 Nature of service provision

The Group Company provides ship management service under the scope of major works such as Technical Management, Crew Management, and management for operation safety to crew, cargo, and hull of vessel under main environmental concern.



4.1.1 Technical Management

The Company Group on behalf of the ship manager shall control and supervise vessel to have property in conformity with maritime rules of the domestic agencies and international organizations under the following main operations

- The Company Group shall determine that the crews of engine room division or mechanics shall control and supervise maintenance, repair and general condition of the vessel and machineries and equipment in the vessel.
- Control and supervise shipyard docked work.
- Control and supervise Safe Cargo Operation.
- Control and supervise Ship Inspections and Surveys to be ready for operation in seaport of the vessel affreighting party.
- Execute about the important vessel documents of the significant agencies such as Harbour Department, Customs Department, and Office of the NBTC.
- Control and supervise the vessel operation for safety of the crew, hull of vessel, property and environment in accordance with International Safety Management (ISM) System.

4.1.2 Crew Management

The Company Group manages crews to be qualified in conformity with rules and regulations of Marine Department and/or Convention of Standard of Training, Certification and Watchkeeping for Seafarers (STCW)/ Maritime Labour Law Convention (MLC), under the following main operations:

- Select qualified personnel for position, size of vessel, and shipping zone whereas the certification of crew as prescribed by Harbour Department shall be available.
- Control and supervise crews to work safely and strictly comply with a policy for use of narcotics and alcohol drinking.
- Manage salary, other remunerations and welfare for crews pursuant to rules prescribed by the Company and coordinate the essential training for crews.
- Develop crews to have knowledge and competency adequate for efficient and effective operation.
- Annually appraise the performance of crews.

The companies in the Group that operate ship management business are:

- 1) Nathalin Management Co., Ltd. ("NMC");
- 2) Nathalin Shipping Pte Ltd. ("NSSG"); and
- 3) T.I.M. Ship Management Co., Ltd. ("TIM") as per the following details:

Company	Business Operation
Nathalin Management Co., Ltd. ("NMC")	NMC provides domestic ship management service covering small vessel (the capacity of not over 10,000 DWT) and Crew Boat.
Nathalin Shipping Pte Ltd. ("NSSG")	NSSG was established in Singapore to operate the business of shipment, ship management and storage for crude oil and fuel oil for foreign customers. NSSG provides services of all FSU Vessels of the Company Group.
T.I.M. Ship Management Co., Ltd. ("TIM")	TIM is the company that operates domestic and foreign ship management business covering small and large vessels and Crew Boat. TIM provides services of Domestic Oil Tankers and FSO Vessels.

4.2 Marketing and competition

4.2.1 Target customer group

The customer group that engages in the Trading Business for Cargoes and Oil, FSU Business, and Offshore Business.

4.2.2 Price policy

The Company Group's pricing policy is based on the cost price of service plus the appropriate gross profit (Cost Plus Method) by considering the service form and service term. The important factors taken for consideration in pricing ship management service fee, such as type and size of vessel, type of service, scope of service, shipping route, and country where the vessel is operating, etc. The types of the Company Group's services cover the ship management, and crew management and the Company Group shall charge service fee for each type of service in monthly basis.

4.2.3 Industry competition

The characteristic of the domestic ship management business is specific and the costs are high in personnel incubation to be skillful in operations, resulting in few competitors in this business. In addition, in 2019, the Company Group has emphasized on operating ship management business for their vessels to support the increasing extension of fleet based on an annual investment plan.

Sourcing of products and services

For the shipment and storage of marine products service, the Company Group shall provide the important raw materials and resources, such as: (1) shipment service contracts; (2) vessels; (3) marine fuel for transport; (4) crew provision; and (5) ship maintenance, as following details:

1. Shipment service contract sourcing

The Company has two ways for acquisition of the contract including: 1) Auction and 2) Direct hire.

1.1 Auction: The Company Group will join the auction by itself. Before participating in the auction, the Company Group will analyze the Term of Reference (TOR) and evaluate the project's return. If the Company Group has the opportunity to be awarded for the auction and can generate the appropriate return, the Company Group will approve the bidding, and prepare and provide project proposals to the customers or organizations.

1.2 Direct hire: The Company Group will directly undertake work from the customers by entering into service contract or hiring order. However, the Company Group will consider the form of contract or hiring order, depending on the type of shipment service or storage in either SPOT or COA or TC.

2. Ship sourcing

The Company Group will supply the vessel that appropriate to the need of customers by dividing into shipment services and storage services. For shipment services, the customers will send the important details, such as type of product and its amount, port of shipment and destination, date and time for shipment required by the customers, etc. For storage services, the customers will send the important details, such as type of product and its amount, the waters and area to dock the vessel, and the duration of service, etc. The Company Group applies 3 methods to supply the vessels: 1) purchasing second-hand vessels; 2) ship rebuilding; and 3) outsourcing (trading vessel only)

2.1 Purchasing second hand vessels

The Company Group will contact through the Company's brokers both in the country and abroad for vessel sourcing. The Company Group will check the condition of the vessel by screening the large number of vessels from the brokers in order to acquire good quality vessels with reasonable price and technical specification of the vessels in conformity to the customer's needs, and assess the cost of vessel improvement and maintenance to prepare the feasibility study. If the Company Group considers that the project generates worthwhile return, the Company Group will ask for approval to purchase the vessel from the Board of Directors. The Company Group considers purchasing a second-hand vessel by taking into account the type, specifications and age of the vessel based on the appropriateness to the customer's needs. It takes 3 – 6 months period for completing the purchase of a second-hand vessel.

After purchasing the vessel, the Company Group may additionally overhaul the vessel before releasing the vessel to serve the customers. The major steps are repairing the vessel, installing additional equipment, purchasing fuel, and hiring vessel manager. The vessel administrator will handle the crews, apply for licenses, such as Ship Register and Ship's License, etc. and prepare the Hull and Machinery Insurance (H&M Insurance) and the Protection and Indemnity Insurance (P&I Insurance).

There are many brokers in the industry, therefore, the Company Group is not required to enter into the ship sourcing contract with any particular broker since it can compare the prices, specifications of the vessels and terms of payment, to get the best conditions and maximum worthiness.

2.2 New Shipbuilding

The Company Group will consider to build a new ship in case where the Company Group is unable to find the ship that meets the customer's needs or the new shipbuilding is worthier than the purchase of second-hand ship, for example, lower maintenance costs, more fuel saving, more efficient operating systems and longer life of service, etc.

After the customer's needs has been acknowledged, the Company Group will ask for the proposal from the shipyard to compare the technical data and price for evaluating the Feasibility Study of the project and then ask for approval from the Board of Directors. After that, the shipyard will prepare the ship construction design in details for the newship. The Company Group will control the quality of the ship throughout the shipbuilding period. The new shipbuilding of the ship with tonnage capacity of less than 10,000 DWT takes about 12-18 months. The new shipbuilding with tonnage capacity of over 10,000 DWT takes about 24 - 36 months.

When the ship is going to be completed, the Company Group will hire the ship management service provider to prepare the ship for use. This includes key steps, such as installing additional equipment, purchasing fuel, sourcing staffs, and applying other licenses, such as Ship Register, Ship's License, etc., as well as applying Hull and Machinery Insurance (H&M Insurance) and Protection and Indemnity Insurance (P&I Insurance).

However, the Company Group shall compare prices, specifications, ship building quality, and terms of payment in various countries, such as China, Japan, Korea, etc., to get the good conditions and maximum worthiness for investment

2.3 Ship outsourcing

The Company Group will consider to hire a ship from a third party in case where the Company Group is unable to find a ship within the Company Group in the date and time that meet the customer's needs. The Company Group will contact the ship owner directly or through a broker in order to hire a ship. The Company Group will check the details and specifications of the ship, and the relevant licenses in details to ensure that the ship is standard and has specifications that meet the customer requirements and is appropriate for the customer's cargoes prior to every hire.






3. Marine fuel for transport (Bunker)

The Company Group will supply the fuel from both domestic and international leading oil trading companies in the Company Group's Approved List. It will check the quality and standards of the oil trade business to ensure that the purchased fuel has good quality for the vessel engines. However, the Company Group will contact at least two oil traders for price inquiry by specifying quantity, type of fuel, and place of delivery in order to compare the reasonableness of the price for approval consideration of the authorized person. After that, the sales department will contact the oil traders to notify the delivery details accordingly.

However, in accordance with the promulgation of IMO2020 by the International Maritime Organization to be effective all over the world from 1 January 2020 onwards, every vessel has changed to consume High Sulphur Fuel Oil to be Low Sulphur Fuel Oil, or install Scrubber System to reduce air pollution and relieve global warming that results in higher global temperature. The Company Group has decided to change to consume Low Sulphur Fuel Oil instead of installation of Scrubber System due to use of lower investment fund. On 25 December 2019, the Company Group has changed to consume fuel oil from High Sulphur Fuel Oil to be Low Sulphur Fuel Oil for all vessels in every group of the service business in the international transport routes. However, the Company Group has supplied Low Sulphur Fuel Oil through oil traders (suppliers) in overseas, and filled fuel oil at the ports of destination.

4. Supply of crews

The Company Group will strictly recruit crews in accordance with the relevant shipping rules and regulations prescribed by the agencies such as International Maritime Organization (IMO), and the government regulatory agencies for navigation and ports, etc. the Company Group will supply and select the personnel and crews through various channels, such as informing recruitment news through Merchant Marine Training Centre, and Maritime Schools, such as Asian Maritime Technological College, and Maritime School, etc., or informing through journals relating to navigation, and informing through the staffs of the Company Group, website, and social media, for example, Facebook and Line, etc. The important selection criteria are as follows.

-  Pass the training course approved by Marine Department and relevant agencies to comply with the relevant international maritime regulations.
-  Obtain the license or certificate issued by the relevant authorities.
-  Should have at least 2 years of working experiences in relation to the applied position.
-  Have the ability of English (for the positions of Captain and Deck Officer).
-  Pass the knowledge test and the interview by the commanding officers.

Moreover, the Company Group provides the training organized by the personnel within the Company Group and the external speakers. It provides the training to the seafarers to understand the rules and work procedures on board. The main trainings are divided into four categories:

- 1) Safety Training is a training that gives the crews abilities to cope with the occurred problems, such as Basic Firefighting Course, Personal Survival Course, Personal Safety Course, and Elementary First Aids Course, etc.
- 2) Navigation Training is a training that provides the crews abilities to correctly and safely sail the vessel to the destination, such as Radar Simulation Course, Bridge Team Management Course and Ship Simulator Course, etc.
- 3) Engine Room Training is a training to make the crews familiar with the mechanisms and operating system on board and machine rooms, such as Engine Room Management Course, Engine Room Operation Course, and High Voltage Course, etc.
- 4) Specific Training: As the transport or storage of each type of cargo has different needs for maintenance or management, as such it is necessary for the additional trainings, such as Oil Tanker Training Course, Gas Tanker Training Course, and Chemical Tanker Training Course, etc.

5. Vessel maintenance

The Company Group has planned the maintenance into two types of maintenance: 1) Preventive Maintenance and 2) Dry Docking) as per the following details:

5.1 Preventive Maintenance

Preventive Maintenance is a maintenance of hull, machine and equipment, electrical system, and various control systems, as well as installed piping in the vessel, by performing the maintenance based on scheduled period, or distance, or according to the manufacturer's instructions, Moreover, the Company Group sets up the maintenance team as its staffs, and hires the contractors in its Approved Vendor List.

For vessels under 5 year of age, the preventive maintenance can be performed by the under water survey for checking the condition of the hull under water, instead of docking for the first 30 months. It takes 5 – 7 days period for execution.

5.2 Dry Docking

Usually, the Company Group's vessels are out of service for dry-docking or a major repair every 5 years, depending on the age of the vessel whereas it is often consistent with the period of the project agreed with the customers for smooth operation, to check the steel structure of hull and various systems on the vessels, such as engine systems, electrical and lighting systems inside the vessels, communication systems, navigation control systems, piping systems and equipment to transfer cargoes and cargo tankers, and safety system on board, etc. Each time of dry docking will take about 3 – 8 weeks from taking the vessel from the ocean to returning the vessel down to the ocean, depending on the age and tonnage capacity of the vessel.

In taking the vessel for each time of dry docking, the Company Group will carry out the advanced planning to prevent the impact of shipping and storage services of the Company Group. There are 4-5 docks of which the Company Group uses for its regular service. The quality of the said docks are standard and the reasonable rate of service fee is charged. These docks can support dry docking for many vessels at the same times, resulting in no impact on the operation.

Conditions of Fuel Oil Industry and Fuel Oil Transportation and Storage

Overview of the refined oil consumption in Thailand

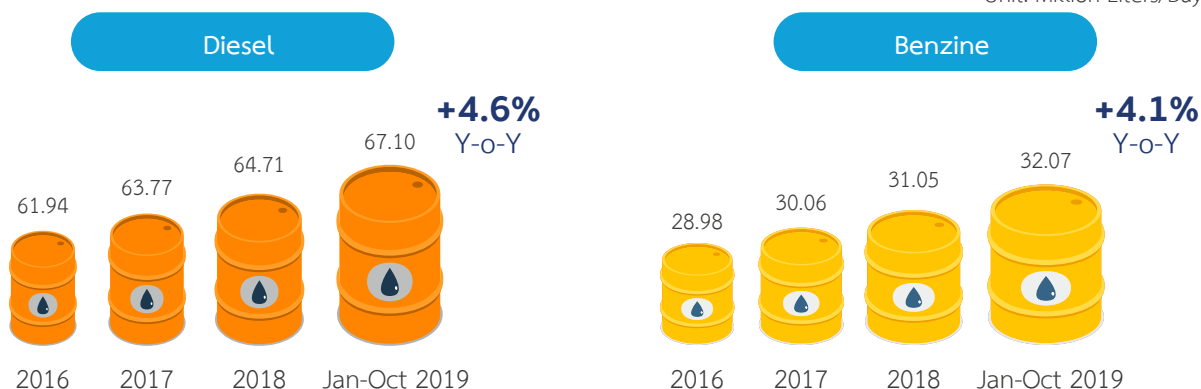
In ten months period of the year 2019, the overall refined oil consumption was increased as per the following details:

Diesel group oil consumption: the average consumption was 67.10 million liters per day, increasing by 4.6%. Its average retail price was at 26.54 Baht per liter, decreasing by 7.2% when compared with the same period of the previous year. However, the proportion of the diesel consumption in the land transport sector was maximum at 55.1% of the fuel consumption in the land transport sector, increasing by 4.6%. At the end of October 2019, the accumulated number of the registered diesel cars has been 11.26 million cars, whereas most of them have been 6.4 million private cars. In the period of January – October, 2019, the number of the new registered diesel cars has been 5.9 hundred thousand cars, increasing by 4.5% when compared with the same period of the previous year.

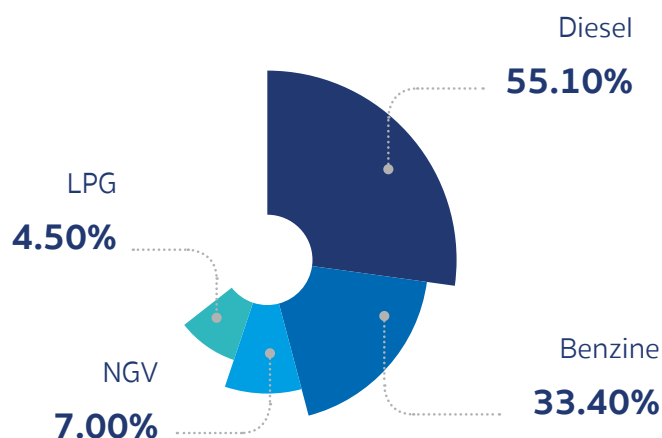
Benzene group oil consumption: the average consumption was at 32.07 million liters per day, increasing by 4.1% when compared with the same period of the previous year. Its average retail price was at 27.07 Baht per liter, decreasing by 5.3% when compared with the same period of the previous year. However, the proportion of the benzene consumption in the land transport sector was maximum at 33.4% of the fuel consumption in the land transport sector, increasing by 4.1%. At the end of October 2019, the accumulated number of the registered benzene cars has been 27.48 million cars, whereas most of them have been 21.2 million motorcycles and 6.1 million private car notover 7 seats. In the period of January – October, 2019, the approximate number of the new registered diesel cars has been 2.0 million cars, increasing by 0.3% when compared with the same period of the previous year.

Quantity of the Refined Oil Consumption for 2019

Unit: Million Liters/Day



Proportion for Consumption of Fuel Oil in the Land Transport Sector for 2019



Source : Energy Policy and Planning Office, Ministry of Energy

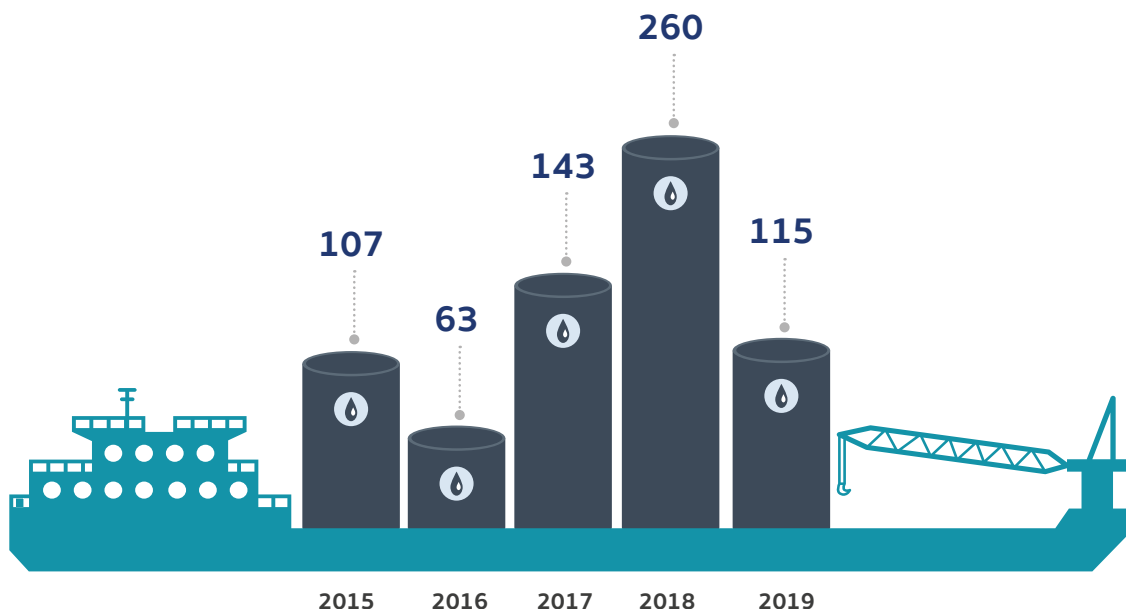
IMO2020 Measure

The International Maritime Organization (IMO) has issued IMO2020 measure under an objective to reduce air pollution derived from combustion of high sulphur fuel in maritime navigation by changing to consume Low Sulphur Fuel Oil of 0.5% by weight or installing Scrubber System on every vessel. The said measure is effective all over the world from 1 January 2020 onwards. If any vessel intentionally violates, the fine will be imposed in the amount of several millions USD in accordance with the condition from the responsible international agencies. However, this measure affects supply chain system in the global oil industry.

In 2019, an oil trading vessel industry has become aware of and has been highly ready for adapting such measure. Some entrepreneurs have selected to take the vessels out to install Scrubber System. It must take at least three months period for installation, resulting in reduction of period of time that vessels are in the market, and inadequacy for services and causing increase in service fee of the international oil tankers. However, some entrepreneurs have selected to consume Low Sulphur Fuel Oil of 0.5% by weight as fuel oil instead of High Sulphur Fuel Oil of 3.5% by weight. Therefore, the consumption demand of Low Sulphur Fuel Oil of 0.5% by weight has been increased. The manufacturers and oil traders have needed to use FSU vessel services which are highly flexible in mixing and storing oil as required by the customers, resulting in increase in service fee of FSU vessel.

Due to the aforesaid market direction, demand and supply cycle has also been one factor affecting an adjustment of the service fee of oil tankers. In 2019, the market situation of the international oil tankers has been improved from 2018 because many oil tankers were off the market to be sold for scrapping in 2018, resulting from a sudden application of the policy for reduction on the fuel oil importation of the refineries in China. This has caused a rapid decrease in the needs to use oil tanker services while many vessels has still been in the market. Thus, the prices have been competitive in the market, resulting in the requirement of some non-competitive entrepreneurs to leave the market by selling their vessels for scrapping.

Number of Oil Tankers Sold for Scrapping in the Past Five Years



In 2018, The 260 oil tankers were sold for scrapping. However, in 2019, the 115 oil tankers were sold for scrapping, decreasing by 145 oil tankers when compared with those in 2018.

ที่มา : Weekly SnP Statistics, Week 03-2020 as at 19 January 2020, Allied Shipping Research

Business License

The Company Group has secured licenses for domestic and international business operations as follows:

1. License for Domestic Business Operations

License	License Issuer	Date of Issue	Licensed Company
Notification for fuel transporter pursuant to Section 12	Department of Energy Business	17 September 2015	The Company
Notification for fuel transporter pursuant to Section 12	Department of Commercial Registration	28 May 2001	NTL
Notification for fuel transporter pursuant to Section 12	Department of Commercial Registration	11 November 2001	TMT
Notification for fuel transporter pursuant to Section 12	Department of Energy Business	13 December 2013	TNS
Notification for fuel transporter pursuant to Section 12	Department of Energy Business	8 June 2015	SHT
Notification for fuel transporter pursuant to Section 12	Department of Energy Business	13 December 2013	TOP
Notification for fuel transporter pursuant to Section 12	Department of Energy Business	15 May 2001	NAT
Notification for fuel transporter pursuant to Section 12	Department of Energy Business	27 June 2017	BMS

2. License for Business Operations in Malaysia

The licenses related to FSU Vessel Business in Malaysia consist of two types as follows.

1) Domestic Shipping License (“DSL”)

The DSL is the license for the company that operates the transport business in Malaysia. The non-Malaysian flagship vessels must apply for authorization from the Malaysia Shipowners’ Association (“MASA”) and Domestic Shipping Licensing Board to be granted for DSL. This license is valid for three months and can be renewed with unlimited number of renewals. As of 31 December 2018, the Company Group has held DSL for operating all FSU vessels.

2) Ship to Ship Approval (“STS Approval”) License

The STS Approval License is the license for the ship to ship transfer of cargoes at sea in Malaysia. The STS Approval Licenses of the Company Group are valid from 6 months to 5 years. As of 31 December 2019, every FSU vessel of the Company Group has held the STS Approval License for the ship to ship transfer of cargoes at sea.

Environmental Impact

The Company Group highly emphasizes on the environmental and safety impacts due to broad impacts from damages or accidents arisen by the floating or storage unit vessels for crude oil and petroleum products, not particularly for loss of the worker's life and property of the Company Group, but including impact on the life and property of the third party and the environment in the surrounding accidental areas, as well as the Company Group's reputation and image.

The Company Group has recruited the ship management executive who is effective and experienced in management, quality inspection, and vessel operations, according to the accepted international standards of the oil and chemical companies. Moreover, the Company Group also establishes an internal department to monitor and coordinate about the safety rules and regulations, on board equipment and crews in conjunction with all relevant agencies to ensure that all vessels of the Company Group are effective and have complete and adequate required qualifications. In addition, the Company Group monitors to prevent of the environmental impact in all areas where the Company Group's vessels operate. Also, the management has formulated the policy to continuously care for the public, society and environment.

Moreover, to inspire the confidence of all stakeholders, the Company Group buys Hull & Machinery Insurance (H&M) and Protection and indemnity insurance (P&I Insurance) in the event of incident according to international standards.

Achieved Award and Standard

The Company Group has focused on the development of service quality to ensure maximum customer satisfaction, and enhance competitiveness and acquire customers for the Company Group, which allows it to receive domestic and international certifications and earns many awards from both public and private sectors as follows:

Year	Achived Award and Standard
2006	EHS Recognition Award: 500 voyages without Environment, Health and Safety Incident from Alliance Refining Co., Ltd.
2008	EHS Recognition Award: Safety at Heart Program from Alliance Refining Co., Ltd.
2011	CEO Contractor Award for SSHE Excellence 2011 : No recordable injury for one year from PTT Exploration and Production Plc.
2012	<ul style="list-style-type: none">Accomplishment of EHS Incident Free from PTT Global Chemical Plc.CEO Contractor Award for SSHE Performance Excellence 2012 : No recordable injuries for two years from PTT Exploration and Production Plc.
2013	<ul style="list-style-type: none">The 2nd Prize of Vessel with Safety, Occupational Health and Working Environment Award from Thai Oil Plc.Achievement of Incident & injury Free From Star Petroleum Refining Plc.
2014	<ul style="list-style-type: none">10,000 Safety Voyages in Marine Operation Excellence from Thai Oil Plc.Recognition of year 2014 SHE Performance from Oil Industry Environmental Safety Group Association (IESG)

Year	Achived Award and Standard
2015	<ul style="list-style-type: none"> • Achievement in Zero Incidents in Marine Operations from Chevron (Thailand) Co., Ltd. • Operation Support Group Maritime Safety Achievement Award 2015 : 5 Million Man-hours without Lost Time Injury For Marine Operation in the Gulf of Thailand from PTT Exploration and Production Plc. • Excellent Vessel with Oil Loss Control for Oil Transport to Songkhla Petroleum Warehouse from PTT Plc. • Operation Support Group Maritime Safety Achievement Award 2015 : 5 Million Man-hours without Lost Time Injury For Marine Operation in the Gulf of Thailand from PTT Exploration and Production Plc. • Recognition of Above Party for a Safe Operation from Thai Oil Plc.
2016	<ul style="list-style-type: none"> • CEO Contractor Award for SSHE Performance Excellence 2016 : No recordable injuries for one years from PTT Exploration and Production Plc. • Safety Health and Environment (SHE) Performance 2016 from Oil Industry Environmental Safety Group Association (IESG) • The 2nd Prize in “Our Safety Day 2016 Achieving Goal Zero Because We Care” Activity for the Video Clip of STC Operation, from Shell (Thailand) Co., Ltd.
2017	Safety Health and Environment (SHE) Performance 2017, organized by the Oil Industry Environmental Safety Group Association (IESG)
2018	<ul style="list-style-type: none"> • 2018 IESG Safety Awards: Sri Bandon Vessel and Sri Tah Thong Vessel • SPRC Port Award: 500 voyages without accidents: Sri Tah Chana Vessel • PTTGC Port Award: 400 voyages without accidents: Sri Tah Thong Vessel • Ship Owner of the Year Award from Shell (Thailand) Co., Ltd. • Best Performance Award from Shell (Thailand) Co., Ltd. • Best Vessel Award from Shell (Thailand) Co., Ltd.
2019	<ul style="list-style-type: none"> • Ship Owner of the Year Award from Shell Thailand Co., Ltd. • Best HSSEQ Award from Shell Thailand Co., Ltd. • Best Vessel/ Barge Award from Shell Thailand Co., Ltd. • Best Performance Award from Shell Thailand Co., Ltd. • PI Award from Shell Thailand Co., Ltd. • CEO SSHE Excellence Award: Single Star Trophy from PTTEP: from PTT Exploration and Production Plc. • PTTGC Port Award: Contribution to Environment, Health and Safety@Heart Program at GC Marine Terminal during 2019 • PTTGC Port Award: 100 voyages without accidents: Sri Phuket Vessel • Five 2019 IESG Safety Awards to Sri Chaiya Vessel, Sri Nara Vessel, Sri Tapi Vessel, Sri Tah Thong Vessel, and Southern Pearl Vessel

Risk Factors



Risk from accidents arising during operations

As the Group provides cargo transport and storage services which carry high value and flammable goods, if accidents arise on vessels it may cause seafarers and other persons injury, death, loss of property, as well as the Group's market reputation. Moreover, it may affect the environment which may result materially negative impact on the Group's businesses, performance, and financial position.

However, the Group manages the risk from accidents by emphasizing compliance of the rules and regulations on safe working procedures, cargo safety operations, navigations, emergency practices and so on. Upon vessels are due for periodical maintenance such as Preventive Maintenance System(PMS) and Dry-Docking the Group always arrange proper maintenance in order to obtain Sea Worthiness and safety to ensure that the risk from accidents which may lead to operational suspension, potential damages related to life and properties, and pollution emissions are in control.

The Group of the Company regularly raises the case study from the incident that may cause accidents arising during operations inside the Group for communication within the Group's fleet in order to build an awareness for carefulness and preparedness to prevent the occurrence of such nature of the incident, and trains the emergency situation in cooperation with the major oil group of the companies. The Group is ready to cope with the situation arising during operations by preparing an emergency plan, annual rehearsal of the emergency plan, drill of International Ship and Port Facility Security (ISPS) Plan for awareness and familiarity of all parties. This will contribute to the ability to quickly cope with and solve problems, and control situations. The scenario such as fire incidents during cargo operation at port event, and failure of the main electrical system and breakdown of the compass, or oil spill. In addition, the information technology is trained and applied for managing risk from the operations of the Group, such as an efficient training of the instruction of radar system, setting instruction of Guard Zone for warning on radar screen as a navigation aided tool.

Moreover, the Group gets covered by Hull and Machinery (H&M) Insurance, and Protection and Indemnity (P&I) Insurance which covers damages affecting persons and environment such as injury or death of the affected crew or other person, and cargo leakage from vessels into sea or neighboring area, as well as Loss of Hire Insurance due to the vessel's failure to continuously operate. In making such insurances, the Group mutually and completely takes to account the all-around contingent factors, and communicates, builds an awareness of insurance to the vessel charterers which are the Company's business partners for regular acknowledgement in order to appropriately manage the insurance risk to be consistent with the situations upon lease of the Company's vessels.



Risk from severe weather and natural disasters

Since our operations are 24 hours at sea, therefore severe weather conditions and natural disasters such as typhoon/depression may cause damages to life and properties of seafarers, cargoes, vessels and third parties and it may result to potential delay to arrive destinations. Such incidents may significantly interrupt operations and cause unexpected expenses, decreasing income and the Group financial performance respectively,

To minimize risk from severe weather and natural disasters the Group strictly adopt safety procedures such as navigational and route planning, monitoring weather forecast, water tide and draught in order to avoid danger from severe weather or natural disasters.

For trading vessels, they are equipped with communicating radio in accordance with the ship's safety standard under the regulations of the International Maritime Organization (IMO) in each area in compliance with the rules and regulations of the Global Maritime Distress and Safety System (GMDSS) to monitor weather conditions, warnings, and other necessary information prior sailing and during voyage. This practice allows vessels to adjust sailing plan toward safety as well as monitoring weather conditions, tracking vessel current position, and real-time reporting to relevant parties until cargoes are safely and punctually delivered.

Furthermore, the Group is well prepared to handle severe weather conditions and natural disasters by exercising an annual emergency drills i.e. docked when severe weather conditions or vessel is damage.

With the 30 years experience, the Group is capable to provide services which are safe and efficient without any significant accidents on crews, cargoes and vessels. In addition, the Group has maintained the Hull and Machinery Insurance (H&M Insurance), most of our fleets are insured with a coverage at minimum limit coverage not lower than the book value thereof and the Protection and Indemnity Insurance (P&I Insurance) covering damage to the third party who suffer the effect, cargo, and environment and to enter into an engagement agreement with the principal for transporting cargo, the Group adheres to the international standard and such agreement clearly contain the duty and responsibility of each party.



Risk from theft and pillage by piracy

The Group has transported and stored cargo with high value and there are routes that having a risk of theft at sea such as the Singapore Strait, Strait of Malacca, east area of Malaysia, and Middle East zone etc. If there is an occurrence of the theft or pillage, it may affect the safety of the seafarers, cargo, vessel, or the third party, not only the Group cannot collect the transport fee with the customer, but also the customer may claim damages of the cargo against the Group. This may have the materially negative effect on the business, performance, and the financial position of the Group.

However, in the operation of the Group's fleet, before the vessel leaves and passes the risk area of the sea theft, the Group must notify the maritime enforcement coordination center (the "Center") which is the center that prevent and suppress illegal acts at sea and the piracy act as well as keep periodically watching, following, and reporting through the route until reaching the destination.

In addition, the Group has prepared for responding the event of theft and pillage by piracy which is in compliance with the law and relevant rules and regulations regarding the security of affected seafarer, cargo, vessel, or the third parties, such as the relevant laws and rules of the Marine Department which cover the standard of the vessel's safety in accordance with the regulations of IMO in part of the Convention SOLAS, also applying the Best Management Practice Version 4 for the route, i.e. Middle East region, that has a risk of facing the event of theft and pillage by piracy. The Group has set the internal practice rules, stating the guidelines and practice if any event of the risk to the safety of the vessel, cargo, and seafarers including the event of theft and pillage by piracy. Furthermore, the Group has prepared the communication for notifying the event to the government sector both Thailand - Maritime Enforcement Directorate Center and other relevant agency, such as The United Kingdom Marine Trade Operation: UKMTO.

The Group has maintained the Hull and Machinery Insurance: H&M Insurance and the Protection and Indemnity Insurance: P&I Insurance and, for the routes which have the risk from the event of theft and pillage by piracy, the Group has maintained an additional insurance to protect the risks which may arise which is the War Risk Insurance.



Risk from the gasoline price fluctuation

Cost of fuel oil for the bunkers are cost for providing important services of Trading Business and Floating Storage Unit (FSU) Business ("FSU Business"), and Offshore Supporting Vessel Business ("Offshore Business"). However, the increasing cost of fuel oil for the bunkers was caused by the measure of International Maritime Organization (IMO) whereas the said announcement is effective on 1 January 2020 (B.E. 2020) ("IMO2020") as the first effective date. The said measure prescribes that all vessels in the world must be replaced with fuel containing below 0.5% of Sulphur from the current average of 3.5% of Sulphur in ship fuel oil under an objective to reduce air pollution and emission rate of Green House Gas (GHG) that causes global warming. From the information of Maritime and Port Authority of Singapore (MPA), Singapore has currently been considered as a country that has the biggest sea port for fuel importation-exportation in the world. The oil situation in 2020 has been anticipated and revealed a trend of decreasing demand of High Sulphur Fuel Oil (HSFO) at the time of a trend of increasing demand of Low Sulphur Fuel Oil (LSFO) and Marine Gas Oil (MGO).

Even though IMO2020 measure and the said situation will be the opportunity for expanding FSU Business in respect to the additional storage demand of fuel oil to support the storage of Low Sulphur Fuel Oil (LSFO) for selling preparation prior to the effective application of IMO2020, and usage demand of FSU vessels to support the storage of High Sulphur Fuel Oil (HSFO) since it may cause excess supply condition and storage shortage. However, in another aspect, it will affect Trading Business in type of individual voyage charter and FSU Business of which the Group is responsible for the cost of fuel oil for the bunkers. Therefore, if the oil fuel price in the global market is increased, it will also affect the cost of fuel oil for the bunkers to be increased. This may have the significant negative effect to the business, performance, and financial position of the Group.

However, the Group has abated the risk from fuel oil price fluctuation by (1) entering into time charter contract in the fleet of the international transporting vessels, determining that the charterer is responsible for the cost of fuel oil, and (2) increasing the rate of transportation cost and storage cost to be consistent with the increasing cost of fuel oil.

In part of the fleet of the small transporting vessels, the Group's policy is to set the price by the Cost Plus Pricing Method calculated by the cost and expense for transportation service plus profit as specified by the Group which vary to the retail fuel oil price at the oil station in Bangkok in the same direction. Moreover, the Group also plans to change to consume B20 fuel oil which will reduce the cost of fuel oil. Such action will not affect operating efficiency of the vessels. In addition, for Offshore Supporting Vessel Business, it is time charter determining that the charterer is responsible for the cost of fuel oil, resulting in no effect from the said fuel oil price.



Risk from the rapid and severe change of demand and supply of the oil and transportation market

The Group's business operation is directly related to the demand and supply of the marine transportation and storage of oil, petroleum, and liquefied petrochemicals both in Thailand and overseas. Therefore, the macro factor of the global energy consumption requirement until 2040 indicated that one-third of the global energy consumption will be used for power generation and industry. Asian region has also been a region that has maximally consumed energy in the world, leading by the developing countries such as China and India. The growth of the proportion of the oil consumption will be constant when compared with the energy consumption in other fields such as renewable energy consumption, or natural gas-derived energy consumption that is derived from the application of new technology in contributing to reduction of the oil consumption, and the trend of the global energy consumption in the direction by the way of future increase in clean energy consumption. However, oil has still been the largest source of energy (55%) of the source of energy, and it has been consumed in transport and petrochemical sector.

In addition, the situation of freight movement of Very Large Crude Oil Carrier (VLCC) and Aframax in 2020 - 2021 has been expected to be in higher, resulting in positive effect to the international trading vessel business group due to the operating discontinuity of some tankers in oil trading vessel group for installing Exhaust Gas Cleaning Scrubber. The large number of vessels may be disposed in the manner of "Scrap" as the result of IMO2020 measure.

Moreover, the situation of boycott policy of the United States of America against Venezuela and Iran has also positively affected the utilization of FSU vessels and resulted in a continuous increase in international freight rate of the carriers due to the requirement from the policy of prohibition to utilize vessels which are related to Iran, resulting in loss of market supply. The situation of political unrest and terrorism in the Middle East has resulted in positively effect to the Group in international trading vessel business, and encouraged the vessel charter to be increasingly interested in entering into time charter for transport in order to reduce vessel chartering problem in high rate in the period of market fluctuation from such factors.

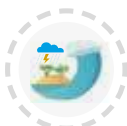
However, the Group has set up the strategies and determined the solution of such situations. Moreover, the Group always closely monitors the market situation and factors affecting the business operation, while reviewing the suitability and adequacy of the fleet. Backup action plan is established for flexibility of risk factor from rapid and severe change in demand and supply of the oil and transportation market, such as planning of inbound transport schedule of the customers, and acquisition of customers that require to backhaul transport of cargoes, and regular monitoring of the monthly operation plan for maximum efficiency of ship utilization, resulting in an addition of revenue value. The price of inbound and outbound transport cost can be proposed to the customers to be competitive with other cargo shipping companies.



Risk from the change of Thailand and regional economic conditions that may affect the Company's operations

The boundary of the Company's working is in Southeast Asia zone. The economic conditions in this region will affect the Group's operations. Despite of slowdown of the economic condition due to the prolonged and increasing multiplied tense trade war between China and the United States of America has negatively affected the global economy in overview, and created fluctuation on exchange rate, interest rate, and unrest problem in the Middle East that has still tended to be continuously intense. The leading domestic refineries have become to plan to increase their production capacity in the rate of over 40% and anticipated to increasingly import crude oil from other sources such as Western Africa for replacing an importation from the source of the Middle East that must take more transport duration than importation from the source of the Middle East. From statistical information of the domestic oil energy consumption from Energy Policy and Planning Office, Ministry of Energy, in the past period of January to September 2019, the finding indicated that the crude oil acquisition of Thailand has decreasingly tended both from domestic production and importation from other sources due to decrease in Refinery Utilization Rate as the result from shutdown for yearly planned maintenance. However, the Company can also extend the fleet, transport routes in the country and neighboring countries on the established plan. According to the continuous growth of the economic trend in the said group of countries consisting of Cambodia, Laos, Myanmar and Vietnam (CLMV), it has positively affected the small trading vessel business group in 2019 to have an increase % in transport rate to Cambodia of 18%.

From the aforementioned, the Group has established a strategy to prepare itself to cope with such risk by constantly monitoring and analyzing the impacts of these macro factors. In addition, the Group has also established a strategy for continuous and sustainable business expansion in the group of countries consisting of Cambodia, Laos, Myanmar, and Vietnam (CLMV), particularly in Cambodia.



Risk from the environmental and marine safety laws, such as IMO2020, BWMS etc.

The Group's operations need to relate and comply with the requirements and international laws related to the environment for safety and for preventing the marine accidents. The Group always realizes and strictly complies with the regulations and laws to create the confidence and safety in the Company's operations and business operation.

In the ocean freight transportation, the Ships' Ballast Water system will be used to adjust the center of gravity for the ship to be well balanced. During the transfer of ballast water, it was found that both plants and animals are mixed in the pumped and transferred ballast water, and this is the origin of problem related to the movement of foreign species to the new environment. Some species can quickly grow and breed, causing an impact on the balance of the ecosystem, economic system as well as causing the pathogenesis for humans. Therefore, in order to prevent, reduce, and terminate the distribution of dangerous and disease-causing aquatic animals by controlling and managing the ship's ballast water and its sediments, the International Maritime Organization (IMO) has established the International Convention on the Control and Management of Ship's Ballast Water and Sediment, which was announced to be effective on September 8, 2004. Therefore, the Company has plan to install a wastewater treatment system that meets the standards of MEPC (IMO's Marine Environment Protection Committee) and USCG/IMO (United State Coast Guard) for ships transporting in the international territorial waters.

At present, the international shipping and cargo ships have been a large source of sulfur dioxide (SO₂), due to the use of sulfur-containing fuels. This gas is harmful to both living organisms and ecosystems and is also the cause of acid rain and respiratory diseases. In order to reduce the marine pollution and air pollution and minimize the rate of Green House Gas (GHG), causing the global warming, the International Maritime Organization (IMO), therefore, established the requirements in using low-sulphur fuels, which will be announced on 1 January 2020. The carriers will have to use fuels with low sulphur values of 0.5% from previously 3.5% of sulphur in ship fuel, and the price of these fuels is higher than the fuels currently used, or to install the Exhaust Gas Cleaning Scrubber which is high priced and may not be suitable for the fleet with low service life.

However, in order to prepare itself to support the situation under IMO2020 measure, the Company has selected the way to change to use Low Sulphur Fuel Oil (LSFO) at below 0.5% of Sulphur in ship fuel for the group of ships that provide shipping services and requires for shipping in the route outside Thai Sea Boundary. The Company has established a strategy and planned the expense for preparedness and compliance with IMO2020 measure by emphasizing on minimum operating impact to the operation of the Group.



Risk from the fluctuation of steel prices affecting the trading of vessels

Due to changes in the transportation market as well as the technological development that may affect the old vessels because of its obsolescence or incompliance with new requirements on safety and environment, the Group may need to dispose of older vessels from the fleet. Such disposal may be done by selling to the buyer who will continue to use this vessel or sell to the scrap buyer, the scrap price depends on the steel price in the country that receives the scraps, such as Bangladesh, Pakistan and India, etc. If the steel price is high, the Company will gain profits from the sale of scraps. However, the steel price may be fluctuated due to Green Recycling Demolition Policy, resulting in the dock's increasing requirement of contamination, pollution, and environmental control procedure and process. The scrap vessel demolition expense may be highly incurred. Therefore, docks must also accept to buy vessels in cheaper price. At present, Green Recycling Demolition for scrap vessels has been considerably interested and may be applied to be the industrial requirement in the future, resulting in negative effect to the Group of which the scrap price may be lower than the setting salvage value, and cause the accounting loss problem. This can affect the Group's operation and financial position.

However, the Group has closely monitored the situation of steel price, analyzed factors affecting business operation, and regularly reviewed the suitability of salvage value.



Risk from the dependence of personnel with special expertise

The Group's business operation has depended on personnel and seafarers with experiences and expertise on performing duties on board. If the Group has insufficient or unqualified personnel, it may affect the Group's failure to operate the business in accordance with the standard specified by the customer, which may have the materially negative effect to the business, performance, and the financial position of the Group.

From the above-mentioned, the Group has therefore specified the Group's seafarers shall be selected their qualifications to be in correspondence with the law, rules, and regulations of the Marine Department and there are considerable selecting rules, such as passed the training courses approved by the Marine Department or other organizations approved by the Marine Department, etc. Moreover, the Group has provided internal training in the Group in order to ensure that the staff shall always possess knowledge, ability, and understand

the rules and practices. Furthermore, the Group has realized the importance of personnel for the sustainable business operation and aims for the personnel development to obtain knowledge, ability, and expertise by encouraging the staff to continuously study in related career field and apply such knowledge to work proficiently.

In order to maintain the Group's personnel, the Group has fixed appropriate remuneration and welfare to personnel, such as the consideration of promoting personnel according to their performance and experiences. This helps to persuade the personnel to work for the Group in the long run. Also, the Company has provided the health insurance as well as established the provident fund to personnel and seafarers of the Group, including encourage the knowledge skill of employees by training courses such as English skills or professional skills.



Risk from information technology system that affects the operation

The Group's business operation needs to apply the information technology system to support the operation in the current era to be rapid in supporting a 24 hours operation by mutual considering on the security issue of the information technology system, such as application of Enterprise Resource Planning (ERP) for planning overall business resources of the Group in operation on trading vessels, FSU vessels, and office working, as well as application of Cloud technology for secure storage and sharing data file (Private Cloud Computing), etc. It is necessary for the Group to adequately and appropriately protect, control and secure the information technology system, such as security of network system, computer system, computer work system, and information system.

The Company has applied the real time financial transaction system as the service of the commercial bank which is the business partner of the Company for monitoring its financial position, entry into the transaction, and payment approval. The message or email has been sent for confirming the entry into the transaction to the transaction performer and the payee of the Company to facilitate the financial management for more efficiency, convenience, and rapidity in financial management, consistency, correctness and appropriateness for the organizational structure. In adoption of the said system with the Company, there shall be a security standard for transaction services of the said commercial bank by mechanism of access from the user account, password, and Token which is an electronic device used in identification for accessing to use through computer system together with One Time Password (OTP).

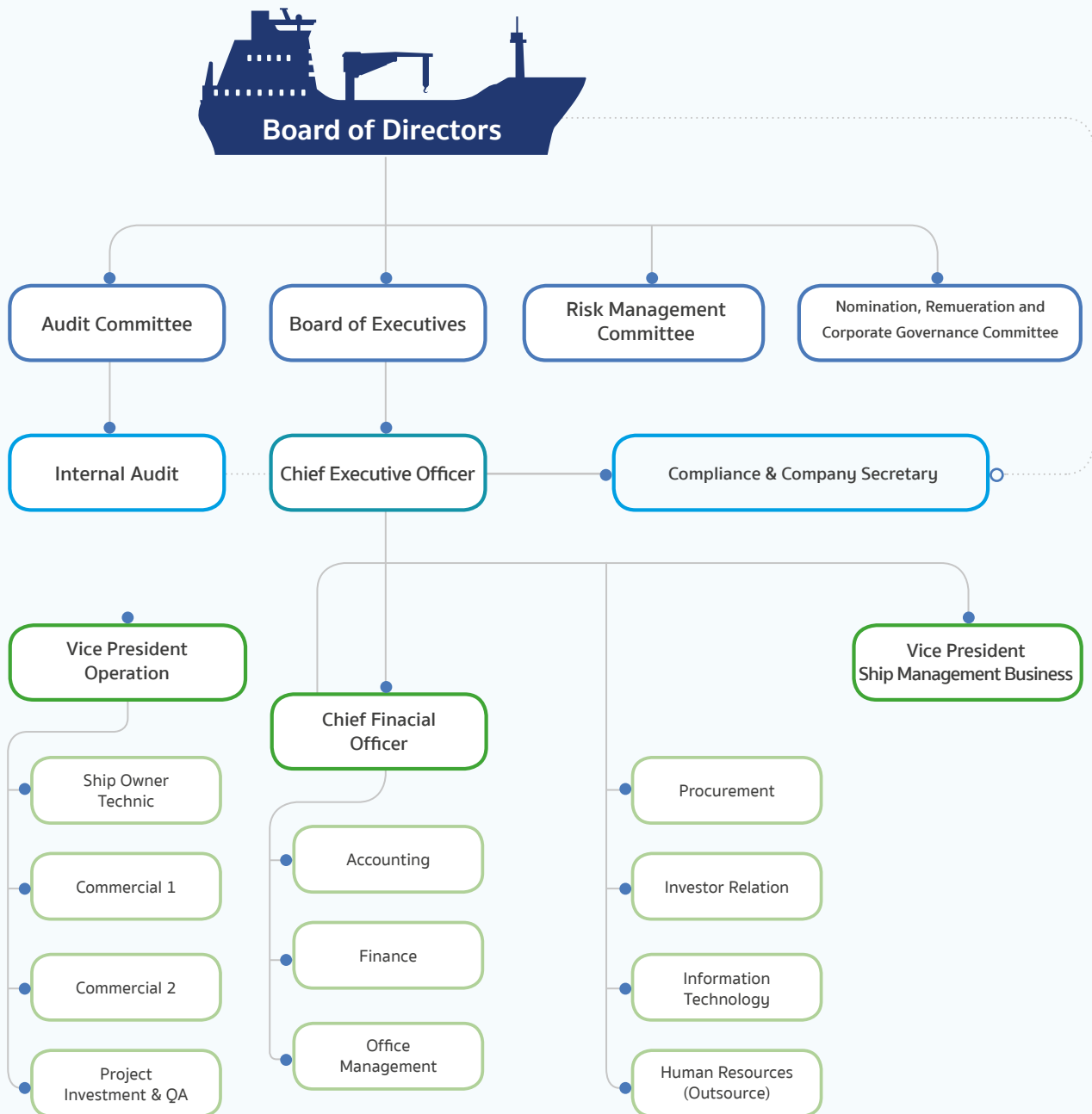
In addition, as the Company has been certified for membership of Thailand's Private Sector Collective Action Coalition Against Corruption Project ("CAC Project") on 4 November 2019, the Company has established an anti-corruption policy, and announced to stop giving and receiving presents and gifts of the Company and the Group, and determined the disbursement and approval control on such expenses on the Company's information work system to be proper and appropriate.

The Group must also comply with the requirements of the relevant laws and set of regulations of the regulatory agencies both in Thailand and abroad, such as Cyber Security Act, and Personal Data Protection Act, European Union laws on General Data Protection Regulation (GDPR), etc.

However, the Group supervises and manages the information technology, and establishes the business strategy and plan, by considering the application of the appropriate information technology system with the Group for maximum benefit, such as the application of information system for preparing the real time financial statements, and taking into account the information technology risk management for adequate security. The Group also regularly emphasizes on creation of an awareness on information system security to the personnel of the Group, and complies with matters of law and requirements of both internal and external compliance units.

Management Structure

Management Chart of Prima Marine Public Company Limited as of 1 January 2020



The Company's management chart as of 1 January 2020 consist of the Board of Directors and the Sub-Committees as follows:

1. The Audit Committee
2. The Board of Executives
3. The Nomination, Remuneration and Corporate Governance Committee
4. The Risk Management Committee

1. The Board of Director

1.1 Composition of the Board of Directors

The Articles of Association of the Company specifies that the Company must have a Board of Directors to operate the Company's business which consists of no less than 5 persons. No less than half of the Board of Directors shall have a Thai nationality and residency in the Kingdom of Thailand. At least one-third of the Board of Directors shall be independent directors, and in any cases, the number shall not be fewer than three.

As of 1 February 2020, the Board of Directors comprises the following 8 directors:

Name of Directors	Position	Date of Appointment ⁽¹⁾
1. Mr. Bowon Vongsinudom ⁽²⁾	Chairman, Independent Director, and Member of the Audit Committee	22 January 2016
2. Admiral Nibhon Chagsudulya ⁽³⁾	Vice Chairman, Chairman of the Nomination, Remuneration and Corporate Governance Committee, and Member of the Risk Management Committee	22 January 2016
3. Mr. Chainoi Puankosoom	Independent Director, Chairman of the Audit Committee, and Member of the Nomination, Remuneration and Corporate Governance Committee	22 January 2016
4. Mr. Somchai Kuvijitsuwan	Independent Director, Member of the Audit Committee, and Member of the Nomination, Remuneration and Corporate Governance Committee	22 January 2016
5. Mr. Suraphon Meesathien	Director and Chairman of the Risk Management Committee	22 January 2016
6. Mr. Prompong Chaisrisawatsuk ⁽⁴⁾	Director, Member of the Risk Management Committee, Chairman of the Board of Executives, and Chief Executive Officer	22 January 2016
7. Mr. Surasak Chaiyen ⁽⁵⁾	Director, Member of the Nomination, Remuneration, and Corporate Governance Committee, and Member of the Board of Executives	22 January 2016
8. Ms. Neeracha Panboonhom ⁽⁶⁾	Director	1 February 2020

Remarks:

⁽¹⁾ Date of Appointment means the first date appointed as a Director of the Company.

⁽²⁾ Mr. Bowon Vongsinudom was appointed as Member of the Audit Committee in replacement of Mr. Kosit Fuangwasdi who resigned, by the resolution of the Board of Directors Meeting No. 5/2019 held on 8 May 2019, effective from 8 May 2019 onwards.

⁽³⁾ Admiral Nibhon Chagsudulya was appointed as Member of the Risk Management Committee in replacement of Mr. Kosit Fuangwasdi who resigned, by the resolution of the Board of Directors Meeting No. 1/2020 held on 23 January 2020, effective from 1 February 2020 onwards.

⁽⁴⁾ Mr. Prompong Chaisrisawatsuk was appointed as Chief Executive Officer in replacement of Acting Sub Lt. Chanwit Anakkul who vacated from his position due to the employment agreement is expiring, by the resolution of the Board of Directors Meeting No. 14/2019 held on 11 December 2019, effective from 1 January 2020 onwards.

⁽⁵⁾ Mr. Surasak Chaiyen was appointed as Member of the Nomination, Remuneration, and Corporate Governance Committee by the resolution of the Board of Directors Meeting No. 5/2019 held on 8 May 2019, effective from 8 May 2019 onwards.

⁽⁶⁾ Ms. Neeracha Panboonhom was appointed as Director in replacement of Acting Sub Lt. Chanwit Anakkul who resigned, by the resolution of the Board of Directors Meeting No. 1/2020 held on 23 January 2020, effective from 1 February 2020 onwards.

⁽⁷⁾ Mr. Kosit Fuangwasdi resigned as Member of the Audit Committee, effective from 7 May 2019 onwards.

⁽⁸⁾ Mr. Kosti Fuangwasdi resigned as Director and Chairman of the Risk Management Committee, effective from 1 February 2020,

⁽⁹⁾ Acting Sub Lt. Chanwit Anakkul resigned as Director and Chairman of the Board of Executives, effective from 1 January 2020.

1.1 Qualification of Directors

According to the Charter of the Board of Directors, the Company's director shall have the qualification as follows:

- (1) The directors shall have knowledge, ability, integrity, abidance to ethical business practices, and have adequate time to devote their knowledge and abilities to performing duties for the Company
- (2) The directors shall have qualifications and shall not have prohibited characteristics as specified by law on public limited companies, law on securities and exchange and other related law and regulation. In addition, the directors shall not have characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by public shareholders as stipulated by the notification of the Capital Market Supervisory Board.
- (3) The directors are forbidden to operate a business of the same nature as and in competition with that of the Company, or to enter to be a partner or director in other juristic persons which operates a business of the same nature as and in competition with that of the company, whether for their own or others' benefit, unless the meeting of shareholders had been notified prior to appointment thereto.
- (4) Independent Directors shall have all the qualifications stipulated by the Company and pursuant to the Notification of the Capital Market Supervisory Board (as amended). Independent directors have a duty to protect the interests of every shareholders with equally and impartial manner in order to avoid any conflict of interest that may arise. They shall be able to attend Board meetings and independently express their comments and opinions.

Independent directors shall have the following qualifications:

- (a) Holds no more than 1% of total voting stocks of the Company, its parent Company, its subsidiaries, its associated companies, major shareholder or controlling persons who may have conflicts of interest, including stocks held by connected persons of the independent director.
- (b) Is not or has never been an executive director, employee, staff, or advisor who receives salary of a controlling person of the Company, its parent Company, its subsidiaries, its associated companies, same-level subsidiaries, a major shareholder or controlling persons who may have conflicts of interest unless the foregoing status has ended for more than 2 years before the date of appointment as independent director. The above restrictions do not apply to the appointment of an independent director who was a Government official or civil servant or consultant to a Government entity which was a major shareholder in the Company or which had a control over the Company.
- (c) Is not a person related by blood or legal registration, such as father, mother, spouse, sibling or child, including spouse of children, management, major shareholders, controlling persons, or persons to be nominated as management or controlling person of the Company or its subsidiaries.
- (d) Does not have or has not had a business relationship with the Company, its parent Company, its subsidiaries, its associated companies or controlling persons who may have conflicts of interest, in a manner that may interfere with his independent judgment, or is not or has never been a major shareholder or controlling persons of any person having business relationship with the Company, its parent Company, its subsidiaries, its associated companies a major shareholder or controlling persons who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years prior to appointment as independent director.

The term 'business relationship' mentioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being

subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the applicant or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of Capital Market Supervisory Board concerning Rules on Connected Transactions. The combination of such indebtedness shall include indebtedness taking place during the course of 1 year prior to the date on which the business relationship with the person commences.

- (e) Is not or has never been an auditor of the Company, its parent Company, its subsidiaries or its associated companies who may have conflicts of interest and is not a major shareholder, or partner of an audit firm which employs auditors of the Company, its parent Company, its subsidiaries, its associated companies, a major shareholder or controlling persons who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years prior to appointment as independent director.
- (f) Is not or has never been any professional advisor including legal or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its parent Company, its subsidiaries, its associated companies, a major shareholder or controlling persons who may have conflicts of interest, and is not a major shareholder, controlling persons or partner of the professional advisor unless the foregoing relationship has ended for more than 2 years prior to appointment as independent director.
- (g) Does not represent the Company's or its major shareholder's board member or a shareholder who is related to the Company's major shareholder.
- (h) Is not an entrepreneur in any business similar to or materially competing with the Company or its subsidiaries or not being the material partner in partnership, executive director, employee, staff, or advisor who receives salary or holds more than 1% of total voting stocks of the Company similar to or materially competing with the Company or its subsidiaries.
- (i) Has no characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business.

1.3 Authorities and Responsibilities of the Board of Directors

The Meeting of the Board of Directors No. 1/2017 on 30 March 2017 resolved to determine Charter of the Board of Directors as follows:

- (1) Perform the duty and govern the business of the Company and subsidiaries in accordance with the policy of governance on subsidiaries/associated companies, laws, objectives, regulations, resolutions of the Meeting of the Board of Directors as well as resolutions of the Meeting of the Shareholders with responsibility, diligence and honesty to protect the rights and interests of the Company and all shareholders; and have duty to supervise the Company and subsidiaries to comply with laws related to the business operation of the Company and subsidiaries, and laws related to prohibition of bribery payment or corruption support.
- (2) Determine vision, strategy, direction of business operation, policy, target, business plan, budget, management structure, and approval power of the Company and subsidiaries as proposed by the Management; and govern the management and performance of the Management or any person entrusted to effectively and efficiently perform such duty in accordance with the determined policy for maximum value addition to the Company, subsidiaries and shareholders.
- (3) Continuously and regularly monitor and assess the performance of the Management to attain strategy in accordance with work plan and budget; and supervise executive remuneration payment mechanism system to be appropriate.
- (4) Formulate the framework and policy for determination of salary, salary increase, and determination of bonus, remuneration, and reward of the Chief Executive Officer.

- (5) Execute the Company and subsidiaries to have proper and effective accounting system; prepare reliable financial and auditing reporting; and establish adequate and appropriate internal control system, internal audit system, and filing system that can audit the accuracy of the information later.
- (6) Acknowledge audit report of the Audit Committee.
- (7) Consider approving acquisition or disposal of assets (in case of transaction size not required for consideration by the Meeting of the Shareholders), new business investment, and any executions in accordance with relevant laws, announcements and regulations.
- (8) Consider approving and giving consent on the connected transaction (in case of transaction size not required for consideration by the Meeting of the Shareholders) of the Company and subsidiaries in accordance with relevant laws, announcements and regulations.
- (9) Consider approving interim dividend payment to the Company's shareholders.
- (10) Consider formulating the Entire Risk Management Policy and appropriately govern the system or process of risk management under supporting measure and abatement procedure of the business impact of the Company and subsidiaries including monitor performance.
- (11) Supervise not to cause problem of conflict of interests between the stakeholders of the Company and subsidiaries. In case where any director has gain and loss in any transaction performed with the Company or has increasing or decreasing proportion of shareholding in the Company and/or subsidiaries, the said directors shall inform the Company for acknowledgment without delay.
- (12) Formulate the corporate governance policy, corporate social responsibility policy and anti - corruption policy as well as effectively adapt such policy.
- (13) Appoint the Sub-Committees such as Audit Committee, Board of Executives, and/or any other Sub-Committees, to assist and support the function of the Board of Directors as appropriate.
- (14) Appoint the Company Secretary to assist the Board of Directors in working for business operation in accordance with relevant laws, announcements and regulations.
- (15) Request for professional opinion from external organization if necessary for appropriate decision making support.
- (16) Prepare Annual Report and take responsibility on preparation and disclosure of financial statements to present financial positions and operating results of the Company in last year, and propose to the Meeting of the Shareholders.
- (17) Hold the Annual General Meeting of Shareholders within 4 months from the ending date of the Company's accounting year.
- (18) Fairly consider approving the issues under concern on interests of the shareholders and all groups of stakeholders of the Company.
- (19) Entrust one or several directors or any other person to take any action in lieu of the Board of Directors.

In authorization and delegation of duties and responsibilities of the Board of Directors, it shall not be in the nature of authorization or sub-authorization that allows the Board of Directors or the person who is authorized by the Board of Directors enable to approve the transaction that it or person who may have conflict (as defined in the announcement

1.4 Authorized Directors of the Company

The directors who are authorized to sign on behalf of the Company as of 1 February 2020 are Admiral Nibhon Chagsudulya, Mr. Suraphon Meesathien, Mr. Prompong Chaisrisawatsuk, or Mr. Surasak Chaiyen, whereas two directors of these four directors shall jointly sign and affix the Company's seal.

1.5 Directors' Terms

The term of the Company's directors is pursuant to the Company's Articles of Association. In every Annual General Meeting of Shareholders, one-third of the directors shall vacate office. If the number of directors cannot be divided exactly into three parts, directors in a number closest to one-third shall vacate office. The directors who vacate the office may be selected to resume their office. The director who must vacate his/her office in the first year and the second year after registration of the Company shall draw lot. In the following years, the director who is in the office for longest period shall vacate the office.

1.6 The Meeting of the Board of Directors

In accordance with the Charter of the Board of Directors, the Board of Directors shall convene the not less than 6 meetings per year by scheduling meeting date in advance for the whole year. Special meeting may be additionally held in specific occasion in accordance with necessity and appropriateness. The Chairman or other person authorized by the Chairman shall deliver meeting invitation letter together with meeting agenda and meeting documentation at least 7 days in advance prior to the meeting date so that the directors shall have enough time to study the information prior to meeting attendance, unless in case of urgency for protection of right and interest of the Company and shareholders.

In 2019, the Board of Directors held 14 meetings and 2 meetings between Independent Directors (ID), with the details of attendance for each director shown below:

Name of Directors	Meeting Attended / Total Meetings (Times)		
	AGM 2019	Board of Directors' Meeting	Independent Directors' Meeting
1. Mr. Bowon Vongsinudom	1/1	14/14	2/2
2. Admiral Nibhon Chagsudulya	1/1	14/14	-
3. Mr. Chainoi Puankosoom	1/1	14/14	2/2
4. Mr. Somchai Kuvijitsuwan	1/1	14/14	2/2
5. Mr. Kosit Fuangwasdi ⁽¹⁾	1/1	14/14	2/2
6. Mr. Suraphon Meesathien	1/1	14/14	-
7. Mr. Prompong Chaisrisawatsuk	1/1	14/14	-
8. Mr. Surasak Chaiyen	1/1	14/14	-
9. Acting Sub Lt. Chanwit Anakkul ⁽²⁾	1/1	12/14	-

Remarks:

⁽¹⁾ Mr. Kosti Fuangwasdi resigned as Director, effective from 1 February 2020,

⁽²⁾ Acting Sub Lt. Chanwit Anakkul resigned as Director, effective from 1 January 2020.

2. Management Team

As of 1 March 2020, The Company's management as defined by Notification of the Securities and Exchange Commission, consists of the following 5 executives:

Name of Management	Position
1. Mr. Prompong Chaisrisawatsuk ⁽¹⁾	Chief Executive Officer
2. Mr. Nuthkorn Samran	Vice President of Ship Management Business
3. Ms. Nipat Eamsiriwat	Commercial Director (Commercial 1)
4. Ms. Suthasinee Muenlamay	Project Investment and Quality Assurance Director
5. Mr. Viritphol Churaisin	Chief Financial Officer

Remark:

- (1) Mr. Prompong Chaisrisawatsuk was appointed as Chief Executive Officer in replacement of Acting Sub Lt. Chanwit Anakkul who vacated from his position due to the employment agreement is expiring, by the resolution of the Board of Directors Meeting No. 14/2019 held on 11 December 2019, effective from 1 January 2020 onwards.
- (2) Mr. Sompot Khongsamran resigned as Commercial Director (Commercial 2), effective from 1 March 2020.

Scope of duties and responsibilities of the Chief Executive Officer

The Meeting of the Board of Directors No. 1/2017 on 30 March 2017 resolved to define scope of authorities of the Chief Executive Officer as follows

- (1) Formulate rules of governance, management and day to day operation of normal business in accordance with policy, direction, strategy, business plan and budget determined by the Board of Directors and the Board of Executives.
- (2) Propose vision, policy, direction, strategy, business plan and budget of the Company or subsidiary to the Board of Executives for usefulness in preparing such issues to be proposed to the Board of Directors, and mutually consider such issues with the Board of Executives and the Board of Directors.
- (3) Negotiate and enter into any contract or transaction related to the normal business operation of the Company within authority and financial limit as specified in Approval Authority Limits.
- (4) Approve the appointment of the consultant in various fields which are essential for operation of the Company within authority and financial limit as specified in Delegation of Authority.
- (5) Have authority to employ, appoint, remove, discharge, and dismiss the staff of the Company in the position below the level of Function Director.
- (6) Have power to determine the rate of wage, remuneration, reward and bonus, and increase salary for the staff of the Company in the position below Chief Executive Officer under framework and policy prescribed by the Board of Executives.
- (7) Control, examine, and monitor the operating result of the Executive and Management, and suggest the guideline of problem and obstacle correction so that the executives and the Management shall execute based on formulated strategies and business plans in accordance with the policies of the Company, and regularly report operating result and progress of the operation of the Executive and Management to the Board of Executive, Audit Committee and the Board of Directors.
- (8) Issue internal orders, rules, announcements, and records for operation of the Company to be line with the policies and for the Company's benefit, and maintain organizational discipline.

- (9) Consider approving the operation which is normal business transaction, as well as operation which is the transaction that supports normal business of the Company under general commercial condition in financial limit not more than budget approved by the Board of Directors or the Board of Executives or resolved for approval on principle by the Board of Directors or the Board of Executives subject to the criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand related to performing the connected transaction and asset acquisition and disposal transaction, as well as Table for Delegation of Authority as approved by the Meeting of the Board of Directors.
- (10) Do other duties entrusted by the Board of Directors or the Board of Executives, and have essential authority to execute in the said function.
- (11) Authorize any one or several persons to take any action in lieu of the Chief Executive Officer.

However, the delegation of power, duty and responsibility of the Chief Executive Officer shall not have the nature of authorisation or sub-authorisation that allows the Chief Executive Officer or the person who is authorized by the Chief Executive Officer enable to approve the transaction that he/she or person may have conflict (as defined in the Announcement of the Securities and Exchange Commission or the Announcement of the Capital Market Supervisory Board), may have gain and loss, or may gain any nature of interest, or may have conflict of interests with the Company, or the Company's subsidiaries, unless it is the approval of the transaction in line with the policy and criteria approved by the Meeting of the Shareholders or the Board of Directors.

Separation of the office of the Chairman of the Board and Chief Executive Officer

Roles and duties of the Chairman of the Board and Chief Executive Officer shall be clearly separated to ensure check and balance. Mr. Bowon Vongsinudom, the Chairman of the Board of Directors, has scope of duties and responsibilities as leader of the Board of Directors and Chairman of the Meeting in the Meeting of the Shareholders, and the Meeting of the Board of Directors. Mr. Prompong Chaisrisawatsuk, the Chief Executive Officer, has scope of duties and responsibilities in day to day operation under the scope of power, business plan and budget, vision as well as mission approved by the Board of Directors.

3. Company Secretary

Pursuance to the Section 89/15 of Securities and Exchange Act, B.E. 2535, the Board of Directors' Meeting No. 7/2018 held on 21 June 2018 resolved to approve the appointment of Ms. Udonrat Sitthikorn as Company Secretary to perform the duty in the name of the Company or the Board of Directors, effective from 2 July 2018. The scope of authorities and responsibilities of the Company Secretary is defined as follows.

- (1) Prepare and keep the registration of directors, invitation letter for the Meeting of the Board of Directors, minutes of the Meeting of the Board of Directors, Annual Report of the Company, invitation letter for the Meeting of the Shareholders, and minutes of the Meeting of the Shareholders.
- (2) Keep the conflict of interest report of directors or executives, and deliver copy of the conflict of interest report to the Chairman of the Board and Chairman of the Audit Committee for acknowledgement within 7 working days from the date of which the Company received that report.
- (3) Give primary advice to the directors about laws, rules and regulations, as well as policies of the Company, monitor for proper and regular compliance, and report the significant change to the directors.
- (4) Hold the Meeting of the Shareholders and Meeting of the Board in accordance with laws, regulations of the Company and practices.
- (5) Record the minutes of the Meeting of the Shareholders, and Meeting of the Board of Directors, and monitor for effective compliance with resolutions of the Meeting of Shareholders and Meeting of the Board of Directors.
- (6) Supervise the disclosure of the information and report of important events of the Company in responsible part to the agencies that govern the Company in accordance with laws, codes of conduct, announcements, rules and requirements of the official agencies.

- (7) Contact and communicate with the general shareholders to be informed about the rights of the shareholders and news of the Company.
- (8) Control and keep the important registrations of the Company and licenses related to business operation and indication of the Company's status.
- (9) Supervise activities of the Board of Directors and other Sub-Committees, and any executions in accordance with relevant laws, rules and regulations.
- (10) Take any other action as prescribed by the Capital Market Supervisory Board.

Ms. Udornrat Sitthikorn has completed a company secretary training program from the Thai Institute of Directors (IOD) and other relevant courses, and she have experience in company secretary function as well as many other qualifications which support the Company Secretary function of the Company. The details of education, training and experience of the Company Secretary appear on the section "Information of Directors, Executives, the person taking the highest responsibility in finance and accounting, the person supervising accounting and Company Secretary".

4. Remuneration of Directors and Executives

The Board of Directors' remuneration is based on comparisons with the same industry and in line with the duties and responsibilities of each director. The executives' remuneration and directors' bonus determined based on the Company's performance. The annual remuneration of directors and executives must not exceed the average of remuneration of directors and executives in the same industry. The Company will be taking in account the best interests of the shareholders.

4.1 Monetary Remuneration

(1) Remuneration for Directors

The Company's directors shall be entitled to receive remunerations from the Company in the form of reward, meeting allowance, gratuity, bonus, or benefits of other nature as considered and approved by the resolution of the shareholders meeting with two-thirds of the total votes cast by the shareholders attending the meeting. The remuneration may be fixed or determined by the criteria, with effect from time to time or indefinitely until the shareholders meeting resolves otherwise. The Directors are also entitled to allowances and other benefits in accordance with the Company's regulations.

At the 2019 Annual General Meeting of Shareholders, held on 19 April 2019 has passed the resolution to approve the total remuneration for the Board of Directors and sub-committees in the amount not exceeding 20 million Baht, which is consist of meeting allowance, monthly allowance, bonus. The details are as follows:

The Board of Directors and Sub-Committee	Monthly Allowance (Baht/Month)	Meeting Allowance (Baht/Meeting)
The Board of Directors		
Chairman	64,000	35,000
Director	34,000	29,000
The Audit Committee		
Chairman	-	35,000
Member	-	29,000
The Nomination, Remuneration and Corporate Governance Committee		
Chairman	-	35,000
Member	-	29,000
The Risk Management Committee		
Chairman	-	35,000
Member	-	29,000

For 2019, the Company paid the remuneration to the Board of Directors, the Audit Committee, the Nomination, Remuneration and Corporate Governance Committee and the Risk Management Committee consisting of monthly allowances, meeting allowances and bonus in the amount of 17,076,000 Baht. The details are as follows:

Name of Directors	Monthly and Meeting Allowance for the Board of Directors	Meeting Allowance for Sub-Committee			Bonus	Total
		The Audit Committee	The Nomination, Remuneration and Corporate Governance Committee	The Risk Management Committee		
1. Mr. Bowon Vongsinudom ⁽¹⁾	1,258,000	203,000	-	-	1,950,000	3,411,000
2. Admiral Nibhon Chagsudulya	814,000	-	140,000	-	1,625,000	2,579,000
3. Mr. Chainoi Puankosoom	814,000	315,000	116,000	-	1,300,000	2,545,000
4. Mr. Somchai Kuvijitsuwan	814,000	261,000	116,000	-	1,300,000	2,491,000
5. Mr. Kosit Fuangwasdi ⁽²⁾	814,000	58,000	-	245,000	1,300,000	2,417,000
6. Mr. Suraphon Meesathien	814,000	-	-	203,000	-	1,017,000
7. Mr. Prompong Chairsrisawatsuk	814,000	-	-	203,000	-	1,017,000
8. Mr. Surasak Chaiyen ⁽³⁾	814,000	-	29,000	-	-	843,000
9. Acting Sub Lt. Chanwit Anakkul	756,000	-	-	-	-	756,000
Total	7,712,000	837,000	401,000	651,000	7,475,000	17,076,000

Remarks:

⁽¹⁾ Mr. Bowon Vongsinudom was appointed as Member of the Audit Committee in replacement of Mr. Kosit Fuangwasdi who resigned, by the resolution of the Board of Directors Meeting No. 5/2019 held on 8 May 2019, effective from 8 May 2019 onwards.

⁽²⁾ Mr. Kosit Fuangwasdi resigned as Member of the Audit Committee, effective from 7 May 2019 onwards.

⁽³⁾ Mr. Surasak Chaiyen was appointed as Member of the Nomination, Remuneration, and Corporate Governance Committee by the resolution of the Board of Directors Meeting No 5/2019 held on 8 May 2019, effective from 8 May 2019 onwards.

(2) Remuneration for Executives*

In 2019, the total remuneration for the 6 executives of the Company was 30.59 million Baht, consisting of salary and bonus which are based on the Company's operations and performance as well as each individual's performance.

Remark : *Executives means the executives as defined by the Notification of the Securities and Exchange Commission.

4.2 Other Remuneration

(1) Provident Fund

The Company has implemented a Provident Fund. In 2019, the Company paid a total of 1.19 million Baht into the provident fund for 6 executives*.

Remark : *Executives means the executives as defined by the Notification of the Securities and Exchange Commission.

5. Personnel

5.1 Number of Personnel

The number of personnel of the Company and subsidiaries (excluding directors and executives*) is classified on departmental basis as at 31 December 2019 as follows:

Remark : *Executives means the executives as defined by the Notification of the Securities and Exchange Commission.

Department / Division	Number of staffs (persons)				
	The Company	BSC	NMC	NSSG	Total
Marketing / Commercial and Operation	14	-	2	3	19
Human Resources	-	9	2	1	12
Office Management	3	-	-	-	3
Investment and Quality Assurance	11	-	-	-	11
Compliance and Company Secretary	3	-	-	-	3
Ship Owner Technic	8	-	8	3	19
Seafaring	-	-	5	-	5
Seafarer	-	-	281 ⁽¹⁾	326 ⁽²⁾	607
General Service	-	-	3	-	3
Procurement	9	-	-	3	12
Internal Audit	3	-	-	-	3
Information Technology	1	-	-	-	1
Executives Office	9	1	1	3	14
Accounting and Finance	31	-	-	4	35
Investor Relations	3	-	-	-	3
Health, Safety, Security, Environment and Quality (HSSEQ)	-	-	4	3	7
Total	95	10	306	346	757

Remarks:

⁽¹⁾ It classified into 55 regular staffs and 226 staffs under employment contract

⁽²⁾ It classified into 3 regular staffs and 323 staffs under employment contract

5.2 Remuneration for staffs

Total remuneration for staffs (excluding executives) of the Company and subsidiaries in 2019 was 1,053.46 million Baht. The remuneration includes salary, bonus, social security, provident fund and other welfare.

5.3 Employee management and development policy

The company has always recognized the importance of its employees as it believes that its employees are the key factor which will bring the company sustainable and successful business growth based on the company's vision and mission and are the indicator of business competitiveness. As a result, the company has focused on recruiting and selecting the best talents as well as on making sure its employees are competent, ethical, and engaged with the organization.

The company also provides opportunities and new challenges to allow employees to realize their full potential, build a learning organization, create a positive workplace culture, support teamwork and collaboration, and promote fair remuneration.

As a result, the company has set out employee management and development policy to demonstrate its commitment to best recruiting and retaining its employees following its strategies and business goals, both in the short and long terms. It has also incorporated anti-corruption measures as part of the employee management and development process. The policy includes as follows:

(1) Organizational structure and manpower

The company organizes its structure, positions, and manpower by considering its direction and business goals which are established each year and reviewed regularly to effectively respond to changes.

(2) Recruitment and selection

The company has a fair recruitment and selection process. It seeks employees who are talented, good, high quality, and honest by considering their characteristics, qualifications, and competencies that match the requirements of their positions. On top of this, the company considers their potential to advance in their career in the future. The recruitment and selection committee is responsible for recruiting and selecting candidates following the procedures using tests and other evaluation tools. There are also background checks to verify that the candidates do not have criminal or drug use records, especially records of corruption-related crimes.

(3) Hiring, promotion, and transfer

The company provides equal opportunity for hiring, promotion, and transfer based on fair evaluation and morality which focus on competencies, determination, and performance without discrimination on the basis of race, nationality, religion, gender, age, marital status, or physical disability.

(4) Performance management

The company has applied a performance management system to ensure that every position's and department's performance is in line with the company's objectives and goals. This allows employees to see the contribution of their work to the company's success, provides opportunities for supervisors and subordinates to communicate about performance, creates a feedback loop from supervisors which will lead to performance enhancement, identifies behaviors which are in line with the company's culture, and improves employee potential for career advancement in the future.

Additionally, working with honesty is an important part of performance evaluation, remuneration, and promotion.

(5) Training and development

starting from the employee's first day with the company until his retirement. This process entails new employee orientation, coaching, training based on annual plan and department, site visits locally and abroad, high or low performer development plan, supervisor and executive development plan, and retirement plan. The company has used different methods and channels which are suitable for different employees to ensure greatest effectiveness for employees and the company. Moreover, the company has promoted knowledge sharing between employees and from executives to create a learning organization.

To ensure employees recognize the importance of and understand anti-corruption policy, the company has included anti-corruption as part of all new employees' orientation and has continuously provided training on anti-corruption issue for employees.

In 2019, the company created a development plan that is suitable for employees in each department. The plan covered basic skills, management skills, and specific work-related knowledge, and the trainings were provided both in house and externally as follows:

In-house training	External Training
<ol style="list-style-type: none">1. New employee orientation2. Performance evaluation3. Train the Trainer4. HRMS training for employees5. English6. IT Security Awareness และ Enhancing Office 3657. Internal Audit8. Anti-Corruption9. Safety, occupational health, and work environment10. Training for work safety supervisors11. Training for work safety managers12. Automated External Defibrillator (AED) training13. Basic accounting14. Training on maritime industry15. 5S training16. Fire drill and fire evacuation training	<ol style="list-style-type: none">1. Regulations of the Stock Exchange of Thailand on securities2. Excel for Accounting3. New tax law training4. New accounting standards training5. Tax training6. Accounting training7. Training on Excel for data analysis8. Contract drafting and tax training9. Corruption risk management10. CIA Review Part 1 Training Programme11. 100 Techniques, 100 Strategies – How to deal with non-deductible expenses12. Tackling corruption through internal audits with effective internal control procedures13. Organisational communication14. ISM/ISPS Internal Auditor15. Root cause analysis16. Building Inspection Knowledge17. Negotiation tactics for successful procurement18. Contract drafting strategy and negotiation19. Turn the technic man to manager20. Modern Presentation Design21. Financial analysis for investment project22. Designing a training manual23. Lead Auditor24. Risk Management25. Interviewing technic and EQ testing

In 2019, the Company provided training for employees throughout the year. The number of training hours averaged 52.80 hours per person.

Year	2019	2018	2017
Training hour/person/year	52.80	47.74	54.01

(6) Welfare and remuneration

The company manages employee salaries and remunerations fairly by considering employees' education, experience, and responsibility and comparing the rates with the local labor market, the company's situation, and business conditions with a focus on making employees happy, feel secure, and engaged with the company

(7) Career development

The company provides opportunities for employees to advance in their career. This is one of the company's strategies to retain its employees by providing a career path to motivate employees and allow them to clearly see their career progression, and feel valued and recognized by the company. Further, a career path can be used to categorize work and separate responsibilities with balance, a rule that is transparent and fair which can reduce conflict among employees.

(8) Personnel management and development through information technology

The company has applied modern technology for human resource management and development to support quick human resource management, reduce work processes, decrease costs, improve accuracy, and increase efficiency based on information safety such as online recruitment system, training and personnel development planning and approval, and e-Pay slip system, leading the company to successful and sustainable personnel management and development.

(9) Employee retention

The company has a plan to retain and motivate employees as well as to create their loyalty for the company. The company continues to improve employee relations to ensure employees are happy, properly treated, and engaged with the company. The company has a plan for internal communication and provides benefits and welfare that meet employees' needs with regular review to ensure they reflect the country's economic and social conditions. Moreover, the company continues to support employees through career development for each department.

(10) Recruitment planning and leadership development for succession

The company has a plan for systematically recruiting and developing executives for succession by appointing a committee to be responsible for planning the recruitment and development in a sustainable and transparent way to prepare the company's executives for their professional growth with a focus on important positions which are the engines of the organization including positions starting from Vice President and above. Recruitment planning and executive development for succession will reduce the risk of management discontinuity and retain high-performing personnel, bringing about sustainable growth to the company.

(11) Organizational culture

The company supports good corporate culture by promoting teamwork, trust, honesty, ethics, anti-corruption policy, and responsibilities to stakeholders and customers.

(12) Social responsibility

The company encourages its employees to be generous, ethical, caring and share their knowledge and happiness to others. As a result, the company has promoted various volunteering activities initiated by the company and employees to give back to the community, society, and environment. The company recognizes that community and social engagement is every person's responsibility. When the society is happy, the company and its personnel will be happy in the long term as well.

5.4 Significant change in number of staffs in the past 3 years period

-None-

5.5 Labor dispute in the past 3 years period

The Company had none of labor union and none of any staffs of the Company who are the members of labor union. None of staffs filed the complaints to determine the agreement of employment union. However, the Company has never had important labor disputes.



Corporate Governance

1. Corporate Governance Policy




The Board of Directors realizes and comprehends on the importance of the good corporate governance, it is assured that the good corporate governance is regarded as the key maximum success factor in the business operation and will help promoting the Company and its subsidiaries to be the effective organization both in business operation and responsibilities on all groups of stakeholders. The Company has complied with the Corporate Governance Code for Listed Companies 2017 (CG Code 2017) issued by the Office of Securities and Exchange Commission, and also completely applied the guideline prescribed by the government agencies, as well as official agencies that govern the Company, as the practical guideline in full manner.

The Preparation of Corporate Governance Policy

The Board of Directors documented the Corporate Governance Policy since 28 April, 2016 in accordance with the guideline prescribed by the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), to be used as an operational guideline for the Company and its Group to achieve the effective performance and show all investors the transparency, resulting in the outsider's confidence towards the Company's business operations. The Company's Corporate Governance Policy covers 5 main sections as follows:

- Section 1: The Right of Shareholders
- Section 2: The Equality of Shareholders
- Section 3: The Role of Stakeholders
- Section 4: Information Disclosure and Transparency
- Section 5: Responsibilities of the Board of Directors

The Board of Directors regularly considers and reviews to revise the corporate governance policy. It has recently revised the corporate governance on December 11, 2019 for continuous improvement of the Company's corporate governance in conformity to the Corporate Governance Code for Listed Companies 2017 (CG Code 2017) issued by the Office of Securities and Exchange as follows:

-  It is required that the director should not hold the office in more than four companies of other listed companies. The office holding in other listed companies must not be an obstacle against the duty performance of the Company's director and has no conflict of interest.
-  It is required that the Chief Executive Officer or top executives of the Company who hold the office in other companies outside the Group of the Company must be firstly approved by the Board of Directors.
-  It is required that every sub-committee must yearly assess its own performance both in individual committee and individual member basis, and report the assessment result to the Board of Directors.

Code of Conduct

The Board of Directors realizes on the significance of ethics and code of conduct observed by all directors, executives, staffs, and shareholders as a guideline for duty performance and treatment with the related parties. Therefore, the Board of Directors has considered to determine and resolve the approval on “Requirement for Ethics and Code of Conduct” as a practical standard accordingly whereas the following topics are included.

1. Ethics and Code of Conduct of the Board of Directors
2. Ethics and Code of Conduct of the Executives
 - 2.1 Company, Board of Directors, and Shareholder Treatment Guideline
 - 2.2 Employee Treatment Guideline
 - 2.3 Customer Treatment Guideline
 - 2.4 Business Partner, and/or Creditor Treatment Guideline
 - 2.5 Business Competitor Treatment Guideline
 - 2.6 Public Society Treatment Guideline
3. Ethics and Code of Conduct of the Employees
4. Ethics and Code of Conduct of the Shareholders
5. Anti-Corruption

At the Board of Directors’ Meeting No. 10/2019 convened on July 18, 2019, the Company’s Code of Business Conduct approved on revision by adding topic of anti-corruption.

Communication on the Corporate Governance Policy

The Company has promulgated the corporate governance policy for the Company’s and its subsidiaries’ directors, executives and employees to acknowledge and comply with. In addition, the Company has also prepared a Handbook on Corporate Governance and Code of Conduct to allow the directors, executives and employees to study and understand the Company’s Corporate Governance Policy and properly follow it. The new employee orientation has been organized for their understanding on corporate governance, and every revision of the Company’s corporate governance policy has been announced for acknowledgement of the employees.

Assessment Results on Corporate Governance

In 2019, the Company was assessed on corporate governance by the related agencies as per the following results:

-  The Company was scored of 100 points from the 2019 AGM Checklist for Listed Companies by the Thai Investors Association (TIA).
-  The Company was rated of “Excellent” or “Five Stars” level  in Corporate Governance Report of Thai Listed Companies 2019 Project by the Thai Institute of Directors (IOD). After that, the Company entered to be listed in the Stock Exchange of Thailand for just two years.
-  On November 4, 2019, the Company has been certified to be the member of Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC) from the CAC Council for 3 years of certification term. This has been the first certification for the Company.

2. Sub-Committees

The Company's Board of Directors appointed 4 Sub-committees including the Audit Committee, the Nomination, Remuneration and Corporate Governance Committee, the Board of Executive, and the Risk Management Committee as following details:

2.1 Audit Committee

The Audit Committee consists of 3 members whereas at least one director has adequate knowledge and experience in accounting or finance that can perform the duty of review on the reliability of financial statements, one member will be selected to be the Chairman of the Audit Committee and the Secretary of the Audit Committee will be appointed to help the operation of the Audit Committee.

The office term of the Audit Committee members is not more than 3 years and in accordance with the office term of the Company's director. Any Audit Committee member who retires by rotation may be appointed to resume the office of the Audit Committee members.

As of 31 December 2019, the Audit Committee consists of 3 members as follows:

Name	Position
1. Mr. Chainoi Puankosoom	Chairman of the Audit Committee
2. Mr. Somchai Kuvijitsuwan	Member of the Audit Committee
3. Mr. Mr. Bowon Vongsinudom ⁽¹⁾	Member of the Audit Committee

Remarks:

⁽¹⁾ Mr. Bowon Vongsinudom was appointed as Member of the Audit Committee in replacement of Mr. Kosit Fuangwasdi who resigned, by the resolution of the Board of Directors Meeting No. 5/2019 held on 8 May 2019, effective from 8 May 2019 onwards.

⁽²⁾ Mr. Kosit Fuangwasdi resigned as Member of the Audit Committee, effective from 7 May 2019 onwards.

Mr. Chainoi Puankosoom is the person with adequate knowledge and experiences that can perform the duty of review on the reliability of financial statements.

Meetings held by the Audit Committee

The Audit Committee has to hold at least 1 meeting per 3 months based on the financial report preparation period. In 2019, there were totally 9 meetings held by the Audit Committee (Please see more details in "Meeting Attendance of Sub-committees in 2019").

Authorities and Responsibilities of the Audit Committee

The Board of Directors' Meeting No. 1/2017 on 30 March 2017 had a resolution to define the scope of authorities and responsibilities of the Audit Committee and the Board of Directors' Meeting No. 1/2019 on 22 February 2019 has revised the scope of authorities and responsibilities of the Audit Committee as follows:

- (1) Review the Company has the proper financial reports and discloses adequate information.
- (2) Review the Company's internal control system and internal audit system are proper and efficient, and consider the independence of the Internal Audit Work Unit as well as approval for the appointment, removal and dismissal of the Head and employees of the Internal Audit Department or any other department in charge of the internal audit.

- (3) Review the Company complies with the Law on Securities and Exchange, regulations and notifications of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and relevant laws and rules relating to the Company's business.
- (4) Consider, select, nominate and terminate independent person to perform duty of the Company's auditor, propose remuneration of the auditor, and attend the meeting with the auditor without the Management's attendance at least once a year to propose to the Board of Directors meeting.
- (5) Consider connected transactions or transactions that may have conflict of interests in accordance with the Law on Securities and Exchange, as well as regulations and notifications of the Stock Exchange of Thailand/ relevant laws which are effective for the Company and/or Company's business to ensure that the said transactions are reasonable and maximally beneficial to the Company.
- (6) Prepare the Audit Committee's Report and propose to the Board of Directors by disclosing in the Company's Annual Report. Such report shall be signed by the Chairman of the Audit Committee and at least contained of following information:
 - a. Opinion on the accuracy, completeness, reliability of the Company's financial reports.
 - b. Opinion on the adequacy of the Company's internal control system.
 - c. Opinion on the compliance with the Law Securities and Exchange, regulations and notifications of the SET, and other relevant laws which are effective for the Company and/or the Company's business.
 - d. Opinion on the appropriateness of the auditor.
 - e. Opinion on the transactions that may have conflict of interests.
 - f. Number of meetings held by the Audit Committee and meeting attendance record of each Audit Committee member.
 - g. Overall opinion or observation that the Audit Committee acquired from the function under the Charter.
 - h. Any other transactions deemed that the Company's shareholders and general investors should be realized under the scope of authorities, duties and responsibilities entrusted by the Board of Directors.
- (7) Review and propose the Board of Directors to consider and revise the scope of authorities, duties and responsibilities of the Audit Committee to be consistent with the situation.
- (8) Audit and investigate the related parties under the authorities of the Audit Committee and have power to hire or take the specialist to help in audit and investigation works.
- (9) If the following transactions or acts are detected or doubtful that may have significant impact on the Company's financial position and overall operations, the Audit Committee shall immediately report to the Board of Directors for improvement and correction by the Board of Directors.
 - a. Any transaction that may have conflict of interests
 - b. The corruption or abnormality or important fault in the internal control system
 - c. The violation of the Securities and Exchange Law, regulations and notifications of the SET, or other relevant laws which are effective for the Company and/or the Company's business. If the Board of Directors or executives fail to improve or correct within the aforesaid period of time, any member of the Audit Committee may report the existence of the aforesaid transaction or act to the Office of Securities and Exchange Commission or the Stock Exchange of Thailand.
- (10) Review the compliance with the Company's anti-corruption policy to ensure that the company has adequate internal control, including reviewing the validity of the assessment form and reference documents follow to the Thailand's Private Sector Collective Action Coalition Against Corruption.
- (11) Consider review the Company's anti-corruption policy to improve the policies and propose to the Board of Directors for approval.
- (12) Perform other tasks assigned by Board of Directors and by the authority delegated in the Company's other policies.

2.2 Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee consists of at least 3 members and at least half of members must be independent directors, the Secretary of the Nomination, Remuneration and Corporate Governance Committee will be appointed to help the operation of the Committee.

The office term of the Nomination, Remuneration and Corporate Governance Committee members is not more than 3 years and in accordance with the office term of the Company's director (in case of any member holding the position of director). Any member of the Nomination, Remuneration and Corporate Governance Committee who retires by rotation may be appointed to resume the office of the Nomination, Remuneration and Corporate Governance Committee members.

As of 31 December 2019, the Nomination, Remuneration and Corporate Governance Committee consists of 4 members as follows:

Name	Position
1. Admiral Nibhon Chagsudulya	Chairman of the Nomination, Remuneration and Corporate Governance Committee
2. Mr. Chainoi Puankosoom	Member of the Nomination, Remuneration and Corporate Governance Committee
3. Mr. Somchai Kuvijitsuwan	Member of the Nomination, Remuneration and Corporate Governance Committee
4. Mr. Surasak Chaiyen ⁽¹⁾	Member of the Nomination, Remuneration and Corporate Governance Committee

Remarks:

⁽¹⁾ Mr. Surasak Chaiyen was appointed as Member of the Nomination, Remuneration, and Corporate Governance Committee by the resolution of the Board of Directors Meeting No. 5/2019 held on 8 May 2019, effective from 8 May 2019 onwards.

Meetings held by the Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee shall hold the meetings as the Chairman deems appropriate, but at least 1 meeting per year should be held. In 2019, there were totally 4 meetings held by the Nomination, Remuneration and Corporate Governance Committee (Please see more details in "Meeting Attendance of Sub-committees in 2019").

Scope of Duties and Responsibilities of the Nomination Committee

The Meeting of the Board of Directors No. 1/2017 on 30 March 2017 had a resolution to define the scope of authorities and responsibilities of the Nomination, Remuneration and Good Corporate Governance Committee as follows:

- (1) Determine qualification and criteria for the nomination of directors (including members of the Company's Sub-Committees) and top executives to be in line with relevant rules and/or laws, and consider and select the qualified persons with knowledge, experience, expertise to be nominated to the Board of Directors for consideration and appointment and/or proposed to the Meeting of Shareholders for further consideration and appointment (as the case may be).
- (2) Consider the independence and qualification of each independent director to ensure that the Company's independent directors are fully qualified as prescribed by relevant rules and/or laws.
- (3) Consider the form and criteria of directors' and Chief Executive Officer's remuneration payment (whether it be in form of cash, securities or any others) to be proper, fair and in line with the relevant laws.
- (4) Consider the assessment criteria for Chief Executive Officer's performance and present it to the Board of Directors for consideration and approval.

- (5) Review and propose the correction on scope of authorities, duties and responsibilities of the Nomination, Remuneration and Corporate Governance Committee in consistency with situation.
- (6) Govern the Company's operation, and working of the Sub-Committees established by the Company, including executives and employees to meet the Corporate Governance Policy and comply with the criteria of the relevant laws.
- (7) Formulate and review the Company's significant criteria and practices in accordance with the Corporate Governance Code.
- (8) Suggest the requirements for the Code of Conduct for business operation and good practices to the Company's directors, executives and employees.
- (9) Approve the activity plan to promote the Corporate Governance with the objectives to maintain standard and develop the corporate governance as well as upgrade the corporate governance to be the corporate culture by regularly communicating the Corporate Governance to directors, executives and employees.
- (10) Report the Company's Corporate Governance to the Board of Directors along with opinions on practical guideline and suggestions for correction and improvement as appropriate.
- (11) Take any other action as assigned by the Board of Directors or in accordance with the policy prescribed by the Board of Directors.

2.3 Risk Management Committee

The Risk Management Committee consists of at least 3 members, any or all of them are not required to be a member of the Company's Board of Directors. One member will be selected as the Chairman and the Secretary of the Risk Management Committee will be appointed to help the operation of the Risk Management Committee.

The office term of the Risk Management Committee members is not more than 3 years and in accordance with the office term of the Company's director (in case of any member holding the position of director). Any member of the Risk Management Committee who retires by rotation may be appointed to resume the office of the Risk Management members.

As of 1 February 2020, the Risk Management Committee consists of 3 members as follows:

Name	Position
1. Mr. Suraphon Meesathien	Chairman of the Risk Management Committee
2. Admiral Nibhon Chagsudulya ⁽¹⁾	Member of the Risk Management Committee
3. Mr. Prompong Chaisrisawatsuk	Member of the Risk Management Committee

Remarks:

⁽¹⁾ Admiral Nibhon Chagsudulya was appointed as Member of the Risk Management Committee in replacement of Mr. Kosit Fuangwasdi who resigned, by the resolution of the Board of Directors Meeting No. 1/2020 held on 23 January 2020, effective from 1 February 2020 onwards.

⁽²⁾ Mr. Kosti Fuangwasdi resigned as Director and Chairman of the Risk Management Committee, effective from 1 February 2020,

Meetings held by the Risk Management Committee

The meetings of the Risk Management Committee shall be held as deemed appropriate by the Chairman but at least 1 meeting every 3 months period should be held. In 2019, there were a total of 7 meetings held by the Risk Management Committee (Please see more details in "Meeting Attendance of Sub-committees in 2019").

Scope of duties and responsibilities of the Risk Management Committee

The Meeting of the Board of Directors No. 1/2017 on 30 March 2017 had a resolution to define the scope of authorities and responsibilities of the Risk Management Committee as follows:

- (1) Govern the compliance with the risk management policy and risk management framework so that the Company's risk management system will be effective across the Company and continuously complied.
- (2) Consider, assess and review the nature of risks encountered by the Company or expected to be happened and affect the Company (Identification of Risk) and define the Company's acceptable risk level (Risk Appetite).
- (3) Consider and establish the policy for both internal and external risk management to be comprehensive and consistent with the strategy and direction of the business.
- (4) Consider and establish the strategy and practical guideline of risk management to be consistent with the risk management policy for assessment, monitoring and governing risks to be in acceptable level.
- (5) Consider and establish the structure and appoint the risk management working team to assess and monitor risk management, and prepare risk reports.
- (6) Consider and set the budget and approach to respond the actual and potential risk for being used as an operational guideline in accordance with the situation of each type of risk and proposed to the Board of Directors for approval.
- (7) Review the appropriateness and adequacy of policy, strategy, and practical guideline of the Company's risk management to ensure that the said policy, strategy and practical guideline are consistent with the strategy and direction of the Company's business, and enable to govern risks to be in the acceptable level.
- (8) Report risks and risk management to the Board of Directors.
- (9) Take any other action as assigned by the Board of Directors or in accordance with the policy as prescribed by the Board of Directors.

2.4 Board of Executives

The Board of Executives consists of at least 3 members, any or all of them are not required to be a member of the Company's Board of Directors. One member will be selected as the Chairman and the Secretary of the Board of Executives will be appointed to help the operation of the Board of Executives.

The office term of the Board of Executives members is not more than 3 years and in accordance with the office term of the Company's director (in case any of them holds the position of the Company's director). Any Board of Executives member who retires by rotation may be appointed to resume the office of the Board of Executives members.

As of 1 January 2020, the Company's Board of Executive consists of 6 members as follows:

Name	Position
1. Mr. Prompong Chaisrisawatsuk	Chairman of the Board of Executives
2. Mr. Surasak Chaiyen	Member of the Board of Executives
3. Mr. Wang Wei	Member of the Board of Executives
4. Mr. Sompot Khongsamrarn	Member of the Board of Executives
5. Mr. Viritphol Churaisin	Member of the Board of Executives
6. Mr. Nuthkorn Samran	Member of the Board of Executives

Remarks:

⁽¹⁾ Acting Sub. Lt. Chanwit Anakkul resigned as Chairman of the Board of Executives, effective from 1 January 2020.

Meetings held by the Board of Executives

The meetings of the Board of Executives will be held as deemed appropriate by the Chairman of the Board of Executives with minimum 6 meetings per year. In 2019, there were 13 meetings held by the Board of Executives (Please see more details in “Meeting Attendance of Sub-committees in 2019”).

Scope of Duties and Responsibilities of the Board of Executives

The meetings of the Board of Directors No.1/2017 on 30 March 2017 passed the resolution to define the scope of authorities and responsibilities of the Board of Executives as follows :

- (1) Prepare and establish policy, direction, strategy, business plan, budget, management structure, and managerial authorities, and propose to the Board of Directors for approval; govern, supervise, examine, and monitor the Company’s business operation to be in line with the policy, director, strategy, business plan, budget, management structure, and managerial authorities approved by the Board of Directors, as well as inspect and monitor the said overall operations to be effective and efficient.
- (2) Manage and control the business operation related to the operation based on normal affairs.
- (3) Approve the execution of any agreement and/or transaction related to the Company’s normal business transactions with general commercial conditions (such as trading, investment or joint venture with other person(s) for the Company’s normal transactions and in accordance with the operating benefit as per the Company’s objectives) within the financial limit specified in the Delegation of Authority or as prescribed by the Board of Directors, and under the regulation of the criteria prescribed by the Office of SEC and the Stock Exchange of Thailand on connected transactions and asset acquisition transactions.
- (4) Consider and screen money borrowing, and applying for any credits from the financial institution, borrowing, as well as pledge, mortgage or being the guarantor of the Company and its subsidiaries within the financial limit as specified in the Delegation of Authority or as prescribed by the Board of Directors.
- (5) Approve the appointment of advisors required by the Company’s operation under the budget framework approved by the Board of Directors in each year.
- (6) Determine the framework and policy for salary setting, salary increase, setting of bonus, remuneration and reward for employees.
- (7) Take any other action as assigned by the Board of Directors or in accordance with the policy established by the Board of Directors.
- (8) Authorize one or several persons to take any action in lieu of the Board of Executives.
- (9) Monitor the performance and progress of the investment project for each business and report actual results, problems or obstacles, and guideline of improvement to the Board of Directors for acknowledgment.

The delegation of powers, duties and responsibilities of the Board of Executives shall not be in the form of authorization or sub-authorization that the Board of Executives or the attorney of the Board of Executives can approve transactions that he/she or person that may have conflict (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Market Supervisory Board) may have gain and loss or may benefit in any nature or may have any other conflict of interests with the Company or its subsidiaries unless it is the approval of transactions in accordance with the policy and criteria approved by the Meeting of the Board of Directors.

Summary of Meetings & Attendance of Sub-Committees in 2019

List of Directors	Meeting Attendance / Total No. of Meetings (Time)			
	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Risk Management Committee	Board of Executive
1. Mr. Chainoi Puankosoom	9/9	4/4		
2. Mr. Somchai Kuvijitsuwan	9/9	4/4		
3. Mr. Kosit Fuangwasdi ⁽¹⁾	2/2		7/7	
4. Mr. Bowon Vongsinudom ⁽²⁾	7/7			
5. Admiral Nibhon Chagsudulya		4/4		
6. Mr. Suraphon Meesathien			7/7	
7. Mr. Prompong Chaisrisawatsuk			7/7	11/13
8. Acting Sub Lt. Chanwit Anakkul ⁽³⁾				13/13
9. Mr. Surasak Chaiyen ⁽⁴⁾		1/1		12/13
10. Mr. Wang Wei				7/13
11. Mr. Sompat Khongsamran				13/13
12. Mr. Viritphol Churaisin				13/13
13. Mr. Nuthkorn Samran				12/13

Remarks:

⁽¹⁾ Mr. Kosit Fuangwasdi resigned as Member of the Audit Committee, effective from 7 May 2019 onwards.

⁽²⁾ Mr. Bowon Vongsinudom was appointed as Member of the Audit Committee in replacement of Mr. Kosit Fuangwasdi who resigned, by the resolution of the Board of Directors Meeting No. 5/2019 held on 8 May 2019, effective from 8 May 2019 onwards.

⁽³⁾ Acting Sub. Lt. Chanwit Anakkul resigned as Chairman of the Board of Executives, effective from 1 January 2020.

⁽⁴⁾ Mr. Surasak Chaiyen was appointed as Member of the Nomination, Remuneration, and Corporate Governance Committee by the resolution of the Board of Directors Meeting No. 5/2019 held on 8 May 2019, effective from 8 May 2019 onwards.

3. Nomination and Appointment of Directors and Executives

3.1 The Nomination and Appointment of Independent Directors

The Nomination and Appointment Process for Independent Directors



In nominating the person to hold the office of the Company's independent director, the Nomination, Remuneration and Corporate Governance Committee shall consider the independence of each independent director to ensure that the Company's independent directors are fully qualified in accordance with relevant rules and/or laws, and propose to the Board of Directors Meeting and/or the Shareholder Meeting for consideration and appointment to be the Company's director (as the case may be).

The Qualification of Independent Directors

The independent directors must have qualifications relating to the independence as determined by the Company and in accordance with the notification of the Capital Market Supervisory Board No. 39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (Including additional amendments) and must be a person who can equally take care of the interests of all shareholders to prevent conflicts of interests. In addition, they can attend and provide independent opinions to the meetings of the Board of Directors, the Company set the definition of independent directors similar to the requirements prescribed in such notification of the Capital Market Supervisory Board with details as disclosed in “Management Structure” > “The Qualifications of the Board of Directors”.

3.2 The Nomination and Appointment for Directors and Top Executives

The Nomination and Appointment for Directors

- (1) Determination of Criteria: The Nomination, Remuneration and Corporate Governance Committee will determine the qualification and criteria to nominate directors to be in line with relevant rules and/or laws.
- (2) Nomination Method:
 -  In the event that a director vacates his/her office upon the expiration of the term, the Company gives an opportunity for the minor shareholders either for one shareholder or combined shareholders and holding shares of not less than 5 percent of the total voting share of the Company to propose the appropriate person for consideration and selection as a director prior to the Annual General Meeting of Shareholders.
 -  Consider the list of qualified candidates as shown in the Director Pool of the Securities and Exchange Commission and the Director Pool (Professional Directors) of the Thai Institute of Directors Association.
- (3) Selection: The Nomination, Remuneration and Corporate Governance Committee will consider and select those who are qualified with knowledge, experience and expertise and then propose to the Board of Directors for consideration and appointment and/or to propose to the Meeting of Shareholders for further consideration and appointment (as the case may be).
- (4) Appointment
 - a) The appointment of directors to replace those retiring by rotation
According to Article 17 of the Company’s Articles of Association, at every Annual General of Shareholders Meeting, one-third of all directors shall retire and the Nomination, Remuneration and Corporate Governance Committee will consider and propose persons who are deemed appropriate to the Board of Directors for consideration before proposing to the Meeting of Shareholders for further consideration and appointment. However, any director who is retired from the office may be chosen to resume his/her position.

The Meeting of Shareholders will elect directors based on following rules and methods:

1. One shareholder has one vote equaling to one share per one vote.
2. Each shareholder shall use all of existing votes to elect one person or several persons as director (s). In case several persons are elected as directors, votes are unable to be divided to anyone more or less.
3. In case where several persons are elected as directors, the persons who gain highest votes in descending order shall be elected as directors in equal number of directors who are supposed to have or elect in that time. In case that the person who is elected in the descending order has equal vote in excess of number of directors who are supposed to have or elect in that time, the Chairman of the Meeting shall perform casting vote.

The resolution of the director election shall pass the approval with majority votes of total number of votes from shareholders who attend the meeting and have voting rights.

- b) The appointment of new director(s) to replace director(s) who retired due to other reason apart from retirement by rotation.

The Nomination, Remuneration and Corporate Governance Committee shall consider and propose the person who is qualified without prohibited characteristic in accordance with the Law on Public Limited Companies and the Law on Securities and Exchange to replace the retired director in the following Meeting of the Board of Directors unless the remaining term of that director is less than 2 months. The said person who replaces the retired director shall be in the office term for just the remaining term of the director replaced by him/her.

The resolution of the meeting requires votes for not less than three-fourth of the remaining directors.

The Nomination and Appointment of Executives

In nominating the person to hold the office of the executive, the Nomination, Remuneration and Corporate Governance Committee shall nominate the proper qualified person in consistency with what is prescribed by the relevant rules and/or laws to hold the position of top executive in each department by considering qualification, knowledge, experience, profession, specialized qualification which is required and maximally useful for the Company's business, and propose to the Board of Directors for consideration and appointment.

4. Governance on the operations of subsidiaries and associates

The Company establishes the policies to control and govern the operation of its subsidiaries and associates to set the important guideline for governing the operations of subsidiaries and associates so that the Company can manage its business and govern its subsidiaries and associates to be in consistency with the Company's policies and in line with the Public Limited Companies Law, the Securities and Exchange Law, as well as notifications, regulations, and criteria related to the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand, with following practical guidelines:

1. The Company shall deliver the Company's representatives to be the directors in each subsidiary and associates in accordance with the proportion of shareholding in each company or the conditions settled in the agreement. However, the Board of Directors shall consider and approve to send the Company's representatives to hold the position of directors in each subsidiary and associated company based on the appropriateness of each business.
2. The Company's Board of Directors has duty to govern each subsidiary and associates under following scopes:
 - 2.1 Govern the Board of Directors of each subsidiary and associates to function in accordance with laws, objectives, and Articles of Association, and resolutions of the Board, and resolutions of the Meeting of Shareholders, and in accordance with the Corporate Governance Policy and the Code of Conduct with Duty of Loyalty, Duty of Care, Accountability and Ethics.
 - 2.2 Continuously monitor all performance of its subsidiaries and associates and give advices to ensure that the operation of subsidiaries and associates is in line with the given target and enable to timely and appropriately deal with the potential obstacles and problems.
 - 2.3 Consider, monitor, and give advices for the effective and efficient internal control system and work system of the subsidiaries and associates in business operation.
 - 2.4 Regularly consider, monitor, and implement the review and update of important business operation-related policies and work plans of the subsidiaries and associates to suit the business condition.
3. The Company shall determine work plans and execute to ensure that the subsidiaries and associates disclose the proper, complete and reliable information of overall operation and financial position, as well as information required for disclosure to related governance agencies, government agencies, external investors, and public.

4. In case of necessity of the subsidiaries and associates to perform any connected transaction or transaction that may cause conflict of interests, the Company shall monitor the subsidiaries and associates to make transaction with transparency and fairness. The Company shall strictly comply with the criteria of connected transaction, asset acquisition and disposal transaction which are prescribed by the related governance agencies.
5. The Company shall perform the necessary action and monitor its subsidiaries and associates to have the adequate and appropriate information disclosure system and internal control system for business operation.

5. Supervision on the use of inside information

The Company gives precedence to prevent the use of inside information of the Company and its subsidiaries by aiming to have the policy on prohibiting the Company's directors, executives, staffs and employees to disclose the Company's secret or inside information which has not yet been disclosed to public, or exploited personal benefit or other person's benefit either directly or indirectly and whether the return is yielded. The insider trading in the Company's securities must not be performed.

The Company established and communicated the Inside Information and Securities Trading Policy for the Company's directors, executives and employees for acknowledgement and strict compliance as follows:

- (1) All directors, executives and employees must strictly comply with the prohibition of insider trading in securities prescribed in the Securities and Exchange Act B.E. 2535 (1992).
- (2) The person specified by the Company is prohibited to trade the Company's securities within 30 days prior to the disclosure of quarterly and annual financial statements and other periods which will be occasionally specified by the Company unless in some necessary situations or complying with the law or being under the court's order, the Compliance Unit shall notify the prohibited securities trading period in advance.

Designated person(s) means the following person(s) with position or duty that knows the Company's inside information (including spouse and non-full age children of the said person) as follows:

- (a) Director
- (b) Executive
- (c) Executive and employee of the Company and its subsidiaries who knows the Company's inside information
- (d) Spouse and non-full age children of the person specified by the Company under Clause (a) – (c)
- (e) All executive and employees in following work units: Project Investment and Quality Assurance Department, Commercial 1 Department, Commercial 2 Department, Accounting and Finance Department, Investor Relations Department, Compliance and Company Secretary Office, Internal Audit Department, Legal Department, and Chief Executive Officer Office.
- (f) All executives and employees who attend the meetings of the Board of Directors and/or the meetings of Sub-Committees.
- (g) Any other persons specified by the Company
- (3) In reporting the securities holding, any designated person shall report their holding of the Company's securities (including securities possession of his/her spouse and non-full age children) as follows:

The initial securities holding report: The report must be submitted to the Company Secretary as following conditions:

- In case of directors and executives, they shall report within 7 working days from the position appointment date by filling in the form of the Conflict of Interest Report (Form 89/14) and attaching their personal profile.
- In case of any designated person other than directors and executives, he/she shall report within 7 working days from the date notified by the Company Secretary by filling the form of the Company's Securities Holding Change Report.

Reporting when having changes: The report must be submitted to the Company Secretary within 3 working days from the securities trading date as follows:

- In case of directors and executives, they shall use the form of the Conflict of Interest Report (Form 89/14) and attaching personal profile of director.
 - In case of any designated person other than directors and executives, he/she shall use the form of the Company's Securities Holding Change Report.
- (4) All directors and executives are responsible in reporting their own holding of the Company's securities, including their spouse and non-full age children's holding of the Company securities and also reporting their change of securities holding to the Office of SEC in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992).
- (5) The Company Secretary is required to prepare copies of Securities Holding Report as mentioned in Clause (3) and submit to the Chairman of the Board of Directors, the Chairmain of the Audit Committee and the Chairmain of the Board of Executive within 7 working days from the date of receiving reports, and then report to the Board of Directors for acknowledgement in the next meeting.
- (6) Any director, executive or employee who violates this policy may be considered for disciplinary punishment up to dismissal, and may be liable both for criminal and civil cases in accordance with the Securities and Exchange Act, B.E. 2535 (1992).

6. Remuneration for the auditor

In 2019, the Company and its subsidiaries paid the audit fee as follows:

6.1 Audit Fees

The Company and its subsidiaries paid the audit fee to KPMG Phoomchai Audit Limited as follows:

Details	Audit Fee (Million Baht)
Prima Marine Public Company Limited	3,100,000.00
Subsidiaries	3,587,023.53
Total Audit Fee	6,687,023.53
Out-of-pocket	347,290.00
Total amount of Audit Fee and Out-of-pocket	7,034,313.53

6.2 Non-Audit Fees

The Company and its subsidiaries paid non-audit fees to KPMG Phoomchai Audit Limited in total amount of Baht 1,915,922.43 consisting of the audit fees for BOI Promotion Certificates, in the amount of Baht 1,200,000 and the verification fee for quarterly financial report of the subsidiaries and associated companies in the amount of Baht 715,922.43.

The persons or businesses related to the auditor and the audit firm are not the persons or businesses related to the Company, without relationships or transactions that may cause conflict of interests with the Company at all.

7. The Application of 2017 Corporate Governance Code for Listed Companies

The Board of Directors' Meeting No. 14/2562 held on 11 December 2019 proposed by the Nomination, Remuneration and Corporate Governance Committee considered and reviewed the application of 2017 Corporate Governance Code for Listed Companies 2017 (CG Code 2017) issued by the Office of the Securities and Exchange Commission, The Company's Board of Directors carefully considered such practical principle and understood the benefits in applying the practical principle of CG Code 2017. Overall, the Company has a policy and guideline that are in line with the practical principle of CG Code 2017. In addition, the Company also reviewed to improve the Charter of the Board of Directors and the separation of the Board of Directors and Management's responsibility as well as taking an action on the confidential data protection, communication, and disclosure information. However, in 2019, following practical principles were not yet complied with the CG Code 2017:

Practical Principles	The Company's Reason or Replacement Measure
The Nomination Committee established by the Board of Directors should consist of member majority and the Chairman who is an independent director.	The Nomination, Remuneration and Corporate Governance Committee established by the Board of Directors consisted of half of member, who are independent directors, and the Chairman is not an independent director. The Board of Directors considered that the elements of this Nomination, Remuneration and Corporate Governance Committee are proper to the Company's business and structure.
The Compensation Committee established by the Board of Directors should consist of member majority and the Chairman who is an independent directors to perform duty in considering policies and criteria of compensation determination	

As the Stock Exchange of Thailand provided of "2012 Corporate Governance Code for Listed Companies" which later the Securities and Exchange Commission issued "Corporate Governance Code for Listed Companies 2017" (CG Code 2017) effective from March 2017, consisting of 8 practical principles. The Company continues to follow the Corporate Governance Code by dividing into 5 sections as follows:



Section 1 Rights of Shareholders

The Company recognizes and gives importance to the basic rights of shareholders both as a securities investor and the Company's owner, especially the basic rights of shareholders, including

- The right to buy, sell, transfer the Company's securities that they are holding.
- The right to receive the profit sharing from the Company
- The right to receive adequate information
- The right to attend the General Meeting of Shareholders to express their opinions and jointly make decisions on important matters of the Company, such as dividend allocation, appointment or termination of directors, appointment of auditors, approval of important transactions affecting the Company's business direction, amendment of the Company's Memorandum of Association and Articles of Association, etc.

General Meeting of Shareholders

The Board of Directors shall hold the Annual General Meeting of Shareholders within four months from the end of the Company's accounting period. In 2019, the Company held the 2019 Annual General Meeting of Shareholders on 19 April 2019. The Company implemented the Corporate Governance for the right of shareholders in attending the meeting as follows:

1. The period prior to the Meeting Day

- 1.1 The Company fully promotes and facilitates all groups of shareholders including institutional shareholders to exercise their rights on attending the shareholders' meeting and voting.
- 1.2 Minor shareholders are provided of opportunities in proposing subject(s) to be included in the meeting agenda and nominating person(s) to be elected as directors in the Annual General Meeting of Shareholders in advance, the Company notified all shareholders through the news system of the Stock Exchange of Thailand and the specified criteria and procedures for proposing the said agenda were announced on the Company's website at www.primamarine.co.th since 14 November 2018. The meeting agenda and name of candidates can be submitted to the Company from 14 November 2018 to 31 December 2018.
- 1.3 The Company delivered the invitation letter of the 2019 General Meeting of Shareholders providing details of meeting date, time, venue and agenda, objectives, reasons and opinions of the Company's Board of Directors in each agenda as well as all information related to subjects to be decided in the meeting to all shareholders at least 21 days in advance prior to the Shareholders Meeting via mailing on 28 March 2019, all details and information submitted to shareholders are contained in both Thai and English. In addition, the Company has published the invitation letter on a daily Thai-language newspaper for 3 days consecutive and before the Meeting date 7 days in advance (9 - 11 April 2019).
- 1.4 The Company publicized the invitation letter of the 2019 General Meeting of Shareholders on the Company's website at www.primamarine.co.th, in both Thai and English, since 18 March 2019 so that shareholders can study the data and information in advance with adequate period for not less than 30 days prior to the meeting date.
- 1.5 The Company's shareholders are provided of opportunities to send inquiries in advance before the 2019 Annual General Meeting of Shareholders by sending to the Compliance and Company Secretary Office, No. 80, Soi Bangna-Trad 30, Debaratna Road, Bang Na Tai Subdistrict, Bang Na District, Bangkok, or email: cp_cs@primamarine.co.th from 18 March 2019 to 5 April 2019.

- 1.6 The Proxy Form A, Form B and Form C were also attached to the invitation letter of the shareholders' meeting to allow any shareholders who are unable to attend the meeting in person authorize any other person or independent directors appointed by the Company to be the attorney in attending the meeting and voting on their behalf, by following process and conditions mentioned in the proxy forms.
- 1.7 The Company facilitates shareholders to fully exercise their rights to attend the meeting and vote. The meeting venue is at Ballroom 1, 5th floor, S31 Sukhumvit Hotel, Sukhumvit Road, Klongtan Nue Subdistrict, Vadhana District, Bangkok, the venue is spacious and convenient to travel.

2. Process on the Meeting Day

- 2.1 The Company has provided adequate personnel and technology for the shareholders' meeting including checking documents, meeting registration, counting votes and showing voting results for each agenda in order to quickly, accurately and correctly proceed the meeting as well as using ballots for voting in every agenda. The votings were also separated in each issue in case of many issues in that agenda, for example, the appointment of directors, for transparency and accountability. The Company used the system of meeting implementation served by OJ International Co., Ltd.
- 2.2 All directors attended the shareholders' meeting together with the Chairman of all Sub-committee, Chief Executive Officer, Executives and Auditor so that shareholders can inquire relevant subjects.
- 2.3 The Company provided external legal advisors from Kudun & Partner Limited, to take responsibility in checking votes and counting votes in the meeting, then revealed to the meeting, and finally recorded in the minutes.
- 2.4 The Company described the details of the meeting procedure, voting method, voting counting, and showing voting results for each agenda to all shareholders for an acknowledgment before proceeding the meeting.
- 2.5 The Chairman of the meeting appropriately allocated time and encouraged all shareholders to express their opinions and ask questions at the meeting on subjects related to the Company; and then recorded their opinions and inquiries in the minutes.

3. The period after the Meeting Day

- 3.1 After completing the shareholders' meeting, the Company has published the resolution of the shareholders' meeting including the voting results of each agenda via the website of the Stock Exchange of Thailand and the Company's website within that day.
- 3.2 The Company has prepared the complete and accurate minutes of the shareholders meeting recording the clarification of the meeting procedure, voting method, voting counting, and showing voting results for each agenda to the meeting before proceeding the meeting, opportunities for shareholders to ask questions and answer questions, voting results of each agenda as well as the list of attending and absent directors, and publicized it on the Company's website within 14 days from the meeting date. The Company's shareholders and investors were also notified through the channel of the Stock Exchange of Thailand on 3 May 2019.

Section 2 The Equality of Shareholders

The Company has stipulated that all shareholders are equally treated, whether they be major shareholders or minor shareholders, shareholders who are executives or non-executive shareholders, holding Thai nationality or being foreigner as follows:

1. The Company has prepared and disseminated the invitation letter for the 2019 Annual General Meeting of Shareholders both in Thai and English versions to allow all Thai and foreign shareholders to equally access information.
2. Before starting the shareholders' meeting, the Chairman of the meeting explained all shareholders about rules and regulations applied in the meeting, voting procedures and vote counting as well as voting rights.
3. In the shareholders' meeting, the Chairman of the meeting will conduct the meeting according to the specified agenda and executives are not allowed to propose any additional agenda that is not notified to shareholders in advance without necessity, especially the important agenda that shareholders require time to study information before making a decision.
4. The Company's shareholders and institutional investors are provided of opportunities to exercise their rights in appointing directors on an individual basis and the ballots will be used for individual voting for transparency and verifiability.
5. The prevention on conflict of interests
 - 5.1 The Company has established a policy to prevent the conflict of interests based on the principle that holders, any actions causing the conflict of interests should be avoided with following guidelines:
 - The Board of Directors ensures that the procedures are followed with due diligence within the principles of reason and interdependence. The transparent process for approving transactions is in place.
 - Directors and executives must notify the Company to know the relationship or any connected transactions in businesses that may cause the conflict of interests and all stakeholders will not participate in consideration and decision on those transactions.
 - The Board of Directors supervises the Company and the management to correctly and fully disclose information of transactions that may have the conflict of interests in the Annual Report and Form 56-1.
 - The Company's directors, executives and employees must comply with the Code of Conduct without seeking personal interests that conflict with the Company's interests.
 - The Company has a policy to establish the organization structure by separating departments and employees who have duties or responsibilities that may cause the conflict of interests.
 - The Company has a policy that the access of information or the acknowledgement of information by the departments and employees must be based on the principle of necessity to perform their duties and must not cause any conflict of interests.
 - 5.2 The Company has established a policy for the Company's connected transactions under following criteria:
 - In the connected transactions between the Company & its subsidiaries and persons who may have the conflict of interests, benefits or may have conflict of interests with the Company in the future, such as major shareholders, directors, executives, controlling persons or connected persons, the Company will comply with the Law on Securities and Exchange, regulations, notifications and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand. The stakeholders are unable to engage in the consideration and approval of such transactions.
 - In the event of the law requires the connected transactions to be approved by the Board of Directors' meeting, the Company will assign the Audit Committee to attend the meeting to consider and comment on the necessity of the transactions and the reasonableness of those transactions. Any transactions related to the trade agreement with and without general trading conditions will comply with following principles:

Transactions related to the trade agreement with general trading conditions

The Board of Directors approved the principle for the management to approve the connected transactions which are trade agreements with general trading conditions between the Company & its subsidiaries, and directors, executives or related persons. If the said transactions have a trade agreement in the same manner as the person of ordinary prudence should do with general agreement parties in the same situation with the bargaining trade power without the influence of having a status as a director, executive or related person (as the case may be).

Transactions related to the trade agreement without general trading conditions

The transactions related to the trade agreement without general trading conditions must be considered and commented by the Audit Committee before proposing to the Board of Directors or the shareholders' meeting. (as the case may be) for further consideration and approval, and complied with the Securities and Exchange Law, regulations, notifications and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as requirements regarding the disclosure of connected transactions.

- In case of any connected transactions that may occur in the future, the Board of Directors shall comply with the Law on Securities and Exchange, regulations, notifications and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as requirements regarding the disclosure of connected transactions of the Company or its subsidiaries in accordance with the accounting standards set by the Institute of Certified Accountants and Auditors of Thailand.
- The Company will disclose connect transactions in Annual Report, the Annual Registration Statement (Form 56-1) and notes to financial statements that have been audited by the Company's auditor.

5.3 The Company requires all directors and executives to report the interests of their own selves and their relative persons by submitting the form specified by the Company.

6. Prevention for the use of inside information

6.1 The Company has established guidelines for maintaining and preventing the use of the Company's inside information by prohibiting individuals or agencies that know the inside information to disclose such information to other unrelated agencies or individuals. Any person discloses such information or uses that information for his/her own or others' benefit or makes any transaction that may cause the conflict of interests will be considered a serious offense and will be disciplinary punished.

6.2 The Company has established the policy on the use of inside information and the securities trading of the Company's directors, executives and employees to be a policy prohibiting the Company's directors, executives and employees to disclose the Company's secret or inside information that has not been disclosed to the public or seek benefits for themselves or others, whether it be direct or indirect and whether they will receive a return or not. They are also not allowed to trade the Company's securities by using the inside information. The Company has communicated guidelines and policies to everyone in the organization for acknowledgement and strict compliance.

Section 3 | Roles of Stakeholders

The Company places importance on the rights of all stakeholders, whether they are internal stakeholders such as the Company's shareholders and employees, or external stakeholders, i.e. business partners, customers, etc., the Company realizes that the supports and comments from all stakeholders will be beneficial to the Company's operation and business development. Therefore, the Company will comply with relevant laws and regulations to ensure that the rights of those stakeholders are well treated. In addition, for the business operation, the Company also takes into account the rights of all stakeholders as follows:

1. Responsibilities to Shareholders

The Company will operate its business with transparency and efficiency by aiming to create good performance and stable growth to maximize benefits for shareholders in long term, to disclose information with transparency and reliability to shareholders, to present business performance, financial status, accounting and other reports on a regular basis with completeness and fact.

2. Responsibilities to Employees

The Company will equally and fairly treat all employees and provide them the appropriate compensation. In addition, the Company also gives importance to regularly develop employees' skills, knowledge, capability and potentials by providing opportunities in training, seminars and coaching to all employees, and tries to motivate employees who have high knowledge and ability to stay with the Company for further organizational development. Also, the Company sets guidelines for anti-corruption and educate all employees to comply with relevant laws and regulations, such as strictly prohibiting the use of inside information, etc.

Wage and Compensation Management

The Company fairly manages wages and compensations of employees by concerning on many factors such as capability, experience, duty and responsibility in comparison with the rate of labor wage in domestic market, situation of the Company's necessity and the appropriateness of the business with a focus on making employees happy, feel secure, and engaged with the company.

Welfare and Benefits Provision

The Company fairly manages wages and compensations of employees by concerning on many factors such as capability, experience, duty and responsibility in comparison with the rate of labor wage in domestic market, situation of the Company's necessity and the appropriateness of the business with a focus on making employees happy, feel secure, and engaged with the company.

Safety, Occupational Health and Working Environment

The Company places importance on quality, stability, safety, occupational health and environment (QSHE) in the business operation by aiming to create the corporate culture in QSHE so that all employees are aware and strictly participate in QSHE risk management in their departments. The Company has established the policy on safety, occupational health and work environment by notifying the enforcement throughout the organization as follows:

- (1) Work safety is the duty of all employees at all levels to cooperate and comply for their own safety and others' safety.
- (2) The Company will promote and support the improvement of the environment and safe operation methods as well as the use of appropriate protective equipment and maintaining good hygiene of all employees

- (3) The Company has established a policy to have the Safety, Occupational Health and Working Environment Committee (“Safety Committee”) to comply with the law on safety, occupational health and working environment.
- (4) All supervisors must be responsible for overseeing the work safety of subordinates to comply with the rules of safety laws.
- (5) The Company promotes and supports the activities of safety, occupational health and working environment.
- (6) All employees must give cooperations in safety, occupational health and working environment to the Safety Committee.
- (7) The Company will monitor and evaluate the performance according to the safety, occupational health and working environment policy.

3. Responsibilities to Business Partners

The Company has a process to select business partners by allowing them to compete based on equal information, and select business partners with justice under the criteria for evaluating and selecting the Company’s business partners. In addition, the Company has prepared a suitable and fair contract form for all parties and provided a tracking system to ensure that the conditions of the contract are fully fulfilled and it prevents fraud and misconduct in every step of the procurement process. The Company purchases products from business partners in accordance with commercial conditions and strictly complies with the contract by not requesting / receiving / paying any dishonest benefits in trading with business partners.

The Company prepared the work manual for the Procurement Department to set clear procedures for procurement including the business partner selection. In addition, the Company also set the criteria for recruiting vendors and service providers by defining 13 items in selection based on quality, price, reputation and service as follows: (1) Test Sample; (2) Test Results; (3) Past Performance; (4) Performance of Past Employment; (5) Certification of Quality System; (6) Certificates; (7) Performance Warranty; (8) Price Consistency; (9) Payment Terms; (10) Security; (11) Reputation Acceptance; (12) Bid Period (13) Clarity and Accuracy in Product Details. The vendors or service providers are required to pass the selection by obtaining score of 70 points or more.

4. Responsibilities to Customers

The Company is responsible for customers by maintaining the quality and product & service standards as well as completely and comprehensively responding to customers’ needs as most as possible in order to focus on long-term customer satisfactions. Additionally, the Company also takes into account the health and hygiene of customers in consuming the Company’s products, providing accurate and complete information about products to customers, and providing channels for customers to report problems of improper products or services to the Company so that the Company will quickly prevent and solve problems related to its products and services

5. Responsibilities to Creditors

The Company will strictly comply with various conditions in accordance with the agreement with the creditors, including the repayment of principal, interest and maintenance of various collaterals under related agreements.

6. Responsibilities to Competitors

The Company behaves the good competition with ethics and within the legal framework as well as supports and promotes the free and fair competition policies.

7. Responsibilities to Society and Public

The Company concerns and gives importance to the safety of society, environment and quality of life of people involved in the Company's operation and encourages all employees to be conscious and responsible to the environment and society, strictly comply with relevant laws and regulations. In addition, the Company tries to participate in various activities that create and maintain the environment and society.

8. Anti-corruption

The Company has well realized that the corruption is an improper act, resulting in business unfairness. In case of corruption, it will negatively affect the Company's reputation both in term of the Company's business ethics and business competitiveness due to a reducing confidence of its shareholders and investors on the Company and non-acceptance both in the country and abroad as the result of the corruption. In addition, the corruption will also have negative effect and obstruct the significant social and economic development of the country.

Therefore, the Company deems that anti-corruption is the important principle of its business operation. The Company has determined the Anti-Corruption Policy for entirely express the Company's intention on anti-corruption of every types. In this regard, the Company has set the rules and guidelines to prevent the Company and its staffs not to against the anti-corruption law and to establish knowledge, understanding, and guideline in compliance with the Anti-Corruption Policy to the directors, executives and staffs in all levels, as well as support monitoring and reporting of the corruption discovery through a specified measure of the Company.

The practical guideline of anti-corruption

- (1) The Company has the Zero Tolerance Policy for Anti-Corruption and comply with laws which relating to anti-corruption applicable in Thailand.
- (2) The Company aims for building and maintaining corporate culture in adhering that corruption is unacceptable for transaction entry both with public sector and private sector.
- (3) The directors, executives, and staffs in all levels must strictly comply with the Anti-Corruption Policy and Code of Conduct without both direct and indirect involvement in corruption.
- (4) The directors, executives, and staffs in all levels must not give a bribe to the Governmental Officer, foreign Governmental Officer, official of a public international organization, private agency officer or any other person that operate the business with the Company which encourage such person to per form, not perform, or hold a performance of wrongfully duty and not wrongfully request or accept a bribe for himself/herself or other person in order to perform any act or not to perform any act in the position, whether such act is the rightful or wrongful duty.
- (5) Political Assistance
 - (5.1) The Company has a political neutrality by not providing support and assistance or performing any act which directly or indirectly devotes to any political party, political group or politician.
 - (5.2) The staff has liberty and rights to participate in political activities under the related laws, but must not stealthily refer to the employee status, or utilize any property, equipment and tools of the Company in any political action.
- (6) Charity Donation

The Company supports the charity donation in types of financial and material assistance, or in other types such as knowledge sharing or time devotion as part of the social reciprocation activities as well as public relations and reinforcement of good image to the Company without any expectation of the reward. However, the donation shall have a transparent legal and without any morals' conflict, in cluding shall not perform any act which negative effect to the society.

- (7) Sponsorship
The support of any activity or project either in monetary or non-monetary term shall be proposed to support the business operation, image or good reputation, or public relations, that are useful for building trade reliability or helping strengthening the business relationship. However, the such support shall contain the transparent and legal proceeding and without any morals' conflict, including shall not perform any act which negative effect to the society.
- (8) Gift, Entertainment and Other Benefit
- (8.1) The staff may provide a gift and an entertainment to any person comply with all statements as follows;
- Not provide for the purpose of domination, inducement or reciprocation to any person in order to explicitly or secretly have the business advantage or the exchange for acquisition of assistance or interest.
 - To comply with the related laws, policies, rules and regulations.
 - Providing on behalf of the Company, not the staff.
 - To act in accordance with a regularity of tradition or trade custom rely a suitable and proper type and value on occasional basis.
 - Not provide cash or cash equivalents such as a gift card or a gift voucher.
 - To be a disclosure providing.
- (8.2) The staff may receive a gift and an entertainment in case of a regular and traditionally given only and such gift shall have a value not exceed 3,000 Baht. If the rejection for the gift at the value more than 3,000 Baht is not can be made in order to maintain a good companionship or relationship, the staff shall inform his/her supervisor. The staff shall deny to receive all cash.
- (9) Facilitation Payment
The Company has not the policy to pay the direct and indirect facilitation payment and shall not perform and accept any act in order to receive instead of the facilitation of business operation.
- (10) Corruption Detection Report
The directors, executives, and staffs in all levels shall not ignore or neglect upon detection of the act within the scope of corruption in relation to the Company. Such act shall be informed to their superior or the responsible person via the specified method stated in "Whistle-Blowing Policy" and cooperate in verification of facts.
- (11) Staff Protection
The Company shall provide the staffs for the fairness and the protection to reject the corruption or provide the complaint and the clues of corruption in relation to the Company or cooperate in the fact verification. The Company shall not demote, punish or cause any negative effects to its staff even though the said act has caused the Company to lose its business' opportunity.

Participation in Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC")

To express the standpoint in focusing on the anti-corruption and supporting and promoting the Company's employees in all levels to have consciousness against the corruption in all forms, the Board of Directors Meeting No. 5/2017 on 10 August 2017 resolved to approve the participation in Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC") Project. The Company has declaration of intent application to participate in the CAC Project on 1 September 2017.

On 4 November 2019, the Company has been certified as a member of the CAC Project by the CAC Council for 3 years period which is the first time that the Company has been certified.

The Implementation of the Anti-Corruption Policy

In 2019, the Company carried out to comply with the anti-corruption policy as follows.

- The Company revised its anti-corruption policy in conformity to the rule of the CAC Project.
- The Company revised its code of conduct by adding a topic of anti-corruption.
- The Company's Risk Management Unit assessed the contingent corruption risk in working process and prepared an anti-corruption measure to be appropriate for the assessed risk, and then proposed to the Risk Management Committee and the Board of Directors for consideration. The said risk management is always monitored and reviewed.
- The Company communicated its anti-corruption policy to its suppliers and business partners for the similar acknowledgement and observance in accordance with the anti-corruption measure as the Company.
- The Company revised the Delegation of Authority to include the disbursement relating to gift expense and sponsorship expense, as well as prescribed a practice on disbursement of entertainment expense, donation, gift expense, and sponsorship expense to have a clear and corruption-free practice.
- The Company prepared the Misconduct & Fraud Investigation Policy for determining a clear, transparent and fair misconduct and fraud investigation process.
- The Company communicated a practice on the anti-corruption through E-Newsletter to promote the knowledge and understanding of the directors, executives, and employees in the same direction and ensure the proper compliance, as well as communicated to its business partners.
- The Company organized the new employee orientation for the knowledge and understanding of the employees on the Company's anti-corruption measure, and the new employee must be signed for acknowledgment of its anti-corruption policy.
- The Company organized a seminar of the "Anti-Corruption" on July 22, 2019 whereas Ms. Somsuda Tanchanpongs is the lecturer, for the real understanding of the Company's directors, executives and employees on the anti-corruption to ensure the proper compliance with the Company's policy, and prevention of the violation of the Company and its employees against the anti-corruption law.
- The Company determined an agreement in the employment contract relating to the anti-corruption for reflection of the will in anti-corruption from its personnel selection process.
- The Company announced the suspension on receiving gifts in the period of the 2020 New Year Festival in order to request for the collaboration of its executives and employees to suspend receiving gifts or presents from the third parties or the external agencies. The third parties and the external agencies were communicated to request for collaboration to suspend the provision of all types of gifts to the Company's executives and employees.
- The Company revised the Company's personnel management and development policy by applying the anti-corruption measure to be part of the personnel management and development process.
- The Company determined that the compliance with the anti-corruption measure is part of the annual performance assessment of the employees.

Monitoring and Verifying the Compliance with the Anti-Corruption Policy

- The Compliance and Company Secretary Office shall regularly monitor the Company's executives and employees to comply with this policy.
- The Internal Audit Unit shall regularly verify the internal audit system and process to ensure that the internal control system is efficient for anti-corruption. The verification result shall be mutually discussed with the related work units to find the proper corrective guideline, and report to the Management and the Audit Committee for acknowledgement accordingly.
- The Internal Control Unit shall report the internal control assessment result to the Internal Audit Unit. If the issue of the non-compliance with the anti-corruption policy, the related work units shall be notified as appropriate for updating a control measure.

9. Whistle-blowing Policy

The Company gives precedence to the Corporate Governance by adhering to operate the business under the honesty and ethics as well as strictly complying with the relevant laws and rules. The Company expects all directors, executives and employees to adhere and comply with the said principles. The Board of Directors, therefore, formulates the Whistle-blowing Policy as the channel that the executives, employees and stakeholders can complain and perform whistleblowing the offence and corruption to the Company and its subsidiaries as follows:

Notifying the complaints and whistle-blowing the offence and corruption

1. The complainant can notify the complaint or blow the whistle of the offence and corruption via any of following channels as deemed appropriate:
 - (1) Directly notify the responsible superior (from the level of manager and higher).
 - (2) Notify via the Whistle Blowing Hotline on the Company's website.
 - (3) Send email to the Head of Compliance Unit at compliance@primamarine.co.th
 - (4) Send the letter to the Chairman of the Audit Committee (Independent Director) or the Company's director as following address: Prima Marine Company Limited, No. 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-district, Bangna District, Bangkok, 10260, or send email to AuditCommittee@primamarine.co.th or compliance@primamarine.co.th
2. The complainant who is working in any company under the vessel business should firstly deliver complaint or blow the whistle of the offence and corruption via channel determined by his/her company. However, if the situation is improper or uncomfortable to notify his/her own company, he/she can notify via the Company's channel mentioned in Clause 1(3) to 1(4).
3. The complainant should fill the adequate information in Complaint/Offence and Corruption Whistle-blowing Form as much as possible so that the said information is taken for investigation to find the fact such as the related person, nature and detail of event, date and information. In addition, the complainant should disclose his/her name, address or other contact channels for the inquiries of additional information from the Company. However, the complainant can choose to disclose or not disclose his/her name.

The Company's Action upon Receipt of Complaint or Clue

1. The complaint or whistle-blowing receiver shall send complaint or clue to the Internal Audit Unit or the entrusted work unit within 7 (seven) days from the received date of complaint or clue.
2. Upon the Internal Audit Unit or the entrusted work unit's receipt of the complaint or clue for offence and corruption through the channels specified by the Company, the information primarily acquired shall be evaluated and examined for completion within 30 (thirty) days from the received date of the complaint or clue for offence or corruption.
3. After examining and detecting an unavailability of the ground of fact from the received complaint or clue or experience of the said act, in accordance with such complaining or whistle-blowing, then the Internal Audit Unit or the entrusted work unit shall get back to the complainant and the related parties to terminate the said complaint.
4. After examining and detecting an availability of the ground of fact from the received complaint or clue or experience of the said act, for the possible occurrence of the offence or corruption, then the Internal Audit Unit or the entrusted work unit shall propose the said issue to the authorized person in order to appoint the Investigation Committee and notify the primary fact examination result and action of the Company to the complainant or whistle blower.

5. The Investigation Committee shall complete the fact investigation within 45 (forty-five) days from the appointment date. After completing the fact investigation, the investigation result report shall be prepared and proposed to the signatory who appoints the Investigation Committee. The copy of the said report shall be submitted to the Chief Executive Officer, Head of the Internal Audit Unit, Head of the Human Resources Unit, Head of the Compliance Unit, and the related parties, as the case may be.
6. In case where the offence or corruption is not detected, the Internal Audit Department shall notify the complainant or whistle-blower about the issue termination. In case where the disciplinary offence is detected, the signatory who appoints the Investigation Committee shall propose the issue to the Disciplinary Punishment Consideration Committee for considering a disciplinary punishment accordingly.
7. The Disciplinary Punishment Consideration Committee shall determine a disciplinary penalty as specified in the work regulation of the Company by taking into account the nature of offence and gravity of the offence effect, and then propose to the authorized person for approving the disciplinary punishment. The disciplinary punishment action shall be taken with the offender within 30 (thirty) days from the received date of the investigation result report.

Disciplinary Punishment and Legal Proceeding

1. Upon determination of the disciplinary penalty by the Disciplinary Punishment Consideration Committee, the Human Resources Unit shall issue a disciplinary punishment order and propose to the authorized person for approving the disciplinary punishment to approve the said order.
2. In notifying the disciplinary punishment order to the offender, the Human Resources Unit and the direct superior of the offender notify the said punishment order to the offender, and ask the offender to sign to accept the said punishment order. However, the Human Resources Unit shall file the disciplinary punishment order and documents signed for acknowledgement of the punishment order in the employee profile.
3. In case where any offence or corruption causes damage to the property, reputation, image of the Company or breaks the law, the Disciplinary Punishment Consideration Committee shall propose the authorized person as specified in the Company's Delegation of Authority Table to consider whether civil case or criminal case will be prosecuted against the offender.

Employee Protection

1. The Company will protect and not allow the employee who made complaints or whistleblowing of offence and corruption and any persons who give cooperation or assistance in investigation with honest intent, to be threatened and frightened.
2. Any employee who is threatened and frightened must promptly notify the Head of Compliance in order to provide the appropriate protection, depending on the degree of seriousness and importance of the complaint.
3. The Company's executives or employees are not allowed to terminate the employment, suspended of job, conduct disciplinary punishment or threaten to take any actions to employees who have complained or conducted whistleblowing of offence or corruption. Any executives or employees conduct such above-mentioned acts will be take of disciplinary punishment.

Confidentiality

Those involved in receiving complaints and whistleblowing of offence or corruption must treat the information received as confidentiality and will not disclose to any person unless it is disclosed as necessary for the operation only or as required by law.

In 2019, None of any complaints or whistle-blowing was notified to the Company.

Section 4 Information Disclosure and Transparency

The Company gives the important to the disclosure of accurate, complete, adequate and transparent information in a timely manner for financial information, general information and other information affecting or possibly affecting the Company's securities price, resulting in the decision process of the Company's investors and stakeholders. The Company will disclose such information in accordance with the criteria prescribed by the Office of Securities and Exchange Commission, the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand.

1. The Company gives importance to the Company's financial statements and financial information appeared in the Annual Report, the Audit Committee will review the quality of financial reports and internal control system as well as the adequate disclosure of important information in the notes to the financial statements, and then report to the Board of Directors. The Audit Committee will provide a report on the responsibility of the Board of Directors for the financial report presented in conjunction with the auditor's report in the Annual Report. In addition, the Board of Directors also encourages the preparation of the Management Discussion and Analysis as reference for the disclosure of financial statements in every quarter.
2. The Company has continuously disclosed the information related to each director, roles and duties of the Board of Directors and the Sub-committees, number of meetings and attendance in previous year and comments from performing duties, training and professional knowledge development in the Annual Report and the Annual Registration Statement, as well as compensation payment policy, form and details of compensation for directors and top executives of directors and top executives (if any).
3. The Company discloses the audit fee and other service fees for auditor in the Annual Registration Statement (Form 56-1) and the Annual Report.
4. The Company requires the directors and executives to disclose the securities trading report / securities holding of the Company to the Board of Directors every time as well as report the Company to acknowledge their own interests and their relative persons.
5. The Company gives importance to seriously and consistently keeping the customer's confidential information without using such information for the benefit of itself and those involved unless it is the information that is required to be disclosed to the third parties under related laws. In the event that a third party participates in a special work involving the information that has not been disclosed to the public and is in the process of negotiation of that work, this is considered as the confidentiality of inside information that may affect the movement of the Company's securities price, that third party is required to enter into the Confidentiality Agreement with the Company until the information is disclosed to the Stock Exchange of Thailand and the Securities and Exchange Commission
6. The Company has provided a report on corporate governance policy, code of conduct, risk management policy and corporate social responsibility policy that have been concluded in summary and the performance of such policies, as well as the cases that failed to comply with such policies along with reasons, and reported through many channels such as the Annual Reports and the Company's website etc.
7. Apart from publicizing information according to the prescribed criteria through the channel of the Stock Exchange of Thailand, the Company also discloses following important information in both Thai and English version via the Company's website and regularly update information:

- Vision and Mission
- Nature of Business
- List of the Board of Directors and Executives of the Company
- Financial statements and reports on the Company's financial status and business performance, Management Discussion and Analysis (MD&A) and connected transactions, both current and previous years.
- The Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) which can be downloaded.
- Shareholding Structure, Organizational Structure and the Structure of Company Group
- List of major shareholders
- Invitation Letter to the General Meeting of Shareholders and other related documents as well as the Minutes of the shareholders' meetings.
- The Company's Articles of Association and Registration Certificate.
- The Company's Corporate Governance Policy, Code of Conduct, Anti-corruption Policy, Risk Management Policy and other policies.
- The Charters of the Board of Directors and Sub-committees
- Information and contact channels for Investor Relations and Company Secretary
- Any other Information or documents presented by the Company to analysts, fund managers or media

Investor Relations

The Company will assign the staff of the Investor Relations to communicate with investors or shareholders, the Company will regularly hold the meetings to analyze the performance and will publicize the Company's financial information and general information to shareholders, securities analysts, credit rating agencies and relevant government agencies to acknowledge via many channels, which is the reporting to the Securities and Exchange Commission and the Stock Exchange of Thailand and the Company's website.

Contact Investor Relations

Prima Marine Public Co., Ltd., No. 80, Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Subdistrict, Bangna District, Bangkok, 10260, Tel: 02-016-0190, Fax: 02-016-0199, Email: prima-ir@primamarine.co.th

In 2019, the Investor Relations Unit held the events to meet shareholders and analysts as follows:

Events to meet shareholders and analysts	Times / Year
Analyst Meeting	4
Company Visit	9
Non-Deal Roadshow	12
Opportunity Day	4
Meet the Press	1

Section 5 Responsibilities of the Board of Directors

1. The Structure of the Board of Directors and Sub-Committees

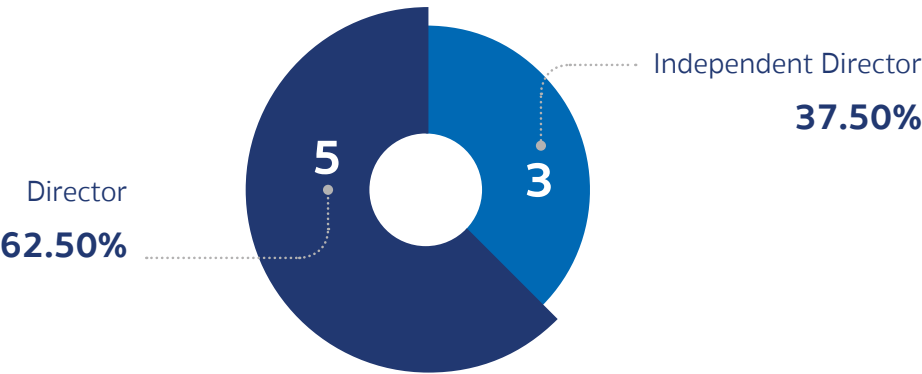
The Board of Directors

The Board of Directors consists of directors with knowledge, competencies and experiences that are useful for the Company, playing important role in establishing the Company’s policies and overview, governing, inspecting and evaluating the Company’s performance to meet the given plan.

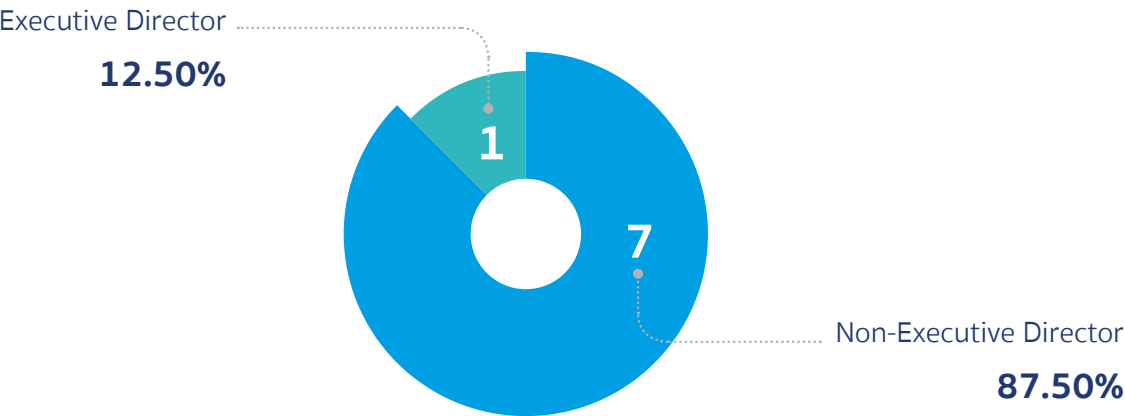
At present, the Board of Directors consists of 1 Executive Director and 7 Non-executive Directors, totally 8 directors, 3 of them are independent directors, accounting for not less than 1/3 portion of total directors in the Board and not less than 3 directors, this will properly balance the consideration and voting in many subjects.

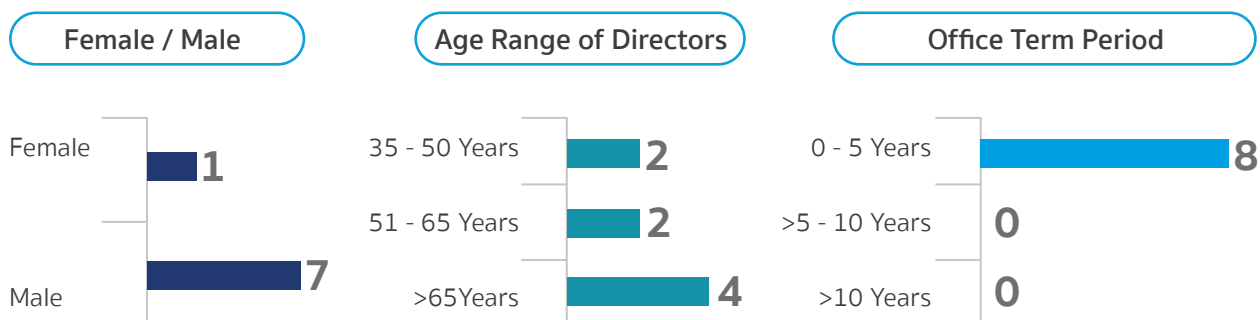
The office term of the Board of Directors is not more than 3 years, the independent directors shall have the office term for not less than 9 years in consecutive manner, unless that person is deemed by the Board of Directors that he/she should continue his/her officer term for the Company’s utmost benefits.

Ratio of Independent Director

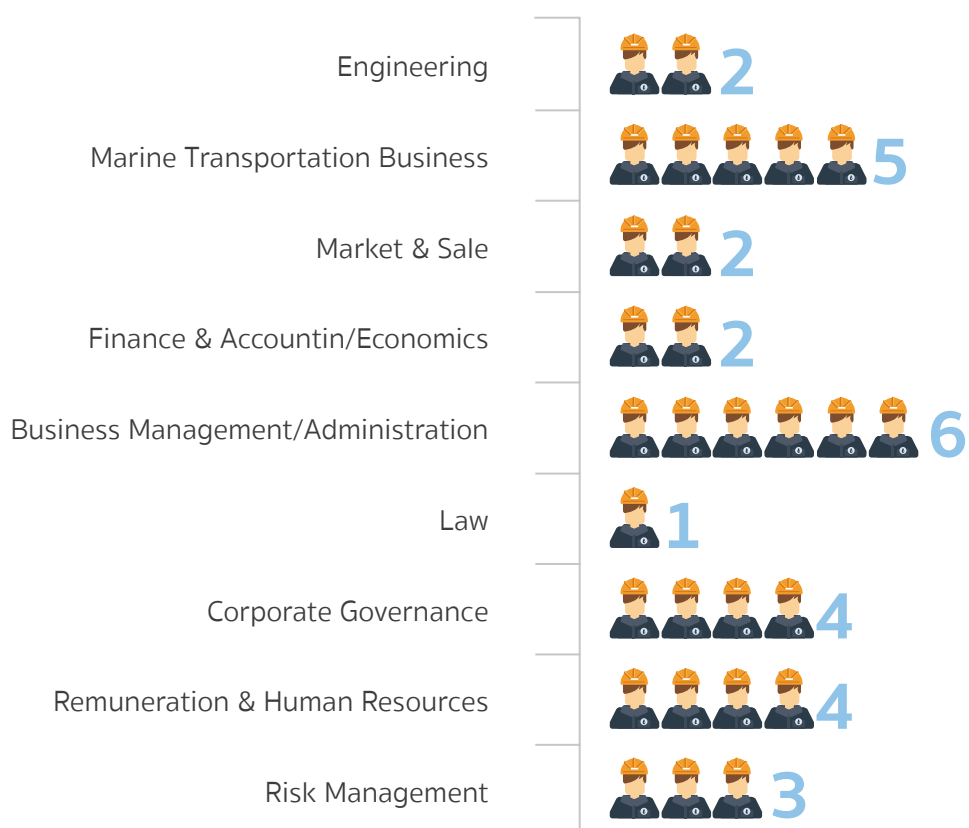


Ratio of Non-Executive Director





Directors' Skill & Experience



Sub-committee

The Board of Directors appoints the sub-committee to support the Company's corporate governance as follows:

- (1) Board of Executive consists of at least 3 executive directors to help and support the Board of Directors in managing the Company's business to achieve policies, plans, rules and any orders as well as the targets determined under the framework assigned by the Board of Directors.
- (2) Audit Committee consists of 3 members to help and support the Board of Directors in governing and inspecting the administration, internal control and compliance with the related laws as well as the preparation of financial reports to allow the Company's operation and information disclosure being transparent and reliable.
- (3) Nomination, Remuneration and Corporate Governance Committee consists of at least 3 members to nominate the proper qualified persons to hold the office of the Company's directors and executives and to consider form and criteria of remuneration payment for the directors and executives and the development of the Company's executives.
- (4) Risk Management Committee consists of 3 members to help and support the Board of Directors in determining the risk management policy for overall organization and governing to have risk management system or process to properly minimize the impact on the Company's business.

2. The Board of Directors' Role, Duty and Responsibilities

The Board of Directors has responsibility to shareholders regarding the Company's business operations and has a duty to set policies and directions for the Company's operation while taking into account the benefits of all stakeholders with details as specified in the Board of Directors Charter and as disclosed in the topic "Management Structure" > "Authority, Duties and Responsibilities of the Board of Directors"

- (1) Corporate Governance Policy: The Company has documented the corporate governance policy and proposed to the Board of Directors for approval, the preparation of the Corporate Governance Policy is aimed to be used as a guideline for directors, executives and employees to comply with such policies. The Company will annually review such policies.
- (2) Code of Conduct: The Company intends to operate its business with transparency, morality, responsibility to all stakeholders as well as society and environment, the Company has set out the written code of conduct for the Board of Directors, executives and employees to comply with.
- (3) Conflict of Interests: The Company has a policy to carefully eliminate the conflicts of interests with honesty, reasons and independence under the framework of good ethics for the Company's benefits, it requires those involved or connected to any considering transactions to disclose their information regarding the interests of their own and their relative persons to the Company for acknowledgement and must not participate in the consideration as well as have no authority to approve such transactions.

The Company has a policy on connected transactions and transactions with conflict of interests that is consistent with the law and regulations of the Office of Securities and Exchange Commission, the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand, and will disclose such transactions in the Annual Report and the Annual Registration Statement (Form 56-1)

- (4) Internal Control: The Company has established the effective internal control system for governance and internal control in both the management level and the operational level that is effective. The Company has established the Internal Audit Department which is an independent agency to assess the adequacy of the internal control system and to directly report to the Audit Committee in accordance with the given audit plan.

- (5) Risk Management: The Company has established the Risk Management Committee to help and support the Board of Directors in determining risk management policies for entire organization and to supervise to establish a risk management system or process to appropriately reduce the impact on the Company's business.
- (6) Report of the Board of Directors: The Audit Committee is responsible for reviewing financial reports with the meeting attendance of the Accounting Department and the auditor, and present financial reports to the Board of Directors every quarter. The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries as well as financial information appeared in the Annual Report.
- (7) Review on the Company's Vision, Mission, and Strategy: The Board of Directors has considered and reviewed the Company's vision and mission by adhering the primary vision and mission. In addition, the operation in accordance with the strategic plan in the past year of 2019 has been considered and reviewed. The internal factors and external factors affecting the organizational success have been thoroughly taken into account to establish 2020 annual strategic plan to be consistent with the Company's business operation guideline and the changing situations to ensure the accurate budgeting.

3. The Performance Assessment of the Board of Directors and Sub-committees

The Company determines that the Board of Directors and the Sub-Committees shall yearly conduct the self-assessment of their performance both in form of individual board/sub-committee and individual member in order to apply the assessment result in improvement of the operation to be more efficient. The clear topics shall be determined prior to measurement of such assessment result, and the opinions shall be gathered and proposed to the Board of Directors' Meeting. In addition, the rule, procedure, and assessment result shall be disclosed in overview in Annual Report.

- 3.1 The Board of Directors assigned the Compliance and Company Secretary Department to submit a Self-Assessment form to the Board of Directors and Sub-committees for their own assessment. This Self-Assessment form is complied with the guidelines of the Stock Exchange of Thailand and can be divided into 3 forms, namely:
 - a. The Entire Performance Assessment of the Board of Directors
 - b. The Entire Performance Assessment of Sub-Committee
 - c. Individual Performance Assessment of the Board of Directors and Sub-Committees
- 3.2 The Company Secretary will collect all performance assessment forms, then summarize the scores and propose the results to the Nomination, Remuneration and Corporate Governance Committee together with the assessment procedures and criteria for consideration.
- 3.3 The Nomination, Remuneration and Corporate Governance Committee will present all evaluation results to the Board of Directors for consideration and use it as a guideline to develop the operations of the Board of Directors to be more effective and further develop the potential of individual directors.

In 2019, the Compliance and Company Secretary Department submitted all performance assessment forms mentioned above to the Board of Directors and all Sub-committees to assess their own performance for the year 2019 with following criteria and results of performance assessment:

Category of Directors and Assessment Criteria	Assessment Results
The Board of Directors	
<p><i>Entire Board Assessment</i></p> <p>The assessment criteria is divided into 6 main areas as follows: (1) Structure and Qualifications of the Board of Directors; (2) Roles, duties and responsibilities of the Board of Directors; (3) The Board of Directors' meetings; (4) Duties of directors; (5) Relationship with the management; (6) Self-development of directors and development of executives.</p>	3.94 / 4.00
<p><i>Individual Assessment</i></p> <p>The assessment criteria is divided into 3 main areas as follows: (1) Structure and Qualifications of the Board of Directors; (2) The Board of Directors' meetings; (3) Roles, duties and responsibilities of the Board of Directors.</p>	3.91 / 4.00
Audit Committee	
<p><i>Entire Committee Assessment</i></p> <p>The assessment criteria is divided into 3 main areas as follows: (1) Structure and Qualifications of the Audit Committee; (2) The Audit Committee's meetings; (3) Roles, duties and responsibilities of the Audit Committee.</p>	3.98 / 4.00
<p><i>Individual Assessment</i></p> <p>The assessment criteria is divided into 3 main areas as follows: (1) Structure and Qualifications of the Audit Committee; (2) The Audit Committee's meetings; (3) Roles, duties and responsibilities of the Audit Committee.</p>	3.97 / 4.00
Nomination, Remuneration and Corporate Governance Committee	
<p><i>Entire Committee Assessment</i></p> <p>The assessment criteria is divided into 3 main areas as follows: (1) Structure and Qualifications of the Nomination, Remuneration and Good Corporate Governance Committee; (2) The Nomination, Remuneration and Good Corporate Governance Committee's meetings; (3) Roles, duties and responsibilities of the Nomination, Remuneration and Good Corporate Governance Committee.</p>	3.93 / 4.00
<p><i>Individual Assessment</i></p> <p>The assessment criteria is divided into 3 main areas as follows: (1) Structure and Qualifications of the Nomination, Remuneration and Good Corporate Governance Committee; (2) the Nomination, Remuneration and Good Corporate Governance Committee's meetings; (3) Roles, duties and responsibilities of the Nomination, Remuneration and Good Corporate Governance Committee.</p>	3.96 / 4.00
Risk Management Committee	
<p><i>Entire Committee Assessment</i></p> <p>The assessment criteria is divided into 3 main areas as follows: (1) Structure and Qualifications of the Risk Management Committee; (2) The Risk Management Committee's meetings; (3) Roles, duties and responsibilities of the Risk Management Committee.</p>	3.90 / 4.00
<p><i>Individual Assessment</i></p> <p>The assessment criteria is divided into 3 main areas as follows: (1) Structure and Qualifications of the Risk Management Committee; (2) The Risk Management Committee's meetings; (3) Roles, duties and responsibilities of the Risk Management Committee.</p>	3.88 / 4.00

4. Remuneration for directors

The remuneration for directors must be in the appropriate criteria when comparing to similar companies in the same industry by taking into account the adequacy to the duties and responsibilities of the Company's Board of Directors. The remuneration for executives and annual bonus for directors will be considered from the Company's performance, however, the total amount of annual remunerations for directors and executives must not abnormally high when comparing to similar companies in the same industry by taking into account the utmost benefits of shareholders.

Details of the remunerations of each director and executive are disclosed in "Management Structure" > "The Remuneration for Directors and Executives".

5. Orientation for new directors

In the event that any directors are changed or new directors are appointed, the management will provide documents and information that are useful to the performance of new directors and introduce the name of the Company's business and business operation to new directors

6. Development of directors and executives

The Board of Directors has a policy to promote and facilitate the training and education for those involved in the Company's corporate governance system, such as directors, audit committee, executives and company secretary, etc., in order to continuously improve the operation, the training and education are possible to be organized within the Company or use the services of external institutions.

The Board of Directors will conduct the rotation of assigned work based on the aptitude of executives and employees by considering the appropriateness of work and time. The Chief Executive Officer will set the period and consider the said performance to be the Company's development and succession plan and to develop executives and employees to have more working knowledge and ability and can replace each other.

In 2019, the Company's directors and executives attended training program and seminars to improve their knowledge as follows:

Director / Executive	Training Program or Seminar
1. Mr. Bowon Vongsinudom	• The Role of the Chairman Program (RCP), Class 45/2019

7. Holding of the Director Office in Other Companies

- (1) The director should not hold the office in more than four companies of other listed companies in the Stock Exchange of Thailand. However, the holding of the office in such companies shall not obstruct the duty performance of the Company's director, and not have any conflict of interest.
- (2) In case where the Chief Executive Officer or top executives of the Company will hold the office in other companies outside the Group of the Company, the prior-approval of the Board of Directors shall be given.
- (3) The Company's director and executive can hold the director or executive office of the companies in the Group.

8. CEO Performance Evaluation

The Board of Directors has assigned the Nomination, Remuneration and Corporate Governance Committee to consider the criteria of performance assessment for Chief Executive Officer and proposed it to the Board of Directors for approval. In 2019, the Nomination, Remuneration and Corporate Governance Committee determined the performance assessment indicators for the Chief Executive Officer and approve by the Board of Director, consisting of 3 areas as follows:

- (1) Financial and Investment Indicator (GL KPI)
- (2) Operation and Internal Process Indicator (STD KPI)
- (3) Development Indicator (EQ Development KPI)

In addition, the Company also requires the Chief Executive Officer to assess his/her self performance once a year and present the result to the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors.

9. Succession Plan

The Company's Board of Directors recognizes the importance of the human resource management, in order to ensure the continuity in the management of the Company, the Nomination, Remuneration and Corporate Governance Committee, therefore, set the succession plan for important positions as follows:

- In 2017, the successor of the Chief Executive Officer was considered and selected.
- In 2018, the plan to develop the successor of the Chief Executive Officer was established and the successors of top executives were considered and selected.
- In 2019, the plan to develop the successors of top executives will be established and the plan to develop the successor of the Chief Executive Officer will be continuously followed up.

8. Compliance with the Corporate Governance Code in other aspects

- (1) The Company has provided a report on the performance of all Sub-committees. (only the director level) and disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report.
- (2) The Company's Board of Directors has established the Nomination Committee to help and support the Board of Directors in determining various operating rules to be in line with the Company's policy on the Corporate Governance Code.

Corporate Social Responsibility

The Company Group highly realizes that the sustainable growth business development is derived from laying the secure foundation for the community and society, and thoroughly paying attention to all stakeholders by adhering to the concept of business operation: “Business and Community Must Grow Together for Actual Sustainability Creation”. For this reason, the Company Group therefore intends to aim for creating the good quality of life of people in the society in order to strengthen the community and pave way towards sustainable community and social development through the responsibilities to all stakeholders in compliance with the principles of social responsibility, consisting of 8 key sections as follows:

Section 1: Fair business operation

The Company emphasizes the business operations under honesty, fairness, ethics and persists in trade competitions under ethical codes in trading, laws, and principles of equal trade completions as well as denies any behavior that obstructs the fair competition such as seeking confidentiality of trade competitors; demanding, receiving and not giving any commercially dishonest benefit in asset purchasing, etc.

In addition, the Company also respects the intellectual property rights of others under its policy to require its personnel to comply with laws or requirements related to the intellectual property rights such as the application of computer program with legal copyright, etc. The Company also initiates the campaign on promoting and embedding subconscious of social responsibility to its personnel in all levels.

Good Corporate Governance

The Board of Directors has set up the a good corporate governance policy since 28 April 2016 in accordance with the guidelines stipulated by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand as the guideline for the Company and its subsidiaries’ operations including creating efficiency and transparency which will make external parities to entrust its business operations. The details of the Company’s good corporate governance are appeared in the Topic “Corporate Governance”.

The commitment to operate the business by adhering to the Company’s principles of good corporate governance results in being ranked as one of companies with good corporate governance in “excellent” or “5-star” level based on the Corporate Governance Report of Thailand Listed Companies 2019 (or CGR 2019) after being listed on the Stock Exchange of Thailand for 2 years, this reflects the Company’s commitment and intention in developing standards and maintaining itself in a fair and ethical business operations.

Code of Conduct

The Company is aware of the importance of ethics and the code of conduct that all directors, executives and employees should adhere to as the guideline in performing their duties and treating those involved. Therefore, the code of conduct has been established to be used as the standard of its operations.

1. Practices to Customers

- Provide quality services by setting the levels and standards of service quality possibly performed by employees and accepted by customers.
- Completely and factually disclose news and information of the Company’s projects and services.
- The advertisement and publication of the Company’s projects must not mislead customers and public about the quality, price, or conditions of sales or services.
- Establish the system to receive the complaints about the Company’s projects and services and make corrections or explain the outcomes of complaint process to customers and public.

- Protect customers' information or confidentiality and not wrongfully use it for oneself or others.
- Maintain the standard of service quality in accordance with professional standards.
- Strictly comply with conditions, promises, or proposals provided to customers or public. In case of having problem that is impossible to follow, customers must be notified as well as the Company must seek to find solutions so that the customers will receive the same or similar results as usual as most as possible.
- Do not profiteer the quality of service and not setting unfair trade conditions for customers.
- Promote and provide the creation of new innovations in services so that the customers have more benefits and satisfactions.

2. Practices to Business Partners and Creditors

- Not request, accept or agree to accept and not give or agree to provide any benefits that are dishonest or not trade tradition to business partners and/or creditors.
- The trade negotiations with business partners and/or creditors must not take advantage, be transparent and fair.
- Strictly comply with the agreed terms and conditions. In case of having problem to impossibly comply with, business partners and/or creditors must be notified, as well as the Company must seek for shared solutions so that the business partners and/or creditors will receive the same or similar results as usual as most as possible
- Provide business partners and/or creditors accurate and factual information about the Company.

3. Practices to Business Competitors

- Behave, conduct and compete within the framework of good competition laws and regulations.
- Not seek for business competitors' confidential information by dishonest or inappropriate methods.
- Not try to damage business competitors' reputation by malicious or false accusations.

Section 2: Anti-corruption

The Company administers the business on the basis of transparency and ethics, adheres to Corporate Governance Code, and complies with laws related to prevention and anti-corruption, giving or receiving bribery with the public or private officers. The Company properly structures the organization to have clear duty and responsibility delegation, work process, and chain of command in each work unit for checks and balances and conciseness in cross checks. Furthermore, the Company determines to set up the anti-corruption policy using principle and guideline of "Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) Project" for observance as practice. All directors, executives and staffs shall strictly comply with the said policy.

Anti-corruption Policy

The Company has prepared the anti-corruption policy since 29 September 2016 and recently updated on 18 July 2019 by using the principles and guidelines of "Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)" to be used as the guideline for the Company and its subsidiaries' directors, executives and employees.

Communication about Anti-corruption Policy

The Company emphasizes the communication and public relations on the Company's anti-corruption policy in order to create knowledge and understanding of all directors, executives, employees and stakeholders as well as public disclosure. Compliance and Company Secretary Department, and Human Resources Department have been assigned to be responsible in disseminating knowledge, creating understanding and encouraging employees at all levels to strictly and continuously adhere to and comply with this policy, and promote it as a part of the corporate culture. The Company has determined to communicate its anti-corruption policy through both internal and external media, such as internal notification, company's website, annual report, etc.

Training on Anti-corruption

The Company's employees will be trained on anti-corruption on a regular basis to allow them to have knowledge and understanding and be aware of the risk of corruption involvement including how to report cases found or suspected of dishonesty or corruption. In addition, its new employees will join the orientation regarding the Company's anti-corruption policy including signing for acknowledgement, understanding and strictly complying. In 2019, the Company organized the training on "Anti-Corruption" for 45 employees and orientation for 22 new employees.

Assessment on Corruption Risk

The Risk Management Committee and Risk Management Department are responsible in assessing corruption risk that potentially occurs to the Company, and establishing risk management measures suitable for assessable risks as well as regularly monitoring and reviewing risk management.

Internal Control

The Company has set up procedures to ensure that the internal control of the accounting process, retention of data, documents and records have been audited to confirm the accuracy and suitability of financial reports and to ensure that the recordings have sufficient evidence. The Company's internal control consists of control across the organization including specific controls and procedures designed to manage the corruption risk that the Company may encounter with the Internal Control Function to report the results of the internal control evaluation to the Internal Audit Department. If any issues are found of not comply with the anti-corruption policy, the relevant functions must be notified as appropriate in order to improve the control measures.

Reporting on Found Corruptions

All directors, executives and employees at all levels must notify their supervisors or those in charge through the channel specified in the complaint and whistleblowing and corruption policy as follows:

- (1) Directly notify the responsible supervisor (manager level up).
- (2) Notify through the Whistle Blowing Hotline on the Company's website.
- (3) Send email to the Head of Compliance Unit at compliance@primamarine.co.th
- (4) Send a letter to the Chairman of the Audit Committee (an independent director) or a director of the Company to following address: Prima Marine Public Company Limited No. 80 Soi Bangna-Trad, Debaratna Road, Bangna Tai Sub-district, Bangna District, Bangkok 10260 or send email to AuditCommittee@primamarine.co.th or compliance@primamarine.co.th.

Employee Protection

The Company will give fairness and protect employees who refuse corruption or report complaints and whistleblowing on corruption related to the Company or give cooperation in investigation, the Company will not demote, punish or give negative results to those employees although that action will make the Company to lose business opportunities.

Participation in Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC")

In order to express the Company standpoint on emphasizing the anti-corruption and supporting and encouraging its personnel in all levels to have a conscience in anti-corruption of all forms. Therefore, the Board of Directors Meeting No. 5/2560 held on 10 August 2017 resolved to approve the Company to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC Project") in which the Company has declared its intention to participate in the CAC Project on 1 September 2017.

As well, on 4 November 2019, the Company has been approved of its membership in the CAC Project by CAC Council with 3-year valid certification and this is the first time that the Company has been certified.

Section 3: Respect on Human Right

The Company formulates the policy for support and respect to the human right protection. The treatment to related parties, whether being employees, surrounding community or society, with respect in the value of human beings shall concern on equality and equal freedom, non-violation of basic rights, and non-discrimination whether in the matter of race, nationality, religion, language, skin color, gender, age, education, physical condition or social status, and supervise in the way that the Company's business is not involved in the violation of human rights, such as the use of child labor, sexual harassment, etc. In addition, the Company encourages the monitoring on compliance with requirements of human rights by arranging the participation in opinion expression and complaining channels for the victim from the violation of rights due to the Company's business operations and executing remedy as appropriate.

For effective respect on human right, the Company shall form the knowledge on human rights and embed the conscience to its personnel to comply with the principles of human rights.

Section 4: Fair labor treatment

The Human Resource Development and fair labor treatment are factors contributing to the addition of the business value and reinforcing its competitiveness and sustainable growth, by this reason, the Company Group establishes following policy and practices:

- (1) Respect the rights of employees in accordance with the principles of human rights and comply with labor law.
- (2) Establish the fair employment process, employment condition, and determination of remuneration, and consideration on meritorious achievement under fair performance appraisal process.
- (3) Promote personnel development by organizing training, seminar, and delivering its personnel to participate in academic seminars and trainings in related areas for knowledge, competency and potential development of personnel, and cultivate good attitudes, morals, ethics, and teamwork to its personnel.
- (4) Provide the welfare for employees as prescribed by law such as social security, and other than what is prescribed by law e.g. health insurance and accident insurance, provident fund, as well as different types of financial aids e.g. scholarship for employees' children, and funeral grant-in-aid, etc.
- (5) Provide the annual physical checkup service to all levels of personnel by taking into account risk factors based on level, age, gender, working environment of each person.
- (6) Execute work safety and good hygiene at work place for employees by establishing preventive measures of accident occurrence, reinforcing employees to be conscious in safety, as well as organize trainings and reinforce employees to have good hygiene and supervise work place to be always hygienic and safe.
- (7) Provide employees the opportunity to enable to express their opinions or complaints about unfair treatment or improper act in the Company, and protect employees who report such issue.

Human Resource Management and Development Policies

The Company has established the personnel management and development policies in order to express its rigid intent in recruitment, well care and maintaining employees in compliance with its business strategies and objectives, in both short-term and long-term. It also puts the anti-corruption measures as part of personnel development and management process. The details of personnel management and development policies are disclosed in Topic "Personnel"> "Personnel Management and Development Policies".

Quality Health Safety and Environment

The Company has established the Quality Health Safety and Environment Policy by declaring the enforcement throughout the organization. The details of policy on safety, occupational health and working environment are disclosed in the Topic “Section 3: Roles of Stakeholders”> “Responsibility to Employees”

Section 5: Customer responsibilities

The Company is committed to develop the services of the Company and its subsidiaries for maximum customer satisfaction and benefits and to adhere to the customer treatment with responsibility, honesty and care on customers as if they are family members of the Company as follows:

- (1) The Company mainly concerns on quality and standard of the Company under the focus on quality and standard service so that customers can use quality and hygienic services in maximum satisfaction. Moreover, the Company is farseeing the importance of service-related cognizance provision. The Company’s employees shall perform to provide proper and complete service information.
- (2) The Company initiates the projects for continuous development and creation of new services to fulfill customer demands so that they can use variety of quality and standard services to meet their demands.
- (3) The Company adheres to fair marketing under the policy for the customer acquisition of the Company’s proper service-related information without distortion, ambiguity or hype so that the customers can have proper and sufficient information for decision making.
- (4) The Company concerns on customer safety and aims for the use of quality and safe services by the customers in accordance with international safety standards and rules and regulations and pursuant to the requirements of law; and always designs, creates, and develops services so that customers are confident on quality, standard and safety of the Company’s services.
- (5) The Company systemizes customer relations used in effective customer communication, and receiving complaints on service quality via the Company’s website to enable to rapidly fulfill customer demands.
- (6) The Company keeps the customer information as confidential without unlawful use of such information.
- (7) The Company organizes the activities for the reinforcement of sustainable relations between customers, and between customers and the Company.

Based on its operations mainly focusing on providing quality services and international standards as well as safety during operations, therefore, in 2019, the Company Group was granted of safety-related awards as follows:



- Five IESG Safety Awards for 2019 provided to SRI CHAIYA Vessel, SRI NARA Vessel, SRI TAPEE Vessel, SRI TAH THONG Vessel and Southern Pearl Vessel.

- Award from PTTGC Port: Contribution to Environment, Health and Safety@Heart Program at GC (GC Marine Terminal) Port during 2019.
- Award from PTTGC Port for completing 100 voyages without accidents for SRI PHUKET Vessel.



Service Standard Certification

The Company has been certified for Quality Management System (ISO 9001: 2015) according to the international standards by Bureau Veritas Certification (Thailand) Ltd.

Service Policy

The Company Group has prepared and reviewed service policies on annual basis by focusing on providing accurate, timely and not hype information so that the customers can have accurate information for decision making.

Customer Relations

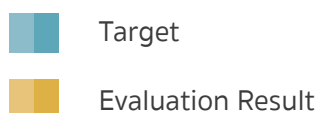
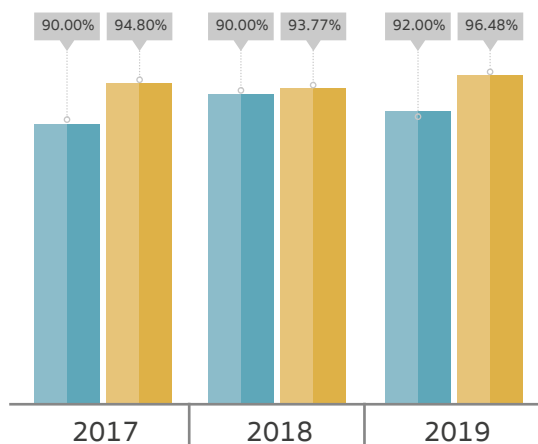
The Company has managed the Customer Relations System to receive feedback on its service and receive complaints about service quality to allow the quick response to customers' needs, customers can send any story or complaint to the Company's Marketing Department or email to PRMoperation@primamarine.co.th

Customer Satisfaction Survey

The Company submitted the customer satisfaction questionnaire regarding service provision to evaluate its operations which is beneficial to the development and enhance the standard and the quality of its operation on a yearly basis .In 2019, the customer satisfaction survey of Commercial 1 Department was resulted at 96.48%, higher than its result in 2018 and above intended target, while the customer satisfaction survey of Commercial 2 Department was resulted at 93.00%, higher than its result in 2018 and above intended target, as well.

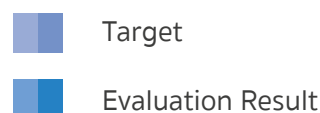
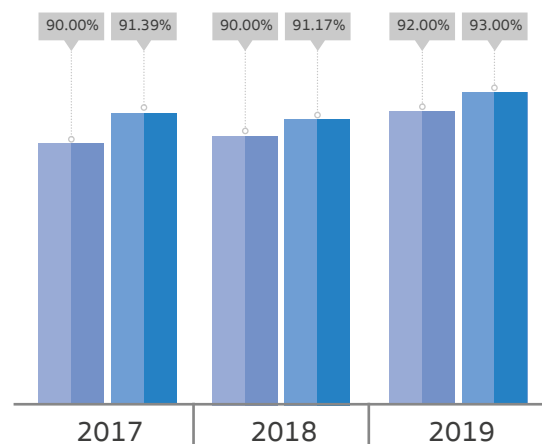
Evaluation Result of Customer Satisfaction Survey

by Commercial 1



Evaluation Result of Customer Satisfaction Survey

by Commercial 2



Section 6: Environmental Conservation

The Company Group operates its business under the concept of environmental awareness and care by focusing on reducing wastes from production process, adhering to the principles of lower use or use as necessary in order to jointly circulate the use of resources with utmost efficiency, campaigning the reuse of materials and providing the environmental conservation system as the practice and device of business operations such as the use of QR Code system instead of printing and distributing documents, the campaign on turning lights and air conditioners off during lunch breaks, etc.

In addition, there are projects jointly developed with communities surrounding the Company's sites such as:



- Project “Community Development, Release Aquatic Animal Species, Sustainable Nature, Restore the Balance of the Sea” to restore the fishery resources in natural water sources at Haad Yao Beach, Nuea Khlong District, Krabi Province, and to cultivate the conscience in cherishing natural resources along the coast. The Company's personnel and nearby communities have participated in the project to develop the good relationship between the organization and the communities as well.



- Project “Propagate Soft Coral Species” to restore deteriorated coral reefs and create ecotourism source, implemented by the Aquatic Resources Research Institute, Chulalongkorn University, in Ko Sichang District, Chonburi Province.



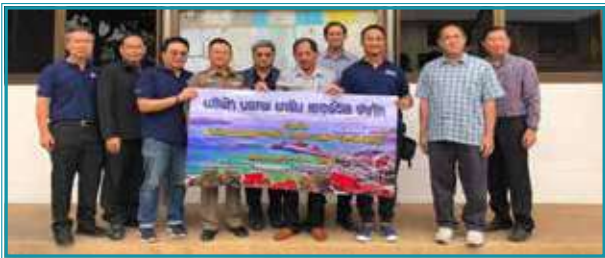
Section 7: Community or Society Mutual Development

One of Community or Society Mutual Development is to help strengthen the community by creating knowledge and works, developing human, the Company Group has a policy to provide assistance and support to various activities in communities surrounding the sites, as well as respond to events that affect communities, society, and environment due to operations, with speed and efficiency. In addition, the Company Group also encourages its personnel to participate in projects and activities to embed awareness and responsibility towards the environment and society with projects that continuously support and develop, including

- Project “Promote Mental Health, Conquer Mental Health, Connect with the Elderly” cooperated with the Surat Thani Petroleum Terminal, PTT Oil and Retail Business Public Company Limited, provides the walking sticks and wheelchairs to the poor elderly for primarily encouraging them to be self-dependent through 3 sub-district health promoting hospitals, which are Bang Kung Sub-district Health Hospital, Mueang District, Surat Thani Province; Tha Thong Sub-district Health Promoting Hospital, Kanchanadit District, Surat Thani Province; and Khlong Chanak Sub-district Health Promoting Hospital, Mueang District, Surat Thani Province.



- Project “Build and Renovate Toilets for Ko Sichang School” for 6 toilets, operated through Bongkot Marine Services Co., Ltd. to promote good hygiene and health for students.
- Supporting projects to enhance the quality of life and safety in the communities at Ko Sichang Sub-district Municipality, Chonburi Province, conducted through Bongkot Marine Services Co., Ltd., such as the project to enhance the safety of life and properties for citizens and tourists, and the project of management potential development for Ko Sichang Police Station.
- Project to improve the quality of life of fishermen and communities, Si Racha Municipality, Chonburi Province.



Furthermore, there are projects of public benefits for organizations and foundations, such as supporting the installation of light protection devices for the Office of Traffic and Marine Safety in Si Racha District, Chonburi Province; and the renovation project of multi-purpose building for Nurul Islam Mosque, Kanchanadit District, Surat Thani Province.

Section 8: Innovation and Dissemination of Innovations from Operations Responsible to Society, Environment and Stakeholders

The Company Group emphasizes the creative activities and services with appropriate incentives that are responsible to society, environment and stakeholders by aiming to create innovations in the Company’s operations as the first priority. Having innovations is a process and social services that are based on “New Thinking” to respond the needs of society in various aspects. In addition, the Company also allows employees to participate and express their opinions about the development of creative work processes.

Internal Control and Risk Management

1. Summary of opinions from the Board of Directors on the Company's internal control

Internal Control

The Company realizes and gives precedence to having internal control system for all work processes because the good internal control system shall prevent, manage and address risks or prevent from any damages that may happen to the Company and interested parties. The company also emphasize the use of resources, maintaining assets, accurate and reliable financial reports, compliance with laws, rules and regulations related to business operations. The Company assesses the adequacy of internal control by using the assessment form issued by the Securities and Exchange Commission (SEC), which is in accordance with the international standard of the Committee of Sponsoring Organizations of the Tread Way Commission (COSO), which improved the framework in May 2013 with 17 principles, the elements of internal control can be summarized into 5 areas as follows:

1.1 Control Environment

The Company has the good internal control system by the Board of Directors, executives and employees at all levels emphasizing the internal control, adhering to honesty and ethics in accordance with the code of conduct, which prohibits executives and employees from acting in conflicts of interest with the business with the process for monitoring and evaluating the performance by the internal audit unit and regulatory agencies. The Board is independent from the management and oversights with clearly separated duties from the management according to the law and charter, the organizational structure that supports operations to achieve the Company's objectives by separating duties to create the audit for balancing each other. The Company has policies and procedures to recruit, develop and maintain competent personnel, fair performance evaluation and successor recruiting plan for important positions The Company requires personnel to have duties and responsibilities in internal control with processes and forced communication that all personnel are responsible for internal control, improvement, setting indicators, create incentives and giving appropriate rewards to employees.

1.2 Risk Assessment

The Risk Management Committee approves and communicates such policy to all executives and employees for acknowledgement and compliance. The Company analyzes all types of risks that may occur from internal and external factors including strategic risk, operational risk, compliance reporting, standards and operational plans for risk treatment, an assessment of the likelihood of corruption by covering various types of corruption and carefully reviewing operational goals. The Company also considers the possibility of given target and considers the reasonableness of giving incentives or rewards to employees. The company will assess the changes of external factors, internal controls and financial reports as well as determines the response measures, assess the changes of business model and corporate leader which may affect the business operation, internal control and financial reports.

1.3 Control Activities

The Company formulates and documents the activity control measures to properly cover work processes to mitigate risks making the Company failed to achieve objectives and to be in the acceptable criteria, has various internal control systems, separate duties and responsibilities in approvals, records reports and supervise assets, controls the structure of the information system, security, the acquired process, development and maintenance of appropriate technology systems. The Company has rules and regulations to monitor the transactions of major shareholders, directors, executives, or those related to those persons in accordance with relevant laws and those transactions must pass the specified approval process by taking into account the best interests of the Company with clear processes to monitor and supervise the operations of subsidiaries or associated companies, the Company also appropriately and consistently reviews policies and procedures.

1.4 Information & Communication

The Company realizes on the importance of information system and both internal and external data communication by concerning on maximum benefits to be gained by the Company. Such data is adequate for executives to use for considering business operations, determining management guidelines and the Company's strategies with accuracy and reliability. The Board of Directors shall be submitted of invitation letter for the meeting and supporting documents for consideration prior to the meeting as prescribed by the law. The Company thoroughly prepares the minutes of meeting with important details for the traceability on the appropriate performance of directors, as well as keeps the important meeting documents in a complete manner. The Company has effective internal and external communication process to support the internal control, consistently sends important reports and information to the Board and the Board can access the sources of information required for performing tasks or reviews any transactions as needed. In addition, the Company has special or secret communication channels to enable persons inside and outside the Company to safely notify or whistle blow on internal corruption (whistle-blower hotline) and effectively communicates with external stakeholders to provide them the accurate and correct information.

1.5 Monitoring Activities

The Company establishes the assessment and monitoring system on the compliance with ethics and organization requirements to prevent the conflict of interest of the Company's executives and employees, also, the Company has the monitoring plan in accordance with the internal control system as planned for assessing themselves and/or being independently assessed by the internal auditors and external auditors, to monitor and assess the result of internal control system and the progress of improving significant deficiencies is also reported to the Board of Directors / Audit Committee.

In addition, the Company encourages those who perform internal audits to have knowledge about international standards for the practice of internal auditing. (The International Standard for the Professional Practice of Internal Auditing, IIA). The Company focuses on reporting information or fraudulent events that may significantly affect the stability of the Company to the Board of Directors in a timely manner.

Risk Management

The Company highly emphasizes on the risk management by formulating the risk management policy to be consistent with the rule of COSO-ERM 2017 as the risk management tool to ensure the organizational attainment of the determined objectives and goals. The risk assessment and management are carried out to cover all areas in governance risk, strategy & planning risk, operation & infrastructure risk, and financial reporting risk, to seek for an adequate and appropriate risk management measure.

In 2019, the Company continuously controlled and monitored Enterprise Risk Management - Treatment Plan and determined the reporting of the risk management results to the Risk Management Committee and top executives as entrusted for acknowledgement.

The Company also organized the seminar training on Enterprise Risk Management by hiring the external lecturer with knowledge, competency, and expertise on risk management to always provide a basic knowledge and building a risk management awareness culture of the Company and the Company Group's employees and executives, and internally communicate. The Company aims at building the awareness of the employees and the executives for acknowledgement so that they can realize that the risk management is same matter of the Company's business administration which must be simultaneously carried out through preparation of the Monthly Newsletter and yearly communication via executives (CEO Townhall).

In addition, the Company has given the precedence to the backup plan for the Company and the Company Group's situation of Low Sulphur Fuel Oil (LSFO) consumption in accordance with the requirement announced by International Maritime Organization (IMO) which effective from 1 January 2020. The measure prescribes that all vessels in the world must be replaced with fuel oil containing below 0.5% of Sulphur from the current average of 3.5% of Sulphur in vessel fuel oil under an objective to reduce air pollution and emission rate of Green House Gas (GHG) that causes global warming. The result has been reported to the Board of Directors for acknowledgement on the change of Low Sulphur Fuel Oil (LSFO) consumption inside the Company Group's fleet, as well as cargo transport and storage services for all customers of the Company Group. This will ensure that the Company and the Company Group adequately manages the risk of the said situation, and appropriately complies with the enforcement measure of both internal and external regulators to be consistent with the Company Group's business operation that provides cargo transport and storage services for crude oil, refined oil product, and Liquefied Petroleum Gas by vessel in Asia Pacific region under the scope of operation in international territorial waters.

Moreover, the risk management strategy has been planned and the risk management has been taken as part of the strategic planning and development of the Company's business operation for 2020 - 2022. The risk management has been added in preparedness plan in four areas of the project investment, consisting of preparedness in commercial, technical, finance, and compliance with set of regulations of both internal and external regulators, and risk assessment, to ensure that all areas are prepared in the project investment for the Company's business operation by completely and appropriately taking into account the factors.

2. Opinions from the Internal Audit Auditor and the Company's Auditor on the internal control

Based on the internal audit conducted by the internal audit Department and the audit of financial statements by KPMG Phoomchai Audit Co., Ltd. for the year 2019, it was found that the Company has given the importance on the internal control system and has adequately, properly and effectively provided an internal control system for every steps of work process in each department, giving the confident to stakeholders on the control of the Company's resources for the utmost benefit. The internal audit unit conducted an audit in accordance with the internal audit plan for the year 2019 which was approved by the Audit Committee to assess and ensure the Company's internal control system according to the internal audit standard and the auditor has examined the financial statements and internal control systems of the Financial & Accounting Department in accordance with the regulations of the Stock Exchange of Thailand and the auditing standards by regularly submitting audit reports and financial statement review report to the Audit Committee for consideration. From the internal audit report and financial statement review report, there were no significant audit issues related to internal control systems were found.

3. Head of Internal Audit Unit and Head of Compliance Unit

(1) The Audit Committee has selected the Head of internal audit unit to perform duties as the leader. At present, Ms. Sirimapan Phaichalerm is the Internal Audit Manager, who has been appointed to perform this duty since November 1, 2016. The Audit Committee gives the opinion that Ms. Sirimapan Phaichalerm is qualified to this position as the Head of internal audit unit with education, working experience, and internal audit professional qualifications, including to promote our internal auditor to attend the training course on internal audit standard continuously and encouraged to receive the Certified Internal Audit certification.

The Head of the Company's Compliance Unit is Miss Udomrat Sitthikorn, who is currently the Company Secretary.

(2) According to the Charter of the Audit Committee, it requires the Audit Committee to approve the appointment, transfer and termination of the Head and employees of the internal audit unit or any other unit responsible for the internal audit of that company.

Information of Securities Holding of the Directors and Executives

Directors and executives of the Company shall have a duty to submit a report on changes of their securities holdings including their spouses or cohabiting couple, children not yet of age, juristic person that those persons hold shares at an aggregate amount exceeding 30% of the total voting shares to the SEC Office within 3 working days from the date of purchase, sale, transfer or acceptance of transfer of securities pursuant to the Notification of the Securities and Exchange Commission.

In addition, directors and executives must report their holding of the Company's securities to the Company Secretary within 7 days from the date of appointment and report any changes in their holding of the Company's securities to the Company Secretary within 3 working days from date of purchase or sell of securities pursuant to the Company's Securities Trading Policy.

As of 31 December 2019, the securities holding of the directors and executives are as follows:

Name of Directors and Executives	Common Share (Share)		
	As of 31 Dec 2018	As of 31 Dec 2019	Increase / Decrease
1. Mr. Bowon Vongsinudom	-	-	-
Relationship Persons	1,500,000	1,500,000	-
2. Admiral Nibhon Chagsudulya	500,000	500,000	-
Relationship Persons	-	-	-
3. Mr. Chainoi Puankosoom	1,500,000	1,500,000	-
Relationship Persons	-	-	-
4. Mr. Somchai Kuvijitsuwan	-	-	-
Relationship Persons	800,000	800,000	-
5. Mr. Suraphon Meesathien	500,000	600,000	100,000
Relationship Persons	100,000	100,000	-
6. Mr. Prompong Chaisrisawatsuk	100	100	-
Relationship Persons	-	-	-
7. Mr. Surasak Chaiyen	200,000	200,000	-
Relationship Persons	200,000	200,000	-
8. Ms. Neeracha Panboonhom	5,761,000	5,761,000	-
Relationship Persons	-	-	-
9. Mr. Nuthkorn Samran	-	-	-
Relationship Persons	-	-	-
10. Mr. Viritphol Churaisin	-	-	-
Relationship Persons	-	-	-
11. Ms. Nipat Eamsiriwat	-	-	-
Relationship Persons	-	-	-
12. Ms. Suthasinee Muenlamay	-	-	-
Relationship Persons	-	-	-

Remarks: Relationship Persons means

- (1) spouse or cohabiting couple;
- (2) minor child;
- (3) juristic person wherein directors, executives and the persons in (1) and (2) hold shares at an aggregate amount exceeding thirty percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof.

Position in Subsidiaries and Associates of Directors and Executives

(Information as of 1 April 2020)

Name of Directors and Executives	Parent	The	Subsidiaries and Associates												
	Company	Company	1	2	3	4	5	6	7	8	9	10	11	12	13
	NAT	PRM	BIGS	BMS	BSC	NMC	NSSG	NTL	SHT	TIM	TMN	TMT	TNS	TNTL	TST
1. Mr. Bowon Vongsinudom		C													
2. Admiral Nibhon Chagsudulya		VC									C				
3. Mr. Chainoi Puankosoom		/													
4. Mr. Somchai Kuvijitsuwan		/													
5. Mr. Suraphon Meesathien	/, E	/	/												
6. Mr. Prompong Chaisrisawatsuk	/	/, E					/		/						
7. Mr. Surasak Chaiyen	/, E	/													
8. Ms. Neeracha Panboonhom	/	/													
9. Mr. Nuthakorn Samran		E		/	/	/		/		/		/			
10. Mr. Viritphol Churaisin		E				/		/				/			
11. Ms. Nipat Eamsirivat		E	/		/	/		/				/			
12. Ms. Suthasinee Muenlamay		E		/			/		/			/	/		

C = Chairman VC = Vice Chairman / = Director E = Executive

Company's Name

BIGS	Big Sea Company Limited	NSSG	Nathalin Shipping Pte. Ltd.	TMN	TMN Company Limited
BMS	Bongkot Marine Services Company Limited	NTL	N.T.L. Marine Company Limited	TMT	Thaimarine Tanker Company Limited
BSC	BSC Management Seafarer Recruitment Company Limited	PRM	Prima Marine Public Company Limited	TNS	TOP Nautical Star Company Limited
NAT	Nathalin Company Limited	SHT	Singha Tankers Company Limited	TNTL	TOP-NTL Pte. Ltd.
NMC	Nathalin Management Company Limited	TIM	T.I.M. Ship Management Company Limited	TST	TOP-NTL Shipping Trust

Remarks:

- (1) Orchard Navee Company Limited has registered to liquidate with Department of Business Development, Ministry of Commerce on 23 December 2019.
- (2) Srithai Capital Company Limited has registered to liquidate with Department of Business Development, Ministry of Commerce on 26 December 2019.

Information of the Company's Shareholders

As of 31 December 2019, the Company has registered capital in the amount of 2,500,000,000 Baht and paid-up capital in the amount of 2,500,000,000 Baht divided into 2,500,000,000 ordinary shares at par value of 1 Baht per share. The Company's shareholders structure as of the Record Date on 28 November 2019 are as follows:

Nationality of shareholder	No. of shareholders (persons)	Total shares (shares)	%
Thai	8,664	2,074,150,499	82.97
Foreigner	48	425,849,501	17.03
Total	8,712	2,500,000,000	100%

Source: Thailand Securities Depository Company Limited

1. List of Major Shareholders

(a) List Top 10 major shareholders of the Company as of the Record Date on 28 November 2019 are as follows:

Shareholder Name	Number of Shares	%
1. Panboonhom Family Group	1,749,849,800	69.99
1.1 Nathalin Company Limited ⁽¹⁾	1,354,999,800	54.20
1.2 AUSTIN ASSET LIMITED ⁽²⁾	208,510,000	8.34
1.3 KIMBERLY ASSET LIMITED ⁽³⁾	186,000,000	7.44
1.4 Mrs. Vilaisri Panboonhom	340,000	0.01
2. Thai NVDR Company Limited ⁽⁴⁾	52,260,797	2.09
3. Bualuang Infrastructure RMF	21,298,900	0.85
4. Mrs. Sanyaluck Pakdisukchareon	18,600,000	0.74
5. Ms. Sunan Ngamakarakul	10,922,100	0.44
6. Mr. Boonchai Kasemvilas	10,564,700	0.42
7. Bualuang Infrastructure Fund	9,159,400	0.37
8. Mr. Chansak Fuangfu	9,100,000	0.36
9. Ms. Sunita Charoenwong	8,150,000	0.33
10. Mr. Watchara Buanamjued	8,150,000	0.33

Source: Thailand Securities Depository Company Limited

(b) The major shareholders whose behaviours have had a significant influence on the operational policies or management of the company.

Shareholder Name	Number of Shares	%
Panboonhom Family Group	1,749,849,800	69.99
1. Nathalin Company Limited ⁽¹⁾	1,354,999,800	54.20
2. AUSTIN ASSET LIMITED ⁽²⁾	208,510,000	8.34
3. KIMBERLY ASSET LIMITED ⁽³⁾	186,000,000	7.44
4. Mrs. Vilaisri Panboonhom	340,000	0.01

Remarks:

- (1) Nathalin Company Limited operated 3 core business groups consisting of (1) Ship Business Unit, (2) Trading & Service Business Unit, (3) Global Energy Business Unit. Nathalin Corporation Company Limited held 3,971,991 shares or 99.99% of the total issued shares of Nathalin Company Limited. Mr. Churdchoo Panboonhom held 9,998 shares or 99.98% of the total issued shares of Nathalin Corporation Company Limited.
- (2) AUSTIN ASSET LIMITED, an investment company which registered in Hong Kong. Nathalin Company Limited held 10,000 shares or 100% of the total issued shares of AUSTIN ASSET LIMITED.
- (3) KIMBERLY ASSET LIMITED, an investment company which registered in Hong Kong. Mr. Churdchoo Panboonhom held 100% of share in KIMBERLY ASSET LIMITED.
- (4) Shareholders holding stakes in the Company through Thai NVDR Company Limited of at least 0.50% or more of the total issued shares are as follows:

Shareholder Name	Number of Shares	%
1. JP MORGAN SECURITIES PLC	22,722,900	0.91
2. ASTATE STREET BANK TRUST COMPANY	14,676,900	0.59

Source: www.set.or.th

2. Agreement among major shareholders

-None-

Dividend Payment Policy

1. Policy of dividend payment of the Company

The Company formulates the policy of dividend payment to the shareholders in the ratio of not below 30% of net profit from separate statements after deduction of tax and all types of reserves prescribed by laws and Articles of Association of the Company. Such dividend payment may be changed subject to necessity and other appropriateness as deemed appropriate by the Board of Directors. Annual dividend payment shall be approved by the Meeting of the Shareholders unless it is interim dividend payment. The Board of Directors may occasionally approve interim dividend payment when the Company deems that it is profitable to do so, and shall report the said interim dividend payment to the Meeting of the Shareholders for acknowledgement in next meeting.

Summary of dividend payment during the past 3 year

Dividend Payment from Annual Operating Results	2019 ^{(1) (2)}	2018	2017
Net profit margin per share (Baht)	0.24	0.15	0.50
Dividend paid per share (Baht)	0.20	0.14	0.37
Dividend paid per net profit (%)	81.93	91.56	85

Remark:

⁽¹⁾ The Board of Directors' Meeting No. 13/2019 held on 13 November 2019 has passed the resolution to approve the interim dividend payment to the Company's shareholders at the rate of Baht 0.06 per share. The date of the interim dividend payment was on 12 December 2019.

⁽²⁾ The Board of Directors' Meeting No. 2/2020 held on 24 February 2020 has passed the resolution to propose the 2020 Annual General Shareholders Meeting for approval the additional dividend payment for the year 2019 to the Company's shareholders at the rate of Baht 0.14 per share. The date of the dividend payment for the year 2019 will be on 21 May 2020

2. Policy of dividend payment of the subsidiaries/associated companies

The dividend payment of the subsidiaries shall be subject to power of approval consideration of the Meeting of the Board of Directors of each Subsidiary or the Meeting of the Shareholders of each Subsidiary (as the case may be) under requirement of concern on overall operations, liquidity, cash flow, financial position, investment plan of each subsidiary, as well as other factors as deemed appropriate by the Board of Directors of the Subsidiary or the Meeting of the Shareholders of each Subsidiary as deemed appropriate. However, in paying dividend of the subsidiary (whether being located inside the country or abroad), dividend payment shall be considered from net profit of separate statements after deduction with tax and legal reserves of that country. The appropriateness of the business conditions such as consideration from investment plan and business expansion plan of that subsidiary, etc. shall be taken into account in dividend payment. Furthermore, for dividend payment of the subsidiary in accordance with corporate governance code, transparency and accountability, the director who is appointed by the Company to hold the director office in that subsidiary has duty to report the Meeting of the Board of Directors when the subsidiary pays dividend.

General Information and Other Information

1 General Information

1.1 General Information of the Company

Company's Name	» Prima Marine Public Company Limited
Symbol	» PRM
Industry	» Services
Sector	» Transportation & Logistics
Type of Business	» The Company Group provides one-stop services of shipment and floating storage unit of crude oil, refined oil products, and liquefied petrochemicals to the customers upon customer demands and provides services of Offshore Support Vessel for petroleum exploration and production, and ship management. The core businesses of the Company Group are classified into 4 type of business as follows: <ol style="list-style-type: none">1. Oil and Petrochemical Tanker Business ("Trading Business")2. Floating Storage Unit ("FSU") Business ("FSU Business")3. Offshore Support Vessel Business ("Offshore Business")4. Ship Management Business ("SM Business")
Company's Registration Number	» 0107560000141
Registered Office	» 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260
Registered Capital	» 2,500,000,000 Baht, divided into 2,500,000,000 ordinary shares (as of 31 December 2019)
Paid-Up Capital	» 2,500,000,000 Baht, divided into 2,500,000,000 ordinary shares (as of 31 December 2019)
Par Value	» 1 Baht per share
Telephone Number	» (66) 2016 0190-4
Fax	» (66) 2016 0199
Company's Website	» www.primamarine.co.th

1.2 Information of juristic persons in which the Company held more than 10% of fully paid-up capital ⁽¹⁾

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	% of Shareholding by the Company
Subsidiaries						
N.T.L. Marine Company Limited (NTL) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel: (66) 2016 0190-4 Fax: (66) 2016 0199	Marine transportation of petroleum products.	1,053,000,000 Baht	10,530,000 shares	100 Baht	1,053,000,000 Baht	99.99
Thaimarine Tanker Company Limited 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel: (66) 2016 0190-4 Fax: (66) 2016 0199	Marine transportation of petroleum products.	180,000,000 Baht	1,800,000 shares	100 Baht	180,000,000 Baht	99.99
Nathalin Management Company Limited (NMC) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel: (66) 2016 0190-4 Fax: (66) 2016 0199	Ship management services.	8,500,000 Baht	85,000 shares	100 Baht	8,500,000 Baht	99.99
BSC Management Seafarer Recruitment Company Limited (BSC) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel: (66) 2746 9981-2 Fax: (66) 2746 9983	Manning agency and ticket agency.	5,500,000 Baht	55,000 shares	100 Baht	5,500,000 Baht	99.99
Nathalin Shipping Pte. Ltd. (NSSG) 6 Temasek Boulevard, #32-03 Suntec Tower Four, Singapore (038986) Tel: (65) 6361 0382 Fax: (65) 6361 0377	Ship management services.	16,200,000 Singapore Dollars	16,200,000 shares	1 Singapore Dollars	16,200,000 Singapore Dollars	87.50
Big Sea Company Limited (BIGS) 454 Rama III Road, Bang Kloi Sub-District, Bang Kho Laem District, Bangkok 10120 Tel: (66) 2292 2761 Fax: (66) 2292 0365	Marine transportation of petroleum products.	360,000,000 Baht	360,000 shares	1,000 Baht	360,000,000 Baht	80.00
Singha Tankers Company Limited (SHT) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel: (66) 2016 0190-4 Fax: (66) 2016 0199	Marine transportation of petroleum products.	962,000,000 Baht	9,620,000 shares	100 Baht	962,000,000 Baht	51.00 ⁽²⁾

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	% of Shareholding by the Company
Joint ventures						
Bongkot Marine Services Company Limited (BMS) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel: (66) 2016 0190-4 Fax: (66) 2016 0199	Marine transportation of petroleum products.	240,000,000 Baht	2,400,000 shares	100 Baht	240,000,000 Baht	70.00
TOP-NTL Pte. Ltd. (TNLT) 6 Temasek Boulevard, #32-03 Suntec Tower Four, Singapore (038986)	Ship management services.	20,000 Singapore Dollars	20,000 shares	1 Singapore Dollars	20,000 Singapore Dollars	50.00
TOP-NTL Shipping Trust (TST) Singapore	Funds for domestic and international transportation.	1,894,000 Singapore Dollars	-	-	-	50.00
TOP Nautical Star Company Limited (TNS) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel: (66) 2016 0190-4 Fax: (66) 2016 0199	Marine transportation of petroleum products.	150,000,000 Baht	1,500,000 shares	100 Baht	150,000,000 Baht	35.00 ⁽³⁾
Associate						
T.I.M. Ship Management Company Limited (TIM) 223/18-20 Country Complex Tower, Sanphawut Road, Bangna-Tai Sub-District, Bangna District, Bangkok 10260 Tel: (66) 2745 7711-2 Fax: (66) 2745 7713	Ship management services.	3,000,000 Baht	30,000 shares	100 Baht	3,000,000 Baht	33.33
TMN Co., Ltd. (TMN) 3354/50 Manorom Bldg., 15 Fl., Rama IV Rd., Klongtan, Klongtoey, Bangkok 10110 Tel: (66) 2671 7200 Fax: (66) 2671 5200	Marine transportation of petroleum products.	666,000,000 Baht	66,600,000 shares	10 Baht	666,000,000 Baht	12.70 ⁽⁴⁾

Remarks:

⁽¹⁾ Information as of 31 December 2019

⁽²⁾ The Company direct holding 51% in SHT and indirect holding 49% in SHT through NSSG, resulting in the Company's effective shareholding proportion in SHT for 93.9%.

⁽³⁾ The Company direct holding 35% in TNS and indirect holding 49% in TNS through TST, resulting in the Company's effective shareholding proportion in TNS for 50.0%.

⁽⁴⁾ The Company direct holding 12.70% in TMN and indirect holding 12.16% in TNS through NTL, TMT, and SHT, resulting in the Company's effective shareholding proportion in TMN for 24.67%.

⁽⁵⁾ Orchard Navee Company Limited has registered to liquidate with the Department of Business Development, Ministry of Commerce on 23 December 2019.

⁽⁶⁾ Srithai Capital Company Limited has registered to liquidate with the Department of Business Development, Ministry of Commerce on 26 December 2019.

1.3 Information of Other Reference Persons

Security Registrar



Thailand Securities Depository Company Limited

The Stock Exchange of Thailand Building

93 Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400

Tel.: (66) 2009 9000

Fax: (66) 2009 9991

www.set.or.th/tsd

Auditor



Mr. Thanit Osathalert

Certified Public Accountant Registration Number 5155

KPMG Phoomchai Audit Limited

48th – 51th Floor, Empire Tower

1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120

Tel: (66) 2677 2000

Fax: (66) 2677 2222

www.kpmg.co.th

2 Other Information

- None -

Related Party Transactions

List of Related Persons

Party that may have conflict of interests	Nature of business	Nature of relationship
1. Nathalin Company Limited (“Nathalin”)	The company engages in the business of alternative energy business and holding company business	<p>1.1 It is the major shareholder of the Company that holds the shares in the proportion of 54.20% of the Company.</p> <p>1.2 There are 4 joint directors as follows: 1) Mr. Prompong Chairsrisawatsuk, 2) Mr. Suraphon Meesathien 3) Mr. Surasak Chaiyen 4) Ms. Neeracha Panboonhom</p>
2. Sea Oil Public Company Limited (“Sea Oil”)	Marine oil trading business	<p>2.1 It is the related company of Nathalin whereas Nathalin holds 45.04% shares in Sea Oil and Nathalin is the major shareholder of the Company.</p> <p>2.2 Mr. Churdchoo Panboonhom, the controlling person of the Company, holds 10.60% shares in Sea Oil.</p> <p>2.3 Ms. Neeracha Panboonhom, the daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholders in Nathalin, is the director in Sea Oil.</p> <p>2.4 There are 3 joint directors who are 1) Mr. Suraphon Meesathien 2) Mr. Prompong Chairsrisawatsuk 3) Ms. Neeracha Panboonhom</p>
3. Sea Oil Petroleum Pte. Ltd. (“Sea Oil Petroleum”)	Marine oil trading business	<p>3.1 It is the related company of Nathalin whereas Nathalin indirectly holds 45.04% shares in Sea Oil Petroleum through Sea Oil and Nathalin is the major shareholder of the Company.</p> <p>3.2 Ms. Neeracha Panboonhom, the daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholder in Nathalin, is the director in Sea Oil Petroleum.</p> <p>3.3 The joint director is Ms. Neeracha Panboonhom</p>
4. Sea Oil Offshore Limited (“Sea Oil Offshore”)	Marine oil trading business	<p>4.1 It is the related company of Nathalin whereas Nathalin indirectly holds 45.04% shares in Sea Oil Offshore through Sea Oil, whereas Nathalin is the major shareholder of the Company.</p> <p>4.2 Ms. Neeracha Panboonhom, the daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholders in Nathalin, is the director of Sea Oil Offshore.</p> <p>4.3 The joint director is Ms. Neeracha Panboonhom</p>
5. Speed Production Company Limited (“Speed Production”)	Advertising service, public relations service, and advertising media production business	<p>5.1 It is the company which is related by Mrs. Vilaisri Panboonhom and Ms. Paleerat Panboonhom, a spouse and a daughter respectively of Mr. Churdchoo Panboonhom who is the indirect major shareholders in Nathalin, holds 20.0% shares and 40.0% respectively shares in Speed Production.</p> <p>5.2 Mr. Vilaisri Panboonhom and Ms. Paleerat Panboonhom, a spouse and a daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholder in Nathalin, are the director in speed production.</p>
6. Kemaman Bitumen Company Sdn Bhd	Manufacture and distribution of asphalt and petroleum product	<p>6.1 It is a subsidiary of Tipco Asphalt Public Company Limited</p> <p>6.2 The joint director is Mr. Chainoi Puankosoom</p>
7. Thai Shipowners’ Association	-	7.1 The joint director is Mr. Suraphon Meesathien
8. Mr. Thinnakorn Therdwikrant	-	8.1 He is a director of Big Sea and Big Sea is the Company’s subsidiary

Related party transactions between the Company and subsidiaries, and the parties that may have conflict of interests in the accounting year ended 31 December 2018 and ended 31 December 2019.

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2018	Accounting year ended 31 Dec 2019		
1. Nathalin Co., Ltd. ("Nathalin")	1.1 Nathalin employment of vessel of NTL for customer service and Nathalin performing as agent in customer contact - Revenue from freight 138,321,289.6 - Account receivable 51,801,944.7 NTL uses various services with Nathalin as follows: - Meeting room rental fee - 3,500.0 - Car rental fee 1,800.0 5,400.0 - Legal services fee 4,500.0 - Other service fee - 500.0			- Nathalin is an agent to contact the customer - Nathalin hired the vessel of NTL for service to its customer under the Contract entered by Nathalin with the customer. The agreed freight rate was the freight rate gained by Nathalin from the end user deducted with agent service charge which was comparable with the rate of general industrial. The commercial term was comparable with commercial transaction in the similar nature. - Meeting room rental fee, Nathalin rent for holding training or seminar, with a daily fee of 2,000 baht per day. The service fee is comparable to the service provided by external service providers. - Car rental fee, to support administrative tasks for executives and employees who must travel by car. Nathalin therefore provides car rental services with drivers with a daily fee of 1,800 baht per day. - Legal service fee from Nathalin Legal Department, which specializes in maritime law, provides services in contract documents. With a service charge of 3,500 baht per hour which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The said service rate is comparable to the use of external law firms.	- It was the normal business transaction and this transaction has caused benefits to the Company Group at a reasonable price. "
	1.2 BSC providing the air ticket reservation service to Nathalin's executives - Revenue from service charge 82,771.1 19,572.0 - Other receivable 80,105.6 -			- BSC provided air ticket reservation service to Nathalin's executive for visit in abroad whereas the cost of service charge was cost plus.	- It was the normal business transaction and this transaction has caused benefits to the Company Group at a reasonable price.

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2018	Accounting year ended 31 Dec 2019		
	<p>BSC uses various services with Nathalin as follows:</p> <ul style="list-style-type: none"> - Fitness center service fee and lunch service fee - Management Information System service fee - ERP software service fee and E-mail system service fee - Human Resource Management service fee - Meeting room rental fee - Staff activities service fee - Car rental fee - Legal services fee - Other payables - Trade accounts payable 	<p>201,886.0</p> <p>496,272.0</p> <p>113,760.0</p> <p>442,638.0</p> <p>16,000.0</p> <p>17,265.0</p> <p>705.0</p> <p>8,750.0</p> <p>109,316.6</p> <p>-</p>	<p>183,521.0</p> <p>324,000.0</p> <p>113,760.0</p> <p>351,300.0</p> <p>45,000.0</p> <p>45,947.5</p> <p>915.0</p> <p>-</p> <p>-</p> <p>84,593.1</p>	<p>- BSC uses the service of the fitness center with Nathalin for BSC's staffs at the rate of service charge of 1,085 Baht per person per month. The rate of service charge is the market rate of the fitness center located in nearby area. reference to the contract No. NAT-SER 0043/2019 with a service period of 1 January 2019 - 31 December 2019.</p> <p>- Due to the number of restaurants in the area adjacent to the Company's office is less, BSC therefore has hired Nathalin to supply lunch for its employees at the rate of service charge of 35 Baht per person per day and to provide additional fruit in the daytime for employees by serving 3 days a week also charged at the rate of 13 Baht per person per day. The rate of service charge is the market rate of the restaurants located in the nearby area, reference to the Contract No. FC003/2019 with a service period of 1 January 2019 - 31 December 2019.</p> <p>- Management Information System with a service fee of 3,000 Baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019.</p> <p>- Service fees for ERP software (Microsoft Dynamic AX) with a service fee of 4,740 Baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019.</p> <p>- Human Resource Management service with a service fee of 3,513 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019.</p> <p>- Meeting room rental fee, Nathalin rent for holding training or seminar, with a daily fee of 2,000 baht per day. The service fee is comparable to the service provided by external service providers.</p>	<p>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p>

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2018	Accounting year ended 31 Dec 2019		
				<ul style="list-style-type: none"> - Organizing activities fee which to strengthen employee relations and being a welfare of the Nathalin Group such as Sport Day activities, New Year's activities etc. which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The said service rate is comparable to the use of external service providers. - Car rental fee, to support administrative tasks for executives and employees who must travel by car. Nathalin therefore provides car rental services with drivers. With a daily fee of 1,800 baht per day. - Legal service fee from Nathalin Legal Department, which specializes in maritime law, provides services in contract documents. With a service charge of 3,500 baht per hour which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The said service rate is comparable to the use of external law firms. 	<p>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</p> <p>"</p> <p>"</p>
	<p>1.3 NSSG providing ship management service to Nathalin</p> <p>- Other Revenue</p> <p>NSSG uses various services with Nathalin as follows:</p> <ul style="list-style-type: none"> - Technical consultancy services fee - Management Information System service fee - ERP software service fee and E-mail system service fee - Human Resource Management service fee - Other payables - Trade accounts payable 	<p>1,163,174.4</p> <p>89,755.1</p> <p>1,149,991.7</p> <p>1,312,836.1</p> <p>10,878.5</p> <p>96,779.3</p> <p>-</p>	<p>1,117,785.6</p> <p>670,671.4</p> <p>5,175,850.9</p> <p>29,979.0</p> <p>315,990.3</p>	<ul style="list-style-type: none"> - NSSG as a consultant on technical consultancy services for Nathalin's vessels, which the agreed service rate is the rate that is comparable to the general service fees in the industry - NSSG provided ship management service to Nathalin - Management Information System with a service fee of USD 1,800 per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019. - Service fees for ERP software (Microsoft Dynamic AX) with a service fee of 4,740 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019. - Human Resource Management service with a service fee of 700 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019. 	<p>- It was the normal business transaction and this transaction has caused benefits to the Company Group at a reasonable price.</p> <p>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</p> <p>"</p> <p>"</p>

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2018	Accounting year ended 31 Dec 2019		
	<p>1.4 The company is a lessor of the area on the roof of the building which is located on the land of the Company for Nathalin</p> <p>- Building roofs rental revenue</p> <p>The Company uses various services with Nathalin as follows:</p> <p>- Office Management service fee</p> <p>- fitness center service fee and lunch service fee</p> <p>- Management Information System service fee</p> <p>- ERP software service fee and E-mail system service fee</p> <p>- Human Resource Management service fee</p> <p>- Legal services fee</p> <p>- Car rental fee</p> <p>- Container rental fee</p> <p>- Meeting room rental fee</p> <p>- Staff activities service fee</p> <p>- Trade accounts payable</p> <p>- Other payables</p>	<p>36,000.0</p> <p>2,071,872.0</p> <p>1,906,510.0</p> <p>4,533,672.0</p> <p>4,834,800.0</p> <p>3,794,040.0</p> <p>336,250.0</p> <p>110,357.0</p> <p>42,000.0</p> <p>28,000.0</p> <p>160,689.0</p> <p>-</p> <p>1,826,684.7</p>	<p>36,000.0</p> <p>2,071,872.0</p> <p>1,937,052.0</p> <p>3,096,000.0</p> <p>5,282,880.0</p> <p>3,963,849.0</p> <p>886,750.0</p> <p>94,072.0</p> <p>42,000.0</p> <p>20,000.0</p> <p>512,096.7</p> <p>34,882.0</p> <p>1,586,793.9</p>	<p>- The Company for renting the area of the office building roof for Nathalin, which is located on the land of the Company and Nathalin is used to set up projects for use in the construction of power plants, developing and executing solar power projects installed on the roof from 1 January 2018 with a contract period of 3 years. The monthly rental rate is 3,000 baht which is determined by the cost of maintenance plus the difference that covers the service of the Company. The service rate is comparable to the use of services from third parties.</p> <p>- Nathalin provided service of office management with the contract period of 1 year ending 31 December 2019. The monthly service fee is 172,656 Baht which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The service rate is comparable to the use of services from third parties. Reference to the contract No. NAT-SER 0049/2019 with a service period of 1 January 2019 - 31 December 2019.</p> <p>- The Company uses the service of the fitness center with Nathalin for BSC's staffs at the rate of service charge of 1,085 Baht per person per month. The rate of service charge is the market rate of the fitness center located in nearby area. Reference to the contract No. NAT-SER 0044/2019 with a service period of 1 January 2019 - 31 December 2019.</p> <p>- Due to the number of restaurants in the area adjacent to the Company's office is less, the Company therefore has hired Nathalin to supply lunch for the Company's staffs in the rate of 35 Baht per person per day and to provide additional fruit in the daytime for employees by serving 3 days a week also charged at a rate of 13 Baht per person per day. The rate of service charge is the market rate of the restaurants located in the nearby area. Reference to the contract No. NAT FC 004/2019 with a service period of 1 January 2019 - 31 December 2019.</p>	<p>- It was the transaction of space rental in supporting normal business of the Company Group with the rate of rental fee and trading condition is reasonable.</p> <p>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</p> <p>"</p> <p>"</p>

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2018	Accounting year ended 31 Dec 2019		
				<ul style="list-style-type: none"> - Management Information System with a service fee of 3,000 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019. - Service fees for ERP software (Microsoft Dynamic AX) with a service fee of 4,740 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019. - Human Resource Management service with a service fee of 3,513 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019. - Legal service fee from Nathalin Legal Department, which specializes in maritime law, provides services in contract documents. With a service charge of 3,500 baht per hour which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The said service rate is comparable to the use of external law firms. The contract period of 1 January 2019 - 31 December 2019. - Car rental fee, to support administrative tasks for executives and employees who must travel by car. Nathalin therefore provides car rental services with drivers. With a daily fee of 1,800 baht per day. - Container rental fee of one 2.4 x 6.0 x 2.6 meters sized container for storage of the Company's documents, paid for Nathalin Group. The rent and service fee of 3,500 Baht per month which is similar to the rate of third party. Reference to the contract No. NAT-SER 0039/2018 with a contract period of 1 October 2018 - 30 September 2019. - Meeting room rental fee, Nathalin rent for holding training or seminar, with a daily fee of 2,000 baht per day. The service fee is comparable to the service provided by external service providers. 	<p>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p>

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2018	Accounting year ended 31 Dec 2019		
				- Organizing activities fee which to strengthen employee relations and being a welfare of the Nathalin Group such as Sportday activities, New Year's activities etc. which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The said service rate is comparable to the use of external service providers.	- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.
	1.5 NMC providing the document agent service to Nathalin as follow: - Other Revenue	3,000.0	3,000.0	- Nathalin hired NMC to provide service of documents agent with Marine Department for Tsuruzaki vessel at the rate of service charge between 1,000 - 3,000 Baht per transaction which is determined by cost plus method. The rate of the service fee is the same as another MNC's customer.	- It was the normal business transaction and this transaction has caused benefits to the Company Group at a reasonable price.
	NMC uses various services with Nathalin as follows: - Fitness center service fee and lunch service fee	486,780.0	584,538.0	- The Company uses the service of the fitness center with Nathalin for BSC's staffs at the rate of service charge of 1,085 Baht per person per month. The rate of service charge is the market rate of the fitness center located in nearby area. Reference to the contract No. NAT-SER0042/2019 with a service period of 1 January 2019 - 31 December 2019.	- It was the normal business transaction and this transaction has caused benefits to the Company at a reasonable price.
	- Management Information System service fee	1,046,364.0	726,800.0		
	- ERP software service fee and E-mail system service fee	1,480,080.0	2,682,480.0		
	- Human Resource Management service fee	959,049.0	1,082,004.0		
	- Car rental fee	2,370.0	1,800.0	- Due to the number of restaurants in the area adjacent to the Company's office is less, the Company therefore has hired Nathalin to supply lunch for the Company's staffs in the rate of 35 Baht per person per day and to provide additional fruit in the daytime for employees by serving 3 days a week also charged at a rate of 13 Baht per person per day. The rate of service charge is the market rate of the restaurants located in the nearby area. Reference to the contract No. NAT FC002/2019 with a service period of 1 January 2019 - 31 December 2019.	- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.
	- Meeting room rental fee	4,000.0			
	- Staff activities service fee	44,274.0	143,579.7		
	- Legal service fee	3,500.0			
	- Other payable	439,037.0	439,037.0		
	- Other non-current assets	1,055,982.0	1,055,982.0	- Management Information System with a service fee of 3,000 Baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019.	"

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2018	Accounting year ended 31 Dec 2019		
				- Service fees for ERP software (Microsoft Dynamic AX) with a service fee of 4,740 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019. - Human Resource Management service with a service fee of 3,513 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2019 - 31 December 2019. - Car rental fee, to support administrative tasks for executives and employees who must travel by car. Nathalin therefore provides car rental services with drivers. With a daily fee of 1,800 baht per day. - Organizing activities fee which to strengthen employee relations and being a welfare of Nathalin Group such as Sportday activities, New Year's activities etc. which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The said service rate is comparable to the use of external service providers. - Legal service fee from Nathalin Legal Department, which specializes in maritime law, provides services in contract documents. With a service charge of 3,500 baht per hour which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The said service rate is comparable to the use of external law firms.	- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price. ” ” ” ”
2. Sea Oil Public Company Limited (“Sea Oil”)	2.1 The Company purchase of navigation oil from Sea Oil and received other service from Sea Oil - Purchase cost of oil - Catering service charge - Trade accounts payable - Other receivables	13,604,956.5 36,284,081.8 2,423,412.6 -	1,675,800.0 36,402,714.3 - 126,703.2	- The Company purchases fuel oil and lubricating oil from Sea Oil for The Company's vessels. The price is based on market price under general commercial term. - The Company hired Sea Oil for catering, cleaning and laundry service for oil drilling rig staffs on accommodation work barge. The rate of service charge is estimated to be per person per day in the agreed rate and has been comparable with the price which can be hired by the Company from other service providers. The contract period of 1 February 2019 - 31 January 2020.	- It was the normal business transaction of the Company under reasonable service charge rate and general commercial term.

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2018	Accounting year ended 31 Dec 2019		
				- The Company received a refund for catering service from Sea Oil due to the employees can't eat the food at Nava Thanee vessel, so they change to eat at AQP floating instead.	- It was the normal business transaction of the Company under reasonable service charge rate and general commercial term.
	2.2 NTL purchase of navigation oil from Sea Oil - Purchase cost of oil - Account payable - Other revenue	199,285,430.3 27,371,614.4 -	221,742,547.5 19,572,460.3 31,863.7	- NTL purchases fuel oil and lubricating oil from Sea Oil for NTL's vessels. The price is based on market price under general commercial term. - NTL has other revenue by charging from Sea Oil which is its executive's traveling and hotel expense for attending a new ship launching ceremony in China.	- It was the normal business transaction of the Company under reasonable service charge rate and general commercial term.
	2.3 TMT purchase of navigation oil from Sea Oil - Purchase cost of oil - Trade Account payable	2,994,250.0 -	12,075,700.0 4,889,632.5	- TMT purchases fuel oil and lubricating oil from Sea Oil for TMT's vessels. The price is based on market price under general commercial term.	- It was the normal business transaction of the Company under reasonable service charge rate and general commercial term.
	2.4 BSC providing the air ticket reservation service and crew management service - Revenue from service charge	341,000.0	74,541.0	- BSC provided air ticket reservation service and crew management service whereas the cost of service charge based on cost plus.	- It was the normal business transaction of the Company under reasonable service charge rate and general commercial term.
3. Sea Oil Petroleum Pte. Ltd. ("Sea Oil Petroleum")	3.1 The Company purchase of navigation oil from Sea Oil Petroleum - Purchase cost of oil	8,043,786.4		- The Company purchases fuel oil and lubricating oil from Sea Oil Petroleum for the Company's vessel. The price is based on market price under general commercial term.	- It was the normal business transaction of the Company under reasonable price and general commercial term.
	3.2 TMT purchase of navigation oil from Sea Oil Petroleum - Purchase cost of oil - Trade account payable	- -	1,674,449.3 1,110,125.5	- TMT purchases fuel oil and lubricating oil from Sea Oil Petroleum for TMT's vessel. The price is based on market price and general commercial term.	- It was the normal business transaction of the Company under reasonable price and general commercial term.
	3.3 NTL purchase of navigation oil from Sea Oil Petroleum - Purchase cost of oil - Trade account payable	2,009,236.5 -	13,013,090.5 11,210,459.6	- NTL purchases fuel oil and lubricating oil from Sea Oil Petroleum for NTL's vessel. The price is based on market price and general commercial term.	- It was the normal business transaction of the Company under reasonable price and general commercial term.

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2018	Accounting year ended 31 Dec 2019		
	3.4 BSC providing the air ticket reservation service and crew management service - Revenue from service charge - Other receivables	24,336.2 141,626.7	- -	- BSC provided air ticket reservation service and crew management service whereas the cost of service charge based on cost plus. - -	- It was the normal business transaction of the Company under reasonable price and general commercial term.
4. Sea Oil Offshore Limited ("Sea Oil Offshore")	4.1 The Company purchase of navigation oil from Sea Oil Offshore - Purchase cost of oil	274,448.5	-	- The Company purchases fuel oil and lubricating oil from Sea Oil Offshore for the Company's vessel. The price is based on market price under general commercial term. -	- It was the normal business transaction of the Company under reasonable service charge rate and general commercial term.
	4.2 NTL purchase of navigation oil from Sea Oil Offshore - Purchase cost of oil - Trade Account payable	28,851,719.7 3,163,472.5	48,716,688.1 681,847.6	- NTL purchases fuel oil and lubricating oil from Sea Oil Offshore for NTL's vessel. The price is based on market price and general commercial term.	- It was the normal business transaction of the Company under reasonable service charge rate and general commercial term.
	4.3 TMT purchase of navigation oil from Sea Oil Offshore - Purchase cost of oil - Trade Account payable	13,937,570.9 1,059,981.0	7,619,971.2 -	- TMT purchases fuel oil and lubricating oil from Sea Oil Offshore for carriers of TMT's vessel. The price is based on market price and general commercial term. -	- It was the normal business transaction of the Company under reasonable service charge rate and general commercial term.
5. Speed Production Company Limited ("Speed Production")	5.1 The Company paid for production of Annual General Meeting of Shareholder video presentation to Speed Production - Other expense	203,037.4	100,000.0	- The company needs to prepare a video for corporate presentation and the Annual General Meeting of Shareholders presentation. The rate of service fee is comparable to the price of other service providers.	- It was the transaction which is useful for the Company and the price and commercial term were reasonable.
6. Kemaman Bitumen Company Sdn Bhd	6.1 NSSG provided service of shipment in Time Charter Contract - Freight income	-	253,846,396.0	- NSSG provided service of shipment with a contract period of 1 year. The rate of service fee at USD 750,000 per month.	- It was the normal business supporting transaction and has caused benefits to the Company Group at a reasonable price.
7. Thai Shipowners' Association	7.1 The Company payment of membership fee to Thai Shipowners' Association - Other Expense	80,000.0	110,000.0	- The Company paid membership fee of shipowner in the general normal rate for the members.	- It was the transaction with membership fee in the collection rate for the general members.

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2018	Accounting year ended 31 Dec 2019		
	7.2 NTL payment of membership fee to Thai Shipowners' Association - Other expense	45,000.0	45,000.0	- NTL paid membership fee to Thai Shipowners' Association in the general rate for members	- It was the transaction with membership fee rate in the collection rate for the general members.
	7.3 TMT payment of membership fee to Thai Shipowners' Association - Other expense	25,000.0	35,000.0	- TMT paid membership fee of Thai Shipowners' Association in the general rate for members.	- It was the transaction with fee rate in the collection rate for the general members.
	7.4 NMC payment of membership fee to Thai Shipowners' Association - Service cost	-	5,000.0	- NMC paid membership fee of Thai Shipowners' Association in the general rate for members.	- It was the transaction with fee rate in the collection rate for the general members.
	7.5 BSC payment of membership fee to Thai Shipowners' Association - Service cost	5,000.0	5,000.0	- BSC paid membership fee of Thai Shipowners' Association in the general rate for members.	- It was the transaction with fee rate in the collection rate for the general members
8. Mr. Thinnakorn Therdwikrant	8.1 Big Sea paid a rental fee for office building to Mr. Thinnakorn Therdwikrant who is a director of Big Sea. - Office building rental fee.	600,000.0	1,200,000.0	- Director of Big Sea granted office building for rent with the contract period of 3 years ended of 1 July 2021 at the rate of service charge of 100,000 Baht per month which is determined by the actual cost of Director plus the difference that covers the service of Director. The rate of rent of office building is the market price which is similar to the price of office rent in the zone of nearby area.	- Such transaction has caused benefit to the company's staffs under reasonable price of service charge.

Necessity and reasonability of the related party transactions

The Meeting of the Audit Committee No. 1/2020 held on 19 February 2020 considered the information of the related party transaction of the Company in the accounting year ended 31 December 2019 in accompany with the inquiry of information from the Executive of the Company and subsidiaries, and verified information as specified in notes to financial statements audited by the Company's auditor. The said meetings deemed that the related party transactions of the Company in the accounting year ended 31 December 2019 were the transactions for normal business operation of the Company and in accordance with normal commercial term in the same nature which should be performed by the reasonable man in the same situation by trade bargaining power without influence in the way that the other contractual parties have status of the parties that may have conflicts (Arm's length Basis), and without transfer of interests among the Company, subsidiaries and parties that may have conflicts.

Measure and procedure of the approval on the related party transaction

The Meeting of the Board of Directors No. 1/2017 on 30 March 2017 resolved to determine the policy for entry to perform the related party transactions of the Company and subsidiaries for transparency of related transactions between the person or juristic person that may have conflict of interests and for protection of the interest of the Company. The said policy and procedure can be summarized as follows:

In performing the related party transactions of the Company and its subsidiaries, and the persons that may have conflict of interests, gain and loss, or may have conflict of interests in the future with the Company, such as the major shareholder, director, executive, regulator or the connected person, the Company shall comply with Securities and Exchange Law, regulations, announcements and orders of the Capital Market Supervisory Board, and the Stock Exchange of Thailand. The stakeholders are unable to participate in consideration and approval of the said transactions.

In case where the laws prescribed that those related party transactions shall be approved by the Meeting of the Board of Directors, the Company shall assign the Audit Committee to attend the Meeting for consideration and comment on the necessity of the transaction performing and reasonability of the said transactions. In entry to perform the transaction which is the commercial agreement that is general commercial term, and the transactions which are the commercial agreement that is not general commercial term, the following principle shall be complied.

(a) Performing the transaction which is the commercial agreement that is the general commercial term

The Board of Directors approved the principle for the Management to enable to approve performing the related party transaction which is the commercial agreement that is the general commercial term between the Company and its subsidiaries, and director, executive or related person. If commercial agreement is entered in such transaction in the same nature that the reasonable man should perform with the general agreement party in the same situation by the trade bargaining power without influence of his/her status as director, executive, or connected person (as the case may be).

However, the Company shall prepare report of such transaction performing summary for quarterly reporting in the Meeting of the Audit Committee, and Meeting of the Board of Directors.

(b) Performing the transaction which is the commercial agreement that is not the general commercial term

In performing the transaction which is the commercial agreement that is not the general commercial term, the Audit Committee shall consider and remark the opinion prior to proposing to the Board of Directors or the Meeting of the Shareholders (as the case may be) for further consideration and approval to ensure that the entry to perform such transaction is for the purpose of maximum benefit of the Company and in accordance with Securities and Exchange Law, regulations, announcements and orders of the Capital Market Supervisory Board, and Stock Exchange of Thailand, as well as compliance with the requirement for disclosure of the information of the connected transaction performing.

In case where the Audit Committee is not expert in considering the contingent related party transaction, the Company shall appoint the independent expert or auditor of the Company to remark the opinions on such related party transaction. The said opinions shall be used by the Audit Committee, the Board of Directors or shareholders (as the case may be) as supporting information for decision making in order to be confident that the entry to perform such transaction is necessary and reasonable under main concern on the interest of the Company. The Company shall disclose related party transaction in Annual Registration Statement and notes to financial statements audited by the auditor of the Company.

Policy of related party transaction performing in the future

According to the contingent related party transaction, the Board of Directors shall comply with Securities and Exchange Law as well as regulations, announcements and orders of the Capital Market Supervisory Board, and Stock Exchange of Thailand, and comply with the requirement for disclosure of the related party transaction performing information of the Company or subsidiaries in accordance with the accounting standards prescribed by the Institute of Certified Accountants and Auditor of Thailand.

The Company Group
provides one-stop
services of shipment and
floating storage unit of
crude oil, refined oil
products, and liquefied
petrochemicals



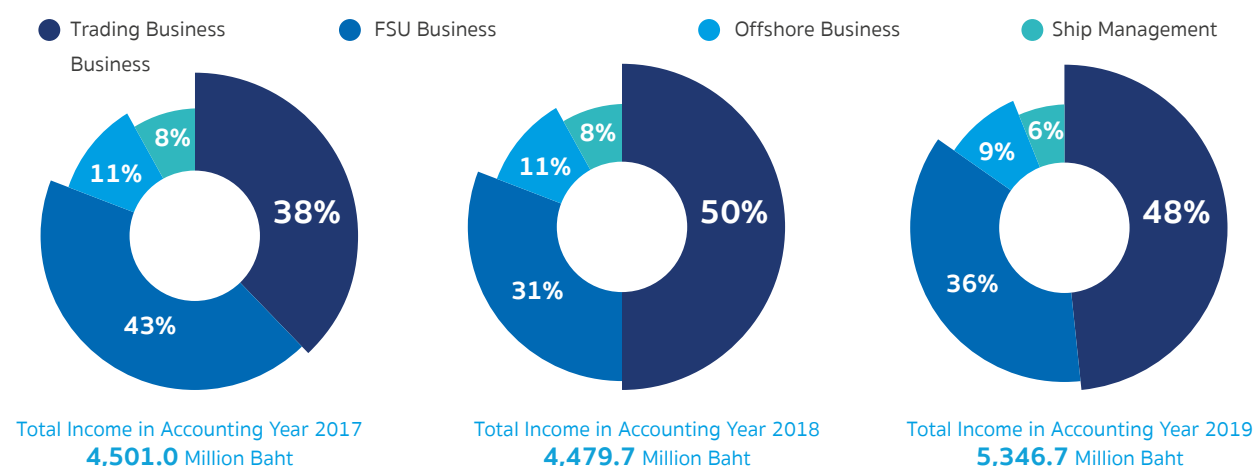
Management Discussion and Analysis

The following analysis and explanation were created for consolidated financial statement of the years 2017, 2018 and 2019 and it should be considered together with notes to financial statements. The financial statements of the Company Group are in accordance with the Thai Financial Reporting Standard (TFRS) and financial statement of accounting period for the years 2017, 2018 and 2019. The information provided herein are in form of consolidated basis.

1. Overview of past operational result and financial position

Overview of operational result in accounting years of 2017-2019

The Company Group provides comprehensive transportation and storage services for crude oil, refined oil products, and liquefied petrochemicals products. Our business covers 4 main activities: 1) Trading Business, 2) FSU Business, 3) Offshore Business, and 4) Ship Management Business. The income shares based on each business in 2017-2019 are as follows:



The Year 2019 is considered as the “Year of Growth by Leaps and Bounds” of the Company Group, especially, the FSU Business and Trading Business after the investment plan has been adjusted to expand the business since the end of 2018 to be in line with the changing industrial conditions. In 2019, the FSU Business could generate the revenue of 1,940.9 Million Baht, increasing 39% compared to the year 2018, and the revenue from the Trading Business was 2,587.9 Million Baht, increasing 14.8% compared to previous year. As a result of the business restructuring plan, the revenue from the FSU Business (FSU) which has the highest gross margin had a revenue share up to 36% of total revenue in 2019, increasing 31% compared to 2018

Since the end of 2018, the Company Group has foreseen the growth opportunity in FSU Business, due to the enforcement of IMO2020 Measures by the International Maritime Organization (IMO), requiring the international shipping operators to use low-sulfur fuel oil (0.5% by weight) as fuel instead of high-sulfur fuel oil (3.5% by weight), except vessels equipped with waste air treatment systems or Scrubber to capture sulfur from the waste air generated from the vessel operation from 1 January 2020 onwards. Therefore, in 2019, the Company Group has invested 3 more FSU vessels to respond the needs of customers who are large fuel oil trading companies, both from Europe and Asia, in using FSU vessels for storing and admixture bunker oil to acquire low-sulfur fuel oil (0.5% by weight) in line with the requirement of IMO for selling to international vessels. The FSU vessels can store and mix many types of oils and have the flexibility to transfer oil from all types and sizes tankers of, when comparing to the storage and admixture of oils in storage tanks on ground with limitations on sizes and numbers

of docks, the Company invested 3 new vessels, combined with 5 existing vessels, therefore, the Company have totally 8 FSU vessels at the end of 2019, consisting one FSU vessel serving customers in Thailand, and other 7 FSU vessels are serving customers in Malaysia. In addition, the Company is also able to negotiate to increase the service fee for FSU vessels based on the increase of demand for the admixture and storage of low-sulfur bunker oil.

Meanwhile, the Trading Business continues to continuously grow, especially, the Domestic Trading Business continues to grow in line with the domestic fuel consumption which continues to be increased by an average of 2% per year. In 2019, the Company has continued to expand its business by accepting to build 6 new vessels, including 5 of 3,000 DWT vessels with the objectives to replace 3 older vessels (1,800 - 2,000 DWT capacity) and to use another new vessels to accommodate the increased demand of customers. All new vessels are Double Hulls designed to dock in shallow water to increase a loading capacity and be suitable for the operational watercourse. Additionally, the Company has additionally acquired 10% of ordinary shares of Big Sea Company Limited ("Big Sea") in accordance with the agreed share purchase agreement, resulting in holding 80% of Big Sea's total ordinary shares by the Company in 2019. Big Sea has also expanded its business by accepting to build another new 5,300 DWT vessels to support the increasing demands of customers. Therefore, included all oil tankers of the Company and Big Sea in the country, totally 31 vessels with 101,363,03 DWT at the end of 2019, compared to 26 vessels with a tonnage of 83,251 DWT at the end of 2018.

The significant transactions reflecting the Company Group's operational results in last three years could be summarized as follows:

Transaction (Million Baht)	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
Revenue from services	4,501.0	4,479.7	5,346.7
Gross Profit	1,131.2	1,111.2	1,695.5
Gross Profit Margin (%)	25.1	24.8	31.7
Sales and Administrative Expense	345.1	389.7	435.4
Net Profit	759.1	746.4	1,122.5
Net Profit Margin (%)	16.9	16.7	21.0
Net Profit in Owners' Equity of the Holding Company*	717.9	711.8	1,023.4

Remark:

* Such profit is calculated from net profit in owners' equity of the holding company, inclusive of net profit in other shareholders' equity from business merger under common control.

Revenues from services from 2017 to 2019 were 4,501.0 Million Baht, 4,479.7 Million Baht and 5,346.7 Million Baht, respectively, decreasing for 0.5%, and increasing for 19.4% in 2018 and 2019, respectively. In 2018, revenues from services of the Company Group decreased from 2017 mainly due to the revenue of FSU Business. Since mid-2017 onwards, the FSU Business has been slow down because the Chinese government has changed the policy of controlling crude oil imports and allow the refinery in northern China to import crude oil to refine oil instead of using bunker oil to refine oil. From the said situation, the demand of FSU vessels has decreased, however, in 2018, the Company Group has foreseen the said problem and resolved by adjusting the business plan to focus on the growth of Domestic Trading Business that continues to grow in accordance with the consumption of refined oil in the southern region that has been increased every year, combined with the share acquisition in Big Sea Company Limited in order to expand the Domestic Trading Business, making the Company Group's revenue and gross profits close to the year 2017.

While in 2019, the Company Group has foreseen the business opportunity to store and mix bunker oil to acquire low-sulfur oil (0.5% by weight) according to the requirements of IMO, requiring the international shipping operators to use low-sulfur bunker oil (0.5% by weight) as fuel instead of high-sulfur bunker oil (3.5% by weight). As mentioned above, the Company Group has invested in purchasing three VLCC (Very Large Crude Carrier) vessels in order to improve FSU vessels in order to expand services to large bunker oil manufacturers and traders in Europe and Asia as well as negotiate to adjust the shipping rates with customers in line with the increased demand for FSU vessels, resulting in the high improvement of income and gross profit for the year 2019 when comparing to 2017-2018.

Selling and administrative expenses of the Company Group from 2017 - 2019 were 345.1 Million Baht, 389.7 Million Baht and 435.4 Million Baht, respectively. The selling and administrative expenses in 2018 were high when comparing to 2019 mainly due to the increase of expenses related to employees and management in accordance with the size of the business and the share acquisition in Big Sea Company Limited, resulting in the expenses related to the financial and legal advisor fees from the said transaction, therefore, the selling and administrative expenses were increased from the previous year. While the reason that the selling and administrative expenses in 2019 were increased when comparing to the year 2018 was the difference in exchange rates from the return of investment in the liquidated joint venture. In January 2019, the Company Group registered the winding-up of Srithai Capital Company Limited (STC), an associated company in which the Company was holding 51.0% of direct shares with the Ministry of Commerce. Later, in December 2019, STC completed its liquidation process. The Company Group, therefore, received the return of investment funds after the closing of the company but since the exchange rate on the date when the Company Group companies has invested in STC was 36.19 Baht per USD while the exchange rate on the date of investment fund return was 30.57 Baht per USD, the Company Group, therefore, recognized the said difference as the loss from investment fund return. However, the said transaction was a Non-Recurring Item and does not affect the overall performance of the Company Group.

The net profit from 2017 to 2019 were 759.1 Million Baht, 746.4 Million Baht and 1,122.5 Million Baht, respectively, or representing net profit margins of 16.9%, 16.7% and 21.0%, respectively. In 2018, the net profit margin was slightly decreased from the increase of selling and administrative expenses when comparing to 2017, while the increase of net profit margin in 2019 was a result of success in expanding the fleet in FSU Business to support IMO2020 Measures and to accept to build 6 new vessels to expand the Domestic Trading Business as mentioned above.

2. Financial Performance Analysis

2.1 Financial Performance Analysis for Accounting Years of 2017, 2018 and 2019

2.1.1 Revenue from Services

The Company Group's revenue from services has continuously increased during the past 3 years for the accounting years of 2017, 2018 and 2019, representing 4,501.0 Million Baht, 4,479.7 Million Baht and 5,346.7 Million Baht, respectively, slightly decreasing 21.3 Million Baht or 0.5% in 2018 and increasing 867.0 Million Baht or 19.4% in 2019. The Company Group's most revenue came from Trading Business and FSU Business.

The revenues from services can be divided into 4 business units consisting of: 1) Trading Business, 2) FSU Business, 3) Offshore Business, and 4) Ship Management Business as follows:

Revenue from Services (Million Baht)	Accounting Year 2017		Accounting Year 2018		Accounting Year 2019	
	Value	%	Value	%	Value	%
Revenue from Trading Business	1,705.8	37.9	2,254.0	50.3	2,587.9	48.4
Revenue from FSU Business	1,960.1	43.5	1,395.7	31.2	1,940.9	36.3
Revenue from Offshore Business	480.1	10.7	471.8	10.5	491.2	9.2
Revenue from Ship Management Business	355.0	7.9	358.2	8.0	326.6	6.1
Total Revenue from Services	4,501.0	100.0	4,479.7	100.0	5,346.7	100.0

1) Revenue from Trading Business

The revenues from Trading Business have continuously expanded for accounting years of 2017, 2018, and 2019, the revenues from Trading Business were 1,705.8 Million Baht 2,254.0 Million Baht and 2,587.9 Million Baht, respectively, or representing 37.9%, 50.3%, and 48.4% of total revenues from services. The revenue from Trading Business was varied in accordance with the shipment volume as follows:

Trading Business	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
Volume of Cargo (million liters)	4,257.7	6,471.5	9,282.3

- For the accounting year of 2018 compared to the accounting year of 2017, the Company Group earned increasing revenue from Trading Business by 548.2 Million Baht or increasing 32.1% due to: (1) the increase of shipment volume, (2) the increase of one more vessel which is Sri Kanchanadit Vessel with 3,000 DWT Capacity in March 2018, (3) the full service of the vessels added in 2017, (4) more back haul services of refined oil products, and (5) the acquisition of Big Sea Company Limited (Big Sea) in July 2018, resulting in the Company Group recognized additional revenue from Big Sea since 1 July 2018 which is the date of acquisition
- For the accounting year of 2019 compared to the accounting year of 2018, the Company Group earned increasing revenue from Trading Business by 333.9 Million Baht or increasing 14.8% due to: (1) the increase of cargo shipment, (2) new 6 vessels, consisting of 5 vessels with 3,000 DWT capacity and 1 vessel with 5,300 DWT capacity, and (3) full recognition of revenue from Big Sea Company Limited.

2) Revenue from FSU Business

For the accounting years of 2017, 2018 and 2019, the revenues from FSU Business were 1,960.1 Million Baht, 1,395.7 Million Baht and 1,940.9 Million Baht, respectively, representing 43.5%, 31.2% and 36.3% of total revenues from services, respectively. However, the revenues from FSU Business changed its utilization rates as follows:

FSU Business	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
Average Utilization Rate (%)	88.25	86.25	94.30

- For the accounting year of 2019 compared to the accounting year of 2018, the Company Group earned the increasing revenue from FSU Business by 545.2 Million Baht or 39.1% mainly due to more demands of bunker oil storage and admixture to support IMO2020 Measures that reduces ceiling of the proportion of sulphur in fuel oil to be 0.5% from before 3.5%. This measure will be effective from 1 January 2020 onwards, resulting in the ability of the Company Group to expand its new customer base, under the purpose of storage and admixture of Ultra-Low Sulfur Fuel Oil (ULSFO) with High Sulfur Fuel Oil (HSFO) to acquire Low Sulfur Fuel Oil (LSFO) in accordance with the criteria of IMO2020 from the end period of Q4/2018. Due to such increasing demand, the Company Group invested to expand 3 more vessels in FSU Business fleet in 2019 in order to support the customers who are the major manufacturers and traders in Europe and Asia as discussed above.

3) Revenue from Offshore Business

The revenues from Offshore Business have consisted of the revenue from Floating Storage and Offloading Unit (FSO) Business, and the revenue from Accommodation Work Barge (AWB) for the accounting years of 2017, 2018 and 2019, the revenues from Offshore Business were 480.1 Million Baht, 471.8 Million Baht and 491.2 Million Baht, respectively, or representing 10.7%, 10.5% and 9.2% of total revenues from services, respectively. However, the revenues from Offshore Business were changed in accordance with a number of utilization days as shown below:

Offshore Business	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
Number of Utilization Days of Offshore Support Vessels (days)	889.3	936.1	1,006.0

4) Revenue from Ship Management Business

For the accounting years of 2017, 2018 and 2019, the revenues from Ship Management Business were 355.0 Million Baht, 358.2 Million Baht and 326.6 Million Baht, respectively, or representing 7.9%, 8.0% and 6.1% of total revenues from services, respectively.

- For accounting year 2018 compared with accounting year 2017, the Company Group's revenue from Ship Management Business was not significantly different.
- For accounting year 2019 compared with accounting year 2018, the Company Group had the decreasing revenue from Ship Management Business by 31.6 Million Baht or representing 8.8%, mainly due to: (1) the decreasing number of vessels to be managed at the beginning of 2018, the Company Group provided the ship management services to a total of 6 external customers, consisting of 3 FSU vessels, 2 Aframax vessels and 2 Container vessels, while in 2019, the Company Group provided services of ship management to 3 vessels of external customers, as the customers who own the FSU vessels had sold 1 FSU vessel as scrap and the Company Group cancelled the services to 2 container vessels, and (2) the appreciation of the Baht value because the Company Group's revenues from ship management was USDs, the average exchange rate of the year 2018 was 32.3107 Baht per USD while the average exchange rate of the year 2019 was reduced to just 31.0476 Baht per USD, therefore, the revenues from ship management business after converting into Thai Baht was decreased when compared to 2018.

2.1.2 Cost of Service

For the accounting years of 2017, 2018 and 2019, the cost of services for the Company Group were 3,369.8 Million Baht, 3,368.6 Million Baht and 3,651.2 Million Baht, respectively, increasing by 1.2 Million Baht or 0.04% in 2018, and increasing by 282.6 Million Baht or 8.4% in 2019. The cost of services for the Company Group has been classified by the type of businesses as follows:

Cost of Services (Million Baht)	Accounting Year 2017		Accounting Year 2018		Accounting Year 2019	
	Value	%	Value	%	Value	%
Cost of Trading Vessel Services	1,620.0	48.1	1,847.8	54.9	2,047.4	56.1
Cost of FSU Vessel Services	1,099.4	32.6	925.8	27.5	1,063.5	29.1
Cost of Offshore Vessel Services	398.3	11.8	360.8	10.7	352.9	9.7
Cost of Ship Management Services	252.1	7.5	234.2	6.9	187.4	5.1
Total Cost of Services	3,369.8	100.0	3,368.6	100.0	3,651.2	100.0

The proportion of the Company Group's cost of services have been classified by the types of expenses in the accounting years of 2017, 2018 and 2019 as below summary:

Cost of Services (Million Baht)	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
	%	%	%
Fuel Oil for Sailing	18.7	22.2	22.9
Depreciation and Amortization	19.0	14.0	17.1
Affreightment expense of Trading Vessels under Time Charter	14.4	8.1	9.4
Cost of Ship Management ¹	12.9	12.1	6.2
Cost of Trading Business ²	34.8	43.4	44.3
Other Expenses	0.2	0.2	0.1
Total Cost of Services	100.0	100.0	100

Remark:

¹ Cost of Ship Management such as seafarer expense, maintenance expense, etc.

² Cost of Trading Business Unit such as Port Due and Port Charge, operating agent expense, cost of insurance, and affreightment expense of other vessel under spot charter.

1) Cost of Trading Vessel Service

The cost of trading vessel services consists of main costs such as fuel oil expense, depreciation and amortization, affreightment expense of trading vessels under time charter, and cost of ship management. For the accounting years of 2017, 2018 and 2019, costs of trading vessel services were 1,620.0 Million Baht, 1,847.8 Million Baht and 2,047.4 Million Baht, respectively, or representing 48.1%, 54.9% and 56.1% of total cost of services, respectively.

- For the accounting year of 2018 compared to the accounting year of 2017, the Company Group's cost of trading vessel services was increased by 227.8 Million Baht or 14.1% due to: (1) the share acquisition in Big Sea Co., Ltd. from 1 July 2018, resulting in the Company Group's recognition of revenue and cost of Big Sea Co., Ltd. under the preparation of consolidated financial statements, and (2) the increase in cost of Trading Business due to the increase in shipment demands at the time of non-completion of new vessel building, resulting in the necessity of the Company Group for affreightment of other vessels outside the Company Group for serving customers in the period of full service capacity of the Company Group's vessels.
- For the accounting year of 2019 compared to the accounting year of 2018, the Company Group's cost of trading vessel services was increased by 199.6 Million Baht or 10.8% due to: (1) the cost recognition of Big Sea Co., Ltd. in full year basis, (2) the increase in fuel oil cost for sailing in line with the increase of cargo shipment, and (3) the increase of depreciation and amortization caused by the recognition of new 6 vessels.

2) Cost of FSU Vessel Service

For the accounting years of 2017, 2018 and 2019, the costs of services for FSU Business were 1,099.4 Million Baht, 925.8 Million Baht and 1,063.9 Million Baht, respectively, or representing 32.6%, 27.5% and 29.1% of total costs of services, respectively.

- For the accounting year of 2018 compared to the accounting year of 2017, the cost of FSU vessel services for the Company Group was increased by 173.6 Million Baht or 15.8% mainly due to the improvement of the depreciation policy of the vessels by adjusting the method of depreciation calculation with the objective to reduce the fluctuation of depreciation in each accounting year. This new method of depreciation calculation has following details:

Item	Previous Estimation Method	New Estimation Method
1) Estimation	Estimated life of vessel	Economic life of vessel
2) Life of vessel	5 - 20 years	20 - 30 years
3) Steel price	Steel price in previous year	Steel price in last 5 years
4) Exchange Rate	Exchange Rate in previous year	Exchange Rate in last 5 years

- For the accounting year of 2019 compared to the accounting year of 2018, the Company Group's cost of FSU vessel services was 289.9 Million Baht, or increasing 35.8%, mainly due to: (1) the increasing costs of services for 3 new vessels, namely Aquarius Star, Crystal Star and Darin Star, which are consistent with the increasing revenue, and (2) the increase in depreciation and amortization of all these 3 new vessels.

3) Cost of Offshore Vessel Service

For the accounting years of 2017, 2018 and 2019, the costs of Offshore Vessel services were 398.3 Million Baht, 360.8 Million Baht and 352.9 Million Baht, respectively, representing 11.8%, 10.7% and 9.7% of total costs of services, respectively.

In 2018, the overall cost of Offshore Support Vessel services was decreased from 2017 due to the improvement of the vessel depreciation policy in minimizing the fluctuation of depreciation in each accounting year as discussed above, while the cost of Offshore Support Vessel services in 2019 was slightly decreased from 2018 because the Company Group could control the maintenance cost and improve the expenses of AWB vessels during the Off-Hired period.

4) Cost of Ship Management Service

For the accounting years of 2017, 2018 and 2019, the costs of ship management services were 252.1 Million Baht, 234.2 Million Baht and 187.4 Million Baht, respectively or representing 7.5%, 6.9% and 5.1% of total service costs, respectively.

For the accounting year of 2018 compared to the accounting year of 2017, the Company Group's cost of ship management services was decreased by 17.9 Million Baht or decreasing 7.1% due to the decrease of 3 vessels as mentioned above. The services of FSU vessels were cancelled since the 2nd Quarter of 2018 and 2 container vessels were cancelled at the end of 2018, therefore the cost of ship management was decreased when comparing to the year 2017.

For the accounting year of 2018 compared to the accounting year of 2017, the Company Group's cost of ship management service was decreased by 46.8 Million Baht or decreasing 20.0% as the cancellation of all 3 vessel services described above, affecting throughout the year 2019, combined with the Company Group could better control and manage vessel maintenance cost.

2.1.3 Gross Profit and Gross Profit Margin

For the accounting years of 2017, 2018 and 2019, total gross profits were 1,131.2 Million Baht, 1,111.2 Million Baht and 1,695.5 Million Baht, respectively, or the gross profit margins were 25.1%, 24.8% and 31.7%, respectively. However, the gross profit and gross profit margin are classified by business as follows:

Gross Profit (Million Baht)	Accounting Year 2017		Accounting Year 2018		Accounting Year 2019	
	Value	Gross Profit Margin	Value	Gross Profit Margin	Value	Gross Profit Margin
Gross Profit from Trading Business	85.8	5.0	406.2	18.2	540.6	20.9
Gross Profit from FSU Business	860.8	43.9	469.9	33.7	877.4	45.2
Gross Profit from Offshore Business	81.7	17.0	111.0	23.5	138.3	28.2
Gross Profit from Ship Management Business	102.9	29.0	124.1	34.6	139.2	42.6
Total Gross Profit	1,131.2	25.1	1,111.2	24.8	1,695.5	31.7

(1) Gross Profit from Trading Business

For the accounting years of 2017, 2018, and 2019, the gross profit from the Trading Business were 85.8 Million Baht, 406.2 Million Baht and 540.6 Million Baht, respectively, representing the gross profit margins of 5.0%, 18.2% and 20.9% respectively, the profit margin of 2018 was increased when comparing to 2017 due to: (1) the Company Group adjusted the format of contract for Trading Business in International level from previously SPOT format in 2018, to be Time Charter format, making the Company Group be able to transfer the burden of fuel oil cost to the clients; (2) the Company Group could increase the efficiency of domestic shipping vessels by providing and serving more back haul transportation of refined oil products, compared to the year 2017, the Company Group earned more income while the cost of services slightly increased when comparing to the empty vessel in return trip, and (3) the acquisition of Big Sea Company Limited (Big Sea) in July 2018, resulting in the profit recognition from Big Sea since the 3rd Quarter of 2019 onwards.

While the gross profit of the Trading Business Unit in 2019 was increased from the year 2018 due to: (1) the full revenue and gross profit recognition of Big Sea Company Limited (Big Sea) for the year 2019, (2) the Company Group accepted to build 6 new vessels to serve a customer who is the country's largest oil trader, therefore, the

Company Group's income and gross profit were improved, and (3) during the 4th Quarter of the year 2019, a vessel in the Trading Business for international level provided SPOT services has been benefited by the improved shipping rates of Aframax vessels in the world market.

(2) Gross Profit from FSU Business

For the accounting years of 2017, 2018, and 2019, the gross profits from FSU Business were 860.8 Million Baht, 469.9 Million Baht and 877.4 Million Baht, respectively, representing a gross profit margin of 43.9%, 33.7% and 45.2%, respectively. In 2018, the Company Group's gross profit margin from FSU Business was decreased when comparing to 2017 due to the non-full utilization rate as a result of more supply of vessels than demand of utilization, therefore, the Company Group was necessary to reduce the service fees for customers to maintain service utilization rates.

While the gross profit margin of FSU Business in 2019 was increased when comparing to 2018 because since at the end of 2018, the Company Group has foreseen that more demand on bunker oil storage to support IMO2020 measures to reduce the proportion of sulfur content in bunker oil to 0.5% by weight from previously 3.5% by weight, which will be effective from 1 January 2020 onwards. The Company Group has increase 3 more vessels for FSU Business to expand its fleet for supporting the expansion of new customer base who aims to admix ultra-low sulfur fuel oil (ULSFO) with high-sulfur fuel oil (HSFO) to acquire low-sulfur fuel oil (LSFO) according to the IMO2020 criteria. The Company Group has started to provide 2 additional vessels in FSU Business in the 2nd Quarter of 2019 and 1 additional vessel in the 3rd Quarter of 2019 due to the said increasing demand for FSU vessels. The Company Group can also negotiate to increase the service rate with the same customer, then resulting in higher income and gross profit from FSU Business in 2019.

(3) Gross Profit from Offshore Business

For the accounting years of 2017, 2018, and 2019, the gross profit from Offshore Business were 81.7 Million Baht, 111.0 Million Baht and 138.3 Million Baht, respectively, representing a gross profit margin of 17.0%, 23.5% and 28.2%, respectively.

In 2018, the Company Group's gross profit was increased when compared to 2017 due to: (1) the Company Group adjusted the ship management plan, reduces ship management costs and stopped services in some categories with low utilization, and (2) the improvement of the depreciation policy of seagoing vessels to reduce the fluctuation of depreciation in each accounting period, therefore, the depreciation of the year 2018 was decreased from the year 2017 as mentioned above, the operational cost was decreased and the gross profit was increased.

While in 2019, the gross profit of the Offshore Business was improved from 2018 due to: (1) the on-hired length of AWB vessels being longer, in accordance with clearer market situation and the direction of petroleum exploration and production in Thailand. In 2019, AWB vessels served totally 276 days, while in 2018, served only 208 days.

(4) Gross Profit from Ship Management Business

For the accounting years of 2017, 2018 and 2019, the gross profits from Ship Management Business were 102.9 Million Baht, 124.1 Million Baht and 139.2 Million Baht, respectively, representing a gross margin of 29.0%, 34.6% and 42.6%, respectively. The reason why the Company Group could continuously increase the gross profit from Ship Management Business was better management of staff expenses, reduced vessel maintenance costs, then resulting in reduced operational costs. Meanwhile, the Company Group could also negotiate with customers to increase service fees, the gross profit from Ship Management Business has been continuously increased.

2.1.4 Other Incomes

Other incomes consist of dividend received, interest received, and other incomes. For the accounting years of 2017, 2018 and 2019, the Company Group's other incomes were 39.7 Million Baht, 92.5 Million Baht and 58.1 Million Baht, respectively. The details of other incomes are as follows:

Other Incomes (Million Baht)	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
Interest Received	12.9	20.5	11.5
Gain from Disposal of Equipment and Sea-Going Vessel	-	44.4	2.4
Demurrage	14.8	5.5	9.1
Others ¹	12.0	22.4	35.1
Total Other Incomes	39.7	92.5	58.1

Remark:

¹ Other incomes mostly consist of insurance indemnity, other services, and revenue from leasing vessel equipment

For the accounting year of 2018, compared to the accounting year of 2017, the Company Group's other incomes were increased by 52.8 Million Baht or increasing 133.0%, mainly due to the Company Group had profits from sales of old-aged equipment and seagoing vessels in FSU Business, and the increase incomes from interest received and insurance compensation.

For the accounting year of 2019, compared to the accounting year of 2018, other incomes were decreased by 34.2 Million Baht or decreasing 37.2% due to the decrease of interest received, slow compensation payments and profit from sale of vessels.

2.1.5 Administrative Expenses

The Company Group's administrative expenses mostly consist of salary and remuneration of executives and employees, entertainment expense, travel expense, and consulting fee and management fee, rental fee and common service charge, depreciation and amortization. For the accounting years of 2017, 2018 and 2019, the Company Group's administrative expenses were 345.0 Million Baht, 389.7 Million Baht and 435.4 Million Baht, respectively. However, the Company Group's administrative expenses are classified into following types of transactions:

Administrative Expenses (Million Baht)	Accounting Year 2017		Accounting Year 2018		Accounting Year 2019	
	Value	%*	Value	%*	Value	%*
Salary and Bonus of the Executives and Employees	225.6	5.0	216.4	4.8	281.6	5.3
Entertainment Expense, Travelling Expense, Consulting Fee and Management Fee	26.6	0.6	64.0	2.3	58.8	1.1
Rent and Common Service Charge	38.3	0.9	39.2	0.9	17.1	0.3
Depreciation and Amortization	17.4	0.4	27.6	0.6	34.2	0.6
Impairment from Investment	-		(24.1)	(0.5)	23.1	0.4
Others	37.1	0.8	66.6	0.7	20.5	0.4
Total Administrative Expenses	345.0	7.7	389.7	8.8	435.4	8.1

* Percent of revenues from services

For the accounting year of 2018 compared with accounting year of 2017, the Company Group's administrative expenses were estimated to be 8.8% and 7.7% of revenues from services, respectively. However, the increase in selling and administrative expenses was mainly due to the share acquisition of Big Sea Co., Ltd. The Company Group had expenses related to financial and legal consultation fees from such transactions, including rental fee and central management fee, the increase of depreciation and amortization according to the larger size of business, therefore, the selling and administrative expenses were increased from previous year.

For the accounting year of 2019 compared with accounting year of 2018, the Company Group's administrative expenses were estimated to be 8.1% and 8.8% of revenues from services, respectively. The selling and administrative expenses was decreased when comparing to the incomes from services, mainly due to the success in business expansion, therefore, the growth of the Company Group's revenues from services was higher than administrative expenses, the selling and administrative expenses in 2019 was decreased from 2018. In 2019, the Company Group recorded the impairment expenses of investment in the amount of 23.1 Million Baht, which was caused by the conversion of investment fund from USD to Thai Baht, from the investment return after closing an associated company. However, the said transaction was a one-time transaction (Non-Recurring Item) and does not affect the overall performance of the Company Group.

2.1.6 Gain (Loss) from Exchange Rate

The Company Group's partial revenue was received in USD currency, particularly in FSU Business and Offshore Business for cashflow hedging. The Company Group, therefore, chose to acquire funds by long-term borrowing from financial institutions in USD currency. However, the accounting standard has required the Company Group to record the recognition of: 1) the actual gain and loss from exchange rates as the result of differences between exchange rates on transaction date and on payment date, and 2) the unrealized gain and loss from the differences between exchange rates on transaction date and on the ending date of the financial statement cycle. Most of gains and losses from exchange rates with fluctuation occurred from such recordings relating to long-term borrowing in USD currency as per the following detail of gain and loss from exchange rates in 2017, 2018 and 2019.

For the accounting year of 2017, the Company Group's gain from exchange rates was 97.7 Million Baht due to Baht appreciation when compared with USD currency.

For the accounting year of 2018, the Group's gain from exchange rate was 8.2 Million Baht due to Baht appreciation when compared to USD currency.

For the accounting year of 2019, the Group's gain from exchange rate was 47.7 Million Baht due to Baht appreciation when compared to USD currency.

2.1.7 Financial Cost

For the accounting years of 2017, 2018 and 2019, the financial costs of the Company Group were 217.4 Million Baht, 167.8 Million Baht and 211.0 Million Baht, respectively.

For the accounting years of 2018 compared to the accounting year of 2017, the Company Group's financial cost was decreased by 49.6 Million Baht or 22.8 % mainly because: (1) the Company Group closed the loan limit of a vessel in FSU Business earlier than schedule and sold that vessel as scrap to reduce the number of non-fully used vessels, and (2) the financial costs were decreased due to the reduced principal burden in accordance with the repayment schedule. For the accounting year of 2019 compared to the accounting year of 2018, the Company Group's financial cost was increased by 43.2 Million Baht or increasing 25.7% due to the increase of the Company Group's loans for the fleet expansion as mentioned above.

2.1.8 Share of Profit (Loss) from Investment in Associates and Joint Ventures

The Company Group invested in ordinary shares of the associated companies such as TIM, and invested in ordinary shares of joint ventures such as TNTL, TST, TNS, STC, and BMS for the accounting years of 2017 and 2018, shares of profit (loss) from the investment in associates and joint ventures of the Company Group were 55.0 Million Baht,

and 150.4 Million Baht, respectively. In 2019, the Company Group additionally acquired 4,102,824 ordinary shares of TMN Co., Ltd. (TMN), resulting in the increase of the Company Group's shareholding in TMN from 18.2% to be 24.9%, causing the change of TMS's status from general investment to be an associated company. Therefore, in 2019, the Company Group's associated companies are TMN and TIM, while the Company Group's joint ventures are TNTL, TST, TNS, STC and BMS.

In 2017, the Company Group's shares of profit (loss) from the investment in associated companies and joint ventures mostly were 43.2 Million Baht from TNS, 16.7 Million Baht from TST, 2.3 Million Baht from TNTL, 9.4 Million Baht from BMS, and (16.6) Million Baht from STC.

In 2018, the Company Group's shares of profit (loss) from the investment in associated companies and joint ventures mostly were 64.5 Million Baht from TNS, 4.5 Million Baht from TST, 3.6 Million Baht from TNTL, 94.9 Million Baht from BMS, and (17.2) Million Baht from STC.

In 2019, the Company Group's shares of profit (loss) from the investment in associated companies and joint ventures mostly were 13.9 Million Baht from TNS, 3.1 Million Baht from TST, 3.2 Million Baht from TNTL, 67.5 Million Baht from BMS, 2.5 Million Baht from TIM, 0.1 Million Baht from STC and 1.7 Million Baht from TMN.

2.1.9 Net Profit and Net Profit Margin

For the accounting years of 2017, 2018 and 2019, the Company Group's net profits were 759.1 Million Baht, 746.4 Million Baht and 1,122.5 Million Baht, respectively, decreasing by decreasing 12.7 Million Baht or 1.7% in 2018, or increasing 376.10 Million Baht or 50.4% in 2019, representing the net profit margins of 16.9%, 16.7% and 21.0%, respectively.

For the accounting year of 2018 compared with the accounting year of 2017, the Company Group had no significant net profit and net profit margin.

While in the accounting year of 2019, the Company Group's net profit was increased by 5.04% when comparing to the accounting year of 2018, mainly due to the success of the expansion of FSU Business and the expansion of the domestic fleet as mentioned above.

2.1.10 Net Profit Sharing

The net profit sharings for the accounting year of 2017, 2018 and 2019 were as follows:

Net Profit Sharing (Million Baht)	Accounting Year 2017		Accounting Year 2018		Accounting Year 2019	
	Value	%	Value	%	Value	%
Net Profit in Portion of the Owners of the Holding Company	717.9	94.6	711.8	95.4	1,023.4	91.1
Net Profit in Portion of Non- Controlling Interests	41.2	5.4	34.6	4.6	99.1	8.9
Net Profit	759.1	100.0	746.4	100.0	1,122.5	100.0

Net Profit in Portion of the Owners of the Holding Company

The net profit in portion of the owners of the holding company for the accounting year of 2018 was 711.8 Million Baht, decreasing from the accounting year of 2017 by 6.1 Million Baht, or 0.9% due to the decrease in business turnover of FSU Business for the accounting year of 2018 amounting 1,023.4 Million Baht, increasing from the accounting year of 2018 amounting 311.6 Million Baht, or 43.8% due to the full-year profit recognition of Big Sea Co., Ltd. and the increase of Domestic Trading Business and FSU Business to support the demand of customers.

Net Profit in Portion of Non-Controlling Interests

The net profit in portion of non-controlling interests, which is the profit in the portion of the minor shareholders in SHT, NSSG, Big Sea and OCN based on the shareholding proportion at that time as follows:

Company	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
SHT	-1 January - 31 December : 6.1%	-1 January - 31 December : 6.1%	-1 January -31 December : 6.1%
NSSG	-1 January - 31 December 12.5%	-1 January - 31 December 12.5%	-1 January - 31 December : 12.5%
Big Sea	-	-2 July - 31 December : 30.0%	-1 January - 12 August : 30.0% -13 August-31 December: 20.0%
OCN	- 1 January – 31 December : 6.1%	- 1 January – 31 December : 6.1%	“Closeout”

The factors affecting the change in net profit which is the portion of non-controlling interests in the accounting year of 2018 included: (1) the increase in the shareholding proportion of the minority shareholders that acquired the subsidiary during the year, and (2) the subsidiary's net profit, especially, the net profit in NSSG, which the operating result in 2018 was decreased, while in the accounting year of 2019, factors affecting the change included: (1) the change in the shareholding proportion of the minority shareholders during the year and (2) the subsidiary's net profit, especially, the net profit in NSSG, which the operation of FSU Business, was improved by the increasing number of serving vessels.

3 Analysis of Financial Position

Overview of Assets

As of 31 December 2017, 2018, 2019, the Company Group's total assets were 10,678.7 Million Baht, 10,814.8 Million Baht and 13,063.0 Million Baht, respectively. The core assets include cash and cash equivalents, account receivables and other receivables, property, building and sea-going vessels, goodwill, and investment in associated companies and joint ventures, etc.

As of 31 December 2018 compared with accounting year 2017, total assets were increased by 136.1 Million Baht or 1.3 mainly due to the increase of goodwill in the amount of 1,022.2 Million Baht and other intangible assets of 113.2 Million Baht from the acquisition of Big Sea Company Limited in the proportion of 70%. Meanwhile, the Company Group's cash was decreased due to the said acquisition and loan payments, therefore, the total net assets were increased by 136.1 Million Baht.

As of 31 December 2019 compared with the accounting year of 2018, total assets was increased by 2,248.2 Million Baht or 20.8 due to the increase of seagoing vessels used in business operations amounting 2,594.3 Million Baht, while the Company Group's cash was decreased be 344.5 Million Baht, mostly due to the payment for purchasing seagoing vessels in terms of fund and loan payments, therefore, the total net assets were increased by 2,248.2 Million Baht.

Current Assets

Account Receivables and Other Receivables

The Company Group's account receivables and other receivables mostly consist of account receivables relating to the Company Group's services on Trading Business and FSU Business, and prepaid expenses which mostly are prepaid insurance premium. For the accounting years of 2017, 2018 and 2019, the Company Group's account receivables and other receivables were 367.3 Million Baht, 426.4 Million Baht and 508.9 Million Baht, respectively, as follows:

Account Receivables (Million Baht)	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
Account Receivables			
Account Receivables – Other Parties	171.3	251.1	253.7
Account Receivables – Related Parties	48.6	46.1	38.9
Account Receivables not yet issued for Invoice	82.7	82.6	104.8
Total Account Receivables	302.6	379.8	397.4
Other Receivables			
Other Receivables – Related Parties	17.5	0.4	17.0
Prepaid Expenses	41.3	27.0	32.2
Accrued Funds returned from the closeout of joint ventures	-	-	51.0
Accrued VAT Receivable	-	10.2	-
Accrued Corporate Income Tax Receivable	-	8.0	-
Advance Payment and Others	5.9	1.0	11.3
Account Receivables and Other Receivables	367.3	426.4	508.9

As of 31 December 2018, the Company Group's account receivables and other receivables were increased from the accounting year of 2017 mostly due to the increasing revenue from Trading Business Unit and account receivables and other receivables of Big Sea Co., Ltd. which were consolidated to the Company Group. The average collection period for 2018 was 24 days.

As of 31 December 2019, the Company Group's account receivables and other receivables were increased from the accounting year of 2018 mostly due to the increase of account receivables in FSU Business in line with the increase income of the business while the increase of other receivables was due to (1) accrued funds returned from the closeout of joint ventures, and (2) advance payments on behalf of customers both for related parties and other businesses. The average collection period for 2019 was 27 days.

The Company Group's account receivables can be classified into outstanding aging period as follows:

Account Receivables (Million Baht)	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
Not yet due for payment or outstanding not exceeding 3 months	301.6	379.8	397.4
Outstanding for payment from 3 to 6 months	1.0	-	-
Outstanding for payment from 6 to 12 months	-	-	-
Total Account Receivables	302.6	379.8	397.4

The Company Group's policy is to establish allowance for doubtful accounts by considering on establishing the whole amount of allowance for doubtful accounts. In the event where account receivables are outstanding more than 180 days from the ending date of the period, the Company Group shall additionally consider the history of customer payments.

Short-Term Loans to Related Parties

For the accounting year of 2017, the Company Group granted short-term loans to related parties of Nathalin Co., Ltd., and Srithai Capital Co., Ltd. for 79.0 and 9.0 Million Baht, respectively, and paid the whole amount of loans during the year.

For the accounting year of 2018, the Company Group granted short-term loans to related parties of Srithai Capital Co., Ltd. for 35.0 Million Baht, and paid the whole amount of loans during the year.
For the accounting year of 2019, the Company Group had no transaction during the year.

Inventories

Inventories consists of: (1) oil remaining on board means fuel oil remaining on board used by the Company Group for customer service, and (2) consumables. For the accounting years of 2017, 2018 and 2019, inventories of the Company Group were 121.0 Million Baht, 120.5 Million Baht and 146.9 Million Baht, respectively as follows:

Inventories (Million Baht)	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
Oil Remaining on Board	120.3	119.3	145.4
Consumables	0.7	1.2	1.5
Inventory Balance	121.0	120.5	146.9

The Company Group's Inventories for 2018 and 2017 were insignificantly different.

While in 2019, inventories was increased by 26.4 Million Baht or 21.9% when comparing to 2018 because the Company Group has expanded additional businesses, and had additional number of vessels, resulting in requirement to store oil remaining on board in bigger volume.

Non-Current Assets

Investment in Associated Companies and Joint Ventures

For the accounting years of 2017, 2018 and 2019, the Company Group's investments in associated companies and joint ventures were 503.7 Million Baht, 487.7 Million Baht and 645.0 Million Baht, respectively. The changes of investments in the Company Group's associated companies and joint ventures were as follows:

In 2017, the Company Group paid the additional share values in BMS for 66.9 Million Baht, and recognized profits from the investment in associated companies and joint ventures for 33.2 Million Baht.

In 2018, the Company Group recognized profits from the investment in associated companies and joint ventures for 150.3 Million Baht and reduced the investment balance by dividend received for 166.3 Million Baht.

In 2019, the Company Group's investment was increased due to: (1) the recognition of profits from investments in associated companies and joint ventures for 92.0 Million Baht, (2) the transfer of status from general investment to be the investment in the associated companies and joint ventures for 121.0 Million Baht, (3) the purchase of additional investment amounting 41.0 Million Baht and the decrease of investment fund as well with (1) dividend received of 35.0 Million Baht, (2) writing off the investment in the liquidated joint venture- net with allowance of 52.0 Million Baht, (3) the recognition of comprehensive loss from the conversion of financial statements for 9.8 Million Baht.

Long-Term Loans to Related Parties

For the accounting years of 2017 and 2018, the Company Group's long-term loans to related parties were 95.4 Million Baht, and 94.7 Million Baht, respectively but no such long-term loans in 2019, mainly because the Company Group classified such long-term loans into long-term loans which are due within one year. (Current Assets) amounting 88.0 Million Baht and decreased it due to the loss from exchange rates at the end of the period. Such long-term loans were loans that NSSG has lent to TNS to invest in fixed assets, such long-term loans have been repaid in January 2020.

Properties, Buildings and Sea-Going Vessels

The Company Group's properties, buildings and sea-going vessels mostly include sea-going vessels and sea-going vessels under vessel building. For the accounting years of 2017, 2018 and 2019, the Company Group's properties, buildings and sea-going vessels were 6,333.5 Million Baht, 6,943.4 Million Baht, and 9,537.7 Million Baht, respectively as follows:

Property, Plant and Sea-Going Vessels (Million Baht)	Accounting Year 2017		Accounting Year 2018		Accounting Year 2019	
	Value	%	Value	%	Value	%
Sea-Going Vessels	5,855.7	92.5	6,394.7	92.1	9,032.7	94.7
Sea-Going Vessels under Vessel Building	263.8	4.2	319.0	4.6	230.1	2.4
Buildings and Improvement of Buildings	72.2	1.1	61.9	0.9	51.1	0.5
Major Overhaul Expense	94.2	1.5	128.1	1.8	151.8	1.7
Equipment Used on Board	17.2	0.2	14.8	0.2	41.0	0.4
Others	30.4	0.5	24.9	0.4	31.0	0.3
Total Properties, Buildings and Sea-Going Vessels	6,333.5	100.0	6,943.4	100.0	9,537.7	100.0

For the accounting year of 2018, the properties, buildings and sea-going vessel were increased by 609.9 Million Baht or 9.6% because in 2018, the Company Group purchased additional equipment and sea-going vessels for 453.5 Million Baht, accepted transfer from takeover of Big Sea Co., Ltd for 1,174.2 Million Baht, netting with the decrease from amortization of depreciation for 499.1 Million Baht, disposal of sea-going vessels for 501.3 Million Baht, and gain from the difference on foreign exchange from value conversion of financial statements of SHT for 17.4 Million Baht.

For the accounting year of 2019, the properties, buildings and sea-going vessel were increased by 2,594.3 Million Baht or 37.4 % because in 2019, the Company Group purchased additional equipment and sea-going vessels for 3,386.5 Million Baht, netting with the decrease from amortization of depreciation for 634.3 Million Baht, disposal of sea-going vessels for 8.3 Million Baht, and gain from the difference on foreign exchange from value conversion of financial statements of SHT for 149.6 Million Baht.

Analysis of Source of Fund

Liabilities

For the accounting years of 2017, 2018 and 2019, the Company Group's total liabilities were 4,431.9 Million Baht, 3,844.3 Million Baht and 5,783.1 Million Baht, respectively.

For the accounting year of 2018 compared with accounting year 2017, total liabilities were decreased by 587.5 Million Baht or 13.3 % as the main result of the following key factors: (1) the decrease in payment of long-term

loans from institutions, (2) the decrease in payment of liabilities under financial leases, and (3) the increase in takeover of business of Big Sea Co., Ltd. and acceptance on transfer of long-term loans from financial institutions. For the accounting year of 2019, compared to accounting year 2018, total liabilities were increased by 1,938.7 Million Baht or 50.4% as a result of receiving additional long-term loans from financial institutions to be used as funds for business expansion, netting with repayment of long-term loans from financial institutions and liabilities under financial lease agreements

Overdraft and Short-Term Loans

The overdraft and short-term loans consist of overdraft and promissory notes for accounting year 2017, 2018 and 2019. The overdraft and short-term loans from financial institutions of the Company Group were 0.0 Million Baht, 25.0 Million Baht and 0.0 Million Baht, respectively.

For the accounting year of 2018 compared with accounting year 2017, the overdraft and short-term loans from financial institutions were increased by 25.0 Million Baht due to the acceptance of transfer from takeover of Big Sea Co., Ltd.

For the accounting year of 2019, compared to the accounting year 2018, the overdraft and short-term loans from financial institutions were decreased by 25.0 Million Baht because the Company Group repaid short-term loans from financial institutions during the year.

Account Payables and Other Payables

Most of account payables and other payables were derived from the purchase of shipping fuel oil, affreightment expense of trading vessels under time charter, materials and equipment on board, accrued repair and inspection service charge, operating agent expense, cost of insurance, and cost of new vessel building, and other accrued expenses. For the accounting years of 2017, 2018 and 2019, the Company Group's account payables and other payables were 361.8 Million Baht, 447.6 Million Baht and 517.3 Million Baht, respectively as follow:

Account Payables and Other Payables (Million Baht)	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
Account Payables - Other Parties	209.6	183.6	258.9
Account Payables - Other-Related Parties	59.1	48.4	60.9
Accrued Expenses	62.6	65.0	94.0
Account Payable for Asset Purchase	4.1	1.2	23.4
Unearned Incomes	26.4	9.4	17.1
Estimate of compensations transferred for business acquisition	-	140.0	63.0
Total Account Payables and Other Payables	361.8	447.6	517.3

For the accounting year of 2018 compared with accounting year 2017, the Company Group's balance of account payables and other payables were increased by 85.8 Million Baht or 23.7% mainly due to: (1) the decrease in other account payables from usage requirement of oil remaining on board for FSU Vessel from sale of sea-going vessel by the Company Group, and (2) the increase from the estimate of return being transferred in takeover of business of Big Sea Co., Ltd., as well as the acceptance on transfer of account payables and other payables of Big Sea Co., Ltd. under preparation of consolidated financial statements.

For the accounting year of 2019, compared to the accounting year 2018, the Company Group's balance of account payables and other payables were increased by 69.7 Million Baht or 15.6% due to following main factors: (1) other payables was increased due to the increasing demand of fuel oil for FSU vessels as a result of

3 new vessels added in FSU Business fleet, and (2) the increase from account payables for asset purchase because at the end of the year, 5 vessels had dry dock or big maintenance, resulting in the increase of account payables for asset purchase from the previous period.

Non-Current Liabilities

Long-Term Loan from Financial Institution

For the accounting years of 2017, 2018 and 2019, the Company Group's long-term loans were 3,569.6 Million Baht, 2,929.2 Million Baht and 4,765.5 Million Baht, respectively as per detail of loan balance and important condition of loans of the Company Group for the accounting years of 2017, 2018 and 2019 as follows:

Long-Term Loan (Million Baht)	Accounting Year 2017	Accounting Year 2018	Accounting Year 2019
Long-Term Loan from Financial Institutions with 1-year term (Current Portion)	1,006.6	968.9	1,139.1
Long-Term Loan from Financial Institution (Non-Current Portion)	2,563.0	1,960.3	3,626.4
Total Long-Term Loan from Financial Institution	3,569.6	2,929.2	4,765.5

For the accounting year of 2018 compared with accounting year 2017, the long-term loans were decreased by 640.4 Million Baht or 17.9%. In 2018, the Company Group paid long-term loans for 1,364.9 Million Baht, withdrew loans for additional business expansion of 219.8 Million Baht, accepted transfer of long-term loans from takeover of Big Sea Co., Ltd. for 521.1 Million Baht, and gained difference from foreign exchange by 16.4 Million Baht.

For the accounting year of 2019, compared to the accounting year of 2018, the long-term loans were increased by 1,836.3 Million Baht or 62.7%. In 2019, the Company Group paid long-term loans for 1,116.4 Million Baht, withdrew loans for additional business expansion of 3,097.1 Million Baht and gained difference from foreign exchange by 144.4 Million Baht

In 2019, a subsidiary failed to comply with the financial conditions relating to the maintenance of debt service coverage ratio as specified in the loan agreement. However, the said subsidiary company received a letter from the bank regarding the relaxation of the above financial conditions on 6, 16 and 26 December 2019, respectively.

The following are details of conditions relating to the maintenance of debt service coverage ratio

Company	DSCR (Times)		D/E Ratio (Times)	
	Defined by the Lender ¹	As of 31 December 2019 ²	Defined by the Lender ¹	As of 31 December 2019
Company Group	More than 1.0 – 1.2 Times	1.67 – 2.88 Times	Not over 3.0 Times	0.44 Time
SHT	More than 1.0 – 1.1 Times	0.88 – 0.90 Time	Not over 2.0 – 6.5 Times	0.65 Time
NTL	More than 1.0 – 1.2 Times	1.38 – 1.51 Times	Not over 2.1 – 3.5 Times	1.09 Times
Big Sea	More than 1.1 – 1.25 Times	1.58 Times	Not over 1.15 – 2.5 Times	0.64 Time

Remarks

¹ The Company, SHT and NTL have had several loan lines and terms and conditions of each line determines maintenance of different financial ratios.

² The calculation methods for DSCR ratio are different among banks.

Liabilities under Financial Lease

For the accounting years of 2017, 2018, and 2019, the Company Group's liabilities under financial leases were 428.6 Million Baht, 356.2 Million Baht and 288.8 Million Baht, respectively.

For the accounting year of 2018, compare to the accounting year of 2017, the liabilities under financial leases were decreased by 72.4 Million Baht, due to the repayment according to the financial lease agreement.

For the accounting year of 2019, compare to the accounting year of 2018, the liabilities under financial leases were decreased by 67.4 Million Baht, mostly due to the repayment according to the financial lease agreement.

Owners' Equity

The owners' equity consists of issued and paid-up capital, premium on ordinary shares, retained earnings, other component of owners' equity, and non-controlling interests. As of 31 December 2017, 2018 and 2019, the Company Group's shareholders' equities were 6,246.7 Million Baht, 6,970.4 Million Baht and 7,279.8 Million Baht, respectively.

For the accounting year of 2018, compare to the accounting year of 2017, the shareholders' equity was increased by 723.7 Million Baht or 11.6% due to (1) the increase in non-controlling interests for 221.9 Million Baht from entry to take over Big Sea Co., Ltd., (2) total dividend payment by the Company Group for 250.0 Million Baht, and (3) total comprehensive profit and loss for the period for 751.8 Million Baht.

For the accounting year of 2019, compare to the accounting year of 2018, the owner's equity was increased by 309.4 Million Baht or 4.4% due to (1) the decrease from the acquisition of non-controlling interests in the subsidiary for 211.0 Million Baht, (2) the Company Group paid a total dividend of 519.7 Million Baht, and (3) the Company Group had a total comprehensive income for the period of 1,040.0 Million Baht.

4. Liquidity Analysis

Cash Flow from Operating Activities

For the accounting year of 2017, the Company Group's cash flow received from operating activities was 1,390.4 Million Baht mainly due to profit before income tax of 761.1 Million Baht which was added back with depreciation and amortization of 657.9 Million Baht. However, the Company Group's cash flow used from change in operating assets and liabilities was 5.5 Million Baht mainly due to increase (decrease) of account receivables and other receivables, and account payables and other payables of (264.0) Million Baht, and 311.2 Million Baht, respectively, and income tax payment of 118.4 Million Baht, resulting in the Group's net cash flow from operating activities of 1,390.4 Million Baht.

For the accounting year of 2018, the Company Group's cash flow received from operating activities was 1,107.5 Million Baht mainly due to profit before income tax of 804.7 Million Baht which was added back with depreciation and amortization of 501.9 Million Baht. However, the Company Group's cash flow used from change in operating assets and liabilities was (73.9) Million Baht mainly due to increase (decrease) of account receivables and other receivables, and account payables and other payables of 29.1 Million Baht, and (149.4) Million Baht, respectively, and income tax payment of 55.0 Million Baht, resulting in the Group's net cash flow from operating activities of 1,107.5 Million Baht.

For the accounting year of 2019, the Company Group's cash flow received from operating activities was 1,977.7 Million Baht mainly due to profit before income tax of 1,246.9 Million Baht which was added back with depreciation and amortization of 639.9 Million Baht. However, the Company Group's cash flow used from change in operating assets and liabilities was (60.5) Million Baht mainly due to increase (decrease) of account receivables and other receivables, and account payables and other payables of (41.2) Million Baht, and 134.0 Million Baht, respectively, and income tax payment of 52.0 Million Baht, resulting in the Group's net cash flow from operating activities of 1,977.7 Million Baht.

Cash Flow from Investing Activities

For the accounting year of 2017, the Company Group's cash flow used in investing activities was 490.0 Million Baht mainly due to (1) cash paid for purchase of sea-going vessel, equipment and building improvement of 372.4 Million Baht, (2) additional investment in associates of 66.9 Million Baht, and the Company Group's cash paid from bank deposit with drawing limitation of 59.7 Million Baht.

For accounting year 2018, the Company Group's net cash flow used in investing activities was 1,128.3 Million Baht mainly due to (1) cash paid for purchase of sea-going vessel, equipment and plant improvement of 450.6 Million Baht, (2) net cash paid for takeover of 1,392.0 Million Baht, (3) cash received from sale of equipment and sea-going vessel of 584.4 Million Baht, (4) dividend received from joint venture of 166.3 Million Baht, and (5) the Company Group's cash paid from bank deposit with drawing limitation of 56.8 Million Baht.

For accounting year 2019, the Company Group's net cash flow used in investing activities was 3,245.8 Million Baht mainly due to (1) cash paid for purchase of sea-going vessel, equipment and plant improvement of 3,356.0 Million Baht, (2) cash paid for the investment in subsidiaries, joint ventures and other long-term investments of 120.4 Million Baht, (3) cash received from sale of equipment and sea-going vessel of 6.2 Million Baht, (4) dividend received from joint venture of 37.5 Million Baht, and (5) the Company Group's cash paid from bank deposit with drawing limitation of 175.4 Million Baht, (6) cash from interest received for 11.5 Million Baht.

Cash Flow from Financing Activities

For the accounting year of 2017, the Company Group's net cash flow received from financing activities was 1,738.4 Million Baht mainly due to (1) net cash received from long-term loans from financial institutions for 775.0 Million Baht for investment in fleet expansion, (2) payment of short-term and long-term loans from financial institutions, and liabilities under financial leases for 1,688.6 Million Baht, (3) dividend payment of 981.1 Million Baht, (4) interest expense for 217.5 Million Baht, (5) payment of long-term loans from related activities for 57.0 Million Baht, (6) cash received from issuance of shares for capital increase, and sale of shares for public after deduction of share issuance expense for 3,907.5 Million Baht.

For the accounting year of 2018, the Company Group's net cash flow received from financing activities was 1,669.9 Million Baht mainly due to (1) net cash received from long-term loans from financial institutions for 219.8 Million Baht for investment in fleet expansion, (2) payment of short-term and long-term loans from financial institutions, and liabilities under financial leases for 1,471.9 Million Baht, (3) dividend paid for 250.0 Million Baht, and (4) interest expense of 167.8 Million Baht.

For the accounting year of 2019, the Company Group's net cash flow received from financing activities was 943.6 Million Baht mainly due to (1) net cash received from long-term loans from financial institutions for 3,097.1 Million Baht for investment in fleet expansion, (2) payment of short-term and long-term loans from financial institutions, and liabilities under financial leases for 1,217.2 Million Baht, (3) dividend paid for 519.7 Million Baht, and (4) interest expense of 205.6 Million Baht. (5) cash paid for the change of ownership interest in a subsidiary for 211.0 Million Baht.

5. Key Financial Ratios

Liquidity Ratio

For the accounting years of 2017, 2018 and 2019, the Company Group's liquidity ratios were 2.36 times, 1.19 times and 0.92 time, respectively, and the Company Group's quick ratios were 2.28 times, 1.11 times and 0.84 time, respectively.

The Company Group's liquidity ratio and quick ratio were below 1.0 due to 1) the Company Group's negative cash cycle of 4 – 8 days with the average collection period of 16 - 26 days, average holding period of 12 – 16 days and average repayment period of 34 – 47 days, and 2) the Company Group's considerable increasing fleet extension in the past two years mainly using source of investment funds from borrowing financial institutions, resulting in high long-term loan in current portion with 1-year term which was classified in high current liabilities. However, in 2017, after Initial Public Offering (IPO) of the Company Group for sale of ordinary shares, the Company Group had increasing cash, resulting in improvement of liquidity ratio of the Company Group and quick ratio of the Company Group.

While in 2018, the Company Group's liquidity ratio and quick ratio were decreased from previous year due to the Company Group's use of cash from such Initial Public Offering for sale of ordinary shares to enter for takeover of Big Sea Co., Ltd. in the proportion of 70% in accompany with the Company Group's closing of long-term credit line and repayment of loan in installments, resulting in the decrease in cash from 2017.

While in 2019, the Company Group's liquidity ratio and quick ratio were decreased from previous year due to the Company Group took over Big Sea Co., Ltd. for 10% in addition, and the Company Group paid cash in the investment in 6 new vessels for fleet extension as mentioned above as well as repaid loans in installments, resulting in the decrease in cash from 2018.

Profitability Ratio

For the accounting year of 2018, the Company Group's gross profit margin was 24.80%, decreased from the gross profit margin in 2017 at 25.1%, mainly due to the decrease in gross profit of FSU Business as a result of the decrease in service rate due to the slow-down market conditions of FSU Business.

For the accounting year of 2019, the Company Group's gross profit margin was 31.7%, increased from the gross profit margin in 2018, mainly due to the increase of gross profit margin in FSU Business from full efficiency of vessels, and the Company Group was successful in negotiating with customers for the increase of service fees, as well as the improved gross margin of Offshore Business due to the longer on-hired period of AWB vessels from 2018.

For the accounting year of 2018, the Company Group's net profit margin was 16.7%, slightly decreasing from net profit margin in 2017 which was at 16.9%, mainly due to the decrease in gross profit margin as aforesaid, and the increase in administrative expense of the Company Group in part of financial and legal consulting fee from business combination of Big Sea Co., Ltd.

For the accounting year of 2019, the Company Group's net profit margin was 21.0%, significantly increasing from the net profit in 2018, mainly due to the success of the FSU Business fleet by adding 3 new vessels and the acceptance to build 6 new vessels for domestic shipping business as mentioned above.

For the accounting years of 2017, 2018, and 2019, the Company Group's return on equity were 16.61%, 11.20% and 15.15%, respectively. In 2018, the Company Group's return on equity was decreased mainly due to: (1) the Company Group's dividend payment for 250.00 Million Baht, and (2) the Company Group had lower net profit as mentioned above. In 2019, the Company Group's return on equity was increased, mainly due to: (1) the increase of the Company Group's net profit as mentioned above, (2) the Company Group gained a difference from the conversion of equity of the holding company in a subsidiary from the acquisition of shares in Big Sea Company Limited by adding 10% for 210.9 Million Baht, and (3) the Company Group's dividend payment for 519.7 Million Baht.

Operating Efficiency Ratio

For the accounting years of 2017, 2018 and 2019, the returns on assets were 7.96%, 6.95%, and 9.40% respectively, and the returns on fixed assets were 21.48%, 18.64% and 21.10%, respectively.

In 2018, the return on assets and return on fixed assets were decreased from 2017, mainly due to the decrease in net profit ratio as mentioned above.

In 2019, the return on assets and return on fixed assets were increased from 2018, mainly due to the increase in net profit ratio as mentioned above.

Financial Policy Analysis Ratio

For the accounting years of 2017, 2018 and 2019, the Debt to Equity Ratios were 0.71 time, 0.55 time and 0.79 time, respectively, and the Interest Bearing Debts to Equity Ratios were 0.64 time, 0.47 time and 0.69 times, respectively.

In 2018, the debt to equity ratio was decreased to 0.55 times and the interest bearing debt to equity ratio was decreased to 0.47 time, mainly due to the decrease of total debt because the Company Group paid to close the loan limit for 1 vessel in FSU Business earlier than schedule as mentioned above, and from the decrease of principal burden in accordance with the repayment periods of loans.

In 2019, the debt to equity ratio was increased to 0.79 times and the interest bearing debt to equity ratio was increased to 0.69 time, mainly due to the increase of total debt because the Company Group withdrew the loans from bank to support the investment in FSU Business and domestic shipping business as mentioned above.

For the accounting years of 2017, 2018 and 2019, the Company Group's proportions on the ability to pay its obligations were 0.47 time, 0.30 time and 0.35 time, respectively. However, the Company Group's proportions on the ability to pay its obligations were below 1.0 times because the Company Group has been in the phase of investment for business expansion according to the strategic plan, including additional investments in the fleet to respond to the increasing demand for shipping and storage services. In addition, the Company Group has also invested in acquiring the equity in subsidiaries and additional investments in associated companies and joint ventures. The Company Group has had such investment burdens of 443.0 Million Baht, 1,842.60 Million Baht and 3,476.4 Million Baht for 2017, 2018 and 2019, respectively (if excluding such investment burdens, the proportion on the ability to pay its obligations for 2017, 2018 and 2019 would be 0.55 time, 0.60 time and 0.93 time, respectively). The Company Group must mainly seek for funds from loan sources from financial institutions, making the Company Group has a burden to repay big amount of principal and interest to financial institutions in each year. However, in 2017, the Company Group made Initial Public Offer (IPO) to sell its ordinary shares, allowing the Company Group to access additional funding sources aside from financial institutions which will help the Company Group to reduce the burden of principal and interest payment in each year.

Report of the Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for the Company's financial statements and consolidated financial statements of the Company and its subsidiaries, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with the Financial Reporting Standard, using appropriated accounting policies and consistency practices. The financial statements are also prepared after careful consideration and use of appropriate estimate judgment. Significant information was sufficiently disclosed in notes to financial statements in order to facilitate understanding and use as well as for the benefit of the shareholders and general investors.

The Board of Directors has provided and maintained a risk management system, internal control system and corporate governance along with adequate and effectiveness to ensure that accounting records are accurate, reliable and adequate to protect the company's assets and cover any weaknesses that may occur in order to prevent fraud or irregular operation which have material effects on the accuracy and reliability of the Company's financial report.

The Board of Directors has appointed the Audit Committee comprising 3 Independent Directors to be responsible for reviewing the accuracy of the Company's financial reports and the adequate of information disclosure, including reviewing the appropriate and effectiveness of the Company's internal control system and internal audit system. The opinion of the Audit Committee on these issues have been presented in the Annual Audit Committee Report included in this annual report.

The Company's financial statements and consolidated financial statements of the Company and its subsidiaries have been audited by the Certified Auditor of KPMG Phoomchai Audit Ltd. and expressed an unqualified opinion in the auditor's report and disclosed in the annual report.

The Board of Directors opined that the Company's overall internal control system is sufficient and appropriate, can provide reasonable assurance that the Company's financial statements and consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019 which represented financial position, operating results and cash flow are accurate and complete in accordance with the Financial Reporting Standard, laws and regulations.



(Mr. Bowon Vongsinudom)
Chairman of the Board of Directors



(Mr. Prompong Chairsrisawatsuk)
Director and Chief Executive Officer

**Prima Marine Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2019
and
Independent Auditor's Report

Independent Auditor’s Report

To the Shareholders of Prima Marine Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Prima Marine Public Company Limited and its subsidiaries (the “Group”) and of Prima Marine Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Impairment of goodwill, investment in subsidiary and vessels	
Refer to Note 3 (a), 3 (j), 10, 13 and 14 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>During 2018, the Group completed the acquisition of Big Sea Co., Ltd. by acquiring 70% of total ordinary shares with consideration transferred and contingent consideration of Baht 1,540 million which resulted in recording goodwill of Baht 1,022.25 million.</p> <p>The principal business of subsidiary is local marine transportation of petroleum products. There are several external risk factors such as change in economic and oil price, which may significantly affect the forecasted operating results. These factors are indications that goodwill and investments in subsidiary may be impaired.</p> <p>As at 31 December 2019, the Group had a carrying amount of vessels of Baht 9,262.75 million representing 71% of total assets. During 2019, the Group's vessels provide several services. The service rates and volumes depend on the market condition. The current market is highly competitive and it leads to a decrease in service rates and volumes for some types of vessel. These factors may be the indications that vessels may be impaired.</p> <p>The management assessed recoverability of goodwill, investment in subsidiary and vessels based on value in use which involves an estimate of the future cash flows.</p> <p>Due to the materiality of the transactions and the significant management judgment involved in determining recoverable amount, I considered that this matter is the key audit matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none">- Making inquiries of the management and checking related documents to understand the process of impairment indicators assessment and preparation of discounted cash flow projection.- Evaluating the key management assumptions used in the calculation of value in use of goodwill, investment in subsidiary and vessels such as forecast of operation, service rates, estimated service volumes, growth rate, salary incremental rate and percentage of expenses per revenue, and discount rates.- Evaluating the key management assumptions for the residual value of vessels.- Performing sensitivity test by varying key assumptions.- Considering the adequacy of the Group's and the Company's disclosures in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Thanit Osathalert)
Certified Public Accountant
Registration No. 5155

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2020

Prima Marine Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets	Note	2019	2018	2019	2018
		(in thousand Baht)			
Current assets					
Cash and cash equivalents	5	941,646	1,286,134	403,535	940,555
Trade accounts receivable	4, 6	397,465	379,878	86,116	68,474
Other receivables	4, 7	111,450	46,561	66,593	25,493
Current portion of long-term loans to a related party	4	87,953	-	-	-
Inventories	8	146,967	120,501	1,702	3,601
Other current assets		4,248	2,797	3,448	2,032
Total current assets		1,689,729	1,835,871	561,394	1,040,155
Non-current assets					
Restricted deposits at financial institution	16	937	176,408	166	174,709
Investments in associates and joint ventures	9	644,908	487,671	351,908	322,487
Investments in subsidiaries	10	-	-	3,948,466	3,464,199
Other long-term investments	12	-	119,822	-	40,522
Long-term loans to a related party	4	-	94,658	-	-
Property, plant, equipment and vessels	13	9,537,763	6,943,410	4,014,188	1,811,294
Goodwill	14	1,022,246	1,022,246	-	-
Other intangible assets	15	107,584	113,200	582	669
Deferred tax assets	25	23,262	-	-	-
Other non-current assets		36,565	21,542	15,558	1,722
Total non-current assets		11,373,265	8,978,957	8,330,868	5,815,602
Total assets		13,062,994	10,814,828	8,892,262	6,855,757

Prima Marine Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2019	2018	2019	2018
		(in thousand Baht)			
Current liabilities					
Short-term loans					
from a financial institution	16	-	25,000	-	-
Trade accounts payable	4	319,876	232,061	90,535	62,458
Other payables	4, 17	197,445	215,578	118,900	167,256
Current portion of long-term loans					
from financial institutions	16	1,139,168	968,929	445,277	181,875
Current portion of finance lease liabilities	16	78,299	72,997	53,198	49,884
Current tax payable		73,105	13,862	-	-
Other current liabilities		25,004	18,371	3,436	2,416
Total current liabilities		1,832,897	1,546,798	711,346	463,889
Non-current liabilities					
Long-term loans from financial institutions	16	3,626,381	1,960,289	1,855,202	139,675
Finance lease liabilities	16	210,476	283,210	135,236	186,620
Deferred tax liabilities	25	60,249	13,536	17,865	5,845
Non-current provisions for employee benefit	18	52,669	39,738	11,713	8,982
Other non-current liabilities		479	783	223	348
Total non-current liabilities		3,950,254	2,297,556	2,020,239	341,470
Total liabilities		5,783,151	3,844,354	2,731,585	805,359

Prima Marine Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2019	2018	2019	2018
		(in thousand Baht)			
Equity					
Share capital:	19				
Authorised share capital (2,500 million ordinary shares, par value at Baht 1 per share)		2,500,000	2,500,000	2,500,000	2,500,000
Issued and paid-up share capital (2,500 million ordinary shares, par value at Baht 1 per share)		2,500,000	2,500,000	2,500,000	2,500,000
Share premium on ordinary shares		3,407,489	3,407,489	3,407,489	3,407,489
Difference arising from common control transactions	19	(417,157)	(417,157)	(351,494)	(351,494)
Retained earnings					
Appropriated					
Legal reserve	20	155,200	124,600	155,200	124,600
Unappropriated		1,544,921	1,052,136	449,482	369,803
Other components of equity	20	(275,115)	(76,531)	-	-
Equity attributable to owners of the parent		6,915,338	6,590,537	6,160,677	6,050,398
Non-controlling interests	11	364,505	379,937	-	-
Total equity		7,279,843	6,970,474	6,160,677	6,050,398
Total liabilities and equity		13,062,994	10,814,828	8,892,262	6,855,757

Prima Marine Public Company Limited and its Subsidiaries
Statement of income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2019	2018	2019	2018
		(in thousand Baht)			
Revenue from rendering of services	4,21	5,346,662	4,479,724	1,798,274	1,744,559
Cost of rendering of services	4	(3,651,174)	(3,368,557)	(1,367,999)	(1,392,882)
Gross profit		1,695,488	1,111,167	430,275	351,677
Other income	4, 22	58,052	92,464	436,179	383,442
Profit before expenses		1,753,540	1,203,631	866,454	735,119
Administrative expenses	4	(435,360)	(389,693)	(228,326)	(307,867)
Net foreign exchange gain		47,711	8,184	72,357	2,608
Finance costs		(210,994)	(167,783)	(88,186)	(41,531)
Profit before share of profit of an associate and joint ventures		1,154,897	654,339	622,299	388,329
Share of profit of associates and joint ventures	9	92,035	150,349	-	-
Profit before income tax expense		1,246,932	804,688	622,299	388,329
Tax expense	25	(124,438)	(58,262)	(12,020)	(6,074)
Profit for the year		1,122,494	746,426	610,279	382,255
Profit attributable to:					
Owners of the parent		1,023,385	711,821	610,279	382,255
Non-controlling interests	11	99,109	34,605	-	-
Profit for the year		1,122,494	746,426	610,279	382,255
Earnings per share (in Baht)					
Basic earnings per share	26	0.41	0.28	0.24	0.15

Prima Marine Public Company Limited and its Subsidiaries
Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
Note		2019	2018	2019	2018
		(in thousand Baht)			

Prima Marine Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements									
	Issued and paid-up share capital	Share premium on ordinary shares	Difference arising from common control transactions	Legal reserve	Unappropriated differences (in thousand Bahr)	Currency translation of an associate and joint ventures	Total other components of equity	Equity attributable to owners of the parent	Total equity
<i>Note</i>									
Year ended 31 December 2018									
Balance at 1 January 2018	2,000,000	3,407,489	(417,157)	105,400	600,142	(21,801)	(72,593)	6,123,281	6,246,706
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the parent</i>									
Dividend	-	-	-	-	(250,000)	-	-	(250,000)	(250,000)
<i>Total contributions by and distributions to owners of the parent</i>	-	-	-	-	(250,000)	-	-	(250,000)	(250,000)
<i>Changes in ownership interests in subsidiary</i>									
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	221,895
<i>Total changes in ownership interests in subsidiary</i>	-	-	-	-	-	-	-	-	221,895
Total transactions with owners, recorded directly in equity	-	-	-	-	(250,000)	-	-	(250,000)	(28,105)
Comprehensive income for the year									
Profit	-	-	-	-	711,821	-	-	711,821	746,426
Other comprehensive income	-	-	-	-	9,373	(3,866)	(72)	5,435	5,447
Total comprehensive income for the year	-	-	-	-	721,194	(3,866)	(72)	717,256	751,873
Transfer to legal reserve	-	-	-	19,200	(19,200)	-	-	-	-
Balance at 31 December 2018	2,000,000	3,407,489	(417,157)	124,600	1,052,136	(54,658)	(21,873)	6,590,537	6,970,474

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

Prima Marine Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements									
	Retained earnings		Other components of equity							
	Issued and paid-up share capital	Share premium on ordinary shares	Difference arising from common control transactions	Legal reserve	Currency translation differences	Share of other comprehensive income (expense) of an associate and joint ventures	Change in parent's ownership interests in subsidiary	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<i>Note</i>					Unappropriated differences					
						<i>(in thousand Baht)</i>				
Year ended 31 December 2019										
Balance at 1 January 2019	2,500,000	3,407,489	(417,157)	124,600	1,052,136	(54,658)	(21,873)	-	(76,531)	6,590,537
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the parent</i>										
Dividend	-	-	-	-	(500,000)	-	-	-	(19,703)	(519,703)
<i>Total contributions by and distributions to owners of the parent</i>	-	-	-	-	(500,000)	-	-	-	(19,703)	(519,703)
<i>Changes in ownership interests in subsidiary</i>										
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(124,091)	(124,091)	(86,903)	(210,994)
<i>Total changes in ownership interests in subsidiary</i>	-	-	-	-	-	-	(124,091)	(124,091)	(86,903)	(210,994)
<i>Total transactions with owners, recorded directly in equity</i>	-	-	-	-	(500,000)	-	(124,091)	(624,091)	(106,606)	(730,697)
<i>Comprehensive income for the year</i>										
Profit	-	-	-	-	1,023,385	-	-	-	99,109	1,122,494
Other comprehensive income	-	-	-	-	(90,476)	15,983	-	(74,493)	(7,935)	(82,428)
<i>Total comprehensive income for the year</i>	-	-	-	-	1,023,385	(90,476)	15,983	(74,493)	91,174	1,040,066
Transfer to legal reserve	-	-	-	30,600	(30,600)	-	-	-	-	-
Balance at 31 December 2019	2,500,000	3,407,489	(417,157)	155,200	1,544,921	(145,134)	(5,890)	(275,115)	364,505	7,279,843

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

Prima Marine Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements

	Note	Issued and paid-up share capital	Share premium on ordinary shares	Difference arising from common control transactions	Retained earnings		Total equity
					Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>							
Year ended 31 December 2018							
Balance at 1 January 2018		2,500,000	3,407,489	(351,494)	105,400	253,834	5,915,229
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the parent</i>							
Dividend	27	-	-	-	-	(250,000)	(250,000)
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	-	(250,000)	(250,000)
Comprehensive income for the year							
Profit		-	-	-	-	382,255	382,255
Other comprehensive income		-	-	-	-	2,914	2,914
Total comprehensive income for the year		-	-	-	-	385,169	385,169
Transfer to legal reserve		-	-	-	19,200	(19,200)	-
Balance at 31 December 2018		2,500,000	3,407,489	(351,494)	124,600	369,803	6,050,398

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

Prima Marine Public Company Limited and its Subsidiaries
Statement of changes in equity

Separate financial statements						
	Issued and paid-up share capital	Share premium on ordinary shares	Difference arising from common control transactions	Retained earnings		Total equity
				Legal reserve	Unappropriated	
				<i>(in thousand Baht)</i>		
Year ended 31 December 2019						
Balance at 1 January 2019	2,500,000	3,407,489	(351,494)	124,600	369,803	6,050,398
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the parent</i>						
Dividend	-	-	-	-	(500,000)	(500,000)
27						
Comprehensive income for the year						
Profit	-	-	-	-	610,279	610,279
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	610,279	610,279
Transfer to legal reserve						
	-	-	-	30,600	(30,600)	-
Balance at 31 December 2019	2,500,000	3,407,489	(351,494)	155,200	449,482	6,160,677

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

Prima Marine Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	1,122,494	746,426	610,279	382,255
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation and amortisation	639,928	501,922	211,372	178,748
Loss (gain) on sales of equipments and vessels	2,090	(44,122)	34	(43,998)
Loss on liquidation of subsidiary and joint venture	26,762	-	3,689	-
(Reversal of) impairment losses on investment	-	(24,119)	-	44,760
Share of profit on associates and joint ventures, net of tax	(92,035)	(150,349)	-	-
Provision for employee benefit obligations	14,312	5,385	2,731	1,762
Unrealised gains on exchange rate	(65,679)	(4,381)	(65,628)	(4,285)
Finance costs	210,994	167,783	88,186	41,531
Interest income	(11,504)	(20,436)	(6,417)	(15,727)
Dividend income	(2,492)	-	(406,781)	(321,286)
Tax expense	124,438	58,262	12,020	6,074
	1,969,308	1,236,371	449,485	269,834
<i>Changes in operating assets and liabilities:</i>				
Trade accounts receivable	(27,283)	11,723	(17,807)	21,026
Other receivables	(13,870)	17,451	9,898	(14,910)
Inventories	(33,236)	13,450	1,898	1,338
Other current assets	(1,801)	7,575	(1,416)	6,836
Other non-current assets	3,400	14,910	(63)	19,679
Trade accounts payable	98,043	(67,601)	28,322	(16,150)
Other payables	36,000	(81,799)	8,409	(53,964)
Other current liabilities	920	4,737	1,020	(2,698)
Other non-current liabilities	(305)	6,255	(124)	(125)
Payment of non-current provisions for employee benefit	(1,381)	(625)	-	-
Net cash generated from operating	2,029,795	1,162,447	479,622	230,866
Taxes paid	(52,068)	(54,981)	(13,772)	(17,078)
Net cash from operating activities	1,977,727	1,107,466	465,850	213,788

Prima Marine Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
(Increase) decrease in restricted deposits at financial institutions	175,376	(56,834)	174,543	(64,543)
Payment on investments in subsidiaries	(76,960)	-	(561,354)	(1,667,498)
Net payment of acquisition of business	-	(1,392,005)	-	-
Acquisition of other long-term investment	(2,431)	-	(2,431)	-
Acquisition of interest in an associate	(41,029)	-	(41,029)	-
Proceeds from sales of equipments and vessels	6,227	584,433	425	543,571
Acquisition of equipment and vessels	(3,355,930)	(450,617)	(2,397,185)	(2,539)
Acquisition of other intangible assets	(55)	-	-	-
Proceeds from repayment of short-term loans to related parties	-	35,000	-	-
Short-term loans to related parties	-	(35,000)	-	-
Dividend received	37,477	166,286	406,781	321,286
Interest received	11,504	20,436	6,417	15,727
Net cash used in investing activities	(3,245,821)	(1,128,301)	(2,413,833)	(853,996)
<i>Cash flows from financing activities</i>				
Payment for changes in ownership interests in subsidiary without a change in control	(210,994)	-	-	-
Repayment of bank overdrafts and short-term loans from financial institutions	(25,000)	(34,507)	-	-
Proceeds from long-term loans from financial institutions	3,097,137	219,850	2,329,247	-
Repayment of long-term loans from financial institutions	(1,116,453)	(1,364,965)	(286,223)	(632,436)
Payment by a leasee for reduction of the outstanding liabilities relating to finance lease	(75,724)	(72,490)	(49,879)	(50,333)
Dividends paid to owners of the Company	(500,000)	(250,000)	(500,000)	(250,000)
Dividends paid to non-controlling interests	(19,703)	-	-	-
Interest paid	(205,667)	(167,783)	(82,182)	(41,531)
Net cash from (used in) financing activities	943,596	(1,669,895)	1,410,963	(974,300)

Prima Marine Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Net decrease in cash and cash equivalents, before effect of exchange rates	(324,498)	(1,690,730)	(537,020)	(1,614,508)
Effect of exchange rate on changes on cash and cash equivalents	(19,990)	2,616	-	-
Net decrease in cash and cash equivalents	(344,488)	(1,688,114)	(537,020)	(1,614,508)
Cash and cash equivalents at 1 January	1,286,134	2,974,248	940,555	2,555,063
Cash and cash equivalents at 31 December	941,646	1,286,134	403,535	940,555
<i>Non-cash transactions</i>				
Outstanding payables for purchase of equipments and vessels	23,376	1,177	15,644	-
Acquisition of vehicles under lease agreement	8,211	-	1,809	-

Prima Marine Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2020.

1 General information

Prima Marine Public Company Limited, “the Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 14 September 2017. The company’s registered office at 80 Soi Bangna-Trad 30, Bangna-Trad Road, South Bangna Sub-district, Bangna District, Bangkok.

The immediate company during the financial year was Nathalin Co., Ltd. which was incorporated in Thailand.

The principal activities of the Company and the Group are marine transportation of petroleum products and supporting exploration and production of offshore petroleum products and ship management. Details of the Company’s subsidiaries as at 31 December 2019 and 2018 are disclosed in notes 10.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initially applied TFRS 15 Revenue from Contracts with Customers which replaces TAS 18 Revenue, TAS 11 Construction Contracts and related interpretations. The details of accounting policies are disclosed in note 3(p).

The Group has assessed the impact of initial adoption of TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard only to contracts that were not completed before 1 January 2019. The impact on retained earnings as at 1 January 2019 was not material. Therefore, the Group has not adjusted the retained earnings as at 1 January 2019 and not restated the information presented for 2018, as previously reported under TAS 18 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 31.

Prima Marine Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(b) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency.

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- | | |
|---|--|
| 9 | Equity-accounted investees: whether the Group has significant influence over an investee |
|---|--|

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- | | |
|----------------|---|
| Note 14 | Impairment test of goodwill: key assumptions underlying recoverable amounts |
| Note 18 | Measurement of defined benefit obligations: key actuarial assumptions |
| Note 10 and 17 | Measurement of fair values of the contingent consideration from acquisition of subsidiary |
| Note 25 | Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised |

3 Significant accounting policies

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

(a) Basis of consolidation

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

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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

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

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

Acquisitions from entities under common control

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

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Prima Marine Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Non-controlling interests

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

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

Interests in equity-accounted investees

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

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

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

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

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

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

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

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

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

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

Prima Marine Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Derivatives

Derivatives are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivatives are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the first in first out principle, and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in associates, subsidiaries and joint ventures

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

Investments in other equity securities

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

Prima Marine Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Disposal of investments

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

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

(h) *Property, plant, equipment and vessels*

Recognition and measurement

Owned assets

Property, plant, equipment and vessels are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant, equipment and vessels have different useful lives, they are accounted for as separate items (major components) of property, plant, equipment and vessels.

Any gains and losses on disposal of item of property, plant, equipment, and vessels are determined by comparing the proceeds from disposal with the carrying amount of property, plant, equipment and vessels, and are recognised in profit or loss.

Leased assets

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

Subsequent costs

The cost of replacing a part of an item of property, plant, equipment and vessels is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant, equipment and vessels are recognised in profit or loss as incurred.

Expenses occurred during vessel maintenance and dry docking is recognised as capital expenditure. Depreciation is charged to profit or loss on a straight-line basis over the time until the next dry docking with estimated useful lives within 3 years. In case there is any dry docking prior to the next planned dry docking, any remaining cost of dry docking will be written off in profit or loss immediately.

Prima Marine Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant, equipment and vessels. The estimated useful lives are as follows:

Buildings	20 years
Building improvements	5 years
Vessels	20 - 30 years
Deferred dry docking	2.5 years
Vessel equipment	3 - 5 years
Furniture and office equipment	3 - 5 years
Vehicles	5 years

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

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

(i) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

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

Amortisation

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

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Software licences	10	years
Customer relationships	5	years
Long-term service agreements	2 - 28	years

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

(j) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

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

Reversals of impairment

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

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

(k) Finance leases

Finance leases liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(l) Interest-bearing liabilities

Interest-bearing liabilities are stated at cost.

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(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

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

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

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(p) Revenue

Accounting policies for revenue recognition in 2019

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

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Rendering of services

Revenue for rendering of services is recognised over time based on stage of completion. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

Accounting policies for revenue recognition in 2018

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

Rendering of services

The Group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

(q) Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(r) Finance costs

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

(s) Lease payments

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

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(t) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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(v) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(w) Segment reporting

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

4 Related parties

Relationships with subsidiaries, associate and joint ventures are described in notes 9 and 10. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Sea Oil Public Company Limited	Thailand	Subsidiary of the parent company and common directors
Sea Oil Petroleum Pte. Ltd.	Singapore	Indirect subsidiary of the parent company
Sea Oil Offshore Ltd.	Malaysia	Indirect subsidiary of the parent company
Speed Production Co., Ltd.	Thailand	Common shareholder with the parent company and director is a shareholder's family of the parent company
Kemaman Bitumen Company Sdn Bhd	Malaysia	Common directors
Thai Shipowner's Association	Thailand	Common directors
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Revenue from rendering of services	As mutually agreed rate in contract
Other income	Market price or as mutually agreed rate in contract, if market price is not available
Interest income	Market rate or as mutually agreed rate in contract
Dividend income	As declared
Purchase of goods and receiving of services	Market price or as mutually agreed rate in contract, if market price is not available
Management expense	As mutually agreed rate in contract
Office rental and service expense	As mutually agreed rate in contract
Other service expense	Market price or as mutually agreed rate in contract, if market price is not available
Interest expense	As mutually agreed rate in contract

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Transactions	Pricing policies
Key management personnel compensation	As defined be the nomination and remuneration committee which does not exceed the amount approved by the shareholders

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Parent				
Revenue from rendering of services	118,980	139,570	-	-
Other income	36	36	36	36
Office rental and service expense	2,142	2,120	2,094	2,100
Other service expense	27,936	23,592	15,813	15,718
Subsidiaries				
Revenue from rendering of services	-	-	847,927	499,403
Other income	-	-	31	-
Dividend income	-	-	370,925	155,000
Purchases of goods and receiving of services	-	-	271,728	226,868
Management expense	-	-	426,599	375,480
Other service expense	-	-	388	54
Joint ventures				
Revenue from rendering of services	221,366	239,234	-	-
Other income	17,027	2,690	13,887	-
Interest income	3,400	3,343	-	-
Dividend income	34,985	166,287	34,985	166,287
Purchases of goods and receiving of services	275,292	338,513	148,473	153,923
Other service expense	31	620	-	-
Associates				
Revenue from rendering of services	4,042	1,490	-	-
Other income	1,795	1,559	1,715	1,559
Purchases of goods and receiving of services	79,782	39,112	35,541	11,624
Management expense	12,470	10,255	4,545	4,708
Other service expense	300	59	70	-
Key management personnel				
Short-term employee benefit	74,482	61,390	51,639	42,530
Post-employment benefits	793	496	793	496
Other related parties				
Revenue from rendering of services	253,921	365	-	-
Other income	32	-	-	-
Purchases of goods and receiving of services	342,931	305,290	38,079	58,207
Office rental and service expense	1,200	600	-	600
Other service expense	290	363	210	283

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Parent	22,045	51,882	-	-
Subsidiaries	-	-	2,717	-
Joint ventures	19,995	12,404	-	-
Associates	761	404	-	-
Other related parties	-	142	-	-
Total	42,801	64,832	2,717	-
Other receivables				
Subsidiaries	-	-	3	-
Joint ventures	8,807	273	1,304	-
Associate	153	139	153	139
Other related parties	127	-	127	-
Total	9,087	412	1,587	139
Other non-current assets				
Parent	1,056	1,056	-	-

	Interest rate	Consolidated financial statements			
	At 31 December (% per annum)	At 1 January	Increase (in thousand Baht)	Decrease (in thousand Baht)	At 31 December
Movement of loans to related party					
2019					
Joint venture	3.75	94,658	-	(6,705)	87,953
Total		94,658	-	(6,705)	87,953
Less allowance for doubtful account		-	-	-	-
Net		94,658	-	(6,705)	87,953
2018					
Joint venture	3.75	95,364	-	(706)	94,658
Total		95,364	-	(706)	94,658
Less allowance for doubtful account		-	-	-	-
Net		95,364	-	(706)	94,658

Long-term loans to related party are unsecured loans of Nathalin Shipping Pte. Ltd., which is a subsidiary, to TOP Nautical Star Co., Ltd., which is a joint venture, dominated in US dollars currency. The loan was due and repaid in January 2020.

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	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Trade accounts payable</i>				
		(in thousand Baht)		
Parent	351	97	35	-
Subsidiaries	-	-	52,416	18,939
Joint ventures	23,061	14,226	13,146	14,223
Associates	103	69	98	5
Other related parties	37,464	34,018	-	2,422
Total	60,979	48,410	65,695	35,589
<i>Other payables</i>				
Parent	2,110	2,369	1,587	1,827
Subsidiaries	-	-	15,213	244
Total	2,110	2,369	16,800	2,071

Significant agreements with related parties

The Company

Service agreements

The Company had entered into transportation service agreements with related companies, which those related companies provide marine transportation service of petrochemical products. The agreements have service period from 2 days to 1 year after the date of agreements.

The Company had entered into ship management agreements with related companies, which those related companies provide technical and crewing management services. The agreements have service period for 1 year and can be extended for an additional period of one year, unless notice of termination issued by either party to the other party.

Service provider agreements

The Company had entered into transportation service agreements with related companies, which the Company provides marine transportation, technical and crewing management services. The agreements have service period for 1 year and can be extended for an additional period of one year, unless notice of termination issued by either party to the other party.

Subsidiaries

Service agreements

Subsidiaries had entered into ship management agreements with related companies, which the subsidiaries provide technical and crewing management. The agreements have service period for 1 year and can be extended for an additional period of one year, unless notice of termination issued by either party to the other party.

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Subsidiaries had entered into transportation service agreements with related companies, which the subsidiaries provide marine transportation service of petrochemical products, technical and crewing management. The agreements have service period for 1 year and can be extended for an additional period of one year, unless notice of termination issued by either party to the other party.

Subsidiaries had entered into transportation service agreements with other subsidiaries, which the subsidiaries provide marine transportation service of petrochemical products. The agreements have service period of one year, unless notice of termination issued by either party to the other party.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	4,476	6,753	50	50
Cash at banks - current accounts	380,688	136,772	57,043	15,181
Cash at banks - savings accounts	556,482	1,142,609	346,442	925,324
Cash and cash equivalents in the statement of financial position	941,646	1,286,134	403,535	940,555
Bank overdrafts used for cash management purposes	-	-	-	-
Cash and cash equivalents in the statement of cash flows	941,646	1,286,134	403,535	940,555

6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Within credit terms	341,189	279,027	86,116	60,181
Overdue:				
Less than 3 months	56,257	100,850	-	8,293
3-6 months	19	1	-	-
	397,465	379,878	86,116	68,474
Less allowance for doubtful accounts	-	-	-	-
Net	397,465	379,878	86,116	68,474

The normal credit term granted by the Group is 30 days to 60 days.

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7 Other receivables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Receivable from return on capital from liquidation of joint venture	50,999	-	50,999	-
Prepaid expenses	32,212	26,989	12,910	7,122
Prepayments	16,046	715	275	-
Prepaid value added tax	-	10,196	-	10,196
Refundable corporate income tax	-	8,003	-	8,003
Others	12,193	658	2,409	172
Total	111,450	46,561	66,593	25,493

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Bunker	145,432	119,250	1,675	3,531
Supplies	1,535	1,251	27	70
Total	146,967	120,501	1,702	3,601

9 Investments in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Associates				
At 1 January	-	-	1,000	1,000
Share of net profits of associates	4,234	-	-	-
Transfer from other long-term investment	120,942	-	42,953	-
Acquisitions	41,028	-	41,028	-
At 31 December	166,204	-	84,981	1,000
Joint ventures				
At 1 January	487,671	503,680	321,487	374,373
Share of net profits of joint ventures	87,801	150,349	-	-
Share of other comprehensive income of joint ventures	(9,772)	(72)	-	-
Disposal of investment in joint venture, net of impairment	(52,011)	-	(54,560)	-
Losses on impairment	-	-	-	(52,886)
Dividend income	(34,985)	(166,286)	-	-
At 31 December	478,704	487,671	266,927	321,487

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	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<i>(in thousand Baht)</i>			
Total				
At 1 January	487,671	503,680	322,487	375,373
Share of net profits of associates and joint ventures	92,035	150,349	-	-
Share of other comprehensive income of joint ventures	(9,772)	(72)	-	-
Transfer from other long-term investment	120,942	-	42,953	-
Acquisitions	41,028	-	41,028	-
Disposal of investment in joint venture, net of impairment	(52,011)	-	(54,560)	-
Losses on impairment	-	-	-	(52,886)
Dividend income	(34,985)	(166,286)	-	-
At 31 December	644,908	487,671	351,908	322,487

For the year ended 31 December 2019

Acquisitions

On 14 March 2019, the Company acquired 303,914 shares of TMN Co., Ltd. from its shareholder, totalling Baht 2.43 million and on 15 November 2019, the Company acquired 4,102,824 of additional shares, totalling Baht 41.03 million from its shareholders, resulting in an increase in ownership interest from 18.24% to 24.87%. Consequently, TMN Co., Ltd. become an associate of the Group.

Disposal

On 26 December 2019, Srithai Capital Company Limited, a joint venture of the Company, was deregistered with the Department of Business Development with the return on capital of Baht 51.00 million to the Company. A loss on disposal of Baht 3.56 million was recognised during the year.

In 2018, the Company recognised an impairment charge of Baht 52.89 million on investments in Srithai Capital Company Limited, a joint venture of the Company, since the joint venture was in liquidation process and had accumulated loss.

Others

The Group has not recognised its share of the profits for the year ended 31 December 2018 of Baht 2.46 million, relating to an investment in associate, T.I.M. Ship Management Co., Ltd. accounted for using the equity method because as at 31 December 2018, the Group still had a cumulative share of unrecognised losses in respect of this investment amounting to Baht 1.20 million. In 2019, the Group has recognised its share of the profit from this investment because there was no a cumulative share of unrecognised losses as at 31 December 2019.

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Investments in associates and joint ventures as at 31 December 2019 and 2018, and dividend income from those investments for the year were as follows.

Consolidated financial statements												
	Type of business	Country of operation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the year	
			2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
			(in thousand Baht)									
Associates												
T.I.M. Ship Management Co., Ltd.	Ship management services	Thailand	33.33	33.33	3,000	3,000	1,000	1,000	2,546	-	-	-
TMN Co.,Ltd.	Marine transportation of petroleum products	Thailand	24.87	18.24	666,000	666,000	161,970	-	163,658	-	-	-
							162,970	1,000	166,204	-	-	-
Joint ventures												
TOP-NTL Pte. Ltd.	Ship management services	Singapore	50.00	50.00	498	498	7,824	7,824	17,531	15,978	-	-
TOP-NTL Shipping Trust	Funds for domestic and international transportation	Singapore	50.00	50.00	48,120	48,120	38,675	38,675	93,379	90,342	-	-
TOP Nautical Star Co., Ltd.												
(Direct holding 35% and indirect holding by TOP-NTL Shipping Trust 15%)	Marine transportation of petroleum products	Thailand	50.00	50.00	150,000	150,000	52,500	52,500	119,931	110,191	-	-
Bongkot Marine Services Company Limited	Marine transportation of petroleum products	Thailand	70.00	70.00	240,000	240,000	167,928	167,928	247,863	215,328	34,985	55,976
Sritthai Capital Company Limited	Marine transportation of petroleum products	Thailand	-	51.00	-	100,000	-	107,446	-	55,832	-	110,310
							266,927	374,373	478,704	487,671	34,985	166,286
Total							429,897	375,373	644,908	487,671	34,985	166,286

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Separate financial statements												
Country of operation	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(in thousand Baht)											
<i>Associates</i>												
T.I.M. Ship Management Co., Ltd.	33.33	33.33	3,000	3,000	1,000	1,000	-	-	1,000	1,000	-	-
	12.70	6.08	666,000	666,000	83,981	-	-	-	83,981	-	-	-
TMN Co.,Ltd.					84,981	1,000	-	-	84,981	1,000	-	-
<i>Joint ventures</i>												
TOP-NTL Pte. Ltd.	50.00	50.00	498	498	7,824	7,824	-	-	7,824	7,824	-	-
TOP-NTL Shipping Trust	50.00	50.00	48,120	48,120	38,675	38,675	-	-	38,675	38,675	-	-
TOP Nautical Star Co., Ltd.	35.00	35.00	150,000	150,000	52,500	52,500	-	-	52,500	52,500	-	-
Bongkot Marine Services Company Limited	70.00	70.00	240,000	240,000	167,928	167,928	-	-	167,928	167,928	34,985	55,976
Sirithai Capital Company Limited	-	51.00	-	100,000	-	107,446	-	(52,886)	-	54,560	-	110,310
					266,927	374,373	-	(52,886)	266,927	321,487	34,985	166,286
Total					351,908	375,373	-	(52,886)	351,908	322,487	34,985	166,286

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

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Joint ventures

The following table summarises the financial information of joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	Note	Bongkot Marine Services Company Limited		TOP Nautical Star Co., Ltd.		Srithai Capital Company Limited	
		2019	2018	2019	2018	2019	2018
Revenue							
Profit from continuing operations	<i>a</i>	401,865	419,802	275,962	336,697	-	22,294
Other comprehensive income		96,458	135,593	27,827	129,066	-	(33,712)
Total comprehensive income (100%)		-	-	-	-	(7,614)	(141)
Group's share of total comprehensive income		96,458	135,593	27,827	129,066	(7,614)	(33,853)
		67,521	94,915	13,914	64,533	(3,883)	(17,265)
Current assets	<i>b</i>	86,325	110,856	311,583	106,861	-	161,095
Non-current assets		773,826	858,849	196,365	528,397	-	-
Current liabilities	<i>c</i>	(213,746)	(202,427)	(165,289)	(273,360)	-	(51,618)
Non-current liabilities	<i>d</i>	(292,267)	(459,667)	-	(47,066)	-	-
Net assets (100%)		354,138	307,611	342,659	314,832	-	109,477
Group's share of net assets		247,863	215,328	171,330	157,416	-	55,832
Carrying amount of interest in joint venture		247,863	215,328	119,931	110,191	-	55,832

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	Bongkot Marine Services Company Limited 2019	Bongkot Marine Services Company Limited 2018	TOP Nautical Star Co., Ltd. 2019	TOP Nautical Star Co., Ltd. 2018	Srithai Capital Company Limited 2019	Srithai Capital Company Limited 2018
			<i>(in thousand Baht)</i>			
Remark:						
a. Includes:						
– depreciation and amortisation	104,574	104,208	47,757	55,505	-	36,722
– interest expense	23,766	30,818	9,252	15,055	-	783
– expense (income) tax benefit	6,645	-	(7,048)	-	-	(6,882)
b. Includes cash and cash equivalents	75,417	88,137	82,067	59,151	-	22,294
c. Includes current financial liabilities (excluding trade and other payables and provisions)	167,400	167,400	125,784	225,531	-	-
d. Includes non-current financial liabilities (excluding trade and other payables and provisions)	292,267	459,667	-	40,018	-	-

Bongkot Marine Services Company Limited's non-current liabilities include loan from financial institution (repayable in 2022) with a total outstanding balance of Baht 292.27 million as at 31 December 2019 (2018: Baht 459.67 million).

TOP Nautical Star Co., Ltd.'s non-current liabilities include loan from financial institution which is guaranteed by the Company according to portion of both direct and indirect investments total of 50% of loan. TOP Nautical Star Co., Ltd. had loan from financial institution with no outstanding balance as at 31 December 2019 (2018: Baht 40.02 million).

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The following is summarised financial information for the Group's interest in immaterial associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

	Immaterial associates		Immaterial joint ventures	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Carrying amount of interests in immaterial associate and joint ventures	166,204	-	110,910	106,320
Group's share of:				
- Profit from continuing operations	4,234	-	6,366	8,094
- Other comprehensive income	-	-	(5,889)	-
- Total comprehensive income	<u>4,234</u>	<u>-</u>	<u>477</u>	<u>8,094</u>

10 Investments in subsidiaries

	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	3,464,199	1,656,701
Acquisitions	484,394	1,807,498
Decrease	(127)	-
At 31 December	<u>3,948,466</u>	<u>3,464,199</u>

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Acquisitions

On 10 June 2019, the Company additionally invested in share capital of N.T.L Marine Co., Ltd., a subsidiary of the Company, totalling Baht 100.00 million. The percentage of holding interest of the Company remains unchanged.

On 24 July 2019, the Company additionally invested in share capital of Singha Tanker Co., Ltd., a subsidiary of the Company, totalling Baht 173.40 million. The percentage of holding interest of the Company remains unchanged.

Changes in ownership interests in a subsidiary without a change in control

In 2019, the Company acquired 36,000 ordinary shares from shareholders of Big Sea Co., Ltd. at the price of Baht 5,860.95 per share, totalling Baht 210.99 million in cash, resulting in an increase of its ownership interest from 70% to 80%. In addition, the Company made an additional payment for the 252,000 shares which were purchased on 2 July 2018 totalling Baht 76.96 million. The Group recognised a decrease in non-controlling interests of Baht 86.90 million and a reduction in other components of equity as a result of changes in ownership interest in subsidiary of Baht 124.09 million.

Deregistration of a subsidiary

On 23 December 2019, Orchard Navee Co.,Ltd. was deregistered with the Department of Business Development. A loss on liquidation of Baht 0.13 million was recognised during 2019.

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For the year ended 31 December 2018

On 17 October 2018, the Company additionally invested in share capital of N.T.L Marine Co., Ltd., a subsidiary of the Company, totalling Baht 250.00 million. The percentage of holding interest of the Company remains unchanged.

On 2 July 2018, the Group obtained a control over Big Sea Co., Ltd. “Big Sea”, which its business is provider of local marine transportation of petroleum products, by acquiring 70% of total ordinary shares and voting interests. The purchase consideration including the contingent consideration was Baht 1,540.00 million. According to the agreement to purchase and sale shares dated 4 April 2018, the Company will be able to purchase remaining shares over the next 3 years and the consideration transferred will be considered from the adjusted net profit as stated in the agreement.

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Investments in subsidiaries as at 31 December 2019 and 2018 and dividend income from those investments for the year were as follows:

Separate financial statements													
Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		(in thousand Baht)											
Subsidiaries													
Singha Tankers Company Limited ⁽¹⁾	Marine transportation of petroleum products	51.00	51.00	962,000	622,000	490,621	317,221	-	-	490,621	317,221	153,000	-
Nathalin Shipping Pte. Ltd.	Ship management services	87.50	87.50	418,787	418,787	374,798	374,798	-	-	374,798	374,798	137,925	-
N.T.L. Marine Co., Ltd.	Marine transportation of petroleum products	99.99	99.99	1,053,000	703,000	1,117,705	1,017,705	-	-	1,117,705	1,017,705	70,000	140,000
Thaimarine Tanker Co., Ltd.	Marine transportation of petroleum products	99.99	99.99	180,000	180,000	180,000	180,000	-	-	180,000	180,000	-	-
Nathalin Management Company Limited	Ship management services	99.99	99.99	8,500	8,500	9,691	9,691	-	-	9,691	9,691	10,000	15,000
BSC Management Seafarer Recruitment Co., Ltd. (former BSC Management Co., Ltd.)	Manning agency and ticket agency	99.99	99.99	5,500	5,500	7,159	7,159	-	-	7,159	7,159	-	-
Orchard Navee Co., Ltd. ⁽¹⁾	Marine transportation of petroleum products	-	51.00	-	250	-	127	-	-	-	127	-	-
Big Sea Co., Ltd.	Marine transportation of petroleum products	80.00	70.00	360,000	360,000	1,768,492	1,557,498	-	-	1,768,492	1,557,498	-	-
Total				3,948,466	3,464,199	3,948,466	3,464,199	-	-	3,948,466	3,464,199	370,925	155,000

All subsidiaries were incorporated in Thailand, except Nathalin Shipping Pte. Ltd. which was incorporated in Singapore.

(1) Direct holding 51% by the Company and indirect holding by Nathalin Shipping Pte. Ltd. 49%

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11 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2019			
	Nathalin Shipping Pte. Ltd.	Singha Tankers Company Limited	Big Sea Co., Ltd. (in thousand Baht)	Intra-group eliminations Total
Non-controlling interest percentage	12.50%	6.125%	20%	
Current assets	726,956	16,011	98,426	
Non-current assets	486,528	1,911,970	1,297,747	
Current liabilities	(271,940)	(364,961)	(171,636)	
Non-current liabilities	(3,188)	(529,518)	(337,967)	
Net assets	938,356	1,033,502	886,570	364,505
Carrying amount of non-controlling interest	120,451	66,689	177,276	89
Revenue	3,327,015	694,362	593,115	
Profit	547,577	154,131	76,665	
Other comprehensive income	(29,912)	(68,499)	-	
Total comprehensive income	517,665	85,632	76,665	
Profit allocated to non-controlling interest	68,447	9,441	21,207	14
Other comprehensive income allocated to non-controlling interest	(3,739)	(4,196)	-	-
Cash flows from operating activities	473,752	391,277	198,578	
Cash flows from investing activities	(13,020)	(15,161)	(160,017)	
Cash flows from financing activities	(140,687)	(438,962)	(70,246)	
Dividends to non-controlling interest	(19,703)	-	-	
Net increase (decrease) in cash and cash equivalents	300,342	(62,846)	(31,685)	(7,935)

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	31 December 2018				
	Nathalin Shipping Pte. Ltd.	Singha Tankers Company Limited	Big Sea Co., Ltd. (in thousand Baht)	Other individually immaterial subsidiaries	Intra-group eliminations
					Total
Non-controlling interest percentage	12.50%	6.125%	30%		
Current assets	277,532	77,933	130,140		
Non-current assets	410,834	2,155,477	1,261,936		
Current liabilities	(112,576)	(467,196)	(183,380)		
Non-current liabilities	-	(870,801)	(388,521)		
Net assets	575,790	895,413	820,175		
Carrying amount of non-controlling interest	75,536	61,444	242,971	(14)	379,937
Revenue	2,602,385	757,173	328,127		
Profit	17,080	189,858	69,493		
Other comprehensive income	514	(4,644)	764		
Total comprehensive income	17,594	185,214	70,257		
Profit allocated to non-controlling interest	2,135	11,628	20,848	(6)	34,605
Other comprehensive income allocated to non-controlling interest	64	(281)	229	-	12
Cash flows from operating activities	(16,266)	440,723	136,919		
Cash flows from investing activities	3,300	(21,247)	673		
Cash flows from financing activities	(406)	(520,992)	(106,226)		
(dividends to non-controlling interest: nil)					
Net increase (decrease) in cash and cash equivalents	(13,372)	(101,516)	31,366		

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12 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		<i>(in thousand Baht)</i>		
At 1 January	119,822	95,887	40,522	32,396
Acquisitions	2,431	-	2,431	-
Transfer to investment in associate	(120,942)	-	(42,953)	-
Reversal of impairment	-	24,377	-	8,126
Effect of movements in exchange rates	(1,311)	(442)	-	-
At 31 December	-	119,822	-	40,522

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Other long-term investments as at 31 December 2019 and 2018 were as follows:

Name of entities	Type of business	Consolidated financial statements			Separate financial statements		
		Ownership interest 2019	Ownership interest 2018	Cost 2019 (in thousand Baht)	Ownership interest 2019	Ownership interest 2018	Cost 2018 (in thousand Baht)
			(%)			(%)	
TMN Co., Ltd. (see note 9)	Marine transportation of petroleum products	24.87	18.24	-	12.70	6.08	40,522
Khunnatee Co., Ltd.	Marine transportation of petroleum products	5.13	5.13	24,278	-	-	-
				24,278	-	-	40,522
				(24,278)	-	-	-
				119,822	-	-	40,522
Less Allowance for impairment							
Total							

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13 Property, plant, equipment and vessels

	Consolidated financial statements									
	Land	Building and building improvements	Vessels	Deferred dry docking	Vessel equipment (in thousand Baht)	Furniture and office equipment	Vehicles	Vessel under construction	Dry docking under construction	Total
Cost										
At 1 January 2018	15,840	93,291	7,987,100	134,786	41,923	24,236	8,832	263,864	34,198	8,604,070
Additions	-	198	-	33,368	3,589	1,914	-	380,146	28,485	447,700
Acquisitions through business combinations	-	-	1,487,487	60,504	10,252	2,760	1,362	88,082	-	1,650,447
Transfers	-	-	407,715	63,712	(35)	35	-	(413,066)	(58,361)	-
Disposals	-	-	(828,153)	(7,037)	(7,800)	(1,150)	(5,016)	-	(565)	(849,721)
Effect of movements in exchange rates	-	(48)	(17,250)	63	(43)	(12)	(3)	-	5	(17,288)
At 31 December 2018 and										
1 January 2019	15,840	93,441	9,036,899	285,396	47,886	27,783	5,175	319,026	3,762	9,835,208
Additions	-	86	-	11,636	37,397	2,803	8,889	3,219,397	106,329	3,386,537
Transfers	-	-	3,537,304	66,348	-	-	-	(3,538,356)	(65,296)	-
Disposals	-	(780)	(29,298)	(121,106)	(1,626)	(642)	(1,057)	-	-	(154,509)
Effect of movements in exchange rates	-	(250)	(146,568)	(1,580)	(299)	(59)	(191)	-	(613)	(149,560)
At 31 December 2019	15,840	92,497	12,398,337	240,694	83,358	29,885	12,816	67	44,182	12,917,676

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(in millions Baht)										
Depreciation										
At 1 January 2018	-	21,102	2,131,383	74,776	24,666	13,523	5,171	-	-	2,270,621
Depreciation charge for the year	-	10,437	409,513	66,569	6,753	4,809	1,034	-	-	499,115
Acquisitions through business combinations	-	-	439,433	26,133	7,377	1,887	1,362	-	-	476,192
Disposals	-	-	(338,131)	(6,540)	(5,754)	(859)	(2,846)	-	-	(354,130)
At 31 December 2018 and 1 January 2019	-	31,539	2,642,198	160,938	33,042	19,360	4,721	-	-	2,891,798
Depreciation charge for the year	-	10,310	515,724	92,815	10,824	4,323	263	-	-	634,259
Disposals	-	(506)	(22,336)	(120,684)	(1,471)	(544)	(603)	-	-	(146,144)
At 31 December 2019	-	41,343	3,135,586	133,069	42,395	23,139	4,381	-	-	3,379,913

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	Consolidated financial statements									
	Land	Building and building improvements	Vessels	Deferred dry docking	Vessel equipment (in thousand Baht)	Furniture and office equipment	Vehicles	Vessel under construction	Dry docking under construction	Total
<i>Net book value</i>										
At 1 January 2018										
Owned assets	15,840	72,189	4,987,092	60,010	17,257	10,713	998	263,864	34,198	5,462,161
Assets under finance leases	-	-	868,625	-	-	-	2,663	-	-	871,288
	15,840	72,189	5,855,717	60,010	17,257	10,713	3,661	263,864	34,198	6,333,449
At 31 December 2018 and										
1 January 2019										
Owned assets	15,840	61,902	6,056,355	124,458	14,844	8,423	454	319,026	3,762	6,605,064
Assets under finance leases	-	-	338,346	-	-	-	-	-	-	338,346
	15,840	61,902	6,394,701	124,458	14,844	8,423	454	319,026	3,762	6,943,410
At 31 December 2019										
Owned assets	15,840	51,154	8,948,132	107,625	40,963	6,746	482	67	44,182	9,215,191
Assets under finance leases	-	-	314,619	-	-	-	7,953	-	-	322,572
	15,840	51,154	9,262,751	107,625	40,963	6,746	8,435	67	44,182	9,537,763

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The gross amount of the Group's fully depreciated plant, equipment and vessels that was still in use as at 31 December 2019 amounted to Baht 307.95 million (2018: *Baht 328.42 million*).

Borrowing costs of Baht 4.57 million (2018: *Baht 5.28 million*) were capitalised and included in addition of vessels under construction. The borrowing cost rates were MLR-2%, fixed interest rest of 4.53% to 4.60% per annum and THBFIX+2.4 (2018: *MLR-1.25% and MLR-1.75%*).

At 31 December 2019, property, plant, equipment and vessels with a net book value of Baht 7,543.95 million were secured for long-term loans from financial institutions (2018: *Baht 5,791.31 million*).

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Separate financial statements										
	Land	Building and building improvements	Vessels	Deferred dry docking	Vessel equipment <i>(in thousand Baht)</i>	Furniture and office equipment	Vehicles	Vessel under construction	Dry docking under construction	Total
<i>Cost</i>										
At 1 January 2018	15,840	83,483	3,607,402	34,156	27,402	16,874	6,072	-	34,197	3,825,426
Additions	-	198	-	-	1,078	1,231	-	-	-	2,507
Transfers	-	-	-	33,633	-	-	-	-	(33,633)	-
Disposals	-	-	(754,713)	-	(6,768)	(395)	(5,016)	-	(564)	(767,456)
At 31 December 2018 and 1 January 2019	15,840	83,681	2,852,689	67,789	21,712	17,710	1,056	-	-	3,060,477
Additions	-	86	-	-	27,053	1,251	2,290	2,357,671	26,286	2,414,637
Transfers	-	-	2,357,671	-	-	-	-	(2,357,671)	-	-
Disposals	-	-	-	(34,156)	-	(59)	(1,056)	-	-	(35,271)
At 31 December 2019	15,840	83,767	5,210,360	33,633	48,765	18,902	2,290	-	26,286	5,439,843

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	Land	Building and building improvements	Vessels	Deferred dry docking	Vessel equipment (in thousand Baht)	Furniture and office equipment	Vehicles	Vessel under construction	Dry docking under construction	Total
Depreciation										
At 1 January 2018	-	17,531	1,329,602	7,594	17,954	7,906	2,797	-	-	1,383,384
Depreciation charge for the year	-	8,726	136,423	25,754	3,171	3,936	651	-	-	178,661
Disposals	-	-	(304,643)	-	(4,999)	(374)	(2,846)	-	-	(312,862)
At 31 December 2018 and 1 January 2019	-	26,257	1,161,382	33,348	16,126	11,468	602	-	-	1,249,183
Depreciation charge for the year	-	8,776	166,636	26,366	6,180	3,280	47	-	-	211,285
Disposals	-	-	-	(34,156)	-	(55)	(602)	-	-	(34,813)
At 31 December 2019	-	35,033	1,328,018	25,558	22,306	14,693	47	-	-	1,425,655
Net book value										
At 1 January 2018										
Owned assets	15,840	65,952	1,547,042	26,562	9,448	8,968	612	-	34,197	1,708,621
Assets under finance leases	-	-	730,758	-	-	-	2,663	-	-	733,421
	15,840	65,952	2,277,800	26,562	9,448	8,968	3,275	-	34,197	2,442,042
At 31 December 2018 and 1 January 2019										
Owned assets	15,840	57,424	1,481,574	34,441	5,586	6,242	454	-	-	1,601,561
Assets under finance leases	-	-	209,733	-	-	-	-	-	-	209,733
	15,840	57,424	1,691,307	34,441	5,586	6,242	454	-	-	1,811,294
At 31 December 2019										
Owned assets	15,840	48,734	3,687,927	8,075	26,459	4,209	481	-	26,286	3,818,011
Assets under finance leases	-	-	194,415	-	-	-	1,762	-	-	196,177
	15,840	48,734	3,882,342	8,075	26,459	4,209	2,243	-	26,286	4,014,188

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The gross amount of the Company's fully depreciated property, equipment and vessels that was still in use as at 31 December 2019 amounted to Baht 12.04 million (2018: Baht 8.09 million).

At 31 December 2019, property, plant, equipment and vessels with a net book value of Baht 2,529 million were secured for long-term loans from financial institutions (2018: Baht 1,249.86 million).

14 Goodwill

	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Cost /Net book value		
At 1 January	1,022,246	-
Acquired through business combinations	-	1,022,246
At 31 December	1,022,246	1,022,246

During the year 2018, the Company completed acquisition of 70% equity share in Big Sea resulting in recognition of goodwill.

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's cash-generating units (CGUs) identified according to business segment-level as follows.

	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Trading	1,022,246	1,022,246
Total	1,022,246	1,022,246

The recoverable amount of CGU was based on its value in use, determined by discounting the future cash flows to be generated was greater than the total carrying amount of goodwill. As a result, goodwill was not impaired as at 31 December 2019. The cash flows were projected over a revenue period for 15 years.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. The key assumptions used in the estimation of goodwill's value in use were as follows:

Key assumptions	2019	2018
Discount rate	7.97%	10%
Terminal value growth rate	0%	0%

The discount rate was estimated based on the historical industry average weighted-average cost of capital, The risk-free discount rate was based on the rate of 10-year government bonds issued by the government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

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15 Other intangible assets

	Consolidated financial statements			
	Software licences	Customer relationships <i>(in thousand Baht)</i>	Long-term service agreements	Total
Cost				
At 1 January 2018	1,408	-	-	1,408
Acquisitions through business Combinations	454	63	114,405	114,922
At 31 December 2018 and 1 January 2019	1,862	63	114,405	116,330
Additions	55	-	-	55
Effect of movements in exchange rates	(2)	-	-	(2)
At 31 December 2019	1,915	63	114,405	116,383
Amortisation				
At 1 January 2018	323	-	-	323
Amortisation for the year	222	5	2,580	2,807
At 31 December 2018 and 1 January 2019	545	5	2,580	3,130
Amortisation for the year	307	11	5,351	5,669
At 31 December 2019	852	16	7,931	8,799
Net book value				
At 31 December 2018	1,317	58	111,825	113,200
At 31 December 2019	1,063	47	106,474	107,584

The amortisation of long-term service agreements is recognised as administrative expenses and the amortisation of other intangible assets is included in cost of rendering of services and administrative expenses.

	Separate financial statements Software licences <i>(in thousand Baht)</i>
Cost	
At 1 January 2018	895
At 31 December 2018 and 1 January 2019	895
At 31 December 2019	895
Amortisation	
At 1 January 2018	139
Amortisation for the year	87
At 31 December 2018 and 1 January 2019	226
Amortisation for the year	87
At 31 December 2019	313
Net book value	
At 31 December 2018	669
At 31 December 2019	582

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16 Interest-bearing liabilities

	Consolidated financial statements					
	Secured	2019 Unsecured	Total <i>(in thousand Baht)</i>	Secured	2018 Unsecured	Total
Short-term loans from financial institutions	-	-	-	25,000	-	25,000
Long-term loans from financial institutions	4,765,549	-	4,765,549	2,929,218	-	2,929,218
Finance lease liabilities	288,775	-	288,775	356,207	-	356,207
Total interest-bearing liabilities	5,054,324	-	5,054,324	3,310,425	-	3,310,425

	Separate financial statements					
	Secured	2019 Unsecured	Total <i>(in thousand Baht)</i>	Secured	2018 Unsecured	Total
Long-term loans from financial institutions	2,300,479	-	2,300,479	321,550	-	321,550
Finance lease liabilities	188,434	-	188,434	236,504	-	236,504
Total interest-bearing liabilities	2,488,913	-	2,488,913	558,054	-	558,054

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

Assets pledged as security for liabilities as at 31 December	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Cash at banks		937	176,408	166	174,709
Property, plant and vessels	13	7,543,951	5,791,307	2,529,021	1,249,856
Total		7,544,888	5,967,715	2,529,187	1,424,565

Restricted deposits at financial institutions

As at 31 December 2019, Baht 0.94 million (2018: Baht 176.41 million) restricted deposit at a financial institution was pledged against long-term loans with financial institutions by the Company and subsidiary. The restricted deposit must be maintained as a collateral for the long-term borrowings during the facility period.

As at 31 December 2019, the Group and the Company had unutilised credit facilities totalling Baht 875 million and Baht 540 million, respectively (2018: Baht 795 million and Baht 470 million, respectively).

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Consolidated financial statements						
	2019			2018		
<i>Finance lease liabilities</i>	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
<i>Maturity period</i>						
Within one year	92,980	14,681	78,299	91,957	18,960	72,997
1 - 5 years	224,858	14,382	210,476	311,596	28,386	283,210
Total	317,838	29,063	288,775	403,553	47,346	356,207

Separate financial statements						
	2019			2018		
<i>Finance lease liabilities</i>	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
<i>Maturity period</i>						
Within one year	62,662	9,464	53,198	62,291	12,407	49,884
1 - 5 years	144,285	9,049	135,236	205,053	18,433	186,620
Total	206,947	18,513	188,434	267,344	30,840	236,504

Changes in liabilities arising from financing activities

Consolidated financial statements				
	Short-term loans	Other loans	Finance lease liabilities	Total
	<i>(in thousand Baht)</i>			
2019				
At 1 January	25,000	2,929,218	356,207	3,310,425
Changes from financing cash flows	(25,000)	1,980,684	(75,724)	1,879,960
Effect of changes in foreign exchange rates	-	(145,807)	81	(145,726)
Additional of finance lease	-	-	8,211	8,211
Other changes of non-cash transaction	-	1,454	-	1,454
At 31 December	-	4,765,549	288,775	5,054,324
2018				
At 1 January	-	3,569,594	428,701	3,998,295
Changes from financing cash flows	-	(1,145,115)	(72,490)	(1,217,605)
Changes arising from obtaining control of subsidiary	25,000	521,142	-	546,142
Effect of changes in foreign exchange rates	-	(16,403)	(4)	(16,407)
At 31 December	25,000	2,929,218	356,207	3,310,425

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	Separate financial statements		
	Other loans	Finance lease liabilities	Total
	<i>(in thousand Baht)</i>		
2019			
At 1 January	321,550	236,504	558,054
Changes from financing cash flows	2,043,024	(49,879)	1,993,145
Effect of changes in foreign exchange rates	(65,549)	-	(65,549)
Additional of finance lease	-	1,809	1,809
Other changes of non-cash transaction	1,454	-	1,454
At 31 December	2,300,479	188,434	2,488,913
2018			
At 1 January	958,181	286,837	1,245,018
Changes from financing cash flows	(632,436)	(50,333)	(682,769)
Effect of changes in foreign exchange rates	(4,195)	-	(4,195)
At 31 December	321,550	236,504	558,054

Long-term loans from financial institutions

As at 31 December 2019, the Group has long-term loans from local financial institutions denominated in Baht and US dollars as follows:

- Loans for the purchases and constructions of vessels are granted by local financial institutions denominated in US dollars with a total outstanding balance of US dollars 70.15 million as at 31 December 2019 (*31 December 2018: US dollars 49.54 million*) with repayment terms within 1-6 years. The principal is repayable every 3 months. Fixed interest rate and the loans bear interest LIBOR+2.125% to LIBOR+3.50% per annum and FIX IRS 4.8%. These loans are currently secured by 6 vessels, assignment of insurance for the collateral vessels, pledge over bank accounts, and a corporate guarantee by the Company.
- Loans for the purchases, constructions of vessels and building of the Company's building are granted by local financial institutions denominated in Baht with a total outstanding balance of Baht 1,673.50 million as at 31 December 2019 (*31 December 2018: Baht 1,321.45 million*) with repayment terms within 1-8 years. The principal is repayable every 1-3 months. The interest rates are MLR-1.00% to MLR-1.80% per annum, the fixed interest rate of 4.35% to 4.60% per annum, Prime rate-1.25% to Prime rate-1.50% per annum, MLR-1.375% per annum, BIBOR+1.85% and THBFIX+2.40% per annum. These loans are currently secured by 19 vessels, assignment of insurance for the collateral vessels, land, and building of the Company, pledge over bank accounts and insurance of the building, guaranteed by directors of a subsidiary.
- Loans for shares purchasing of a subsidiary is granted by a local financial institution denominated in Baht with a total outstanding balance of Baht 971.40 million as at 31 December 2019 (*31 December 2018: Baht 461.46 million*) with repayment terms within 8 years. The principal is repayable every 3 months. The interest is 3.5% per annum. These loans are currently secured by 3 vessels and shares of a subsidiary.

As at 31 December 2019, a subsidiary as the borrower had breached certain loan covenants. During December 2019, the lenders have agreed not to demand payment as a consequence of the breach. As a result, the long-term portion of loans amounting to Baht 487 million was presented as non-current liabilities as at 31 December 2019.

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As at 31 December 2018, the Company and a subsidiary as the borrowers had breached certain loan covenants. On 28 December 2018, the lenders have agreed not to demand payment as a consequence of the breach. As a result, the long-term portion of loans amounting to Baht 992 million was presented as non-current liabilities as at 31 December 2018.

17 Other payables

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<i>(in thousand Baht)</i>			
Contingent consideration	63,040	140,000	63,040	140,000
Accrued operating expenses	84,862	56,211	35,396	21,162
Payables for purchase of fixed assets	23,376	1,177	15,644	-
Advances received	17,079	9,400	-	-
Others	9,088	8,790	4,820	6,094
Total	197,445	215,578	118,900	167,256

18 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<i>(in thousand Baht)</i>			
Post-employment benefits Defined benefit plan	52,669	39,738	11,713	8,982
Total	52,669	39,738	11,713	8,982

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<i>(in thousand Baht)</i>			
At 1 January	39,738	28,236	8,982	10,863
Included in profit or loss:				
Current service cost	4,792	4,312	1,227	1,467
Past service cost	8,277	-	1,246	-
Interest on obligation	1,243	1,073	258	295
	14,312	5,385	2,731	1,762

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<i>Present value of the defined benefit obligations</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Included in other comprehensive income				
Actuarial gain (loss)				
- Demographic assumptions	-	(3,198)	-	(2,408)
- Financial assumptions	-	1,441	-	930
- Experience adjustment	-	(10,076)	-	(2,165)
	-	(11,833)	-	(3,643)
Benefit paid	(1,381)	(625)	-	-
Transferred from business combinations	-	18,575	-	-
	(1,381)	17,950	-	-
At 31 December	52,669	39,738	11,713	8,982

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<i>Principal actuarial assumptions</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(%)</i>			
Discount rate	1.74 - 4.21	1.74 - 4.21	1.76 - 4.16	1.76 - 4.16
Future salary growth	4.0 - 8.5	4.0 - 8.5	5.0 - 8.5	5.0 - 8.5
Employee turnover	0.0 - 16.0	0.0 - 16.0	0.0 - 15.0	0.0 - 15.0

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

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 12.5 years (2018: 12.5 years).

Sensitivity analysis

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

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<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Discount rate (1% change in assumption)	(4,255)	(3,249)	4,974	3,785
Future salary growth (1% change in assumption)	5,390	3,682	(4,691)	(3,228)
Employee turnover (20% change in assumption)	(2,370)	(2,304)	3,118	2,872
Future mortality (1% change in assumption)	186	126	(208)	(140)
Separate financial statements				
<i>Effect to the defined benefit obligation At 31 December</i>	Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Discount rate (1% change in assumption)	(930)	(732)	1,079	847
Future salary growth (1% change in assumption)	1,162	818	(1,021)	(722)
Employee turnover (20% change in assumption)	(1,059)	(712)	1,385	922
Future mortality (1% change in assumption)	38	27	(42)	(29)

19 Share capital

	Par value per share (in Baht)	2019		2018	
		Number	Baht	Number	Baht
		<i>(thousand shares /in thousand Baht)</i>			
Authorised shares at 31 December		2,500,000	2,500,000	2,500,000	2,500,000
<i>Issued and paid-up shares</i>					
At 1 January					
- ordinary shares	1	2,500,000	2,500,000	2,500,000	2,500,000
At 31 December					
- ordinary shares	1	2,500,000	2,500,000	2,500,000	2,500,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Difference of acquisitions from entities under common control

The difference of acquisitions from entities under common control, which is lower of the carrying amount of the acquired net assets than the consideration transferred is recognized as discount from business combinations under common control in shareholder's equity. The discount will be included in the consolidated financial statements until control ceases of the subsidiaries acquired.

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20 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

21 Segment information and disaggregation of revenue

Management determined that the Group has four reportable segments which are the Group's strategic divisions for different services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Sea transportation of petroleum and chemical products.
- *Segment 2* Storage of petroleum products.
- *Segment 3* Supporting exploration and production of offshore petroleum products by sending staff and exploration equipment from a place to another place and accommodation work barges.
- *Segment 4* Ship management, recruitment and transportation services for crews.

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. Revenue recognition - at over time for all operating segments.

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Consolidated financial statements											
For the year ended 31 December	Segment 1		Segment 2		Segment 3		Segment 4		Eliminate		Net
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
	(in thousand Baht)										
Information about reportable segments											
External revenue	2,587,916	2,254,019	1,940,936	1,395,665	491,244	471,804	326,566	358,236	-	-	4,479,724
Inter-segment revenue	449,909	409,836	1,369,312	1,061,619	-	-	1,013,968	948,211	(2,833,189)	(2,419,666)	-
Total revenue	3,037,825	2,663,855	3,310,248	2,457,284	491,244	471,804	1,340,534	1,306,447	(2,833,189)	(2,419,666)	4,479,724
Disaggregation of revenue											
Thailand	2,545,039	2,113,289	-	-	491,244	471,804	274,264	260,047	(543,934)	(916,242)	1,928,898
Singapore	492,786	550,566	3,310,248	2,457,284	-	-	1,066,270	1,046,400	(2,289,255)	(1,503,424)	2,550,826
Total revenue	3,037,825	2,663,855	3,310,248	2,457,284	491,244	471,804	1,340,534	1,306,447	(2,833,189)	(2,419,666)	4,479,724
Segment profit before income tax	439,237	341,965	783,841	363,133	127,846	93,538	118,127	85,656	-	-	884,292
Interest expense	91,582	77,902	77,114	61,862	13,601	20,886	30	18	-	-	160,668
Depreciation and amortization	330,149	223,610	255,758	213,092	39,671	38,326	2,377	2,680	(715)	-	477,708
Segment assets as at 31 December											
Vessels	4,142,746	3,276,658	4,548,290	2,503,676	579,689	615,072	-	-	(7,975)	(704)	6,394,702
Vessels under construction	67	319,026	-	-	-	-	-	-	-	-	319,026
Goodwill	1,022,246	1,022,246	-	-	-	-	-	-	-	-	1,022,246
Total	5,165,059	4,617,930	4,548,290	2,503,676	579,689	615,072	-	-	(7,975)	(704)	7,735,974
Segment liabilities as at 31 December											
Long-term loans from financial institutions	1,975,301	1,712,227	1,711,011	975,422	-	87,734	-	-	-	-	2,775,383
Finance lease liabilities	96,590	119,702	-	-	186,566	236,349	-	-	-	-	356,051
Total	2,071,891	1,831,929	1,711,011	975,422	186,566	324,083	-	-	-	-	3,131,434

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	Separate financial statements									
	Segment 1		Segment 2		Segment 3		Segment 4		Eliminate	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>For the year ended 31 December</i>	<i>(in thousand Baht)</i>									
<i>Information about reportable segments</i>										
External revenue	459,103	578,064	-	-	491,244	471,804	-	-	950,347	1,049,868
Inter-segment revenue	-	-	847,927	694,691	-	-	-	-	847,927	694,691
Total revenue	459,103	578,064	847,927	694,691	491,244	471,804	-	-	1,798,274	1,744,559
<i>Disaggregation of revenue</i>										
Thailand	459,103	578,064	-	-	491,244	471,804	-	-	950,347	1,049,868
Singapore	-	-	847,927	694,691	-	-	-	-	847,927	694,691
Total revenue	459,103	578,064	847,927	694,691	491,244	471,804	-	-	1,798,274	1,744,559

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Reconciliations of reportable segment profit or loss, assets and liabilities and other material items

	2019	2018
	<i>(in thousand Baht)</i>	
Profit or loss		
Total profit before income tax for reportable segments	1,469,051	884,292
Unallocated amounts:		
- Other income	25,823	18,954
- Other corporate expenses	(339,977)	(248,907)
- Share of profit of investments in an associate and joint ventures	92,035	150,349
Consolidated profit before income tax	1,246,932	804,688
Assets		
Total assets for reportable segments	10,285,063	7,735,974
Investments in an associate and joint ventures	644,908	487,671
Other unallocated amounts	2,133,023	2,591,183
Consolidated total assets	13,062,994	10,814,828
Liabilities		
Total liabilities for reportable segments	3,969,468	3,131,434
Other unallocated amounts	1,813,683	712,920
Consolidated total liabilities	5,783,151	3,844,354

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

<i>Geographical information</i>	Consolidated financial statements			
	Revenues		Non-current assets	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Thailand	2,766,613	1,928,898	5,096,013	4,330,845
Singapore	2,580,049	2,550,826	5,632,344	4,160,441
Investments in associates and joint ventures	-	-	644,908	487,671
Total	5,346,662	4,479,724	11,373,265	8,978,957

Major customer

Revenues from six customers of the Group's segment 1, 2 and 3 represents approximately Baht 3,103.14 million (2018: Baht 2,018.46 million) of the Group's total revenue.

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for marine transportation business. The Group has been granted several privileges including exemption and reduction from payment of income tax on the net profit derived from promoted operations with curtailed terms and conditions prescribed in the promotional certificates.

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Consolidated financial statements

<i>Year ended 31 December</i>	Promoted businesses	2019 Non- promoted businesses	Total	Promoted businesses	2018 Non- promoted businesses	Total
			<i>(in thousand Baht)</i>			
Oversea revenue	1,542,289	3,327,015	4,869,304	1,451,864	2,602,386	4,054,250
Local revenue	1,538,301	1,772,246	3,310,547	1,184,682	1,660,458	2,845,140
Eliminations	(1,750,027)	(1,083,162)	(2,833,189)	(1,383,538)	(1,036,128)	(2,419,666)
Total	1,330,563	4,016,099	5,346,662	1,253,008	3,226,716	4,479,724

Separate financial statements

<i>Year ended 31 December</i>	Promoted businesses	2019 Non- promoted businesses	Total	Promoted businesses	2018 Non- promoted businesses	Total
			<i>(in thousand Baht)</i>			
Oversea revenue	847,927	-	847,927	694,691	-	694,691
Local revenue	254,879	695,468	950,347	273,327	776,541	1,049,868
Total	1,102,806	695,468	1,798,274	968,018	776,541	1,744,559

The Group applies the practical expedient not to disclose revenue expected to be recognised in the future related to performance obligations that are unsatisfied as at 31 December 2019 when it is initially expected that the contracts have original durations of one year or less.

22 Other income

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Investments income				
- Dividend income	2,492	-	406,781	321,286
- Interest income	11,504	20,436	6,417	15,727
	13,996	20,436	413,198	337,013
Office management fee	13,612	-	13,612	-
Demurrage	9,072	5,553	-	-
Insurance claim received	4,208	735	86	-
Gains on disposal of fixed assets	2,410	44,122	95	43,998
Others	14,754	21,618	9,188	2,431
Total	58,052	92,464	436,179	383,442

23 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
Note	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Wages, salaries and bonus	947,817	804,250	200,620	177,649
Defined benefit plans	14,312	5,385	2,731	1,762
Defined contribution plans	29,495	26,677	4,855	4,970
Others	76,144	68,431	16,005	12,987
Total	1,067,768	904,743	224,211	197,368

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Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and by the Group at rates ranging from 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

24 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		<i>(in thousand Baht)</i>			
Employee benefit expenses	23	1,067,768	904,743	224,211	197,368
Charter hire		944,651	970,730	608,302	694,645
Bunker consumption		835,560	747,666	2,131	24,797
Depreciation and amortisation	13, 15	639,928	501,922	211,372	178,748
Management fees		300,683	358,690	512,813	499,961
Maintenance fees		160,597	177,967	17,539	30,323
Insurance of fixed assets		81,177	77,775	10,576	8,331
Rental fees		6,639	19,328	4,051	4,060
Loss on liquidation of subsidiary and joint venture		26,762	-	3,689	-
(Reversal of) impairment losses on investment		-	(24,119)	-	44,760
Others		22,769	23,548	1,641	17,756
Total cost of sales of goods, distribution costs and administrative expenses		4,086,534	3,758,250	1,596,325	1,700,749

25 Income tax

	Consolidated financial statements		Separate financial statements	
<i>Income tax recognised in profit or loss</i>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	99,680	38,051	-	13,121
Adjustment for prior years	1,307	908	-	268
	100,987	38,959	-	13,389
Deferred tax expense				
Movements in temporary differences	23,451	19,303	12,020	(7,315)
Total	23,451	19,303	12,020	(7,315)
Total income tax expense	124,438	58,262	12,020	6,074

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Income tax recognised in other comprehensive income

Consolidated financial statements					
	Before tax	2019 Tax expense	Net of tax (in thousand Baht)	Before tax	2018 Tax expense Net of tax
Defined benefit plan actuarial gains	-	-	-	11,833	(2,231)
Total	-	-	-	11,833	(2,231)

Separate financial statements					
	Before tax	2019 Tax expense	Net of tax (in thousand Baht)	Before tax	2018 Tax expense Net of tax
Defined benefit plan actuarial gains	-	-	-	3,643	(729)
Total	-	-	-	3,643	(729)

Reconciliation of effective tax rate

Consolidated financial statements			
	Rate (%)	2019 (in thousand Baht)	2018 (in thousand Baht)
Profit before income tax expense		1,246,932	804,688
Income tax using the Thai corporation tax rate	20.00	249,386	160,938
Effect of different tax rates in foreign jurisdictions		(12,314)	589
Difference in effective tax rate of investments in associates and joint ventures		(18,407)	(30,070)
Income not subject to tax		(84,309)	(82,918)
Taxable income		-	7,057
Expenses not deductible for tax purposes		2,090	9,428
Expenses with additional deduction for tax purpose		(12,004)	(6,126)
Recognition of previously unrecognised tax losses		(305)	(1,544)
Current year losses for which no deferred tax asset was recognized		(1,006)	-
Under provided in prior years		1,307	908
Total	9.98	124,438	58,262

Separate financial statements			
	Rate (%)	2019 (in thousand Baht)	2018 (in thousand Baht)
Profit before income tax expense		622,299	388,329
Income tax using the Thai corporation tax rate	20.00	124,460	77,666
Income not subject to tax		(106,511)	(85,004)
Taxable income		-	7,057
Expenses not deductible for tax purposes		1,712	6,469
Expenses with additional deduction for tax purpose		(7,641)	(382)
Under provided in prior years		-	268
Total	1.93	12,020	6,074

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<i>Deferred tax</i> At 31 December	Consolidated financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	60,941	70,890	(97,928)	(84,426)
Set off of tax	(37,679)	(70,890)	37,679	70,890
Net deferred tax assets (liabilities)	23,262	-	(60,249)	(13,536)

	Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	17,416	32,057	(35,281)	(37,902)
Set off of tax	(17,416)	(32,057)	17,416	32,057
Net deferred tax liabilities	-	-	(17,865)	(5,845)

	Consolidated financial statements		
	(Charged) / credited to		
	At 1 January 2019	Profit or loss (in thousand Baht)	At 31 December 2019
<i>Deferred tax assets</i>			
Property, plant, equipment and vessels	47,523	(1,946)	45,577
Investment in joint venture	10,577	(10,577)	-
Other long-term investments	4,855	-	4,855
Non-current provisions for employee benefits	7,935	2,574	10,509
Total	70,890	(9,949)	60,941
<i>Deferred tax liabilities</i>			
Property, plant, equipment and vessels	(62,190)	(15,091)	(77,281)
Other intangible assets	(22,236)	1,589	(20,647)
Total	(84,426)	(13,502)	(97,928)
Net	(13,536)	(23,451)	(36,987)

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Consolidated financial statements

(Charged) / credited to

	At 1 January 2018	Acquired through business combinations	Profit or loss (in thousand Baht)	Other Comprehensive income	At 31 December 2018
<i>Deferred tax assets</i>					
Property, plant, equipment and vessels	36,363	18,924	(7,764)	-	47,523
Investment in joint venture	-	-	10,577	-	10,577
Other long-term investments	8,918	-	(4,063)	-	4,855
Non-current provisions for employee benefits	5,527	3,715	924	(2,231)	7,935
Total	50,808	22,639	(326)	(2,231)	70,890
<i>Deferred tax liabilities</i>					
Property, plant, equipment and vessels	(42,696)	-	(19,494)	-	(62,190)
Other intangible assets	-	(22,753)	517	-	(22,236)
Total	(42,696)	(22,753)	(18,977)	-	(84,426)
Net	8,112	(114)	(19,303)	(2,231)	(13,536)

Separate financial statements

(Charged) /
credited to

	At 1 January 2019	Profit or loss (in thousand Baht)	At 31 December 2019
<i>Deferred tax assets</i>			
Property, plant, equipment and vessels	19,683	(4,610)	15,073
Investment in joint venture	10,577	(10,577)	-
Non-current provisions for employee benefits	1,797	546	2,343
Total	32,057	(14,641)	17,416
<i>Deferred tax liabilities</i>			
Property, plant, equipment and vessels	(37,902)	2,621	(35,281)
Total	(37,902)	2,621	(35,281)
Net	(5,845)	(12,020)	(17,865)

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	At 1 January 2018	Separate financial statements (Charged) / credited to		At 31 December 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Property, plant, equipment and vessels	24,293	(4,610)	-	19,683
Investment in joint venture	-	10,577	-	10,577
Other long-term investments	1,625	(1,625)	-	-
Non-current provisions for employee benefits	2,173	352	(728)	1,797
Total	28,091	4,694	(728)	32,057
Deferred tax liabilities				
Property, plant, equipment and vessels	(40,523)	2,621	-	(37,902)
Total	(40,523)	2,621	-	(37,902)
Net	(12,432)	7,315	(728)	(5,845)

26 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht / thousand shares)			
Profit attributable to ordinary shareholders of the Company (basic)	1,023,385	711,821	610,279	382,255
Number of ordinary shares outstanding at 1 January	2,500,000	2,500,000	2,500,000	2,500,000
Weighted average number of ordinary shares outstanding (basic) at 31 December	2,500,000	2,500,000	2,500,000	2,500,000
Basic earnings per share (in Baht)	0.41	0.28	0.24	0.15

Prima Marine Public Company Limited and its Subsidiaries
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27 Dividend

The shareholders of the Company have approved dividends as follows:

The Company

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2019</i>				
Annual dividend	19 April 2019	May 2019	0.14	350
Interim dividend	13 November 2019	December 2019	0.06	150
<i>2018</i>				
Annual dividend	26 April 2018	May 2018	0.10	250

Subsidiaries

At the Board of Directors' meeting of Singha Tankers Company Limited held on 9 August 2019, the directors approved the appropriation of interim dividends for the year 2019 of Baht 31.185 per share, amounting to Baht 300 million. The dividend was paid to shareholders on 14 August 2019.

At the annual general meeting of shareholders of Singha Tankers Company Limited held on 25 April 2018, the shareholders approved the appropriation of dividends from annual net profit for the year 2017 of Baht 105.96 per share, amounting to Baht 320 million. The interim dividend of the same amount was paid to the shareholders on 20 July 2017. Thus, there was no additional dividend payment.

At the Board of Directors' meeting of Nathalin Management Company Limited held on 11 December 2019, the directors approved the appropriation of interim dividends for the year 2019 of Baht 117.65 per share, amounting to Baht 10 million. The dividend was paid to shareholders on 16 December 2019.

At the Board of Directors' meeting of Nathalin Management Company Limited held on 30 September 2018, the directors approved the appropriation of interim dividends for the year 2018 of Baht 176.47 per share, amounting to Baht 15 million. The dividend was paid to shareholders on 27 November 2018.

At the annual general meeting of shareholders of Nathalin Management Company Limited held on 20 April 2018, the shareholders approved the appropriation of dividends from annual net profit for the year 2017 of Baht 70.59 per share, amounting to Baht 6 million. The interim dividend of the same amount was paid to the shareholders on 27 June 2017. Thus, there was no additional dividend payment.

At the Board of Directors' meeting of N.T.L. Marine Co., Ltd. held on 11 December 2019, the directors approved the appropriation of interim dividends for the year 2019 of Baht 6.65 per share, amounting to Baht 70 million. The dividend was paid to shareholders on 16 December 2019.

At the Board of Directors' meeting of N.T.L. Marine Co., Ltd. held on 1 November 2018, the directors approved the appropriation of interim dividends for the year 2018 of Baht 14.69 per share, amounting to Baht 140 million. The dividend was paid to shareholders on 27 November 2018.

At the annual general meeting of shareholders of N.T.L. Marine Co., Ltd. held on 18 April 2018, the shareholders approved the appropriation of dividends from annual net profit for the year 2017 of Baht 12.75 per share, amounting to Baht 45 million. The interim dividend of the same amount was paid to the shareholders on 20 July 2017. Thus, there was no additional dividend payment.

At the Board of Directors' meeting of Nathalin Shipping Pte. Ltd. held on 3 September 2019, the directors approved the appropriation of interim dividends for the year 2019, of US dollars 0.32 per share, amounting to US dollars 5.184 million or equivalent to Baht 157.63 million. The dividend was paid to shareholders on 25 September 2019.

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28 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 16). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivatives, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific borrowings.

Interest rate swap agreements

The Group has entered into an interest rate swap agreement to fix its interest rate exposure by exchanging the interest at rate of LIBOR+1.75% to LIBOR+3.25% per annum with interest at the rate of 4.11% to 4.56% per annum and is repayable in quarterly installments at 20 to 32 equal installments starting from May 2011 up to March 2024.

Foreign currency risk

The Group is exposed to foreign currency risk relating to rendering of services which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

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At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Cash and cash equivalents	305,936	326,738	305,936	326,738
Trade accounts receivable	40,998	7,885	43,535	7,651
Restricted deposits at financial institution	166	174,709	166	174,709
Long-term loans to a related party	87,953	94,658	-	-
Interest-bearing liabilities	(1,327,768)	(302,714)	(1,327,768)	(302,714)
Trade accounts payable	(36,991)	(24,197)	(13,871)	(10,239)
Gross balance sheet exposure	(929,706)	277,079	(992,002)	196,145
<i>Currency swaps</i>				
Currency forwards purchase	91,260	661,146	-	-
Net exposure	(838,446)	938,225	(992,002)	196,145

Forward foreign exchange contract

As at 31 December 2019, the Group has outstanding forward foreign exchange contracts of US dollars 3 million, which have settlement period from January 2020 to September 2020.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Prima Marine Public Company Limited and its Subsidiaries
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	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value (in thousand Baht)	Carrying amount	Fair value
31 December 2019				
<i>Financial asset and financial liability not measured at fair value</i>				
Interest rate swap agreements	-	(10,677)	-	(12,603)
Forward foreign exchange contract	-	(1,263)	-	-
Long-term loans to related party	87,953	88,010	-	-
Long-term loans from financial institutions	(4,765,549)	(4,698,313)	(2,300,479)	(2,275,688)
31 December 2018				
<i>Financial asset and liability not measured at fair value</i>				
Interest rate swap agreements	-	31,119	-	4,548
Forward foreign exchange contract	-	(8,272)	-	-
Long-term loans to related party	94,658	92,563	-	-
Long-term loans from financial institutions	(2,929,218)	(2,464,708)	(321,550)	(279,272)

Financial instruments not measured at fair value

Type	Valuation technique
Interest rate swaps	Determined based on rate from financial institution at the reporting date which is calculated from information of an active market.
Forward foreign exchange contract	Determined based on rate from financial institution at the reporting date which is calculated from information of an active market.
Long-term loans to related party	Discounted cash flows.
Long-term loans from financial institutions	Discounted cash flows.

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29 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Vessels	165,306	726,201	-	-
Total	165,306	726,201	-	-
Future minimum lease payments under non-cancellable operating leases				
Within one year	847	1,700	149	140
After one year but within five years	122	50	-	-
Total	969	1,750	149	140
Other commitments				
Forward foreign exchange contract	91,260	661,146	-	-
Interest rate swap agreements	151,395	127,975	92,527	14,257
Bank guarantees	135,355	14,700	106,605	6,440
Total	378,010	803,821	199,132	20,697

Guarantees

Guarantees given by the Group to other parties related to marine transportation and port service as a collateral for transportation service and expenses from service rendering.

30 Events after the reporting period

At the Board of Director's meeting of the Company held on 24 February 2020, the directors approved to propose the appropriation of dividends from annual net profit for the year 2019 of Baht 0.14 per share, amounting to Baht 350 million. The dividend payment is subject to the shareholders' meeting for approval.

31 Thai Financial Reporting Standards (TFRS) not yet adopted

New TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases

* TFRS - Financial instruments standards

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(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled. The impact from adoption of TFRS – Financial instruments are as follows:

(i) Classification – Financial assets

TFRS 9 classifies financial assets into three categories: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The standard eliminates the existing classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105. The classification under TFRS 9 will be based on the cash flow characteristics of the financial asset and the business model in which they are managed.

Under TFRS 9, derivatives will be measured at FVTPL. It shall replace current accounting policies of the Group on recognition when the derivatives were exercised.

(ii) Impairment – Financial assets and contract assets

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas currently the Group estimates allowance for doubtful account by analyzing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Transition

The Group expects to initially adopt these TFRS by adjusting the impact to retained earnings or other component of equity on 1 January 2020. Therefore, the Group will not apply the requirements of these TFRS to comparative information.

The preliminary impact assessment of initially applying TFRS – Financial instruments on the financial statements is as follows:

	Consolidated financial statements	Separate financial statements
Statement of financial position		
At 1 January	2020	2020
	<i>(in thousand Baht)</i>	
Increase in deferred tax assets	2,773	2,521
Increase in derivative liabilities	(11,939)	(12,603)
Increase in deferred tax liabilities	(385)	-
Decrease in retained earnings	9,410	10,082
Decrease in non-controlling interests	141	-

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(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases in profit or loss on a straight-line basis over the term of the lease, and recognised liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in Note 16. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

Transition

The Group plans to apply TFRS 16 initially on 1 January 2020, using the modified retrospective approach. Therefore, the cumulative effect of adopting TFRS 16 will be recognised as an adjustment to the retained earnings at 1 January 2020, with no restatement of comparative information.

The preliminary impact assessment of initially applying TFRS 16 on the financial statements is as follows:

	Consolidated financial statements	Separate financial statements
	2020	2020
	<i>(in thousand Baht)</i>	
<i>Statement of financial position</i>		
<i>At 1 January</i>		
Increase in right-of-use assets	332,030	196,178
Decrease in property, plant, equipment and vessels	(322,572)	(196,178)
Increase in deferred tax assets	40	-
Decrease in finance lease liabilities	288,775	188,434
Increase in lease liabilities	(298,434)	(188,434)
Decrease in retained earnings	141	-
Decrease non-controlling interests	20	-

Definition

Otherwise specified in this document, the following words have meanings as per below.

The Company	means	Prima Marine Public Company Limited
The Company Group	means	Prima Marine Public Company Limited, its subsidiaries, associates and joint venture company
NTL	means	N.T.L. Marine Company Limited
TMT	means	Thaimarine Tanker Company Limited
NMC	means	Nathalin Management Company Limited
NSSG	means	Nathalin Shipping Pte Ltd.
BSC	means	BSC Management Seafarer Recruitment Company Limited
Big Sea	means	Big Sea Company Limited
SHT	means	Singha Tankers Company Limited
BMS	means	Bongkot Marine Services Company Limited
TNTL	means	TOP-NTL Pte. Ltd.
TST	means	TOP-NTL Shipping Trust
TNS	means	TOP Nautical Star Company Limited
TIM	means	T.I.M. Ship Management Company Limited
TMN	means	TMN Company Limited
Nathalin	means	Nathalin Company Limited
PTT	means	PTT Public Company Limited
Trading Business	means	Oil and Petrochemical Tanker Business
FSU Business	means	Floating Storage Unit (“FSU”) Business
Offshore Business	means	Offshore Support Vessel Business
SM Business	means	Ship Management Business
DWT/ Deadweight Tonnage	means	is the unit used to define vessel load consisting of weight of cargo, weight of fuel, fresh water, passenger and preserved foodstuff (Dead-weight Tonnage)
Tanker	means	Oil and Petrochemical Tanker
FSU Vessel	means	Floating Storage Unit Vessel for crude oil and refined oil product
FSO Vessel	means	Floating Storage and Offloading Vessel for petroleum exploration and production
AWB	means	Accommodation Work Barge for oil drilling rig staffs
AHTs Vessel	means	Anchor Handling Tugs Vessel

Double Hull Vessel	means	Vessel that has double layers of hull
Single Hull Vessel	means	Vessel that has single layer of hull
Medium Range (MR)	means	Tanker in the size between 25,000 - 45,000 DWT
Aframax	means	Tanker in the size between 80,000 - 120,000 DWT
VLCC	means	Very Large Crude Carrier in size of 160,000 - 320,000 Deadweight Tonnage
Cargo	means	Crude oil, refined oil product, and Liquefied Petroleum Gas
Seaman	means	All staffs who operate on board
SPOT Storage Contract	means	Cargo storage contract under Spot Charter
TC Storage Contract	means	Cargo storage contract under Time Charter
VOYAGE Shipment	means	Shipment under Voyage Charter
SPOT Shipment	means	Shipment under Spot Charter
TC Shipment	means	Shipment under Time Charter
COA Shipment	means	Shipment under Contract of Affreightment for continual shipment service
Bareboat	means	Shipment under Bareboat
ABS	means	American Bureau of Shipping
BL	means	Bill of Lading
Broker	means	The person who performs the supply of vessels or cargos.
BV	means	Bureau Veritas
CAGR	means	Compound Annual Growth Rate
DNV GL	means	Det Norske Veritas and Germanischer Lloyd
GDP	means	Gross Domestic Product
EMA	means	Energy Market Authority
EPA	means	US Environment Protection Act
NBTC	means	Office of the National Broadcasting and Telecommunication Commission
IACS	means	International Association of Classification Societies
ILO	means	International Labour Organization
IMDG	means	International Maritime Dangerous Goods Code
IMF	means	International Monetary Fund

IMO	means	International Maritime Organization
ISM Code	means	International Safety Management Code
LR	means	Lloyd's Register
MARPOL	means	The International Convention for the Prevention of Pollution from Ships, MARPOL
MLC	means	Maritime Labour Convention
NGLs	means	Natural Gas Liquids
NK	means	Nippon Kaiji Kyokai
OCIMF	means	Oil Companies International Marine Forum
STS Transfer	means	Ship-to-Ship Transfer
SIRE	means	Ship Inspection Report Program
SOLAS	means	International Convention for Safety of Life at Sea
STC	means	Srithai Capital Company Limited
STCW	means	Convention of Standard of Training, Certification and Watchkeeping for Seafarers (STCW)




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