



# ANNUAL REPORT 2015

รายงานประจำปี 2558



**WE EMPHASIZE  
ON TIME AND QUALITY**



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



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## FINANCIAL HIGHLIGHT 2015

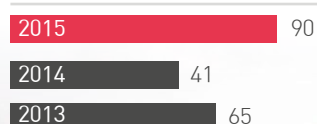
	2015	2014	2013
<b>Financial Data</b>			
Total Assets	530	586	563
Total Liabilities	89	206	189
Total Shareholders' Equity	441	380	374
Service Income	757	591	702
Total Revenue	766	608	720
Gross Profit	268	161	188
Net Profit (Loss)	90	41	65

	2015	2014	2013
<b>Financial Ratio</b>			
Net Profit Margin (%)	11.77	6.68	9.10
Return on Equity (%)	21.97	10.75	19.10
Return on Asset (%)	16.16	7.06	10.48
Book Value per Share (Baht)	1.71	1.47	1.45
Net Profit per Share (Baht)	0.35	0.16	0.25



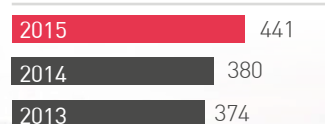
### Net Profit

Unit : Million Baht



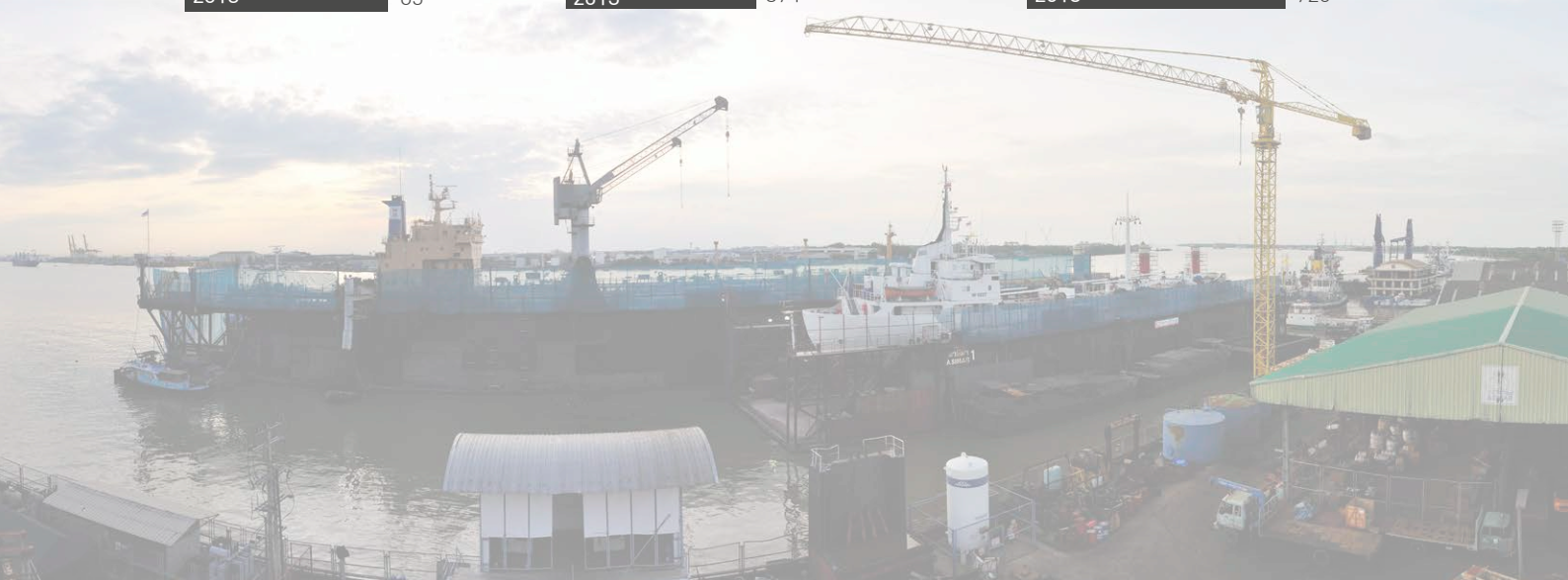
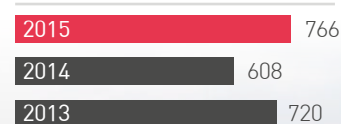
### Total Shareholder's Equity

Unit : Million Baht



### Total Revenues

Unit : Million Baht





## VISION & MISSION

### VISION :

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

### MISSION :

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

- Clients : Well-received outcomes and complete client satisfaction
- Shareholders : Target returns on investment to their satisfaction
- Employees : Human resources development with opportunities for career advancement and good quality of life
- Environment and Community : Participation in environmental and social development activities







## QUALITY & STANDARD

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

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

## MESSAGE FROM THE CHAIRMAN



*2015 was a year of great success for Asian Marine Services Public Company Limited as its performance recorded the highest net profit of the past 10 years, which exceeded the set target. The Company was able to meet its deadline for delivery of ships, control costs to well within the set budget, while also maintaining its share of the market for ship repairs as well as achieving target growth.*

In addition, the Company placed more emphasis on management of capital and liquidity which are an important part of building sustainable growth. It was able to control risks at an appropriate level to the state of the economy as well as achieve its targets for management efficiency development. It also enhanced its Corporate Governance Policy and Guidelines in order to strengthen the confidence of all its stakeholders. It actively supported CSR activities in order to demonstrate its commitment, dedication and responsibility toward the community, society as well as the environment.

On behalf of the Board of Directors, I would like to thank our shareholders, clients, trading partners and all the other concerned parties who have supported our operation, as well as our management and employees at every level whose dedication has contributed to the Company's success. Finally I would like to say that I firmly believe the Company has great potential for further expansion and growth with continuing cooperation and support from all those concerned always.

A stylized, handwritten signature in black ink, consisting of several loops and a final flourish.

Prakit Pradipasen  
Chairman





**We Emphasize on  
Time and Quality**

CORPORATE SOCIAL  
RESPONSIBILITY (CSR)



ASIMAR is firmly committed to sustainable social and environmental development to their full potential in order to foster a good quality of life for the community, provide happiness to the community and society, promote good citizenship amongst its employees, encouraging them to be creative and supportive of activities for the community and society. In 2015, key activities and projects were the following:



## Protect the World by Giving back to the Community, Society and the Environment

- Participated in the Beautiful Clean Canal Project organized by the Laem Fa Pha Municipality in collaboration with the Harbour Department and other government agencies in honour of Her Royal Highness Princess Maha Chakri Sirindhorn. The Company provided a vessel to help collect waste and garbage in the Sanphasamit Canal.
- Participated in the Visit the Elderly Project whereby the Company would accompany nursing personnel to visit the homes of the elderly in nearby communities to provide health checks and advice on general health care.
- Collaborated with the Laem Fa Pha Municipality to hand out free garbage bags to residents of Soi Amphoe Community, Banrai Community and other nearby communities as well as conducting campaigns to promote waste sorting.

## Promotion of Education for Children of Employees and the Community

- The Company presented 21 scholarships to the children of employees who were high achieving students on 15 May, 2015.
- Supported the Children's Day celebration by presenting gifts to 16 schools, communities and government agencies in surrounding areas; as well as hosting a Children's Day function in front of the Company's office and providing electrical power to the Klong Mai Community of Moo 3, Laem Fa Pha Sub-district, Phra Samut Chedi District, Samut Prakan Province.



## A Gift of One to Many

- The Company advocated blood donations to the Thai Red Cross Society to encourage the gift of life to those in need of blood. Blood donations were organized on 15 January, 21 April, 2 July and 17 August in 2015.

## Promotion of Dharma

- Every month, the Company organized a merit-making ceremony for staff to offer food to Buddhist monks from temples in the surrounding communities, as well as Dharma sermons in order that they may have a moral compass to guide them as good Buddhists.
- Provided joint sponsorship for the ordination of novices in the "Dharma in the Heart" program at Wat Rakhang Kositaram Woramahawihan during 8-19 April, 2015 for the sixth year.



## Asimar Family

- The Company replaced the roof tiles for the family of Thongsuk and Suphaporn Tancharoen, both employees of the Company, with Thongsuk working in Production Support and Suphaporn in the office of ASIMAR Marine.





## BOARD OF DIRECTOR



**Mr. Prakit Pradipasen**  
Chairman and  
Independent Director

**Age : 73 Year**

### Education

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

### Work Experience Present

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

**Number of Shares (18/03/15) : 200,200**

**% of Total Shares : 0.08**

**Appointing Date : 30/03/1995**



**Mr. Sutham Tanpaibul**  
Director and Chairman of  
Executive Director

**Age : 83 Year**

### Education

- High School  
Assumption Commerce

### Work Experience Present

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

**Number of Shares (18/03/15) : 28,644**

**% of Total Shares : 0.01**

**Appointing Date : 03/03/1995**



**Mr. Chinsuk Viravan**  
Independent Director and  
Chairman of Audit Committee

**Age : 71 Year**

**Education**

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

**Work Experience Present**

- Independent Director and  
Chairman of Audit Committee  
Asian Marine Services PCL.
- Executive Director  
Viravan Co., Ltd.
- Independent Director and  
Chairman of Audit Committee (2004- 2007)  
Eastern Commercial Leasing PCL.

**Number of Shares (18/03/15) : -**

**% of Total Shares : -**

**Appointing Date : 24/08/2011**



**Mr. Sribhumi Sukhanetr**  
Independent Director, Audit Committee,  
Chairman of Nominating and Remuneration Committee

**Age : 83 Year**

**Education**

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

**Work Experience Present**

- Independent Director and Audit Committee  
Asian Marine Services PCL.
- Chairman  
Gosakon Co., Ltd.  
Chairman of the Honorary Consul of Thailand  
Honorary President Telecommunication  
Association of the Thailand Under  
The Royal Patronage  
Honorary Consul of the Principality Monaco
- Director  
The Foundation For The Crown Prince Hospitals  
Asia-Pacific Development Center on Disability
- Advisor Director  
The Support Arts and Crafts International Center  
of Thailand (Public Organization)

**Number of Shares (18/03/15) : -**

**% of Total Shares : -**

**Appointing Date : 26/04/1995**





**Mrs. Warawan Nganthavee**  
Managing Director  
and Executive Director

**Age : 56 Year**

**Education**

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

**Work Experience Present**

- Managing Director  
Asian Marine Services PCL.
- Managing Director (2001 - 2004)  
Seatran Ferry Co., Ltd.

**Number of Shares (18/03/15) : 1,124,960**

**% of Total Shares : 0.44**

**Appointing Date : 09/09/2003**



**Mr. Vibul Panitvong**  
Director, Executive Director,  
Nominating and Remuneration Committee

**Age : 71 Year**

**Education**

- MBA  
Florida University, USA
- BA  
Kasetsart University

**Work Experience Present**

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

**Number of Shares (18/03/15) : 16,700,041**

**% of Total Shares : 6.47**

**Appointing Date : 30/03/1995**



**Mr. Sutsep Tanpaibul**  
Director and Executive Director

**Age : 79 Year**

**Education**

- Diploma  
Rajamangala Institute of Technology Bangkok  
Technical Campus

**Work Experience Present**

- Executive Director  
Asian Marine Services PCL.
- Production Director (2003)  
Asian Marine Services PCL.

**Number of Shares (18/03/15) : 32,310**

**% of Total Shares : 0.013**

**Appointing Date : 30/03/1995**



**Mr. Sutin Tanphaibul**  
Director and Executive Director

**Age : 77 Year**

**Education**

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

**Work Experience Present**

- Executive Director  
Asian Marine Services PCL.
- Managing Director  
Tanpaibul Co.,Ltd. (Holding Company)
- Director  
Seatran Ferry Co.,Ltd.  
Seatran Port Co.,Ltd.
- Managing Director (2002 - 2003)  
Asian Marine Services PCL.

**Number of Shares (18/03/15) : -**

**% of Total Shares : -**

**Appointing Date : 03/07/1998**





**Mr. Prawat Chanruang**  
Director and Nominating  
and Remuneration Committee

**Age : 77 Year**

**Education**

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

**Work Experience Present**

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

**Number of Shares (18/03/15) : 9,271,597**

**% of Total Shares : 3.59**

**Appointing Date : 26/11/2001**



**Dr. Bumroong Chinda**  
Independent Director and Audit Committee

**Age : 79 Year**

**Education**

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

**Work Experience Present**

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

**Number of Shares (18/03/15) : -**

**% of Total Shares : -**

**Appointing Date : 06/06/2000**



**Dr. Nonn Panitvong**  
Director and Executive Director

**Age : 39 Year**

**Education**

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

**Work Experience Present**

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

**Number of Shares (18/03/15) : 5,500,000**

**% of Total Shares : 2.13**

**Appointing Date : 04/06/2002**



## MANAGEMENT TEAM



**Mr. Suradej Tanpaibul**  
Deputy Managing Director

**Age : 42 Year**

### Education

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

### Work Experience Present

- General Manager  
Asian Marine Services PCL.
- Category Development Manager (2008 - 2009)  
Procter & Gamble Trading (Thailand) Limited
- Unit Manager (2007 - 2008)  
Procter & Gamble Trading (Thailand) Limited
- Marketing Strategy & Planning Manager (2006 - 2007)  
Procter & Gamble Trading (Thailand) Limited
- Trade Development Manager (2004 - 2006)  
Gillette Thailand Limited

**Number of Shares (18/03/15) : -**

**% of Total Shares : -**

**Appointing Date : 01/10/2015**



**Mr. Niti Prathumtin**  
General Manager

**Age : 44 Year**

### Education

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

### Work Experience Present

- Assistant General Manager  
Asian Marine Services PCL.
- Assistant Vehicle Division Manager (2012 - 2014)  
Saha Pathanapibul PCL.
- Assistant Surveyor (ESP and Lifeboat Inspection)  
(2007 - 2012)  
K.P.SHIP MANAGEMENT CO., LTD.

**Number of Shares (18/03/15) : -**

**% of Total Shares : -**

**Appointing Date : 01/10/2015**



**Mr. Thawat Tanacharroenthawat**  
Acting for Production Department Manager

**Age : 42 Year**

**Education**

- MBA Transport and Logistics management  
Burapha University
- Bachelor Degree Bachelor of Art (Political Science)  
Ramkhamhaeng University
- Marine Engineer  
Merchant Marine Training Centre

**Work Experience Present**

- Acting for Production Department Manager
- Project Manager New Shipbuilding (2012-2014)
- Assistant Production Manager Department  
(Shipbuilding) (2011)  
Asian Marine Services PCL.

**Number of Shares (18/03/15) : -**

**% of Total Shares : -**

**Appointing Date : 15/01/2015**



**Mr. Wasin Wacharapinyo**  
Marketing Senior Department Manager

**Age : 53 Year**

**Education**

- Technical Diploma in Marine Engineering  
Singapore Polytechnic

**Work Experience Present**

- Marketing Senior Department Manager  
Asian Marine Services PCL.
- Ship Surveyor (2001 - 2010)  
Nippon Kaiji Kyokai (Class NK)

**Number of Shares (18/03/15) : -**

**% of Total Shares : -**

**Appointing Date : 01/07/2010**





**Mrs.Arome Sajjawisoe**  
Material Service Department Manager

**Age : 62 Year**

**Education**

- High School  
Sriboonyanon School

**Work Experience Present**

- Material Service Department Manager  
Asian Marine Services PCL.
- Material Service Division Manager (2005 - 2011)  
Asian Marine Services PCL.

**Number of Shares (18/03/15) : -**

**% of Total Shares : -**

**Appointing Date : 31/01/2012**



**Ms.Rapeepan Piboonsilp**  
Finance and Accounting Department Manager

**Age : 42 Year**

**Education**

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

**Work Experience Present**

- Finance and Accounting Department Manager  
Asian Marine Services PCL.
- Finance Executive (2006)  
AC Nielsen (Thailand ) Ltd.
- Senior Accountant (1993 - 2005)  
Jong stit Co.,Ltd.

**Number of Shares (18/03/15) : -**

**% of Total Shares : -**

**Appointing Date : 01/04/2011**



**Mr. Erawat Phrommachan**  
Human Resource and  
Administration Department Manager

**Age : 39 Year**

**Education**

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

**Work Experience Present**

- Human Resource and Administration  
Department Manager  
Asian Marine Services PCL.
- Information Technology Division Manager (2008 - 2013)  
Asian Marine Services PCL.

**Number of Shares (18/03/15) : -**

**% of Total Shares : -**

**Appointing Date : 01/08/2013**



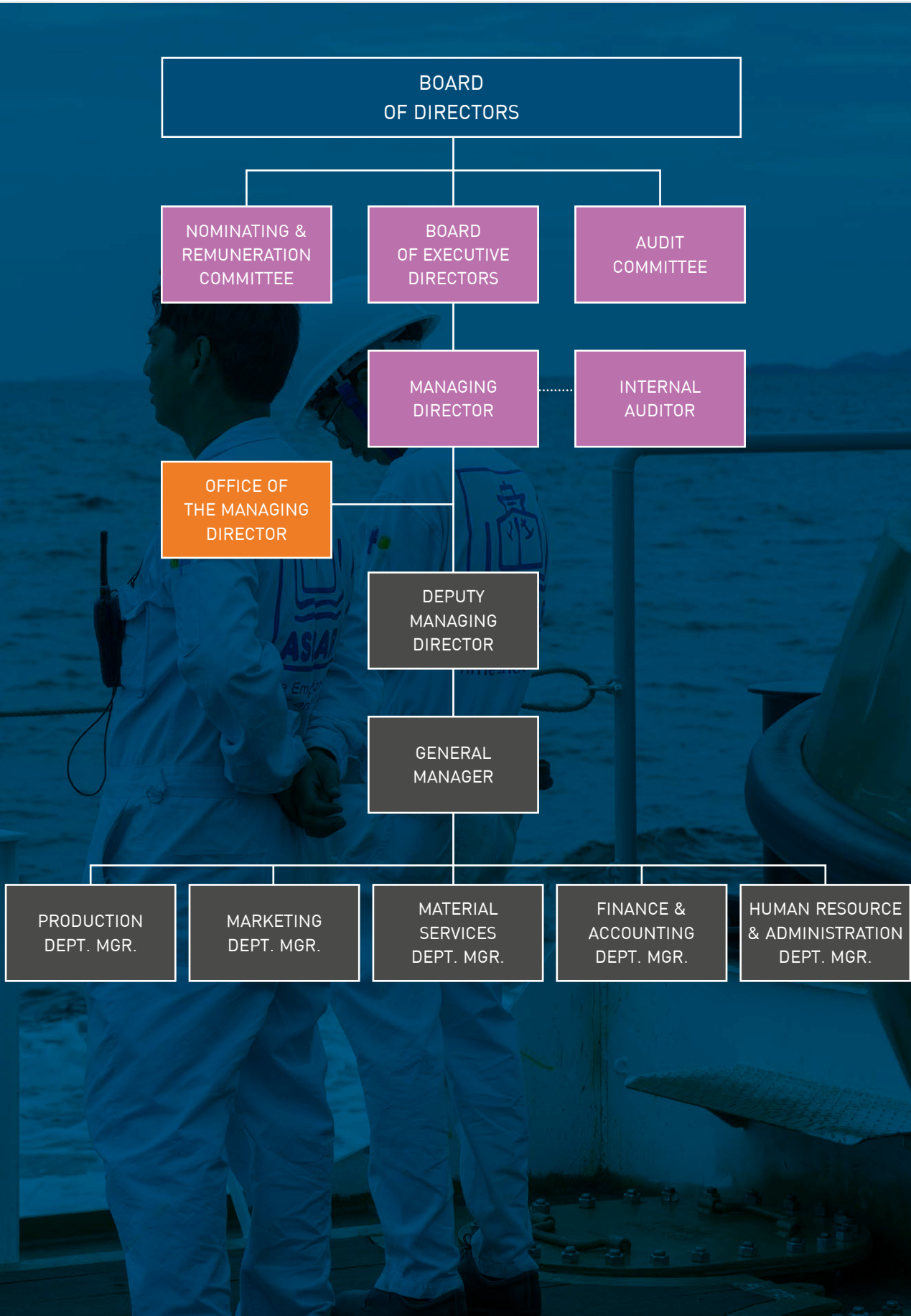


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## ORGANIZATION CHART

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AS AT 31 DECEMBER 2015





## HISTORY AND SIGNIFICANT DEVELOPMENTS



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

**In 1996**, the Company was awarded a government procurement contract to build 3 patrol gunboats for the Royal Thai Navy worth THB 808 million. Moreover, the Company's ordinary shares were approved as registered share capital for trading in the Stock Exchange of Thailand. The Company later registered the closing of its branch at Soi Suksawad 49 and moved the Asimar 1 floating dock to the same location as Asimar 2 at the Company's current headquarters.

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

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

**In 2004**, the Company established a subsidiary, Asimar Marine Co., Ltd., as an in - house sub - contractor to manage skilled - specific works. This year, the company was able to win contracts to repair the Chulabhorn, a vessel belonging to the Department of Fisheries, at THB 42 million; the Naval Dockyard Department's Soopairin ship worth THB 28.5 million; and the KALAMINJA MT401 vessel from the Maldives worth THB 42 million.

**In 2005**, the Company entered a joint venture with GLOBECO S.P.A. of Italy, one of the world's leading companies in waterway waste - management, to establish Ecomarine Co., Ltd. (Subsidiary) whose major business focuses on providing pollution and waste disposal services in waterways such as water hyacinth, garbage and oil spills, etc. to both public and private sector clients in Thailand and in Asia. The Company builds the vessels used in providing these services.

**In 2006**, the Company jointly signed a contract with GATI LIMITED of India worth USD13.4 million to build a 442 TEU cargo ship and has allocated additional budget for the procurement of various machinery and improvement of its plant area in order to develop and increase its potential in the shipbuilding industry to better respond to demands in the domestic and international markets.

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

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

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

**In 2007**, the Company completed building the structure of a 442 TEU cargo ship - the largest ever to be commissioned in Thailand, for GATI LIMITED of India, which commenced in 2006 and is due to be delivered in 2008. In addition the Company also signed another two contracts: with SERBA PACIFIK SDN.BHD of Malaysia to convert a container ship into an offshore operations support vessel; and with ALMANSOORI PRODUCTION SERVICE LLC. of the United Arab Emirates to build a petroleum exploration vessel.

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Ecomarine Co., Ltd.**

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

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

In 2013, On 15 January 2013, signed a contract to build 6 Lighter Barge vessels for Angthone Sugar Terminal Co. Ltd., valued at 93.17 million Baht with a timeline of 1 Year.

On 11 April 2013, handed over the Lighter Barge vessel No.1 - 2 for Angthone Sugar Terminal Co. Ltd.,

On 15 November 2013, handed over the Lighter Barge vessel No.3 - 4 for Angthone Sugar Terminal Co. Ltd.,

On 16 December 2013, handed over the offshore submarine operations support vessel. for K.A. AL - GOSAIBI DIVING AND MARINE SERVICES COMPANY of Saudi Arabia.

### **Ecomarine Co., Ltd.**

On 16 June 2013, signed a contract to channel depth modification work at GLOW SPP3'S coal harbor for Glow SPP3 Co. Ltd., valued at 32.49 million Baht with a timeline on 21 June 2013 and ended on 9 November 2013.

Commissioned by the Electricity Generating Authority of Thailand (Maemoh) to shipbuilding Air Boat vessel, valued at 695,000 Baht with a timeline on 24 August 2013 and ended on 26 November 2013.

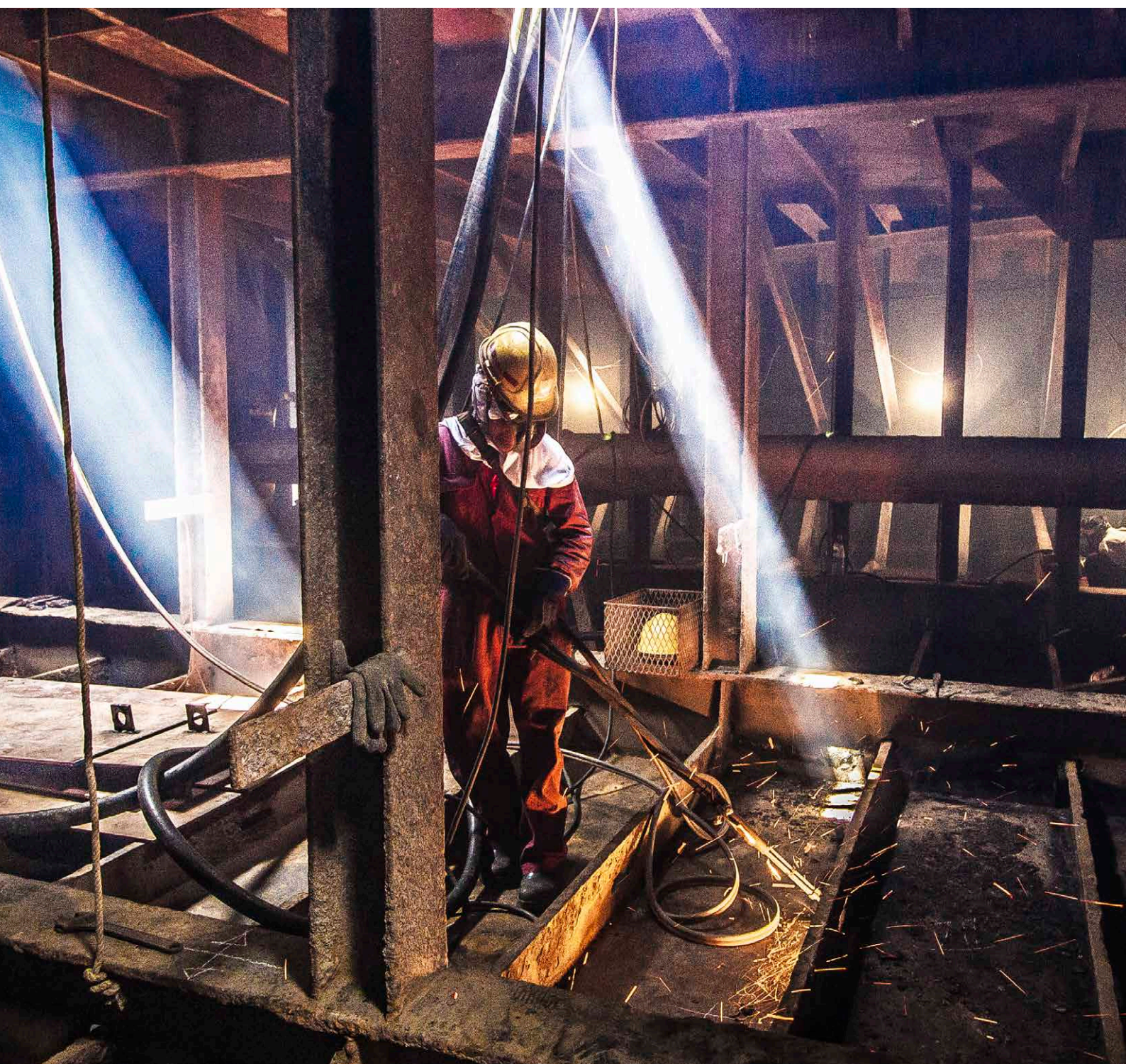
**In 2014,** On 17 February 2014, signed a contract to build 1 Tugboat vessels for Port Authority of Sihanoukville valued USD 6.30 million with a timeline of 18 month.

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



## Ecomarine Co., Ltd.

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





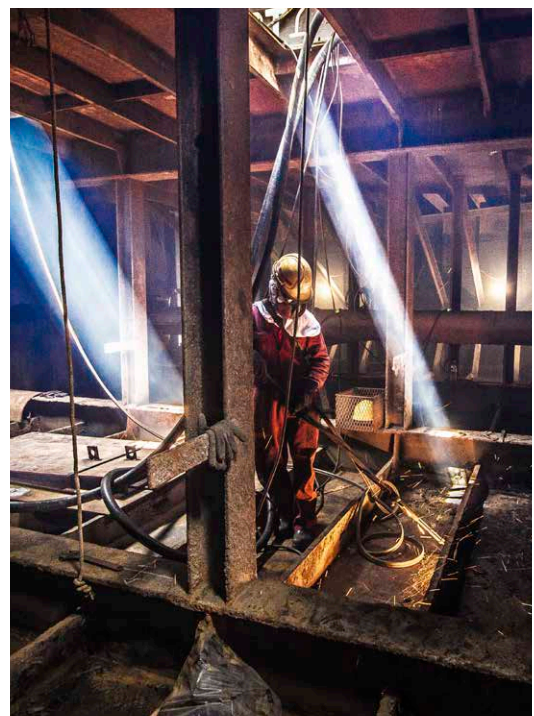
## ACHIEVEMENTS AND MAJOR EVENTS IN 2015

### Asian Marine Services PCL.

- 4 August 2015 Delivered the Tug boat to Port Authority of Sihanoukville valued USD 6.30 million.
- 7 August 2015 The company launched the 12 MT BUOY TENDER vessel of Port Authority of Thailand.
- 17 August 2015 Ship commissioning Ceremony at Port Authority of Sihanoukville, Cambodia.
- 3 September 2015 Delivered the 12 MT BUOY TENDER vessel to Port Authority of Thailand valued 349.60 million Baht.
- 26 September 2015 Received the Award of “Premium Products of Thailand Year 2015” under the category of standard shipbuilding of Sea Vessels from Ministry of Industry Thailand.

### Ecomarine Co., Ltd.

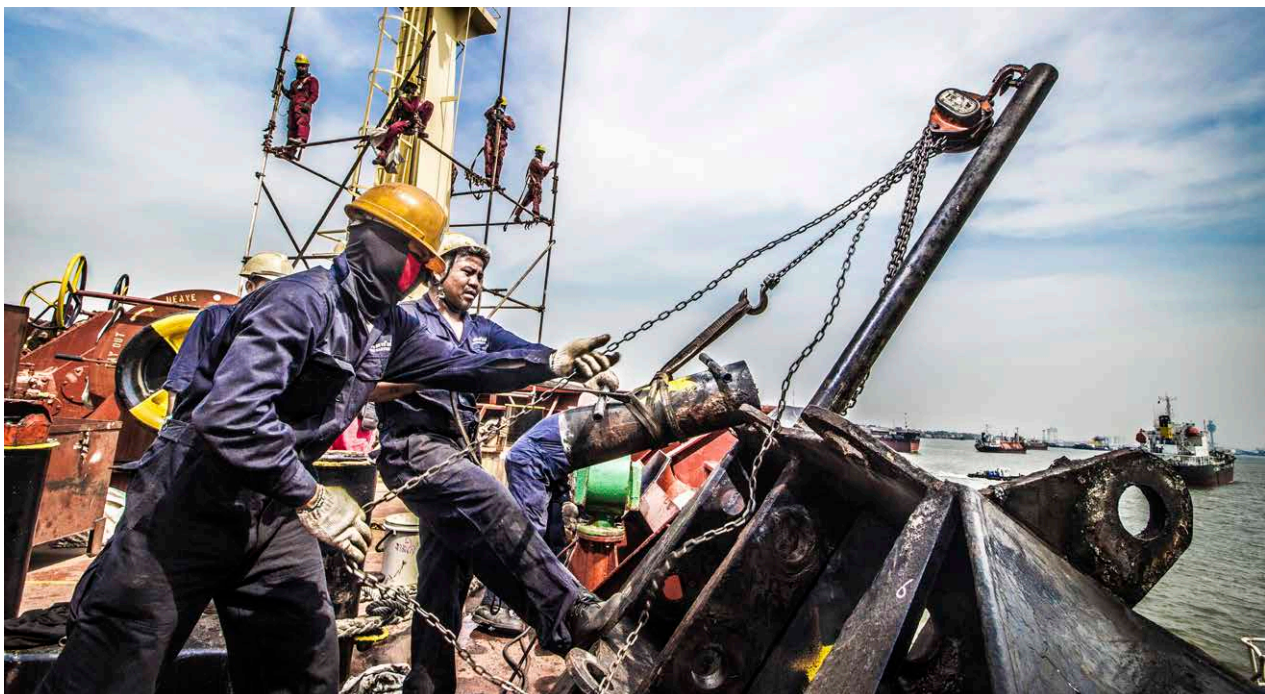
- 5 February 2015 Signed a contract of 4 paddle wheel vessels at Department of Public Works and Town & Country Planning for the period of 241 days valued at 45.90 million Baht.
- 21 August 2015 Delivered 4 paddle wheel vessels of Department of Public Works and Town & Country Planning valued at 45.90 million Baht.



## BUSINESS OVERVIEW OF THE COMPANY AND AFFILIATES

### Major Businesses

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



### 1. Ship Repair

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

## 2. Shipbuilding

The Company is entrusted by local and international customers to build a variety of special purpose vessels such as Naval Patrol Gunboats, Underwater Cable Inspection vessel of Califa Algosibi and Marine Services Co., Ltd., the antipollution vessels of Esso Standard (Thailand) Co., Ltd. and Shell (Thailand) Co., Ltd. The 442 TEU container ship, the largest cargo ever built in Thailand, was delivered to GATI LIMITED. The 50 metre Offshore Support & Maintenance Vessel from the United Arab Emirates. The Bollard Pull Tractor Tug for 30 MT and Bollard Pull Tractor Tug for 40 MT from Port Authority of Thailand. The Transshipment Barge from Inter Stevedoring 7 Co., Ltd. The Lighter Barge from Talay Thai Transportation 2 Co. Ltd. and Angthone Sugar Terminal Co. Ltd., The 60 meter Offshore submarine operations support vessel from K.A. AL-GOSAIBI DIVING AND MARINE SERVICES COMPANY. Tug Boat of Port Authority of Sihanoukville, BUOY TENDER for 12 MT of Port Authority of Thailand.

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

## 3. Ship Conversion

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



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

## 4. Engineering Work

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

### Important Equipments

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

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

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

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

### General Service Providing:

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

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

## INVESTMENT IN SUBSIDIARIES

### Nature of Business

#### General Marine Co., Ltd.

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

#### Asimar Marine Co.,Ltd.

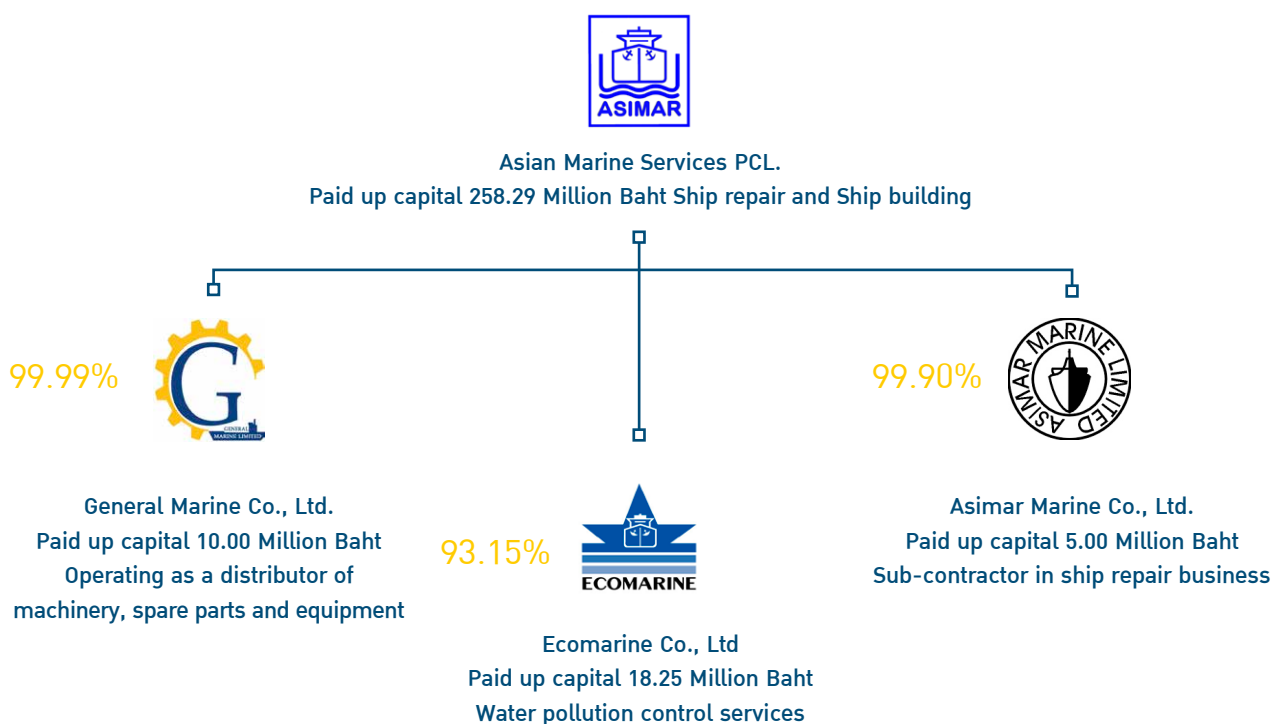
The Company is a sole shareholder in Asimar Marine Ltd. conducts business as ship repair contractor to the Company due to growing demand of the workforce in the market. The Company has great intention to develop highly skilled workforce to meet the standards set forth by Ship Classification Society.

#### Ecomarine Co., Ltd.

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

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

### ASIMAR Group structure as of 31 December 2015



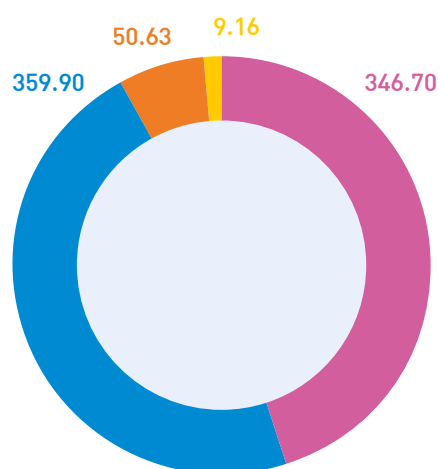
## REVENUE STRUCTURE

## ASIMAR AND AFFILIATES INCOME STRUCTURE

(Unit: Thousand Baht)

Revenue categories	2015		2014		2013	
	Amount	%	Amount	%	Amount	%
Ship repair	346,700	45.24	351,100	57.78	298,800	41.51
Ship building	359,900	46.96	232,600	38.28	369,200	51.29
Subsidiary company income	50,631	6.61	7,578	1.24	33,666	4.68
Other revenues *	9,161	1.20	16,388	2.70	18,140	2.52
Total	766,392	100.00	607,666	100.00	719,806	100.00

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



## REVENUE STRUCTURE

● SHIP REPAIR	346.70	MILLION BAHT
● SHIP BUILDING	359.90	MILLION BAHT
● SUBSIDIARY COMPANY	50.63	MILLION BAHT
● OTHER REVENUES	9.16	MILLION BAHT



## COMPETITIVE ENVIRONMENT AND INDUSTRY TREND

### Industry Trend

The general global economic outlook is expected to register growth over 2015 from new market economies and developing countries which show clear signs of improvement while the economic situation in developed countries also reported continuing growth, especially the US economy which is expected to be further boosted by the relaxed financial conditions and a strong labour market despite the impacts of a stronger US dollar and falling oil prices on the manufacturing and energy sectors. For the Euro - based economies, it is projected that the easing financial situation and falling oil prices will stimulate private sector spending to counter the weakening of the export sector. As at end of January 2016, the IMF projected global economic growth at 3.4 percent with risks from the acceleration of the slowdown of the Chinese economy and further strengthening of the US dollar.

As for Thailand's economy, it is expected that in 2016 there will be higher growth than in 2015 due to the momentum of various economic stimulus measures and public sector investment spending, especially investment in the large infrastructure projects which have become more visible, rendering higher confidence in the business sector as well as spurring investment. It is expected that growth of the tourism sector will continue to thrive while the weakening of the baht should have positive impacts on exports. Risk factors in 2016 to bear in mind should be the economic recovery in our trading partners, the drought situation and the delays in expending the public sector budget. The National Economic and Social Development Board (NESDB) has predicted that the Thai economy will grow by 2.8 - 3.8 percent in 2016.

The general global and national economic overview and trends in 2015 - 2016 had significant impacts on the ship - building industry, especially on the market for offshore vessels which directly suffered from the decline in oil prices. The vessels were laid up and repairs and regular maintenance were reduced or suspended. So were plans to build new vessels. The demand for oil vessels in the domestic market rose and was not affected by the decrease in the number of vessels as the number of vessels as at the end of 2015 was close to the number in 2014.

Data Thai merchant fleet Years 2003 - 2015							
Years	Dry cargo vessels		Liquid cargo vessels		Total		The growth rate of freight (%)
	vessels	DWT	vessels	DWT	vessels	DWT	
2003	165	2,531,310.00	139	542,794.00	304	3,074,104.00	8.4
2004	184	3,138,659.00	145	536,571.00	329	3,675,230.00	19.6
2005	201	3,422,495.00	158	528,998.00	359	3,951,493.00	7.5
2006	178	3,156,439.00	176	552,248.00	354	3,708,687.00	-6.1
2007	169	2,985,169.00	178	547,290.00	347	3,532,459.00	-4.8
2008	233	3,255,691.00	249	724,623.00	482	3,980,314.00	12.7
2009	207	2,603,200.00	270	1,096,764.00	477	3,699,964.00	-7.0
2010	198	2,389,963.00	285	2,051,268.00	483	4,441,231.00	20.0
2011	185	2,221,150.00	287	2,124,171.00	472	4,345,321.00	-2.2
2012	190	2,173,252.00	290	2,630,257.00	480	4,803,509.00	10.5
2013	190	2,295,460.00	292	3,396,869.00	482	5,692,329.00	18.5
2014	190	2,421,306.00	290	2,840,535.00	480	5,261,841.00	-7.6
2015	181	2,301,539.00	295	3,163,601.00	476	5,465,140.00	3.9

Opportunities remain in the domestic market for shipbuilding works for the public sector as there is a need to acquire new and more modern vessels by many government agencies. With increased potential growth and a higher number of capable shipyards, competition in the industry is heightened and has resulted in the need for greater business development, effective cost management, as well as improved operational efficiency in order to increase competitiveness.

As for the ship repair industry, economic factors have compelled Thai ship owners to allocate a limited budget for repairs and maintenance. Price competition remains fierce especially with the sharp decline in the number of foreign clients.

## GENERAL INFORMATION

### Asian Marine Services Public Company Limited

Head Office and Plant Location	: 128 Moo 3 Suksawad Rd., Laemfapa, Prasamutjedee, Samutprakarn 10290 Thailand
Type of Business	: Ship Repair and Ship Building Register No. 0107538000185
Tel	: (662) 815 - 2060 - 7
Fax	: (662) 453 - 7213 - 4
Home Page	: <a href="http://www.asimar.com">www.asimar.com</a>
Paid up Capital	: Baht 258,291,087

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

Head Office and Plant Location	: 128 Moo 3 Suksawad Rd., Prasamutjedee, Laemfapa, Samutprakarn 10290, Thailand
Type of Business	: Operating as a distributor of machinery, spare parts and equipment
Tel	: (662) 815 - 2060 - 7
Fax	: (662) 453 - 7213 - 4
Paid - up Capital	: Baht 10,000,000

### Asimar Marine Company Limited

Head Office and Plant Location	: 128 Moo 3 Suksawad Rd., Prasamutjedee, Laemfapa, Samutprakarn 10290, Thailand
Type of Business	: Ship repair subcontractor to Asian Marine Services PCL.
Tel	: (662) 815 - 2060 - 7
Fax	: (662) 453 - 7213 - 4
Paid - up Capital	: Baht 5,000,000

### Ecomarine Company Limited

Head Office and Plant Location	: 128 Moo 3 Suksawad Rd., Laemfapa, Prasamutjedee, Samutprakarn 10290, Thailand
Type of Business	: Water pollution control service
Tel	: (662) 815 - 2060 - 7
Fax	: (662) 453 - 7213 - 4
Home Page	: <a href="http://www.ecomarine.com">www.ecomarine.com</a>
Paid - up Capital	: Baht 18,250,000

## Other reference persons

Share Registrar	: Thailand Securities Depository Co., Ltd. Registrar Department 93 The Stock Exchange of Thailand Building, 1 <sup>st</sup> Floor Ratchadaphisek Road, Dindaeng, Bangkok 10400 , Thailand Tel : (662) 009 - 9000
Auditor	: Dharmniti Auditing Co., Ltd. 267/1 Pracharaj Sai 1 Road,Bangsue, Bangkok, 10800, Thailand. Tel: (662) 587 - 8080 Mr. Pichai Dachanapirom Certified Public Accountant (Thailand) No. 4891
Internal Auditor	: Srilerk Limited Partnership 208/132 Phothong Tower, 3th Floor, Chaengwattana Rd., Bangkhen Talad, Laksi, Bangkok,10210 Thailand Tel : (662) 973 - 4908
Legal Office	: CROSSROADS SOLUTION PTE LIMITED 1055/828 - 829 State Tower Bangkok, 36th Floor, Silom Road, Silom, Bangrak ,Bangkok,10500 Thailand. Tel : (662) 630 - 8120 - 1



## RISK FACTORS

### 1. Risk associated with Business uncertainty

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

### 2. Risk associated with lack of workforces

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

### 3. Risk associated with land lease contract renewal

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

### 4. Risks associated with Exchange Rate Volatility

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

### 5. Risks associated with Production Cost

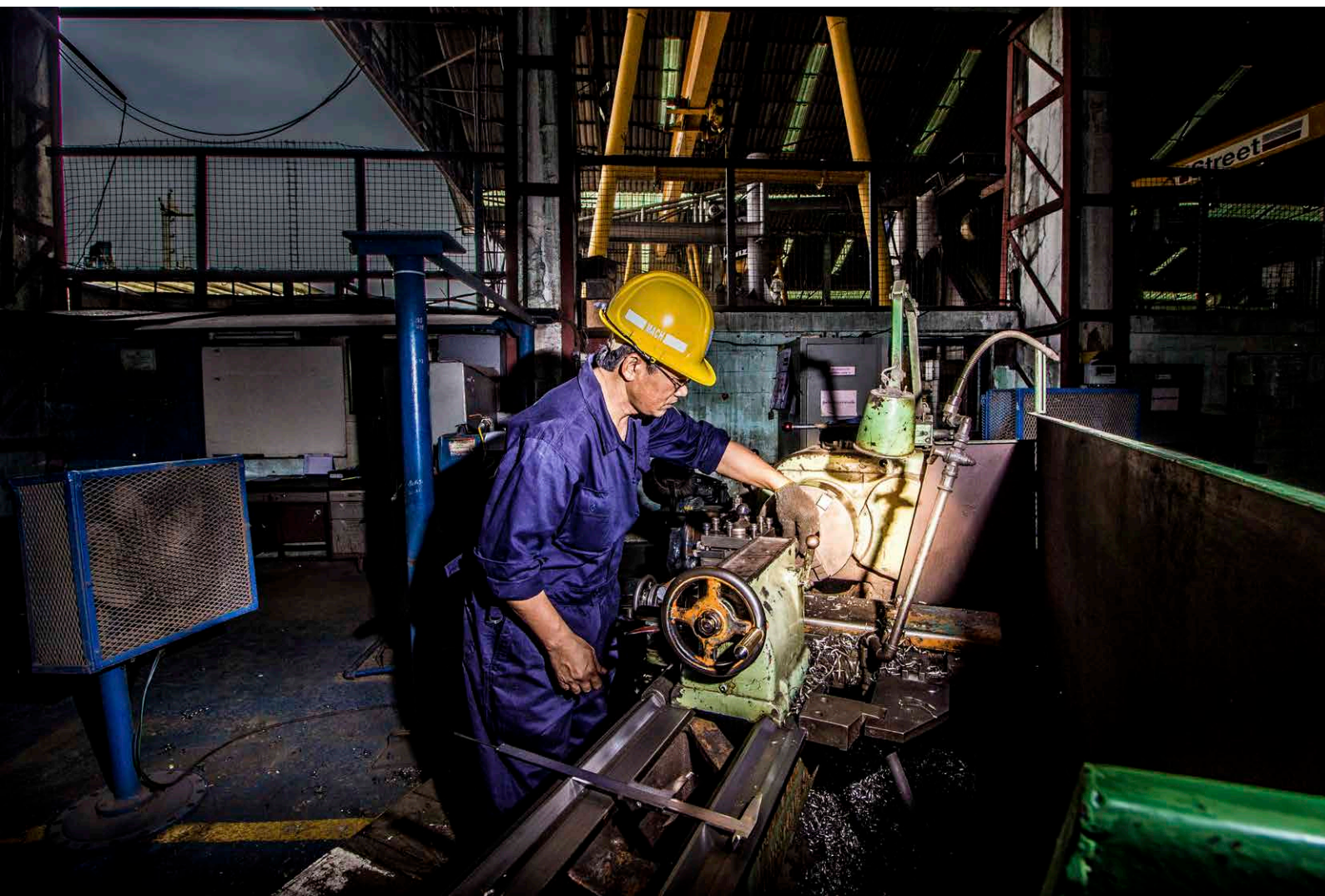
During the year, prices of several categories of material rose significantly. A prominent influence was the increase in global oil prices. Material used in the business is steel plate, machinery, paint, pipe, valve and welding wires. The Company limits the risk by escalating the service tariff in some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

## 6. Risks associated with Liquidity

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

## 7. Risks associated with Accidents

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



## MAJOR SHAREHOLDERS AND EXECUTIVES

### 1. List of Major Shareholders

As of 18 March 2015 (Latest registrar closing date)

Name	As of 18 March 2015	
	Number of shares	%
1. Panitvong Group	47,100,041	18.24
2. Tanpaibul Group	46,041,020	17.83
3. Mr.Surin Banyongpongler	11,956,800	4.63
4. Mr.Prawat Chanruang	9,271,597	3.59
5. Mr.Tavee Changpetch	5,500,000	2.13
6. Mr.Somkiat Tangkitanan	4,132,820	1.60
7. Ms.Somjit Taraamornrat	2,797,970	1.08
8. Mr.Kiat Srichomkwan	2,615,000	1.01
9. Mr.Pichet Maneerattanaporn	2,500,000	0.97
10. Thai NVDR Company Limited	2,464,951	0.95
<b>Total</b>	<b>134,380,199</b>	<b>52.03</b>

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

### 2. Dividend Policy

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

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



## MANAGEMENT AND CORPORATE GOVERNANCE

### 1. Management Structure

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

#### Board of Directors

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

#### Board Secretary

1. Mr. Auychai Tivirach

#### Authorized directors

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

#### Board of Directors' duties and responsibilities

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

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

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

## Board of Executive Directors consists of

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

## Duties and Responsibilities of the Board of Executive Directors

1. Jointly responsible with the Company's management in considering and scrutinizing business targets, strategic plans, financial and budget plans as well as key policies for submission to the Company's Board of Directors for approval.
2. Scrutinize work plans and supervise the performance of executives of the Company to ensure adherence to the work plans and achievement of the set targets as efficiently as possible in the prescribed guidelines pertaining to quality and standards.
3. Provide advice in matters at the request of the Company's management.
4. Promote an appropriate risk management system for the Company, and have in place a contingency plan in case of critical situations, including regularly reviewing and improving such plans.
5. Supervise the Company's compliance with the required regulations of the Stock Exchange of Thailand and other relevant legislation.
6. Review internal audits or initiate investigations into suspected or alleged misconduct or corruption, as well as take appropriate actions to rectify defective or damaging situations of material significance and report these to the Board of Directors for further consideration.
7. Consider and/or make recommendations to management regarding matters of importance to the Company such as personnel administration, information technology, marketing, etc.
8. Appoint and supervise sub - committee members, advisors and working groups to be responsible for different issues as assigned by the Board of Directors and/or the Board of Executive Directors.
9. The Board of Executive Directors is authorised to invite Company executives or other concerned parties to give statements or provide useful information or attend meetings of the Board of Executive Directors.
10. Perform other assignments or specific ad - hoc tasks as directed by the Board of Directors.
11. Approve the assignment, appointment, removal, disciplinary action, termination of employment, increment, promotion, transfer or salary reduction of staff at all levels outside the authority of the Managing Director.
12. Approve tenders, price quotations or conclusion of contracts to repair or build ships or other construction projects worth more than 50 million Baht but not exceeding 300 million Baht.
13. Approve procurements, including construction costs, of infrastructure and equipment, materials and durable articles as well as all other relevant costs worth more than 10 million but not exceeding 50 million Baht per item.
14. Approve the Executive Manual as well as any amendment or addendum specifically relating to the authority of the Managing Director.

## Audit Committee

The audit committee consists of

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

## Audit Committees Secretary

Mr. Supalerk Khodchachiratkul General Manager Srilerk Limited Partnership

## Duties and Responsibilities of the Audit Committee

1. Review the Company's financial statements to ensure the information therein is accurate and sufficient.
2. Review and supervise the Company's internal control system, risk management system to notified of the clues and complaints appropriately.
3. Review the internal audit of the company to ensure that these are appropriate and effective, as well as promote the independence of internal audit units including the appointment, transfer and termination of employment of the head of internal audit or any other units which may have an internal audit function, Including attending the participation of the meeting with head of internal audit units at lest once a year without company's management.
4. Examine and ensure the Company's compliance with laws and regulations of the Stock Exchange of Thailand and Stock Exchange Commission, as well as any other legislation relevant to the Company's business,including operating the code of conducts and regulation of the company.
5. Select, nominate and appoint independent qualified persons as auditors and determine their remuneration, including attending meetings with such auditors without the participation of the Company's management at least once a year.
6. Consider issues of relevance or items which may constitute a conflict of interest to ensure strict compliance with the law and regulations of the Stock Exchange of Thailand, in order to instil confidence that such items were reasonable and in the Company's best interest.
7. Prepare the Audit Committee's Report which is published in the Company's Annual Report. This report must be signed by the Chair of the Audit Committee and must have the structure and content as prescribed by the Stock Exchange of Thailand.
8. Carry out other tasks as assigned by the Board of Directors with the Audit Committee's approval.



## Nominating and Remuneration Committee

The Nominating and Remuneration committee consists of

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

## Duties and Responsibilities of the Selection Committee

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

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

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

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

6. Perform other assignments concerned with the selection of candidates for the position of a Director or Managing Director as instructed by the Board of Directors.

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

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

### Duties and Responsibilities of the Remuneration Committee

1. Review the corporate strategy regarding remuneration and make its recommendation to the Board of Directors for endorsement. Also review and propose to the Board of Directors incentive measures and rewards for staff in recognition of good performance in both the short and long terms.
2. Make recommendations to the Chief Executive Officer and the Managing Director regarding salary or other benefits for senior executives of the Company.
3. Consider and advise the Board of Directors on matters pertaining to the Company's policy and structure on remuneration, which are designed to provide incentive for better performance and retention of employees who are capable, efficient and have strong potential.
4. Formulate a systematic performance management process for the Board of Directors in evaluating the work performance and capacity of the Chief Executive Officer, Managing Director and Deputy Managing Director, in accordance with the Company's objectives and business targets.
5. Determine the tenure as well as the terms and conditions of employment of the Chief Executive Officer, Managing Director, Deputy Managing Director and similar positions in subsidiary companies, including other remuneration.
6. Review the remuneration package for members of the Board of Directors, in accordance with their duties and responsibilities relative to other companies and in line with the Company's guidelines on remuneration, for submission to the Shareholders' Meeting for approval.
7. Review the annual performance of the Chief Executive Officer, Managing Director, Deputy Managing Director and equivalent positions in subsidiary companies at least once a year by using the Company's performance appraisal form and taking into consideration the views and assessment of the Managing Director.

## Management

1. Mrs. Warawan	Nganthavee	Managing Director
2. Mr. Suradej	Tanpaibul	Deputy Managing Director
3. Mr. Niti	Prathumtin	General Manager
4. Mr. Thawat	Tanacharoenthawat	Acting for Production Department Manager
5. Mr. Wasan	Wacharapinyo	Marketing Senior Department Manager
6. Mrs. Arome	Sajjawisoe	Material Service Department Manager
7. Ms. Rapeepan	Piboonsilp	Finance and Accounting Department Manager
8. Mr. Erawat	Phrommachan	Human resource and Administration Department Manager

## Duties and Responsibilities of the Managing Director

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

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

## Nominating and Remuneration of Directors

### Appointment of Directors of the Company

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

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

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



## GOOD CORPORATE GOVERNANCE

### Section 1 : Rights of Shareholders

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

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

#### Shareholders Meeting

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

- The Company held its 2015 annual general meeting on 3 April 2015 which was attended by 11 of the total of 11 members of the Board of Directors, including the Chairman, Chairman of the Audit Committee, Chairman of Nominating and Remuneration Committee, the Managing Director, the Chief Financial Officer, as well as the auditor.
- The Company sent out notice of the meeting package and the minutes of the last meeting to shareholders 7 days in advance of the meeting date.
- The notice of the meeting was also posted on the Company website [www.asimar.com/](http://www.asimar.com/) Investor Relations 30 days prior to the meeting date, while the Minutes of the 2015 Annual General Meeting was posted on the website 14 days prior to the meeting date.
- For shareholders who found it inconvenient to attend the meeting in person, The Company suggested that they authorize one of the two Independent Director: Mr. Chinsuk Viravan and Mr. Sribhumi Sukhanetr to represent them and vote on their behalf. However, in the 2015 Annual General Meeting, none of the shareholders elected to delegate either Independent Director as their proxy.

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

## Section 2 : Equity of Shareholders

The Company is well aware of shareholders' importance and has a policy to treat all shareholders equitably, fairly and in compliance with relevant laws and regulations. Shareholders may exercise their right to protect their own interests by expressing their views, making recommendations and voting in shareholders meetings. Moreover, shareholders are entitled to participate in key decisions for change in accordance with Company regulations (which are enclosed with the Notice of Meeting Package for the 2016 Annual General Meeting) including in the election of Company Directors - one or many at a time depending on the resolution of the Meeting, in approving remuneration of Directors (details of which are provided in Section 4: Information Disclosure and Transparency) and approving connected business transactions, and in receiving accurate, complete and transparent information which can be examined and audited. The Company also provides the opportunity to shareholders to submit any questions they may have prior to the date of the shareholders meeting, and stipulates that the Directors and Executives must disclose their share holdings as required by law.

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

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

- Company Directors and employees shall strictly adhere to and comply with provisions of the Stock Exchange of Thailand (SET) and the Stock Exchange Commission (SEC) and other relevant legislation, which also pertain to equitable disclosure of information to shareholders and/or the general public.
- Company Directors, Management and employees shall safeguard important confidential information, especially the Company's financial that it is not leaked before being submitted to the SET and SEC and defines the policy of disclosing or reporting the sale, purchase or receipt of such shares, changes of share ownerships to the directors and management to the Board meeting. statement, that could influence investor decision so
- On 18 December 2015, the Company publicized a letter to shareholders through the SET system calling for minority shareholders to submit questions, nominate qualified persons to be selected Directors, as well as propose matters to be included on the agenda via the Company's website. The terms and conditions governing consideration of matters for inclusion in the agenda were provided on the website and the period for submission of motions was from 18 December 2015 to 18 February 2016. However, after the expiration of the said period, the Company did not receive any nomination of any candidates for Company director nor any motion to add matters to the agenda of the meeting.

## Section 3 : Role of Stakeholders

### 1. Policy and Best Practice toward Employees

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

- Establishing a Workers Provident Fund
- Setting up a medical welfare scheme (in addition to Social Welfare entitlements)
- Creating the Asian Marine Services Employees' Savings Cooperatives
- Granting scholarships to employees' children who are good students
- Providing annual medical check ups for staff
- Providing transport to employees to and from work,
- Appointing a staff relations committee to look after staff welfare, and providing a channel for communication so that staff have the opportunity to make suggestions or complaints via a comments and suggestions box.
- Occupational Health and Safety Committee has also been set up to handle workplace health and safety issues for staff, the system's standard of which was developed with the aim to achieve OHSAS 18001 accreditation.
- In 2015, has been an incident with a staff of 30.

### 2. Policy and Best Practice toward Shareholders

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

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



### 3. Policy and Best Practice toward Clients

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

### 4. Policy and Best Practice toward Partners and Creditors

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

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

In 2015 the Company did not find any trading partner or employee who contravened this policy.

### 5. Policy and Best Practice toward Society/the Community

#### Policy on Social Responsibility and Community Relations

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

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

In 2015, the company has been involved in caring for employees and communities with

#### Protect the World by Giving back to the Community, Society and the Environment

- Participated in the Beautiful Clean Canal Project organized by the Laem Fa Pha Municipality in collaboration with the Harbour Department and other government agencies in honour of Her Royal Highness Princess Maha Chakri Sirindhorn. The Company provided a vessel to help collect waste and garbage in the Sanphasamit Canal.
- Participated in the Visit the Elderly Project whereby the Company would accompany nursing personnel to visit the homes of the elderly in nearby communities to provide health checks and advice on general health care.
- Collaborated with the Laem Fa Pha Municipality to hand out free garbage bags to residents of Soi Amphoe Community, Banrai Community and other nearby communities as well as conducting campaigns to promote waste sorting.

#### Promotion of Education for Children of Employees and the Community

- The Company presented 21 scholarships to the children of employees who were high achieving students on 15 May, 2015.
- Supported the Children's Day celebration by presenting gifts to 16 schools, communities and government agencies in surrounding areas; as well as hosting a Children's Day function in front of the Company's office and providing electrical power to the Klong Mai Community of Moo 3, Laem Fa Pha Sub - district, Phra Samut Chedi District, Samut Prakan Province.

#### A Gift of One to Many

- The Company advocated blood donations to the Thai Red Cross Society to encourage the gift of life to those in need of blood. Blood donations were organized on 15 January, 21 April, 2 July and 17 August in 2015.

#### Promotion of Dharma

- Every month, the Company organized a merit - making ceremony for staff to offer food to Buddhist monks from temples in the surrounding communities, as well as Dharma sermons in order that they may have a moral compass to guide them as good Buddhists.
- Provided joint sponsorship for the ordination of novices in the "Dharma in the Heart" program at Wat Rakhang Kositaram Woramahawihan during 8 - 19 April, 2015 for the sixth year.

#### Asimar Family

- The Company replaced the roof tiles for the family of Thongsuk and Suphaporn Tancharoen, both employees of the Company, with Thongsuk working in Production Support and Suphaporn in the office of ASIMAR Marine.

## 6. Policy and Best Practice toward the Environment

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

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

## 7. Policy on Business Ethics

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

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

## 8. Policy on Human Rights

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

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

## 9. Policy on Intellectual Property and Copyright

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

### Channels of contact and send complaints to the company

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

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

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

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

## Section 4 : Information Disclosure and Transparency

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

Details	Reference in the Annual Report 2015
<b>4.1 Shareholders' Structure</b>	Shareholders' Structure
<b>4.2 Background and information regarding share holdings by Directors</b>	Background on the Board of Directors
<b>4.3 Background and information regarding share holdings by Executives</b>	Background in the Board of Executive Directors
<b>4.4 Financial position and operating results</b>	The Company's Performance in 2015 and Financial Statements
<b>4.5 Nature of business and competition</b>	Major Businesses, Competitive Environment and Industry Trend
<b>4.6 Risks in business operations</b>	Ri Risk Factors
<b>4.7 Connected business transactions</b>	Connected Transactions

### 4.8 Policy and Guidelines on Remuneration for Directors

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

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

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



#### 4.9 Remuneration for Directors and the Management

Remuneration to Directors for the Year 2015

Unit: Baht

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

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

2. Total Remuneration for 14 \*\*managements is Baht 18.84 Million and \*\*\*Executives who were provident fund members received contributions at the rate of 5 percent

\* Remuneration is paid annually and no allowances.

\*\* Remuneration is paid salary and bonus.

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

#### 4.10 Board of Directors' Meeting

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

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

There was 5 ordinary meetings , Audit Committee 4 ordinary meetings and Nominating and Remuneration Committee 2 ordinary meetings in 2015, each director's attendance in these meetings are as follows:

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

#### 4.11 Policy buy and sell company shares

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

#### 4.12 Changes Held by Directors and Executives in 2015

Name		Shares held as of 31 December 2014	Shares held as of 31 December 2015	Increase/ (Decrease) Purchase - Sale	Percentage of shares held(%)
1. Mr.Prakit Pradipasen Spouse and minor children		200,200	200,200	-	0.08
		-	-	-	-
2. Mr.Sutham Tanpaibul Spouse and minor children		28,644	28,644	-	0.01
		-	-	-	-
3. Mr.Chinsuk Viravan Spouse and minor children		-	-	-	-
		-	-	-	-
4. Mr.Sribhumi Sukhanetr Spouse and minor children		-	-	-	-
		-	-	-	-
5. Mrs.Warawan Nganthavee Spouse and minor children		1,098,460	1,098,460	-	0.43
		-	-	-	-
6. Mr.Vibul Panitvong Spouse and minor children		16,300,041	16,300,041	-	6.31
		8,800,000	8,800,000	-	3.41

Name	Shares held as of 31 December 2014	Shares held as of 31 December 2015	Increase/ (Decrease) Purchase - Sale	Percentage of shares held(%)
7. Mr.Sutep Tanpaibul	30,210	-	(30,210)	-
Spouse and minor children	-	-	-	-
8. Mr.Suthin Tanpaibul	-	-	-	-
Spouse and minor children	-	-	-	-
9. Dr.Bumroong Chinda	-	-	-	-
Spouse and minor children	-	-	-	-
10. Mr.Prawat Chanruang	9,271,597	5,600,000	(3,671,597)	2.17
Spouse and minor children	-	-	-	-
11. Dr.Nonn Panitvong	5,500,000	5,500,000	-	2.13
Spouse and minor children	-	-	-	-
12. Mr. Suradej Tanpaibul	-	-	-	-
Spouse and minor children	-	-	-	-
13. Mr. Niti Prathumtin	-	-	-	-
Spouse and minor children	-	-	-	-
14. Mr. Thawat Tanacharoenthawat	-	-	-	-
Spouse and minor children	-	-	-	-
15. Mr. Wasan Wacharapinyo	-	-	-	-
Spouse and minor children	-	-	-	-
16. Mrs. Arome Sajjawisoe	-	-	-	-
Spouse and minor children	-	-	-	-
17. Ms. Rapeepan Piboonsilp	-	-	-	-
Spouse and minor children	-	-	-	-
18. Mr. Erawat Phrommachan	-	-	-	-
Spouse and minor children	-	-	-	-

**In 2015, the Company's key disclosure activities consisted of**

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

## Section 5 : Responsibilities of the Board of Directors

### 5.1 Policy on Corporate Governance

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

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

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

### 5.2 Policy Code of Conduct for Directors, Executives and Employees

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

- Business operations must strictly comply with the relevant laws and regulations, together with management strategies based on efficiency, effectiveness and transparency.
- Responsibility toward shareholders must be upheld through appropriate returns on investment as well as sufficient and accurate disclosure of the Company's vital information.
- Any conduct which would result in conflict of interests, including disclosure of commercial - in - confidence information as well as use of company information for self interests and/or for the benefit of others, will not be tolerated and violators must duly be punished for such transgression.
- Good relations must be maintained and appropriate treatment of clients and trading partners must always be provided on the basis of integrity.



- Responsibility toward employees must be upheld in compliance with relevant laws and regulations pertaining to employment and labour, as well as staff welfare. Development and training for employees must be promoted, including provision of occupational health and safety measures which can be clearly evaluated and justified.
- Social and environmental awareness and responsibility must be fostered through the compliance with relevant environmental laws and regulations, including support for activities which benefit the community and society as a whole.
- The company has provided a new employee orientation. And has clarified the guidelines to follow Code of Conduct to all employees. Be followed by regular practice. Which year ago Not found to have done wrong Code of Conduct .

### 5.3 Corporate Vision and Mission

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

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

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

<b>Clients :</b>	Well - received outcomes and complete client satisfaction
<b>Shareholders :</b>	Target returns on investment to their satisfaction
<b>Employees :</b>	Human resources development with opportunities for career advancement and good quality of life
<b>Environment and Community :</b>	Participation in environmental and social development activities

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

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

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

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

## 5.4 Corporate Structure

### 5.4.1 The Board of Directors comprises 11 members, namely

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

### 5.4.2 Definition of Independent Directors

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

#### **5.4.3 Combining or Separating Positions**

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

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

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

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

#### **5.4.5 Sub - committees**

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

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

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

### **5.6 Orientation and Knowledge Development for Directors**

#### **Orientation for Directors**

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

### Knowledge Development for Directors

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

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

### Matters not yet Implemented

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



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

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

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

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

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

The Board of Directors authorizes performance evaluation of the Senior Executives

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

### 5.8 Formulation of Plans for Succession to Senior Executive Positions

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

### 5.9 Company Secretary

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

## 5.10 Internal Control and Internal Audit

### Safeguarding Internal Information

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

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

### Perspective Regarding Internal Control

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

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

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

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

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

### **Risk Management**

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

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

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

### **5.11 Board of Directors' Report**

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

## CONNECTED TRANSACTIONS

During the year 2015, the company had connected business transactions with its subsidiary companies and related companies (related by way of common shareholders, directors and/or management) principally in respect of loans, ship repair, lease of land and utilities expenses ending 31 December 2015 the Audit Committee is of the opinion that the aforementioned items were transacted in accordance with the Company's regular business practices and in a reasonable manner. The setting of prices, terms and conditions were done in the same manner as those offered to non-related parties. There were no transfer benefits between the Company, subsidiaries, related companies and shareholders are summarized as below:-

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

	31 Dec 2015 Million Baht	31 Dec 2014 Million Baht	Percentage of holding
<b>Trade account receivable - related parties</b>			
<u>Subsidiary company</u>			
- Ecomarine Co.,Ltd.	0.16	0.46	93.15
<u>Related company</u>			
- Seatran Ferry Co.,Ltd.	9.21	4.46	-
- Seatran Discovery Co.,Ltd.	2.00	-	-
<b>Amounts due from related parties</b>			
<u>Subsidiary company</u>			
- Asimar Marine Co.,Ltd.	4.05	16.05	99.90
- Ecomarine Co.,Ltd.	1.83	4.02	93.15
<u>Related company</u>			
- Seatran Ferry Co.,Ltd.	-	0.04	-
- Seatran line Co.,Ltd.	0.59	-	-
<b>Unbilled complete construction in progress - related parties</b>			
<u>Subsidiary company</u>			
- Ecomarine Co.,Ltd.	0.03	-	93.15
<u>Related company</u>			
- Seatran Ferry Co.,Ltd.	0.75	7.93	-
- Seatran Discovery Co.,Ltd.	0.12	-	-
- Seatran Port Co.,Ltd.	0.70	-	-
<b>Trade accounts payable - related parties</b>			
<u>Subsidiary company</u>			
- General Warehouse Co.,Ltd	4.09	4.59	99.99
- Asimar Marine Co.,Ltd.	10.98	20.32	99.90
- Ecomarine Co.,Ltd.	0.05	-	93.15
<u>Related company</u>			
- Seatran Ferry Co.,Ltd	0.14	-	-



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

(Unit: Million Baht)

	For the years ended 31 December	
	2015	2014
<b>Subsidiary company</b>		
<u>Revenues</u>		
Ship building income	28.00	-
Ship repair income	0.20	0.40
Other income	1.90	2.30
<u>Expenses</u>		
Cost of services	34.70	43.60
Purchase material	0.20	0.30
<b>Related company</b>		
<u>Revenues</u>		
Ship repair income	45.10	36.90
Other income	0.10	-

## The Approval Criteria for Connected Transactions

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

## Tendency on future related parties transactions

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

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

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

X = Directors , XX = Management

## ADDITIONAL INFORMATION REGARDING AUDITOR'S SERVICE FEE

### 1. Audit fee

The company and subsidiaries paid the audit fee to Dharmniti Auditing Co., Ltd. office limited for year 2015 totaling Baht 835,000.00

### 2. Non - audit fee

- No -

## REPORT OF THE AUDIT COMMITTEE

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

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

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

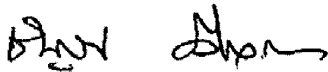
The Audit Committee fully executed its obligations and responsibilities in the framework and guidelines prescribed in its charter, which had been set by the Board of Directors.

In 2015, the Audit Committee held 4 official meetings covering substantive issues as follows:

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

6. In order to ensure that external experts who are brought in to conduct internal audits of the company are efficient and that the objectives of the audits are achieved, the Audit Committee together with relevant officers conducted assessments of the internal audit outcome and internal auditor performance. The assessments found the auditors to be fully effective and the internal auditors have been commissioned to continue their work with the company.
7. The Audit Committee prepared minutes of meetings of the Audit Committee and presented these to the Board of Directors of the company on a regular basis in order to keep the company's board fully informed of its activities and its views on the various issues under its responsibility.
8. The Audit Committee selected, nominated and proposed remuneration for Dharmaniti Auditing Co., Ltd. as the Company's auditor to the Board of Directors for endorsement before proposing the nomination to the 2015 Shareholders' Meeting for approval. It should be noted that Dharmaniti Auditing Co., Ltd. did not provide any other service to the Company in 2015 aside from conducting the audit.

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



Mr. Chinsuk Viravan

Chairman of Audit Committee



## REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

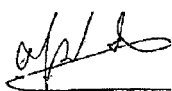
The Nomination and Remuneration Committee consisting of 3 members was appointed by the Board of Directors of the Company. In so doing, the Board appointed one of the Company's Independent Directors as the Chair of the Nomination and Remuneration Committee. The Committee comprises:

Mr Sribhumi	Sukhanetr	Chairman, Nomination and Remuneration Committee
Mr Vibul	Panitvong	Member, Nomination and Remuneration Committee
Mr Prawat	Chanruang	Member, Nomination and Remuneration Committee

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

In 2015, the Nomination and Remuneration Committee met thrice to consider matters under its responsibility, including formulation of plans for the succession to senior executive positions, with emphasis given to qualifications, knowledge, capability, experience, diverse expertise and leadership as well as vision and a positive attitude toward the organization which will have positive impact on the Company's business operation. The Committee also gave consideration as to the appropriate size, structure and composition of the Board of Directors in order to optimize management and promote effective internal control and audit, in compliance with the requirements of regulatory authorities. In determining remuneration for the Board of Directors and senior executives, the Nomination and Remuneration Committee based its consideration on what would be commensurable with the professional obligations, duties and responsibility as well as performance of each position, factoring in the Company's business performance and overall business environment.

As for the remuneration package for the Board of Directors and the senior executives, which is presented under the heading "Remuneration for Directors and Senior Executives in 2015", the Nomination and Remuneration Committee regards this as appropriate and such package has already been considered and approved by the Board of Directors.

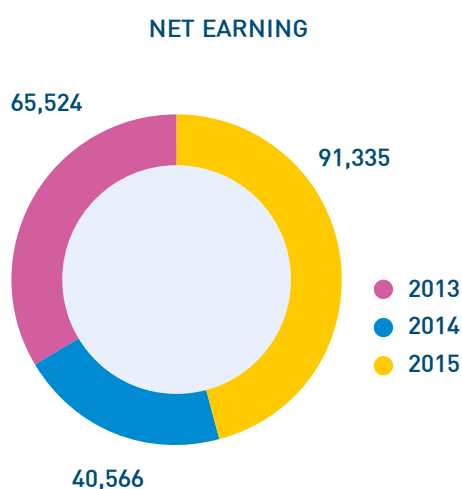


Mr. Sribhumi Sukhanetr

**Chairman, Nomination and Remuneration Committee**

## PERFORMANCE IN 2015

### SUMMARY OF FINANCIAL INFORMATION



### Consolidated Financial Data

Unit: Thousand Baht

	2015	2014	2013
Total Assets	529,815	586,275	564,236
Total Liabilities	89,249	206,058	189,700
Shareholders' Equity	440,567	308,217	374,536
Revenue from services	757,231	591,278	701,666
Revenue from Ship Repair	346,700	351,100	298,800
Revenue from Shipbuilding	359,900	232,600	369,200
Total Revenue	766,392	607,666	719,806
Gross Profit	267,632	161,005	187,748
Net Earning (Loss)	91,335	40,566	65,524

### Financial Ratio

		2015	2014	2013
Net Profit Margin	(%)	11.92	6.68	9.10
Return on Equity	(%)	22.26	10.75	19.10
Return on Asset	(%)	16.42	7.06	10.49
Book Value per share	(Baht)	1.71	1.47	1.45
Earnings per share	(Baht)	0.35	0.16	0.25

The Company's performance in 2014 compared to the previous year posted an increase in revenue from hired services of Baht 165.95 million, or 28.07 percent.

Revenue from ship repair operations and offshore work amounted to Baht 346.70 million—down by Baht 4.40 million or 1.25 percent from the previous year. The decrease can be mainly attributed to offshore work due to the economic situation and oil prices.

Revenue from shipbuilding came to Baht 259.90 million, an increase of Baht 127.30 million or 54.73 percent, mainly derived from revenue recognition of two projects, namely the Tug Boat Project for the Port Authority of Sihanoukville and the Buoy Laying Vessel project commissioned by the Ports Authority of Thailand, both of which were successfully completed and delivered as scheduled in 2015.

Capital costs for hired services totalled Baht 489.60 million - an increase of Baht 59.33 million or 13.79 percent from Baht 430.27 million in 2014, proportionate to the rise in revenue for hired services as the Company was able to implement better costs management and controls vis à vis the set budget resulting in a gross profit of Baht 267.63 million, an increase of Baht 106.62 million.

Expenses from sales amounted to Baht 12.84 million, a slight increase, while administrative expenses amounted to Baht 110.01 million, an increase of Baht 19.70 million or 21.81 percent which were mainly due to personnel expenses which were Baht 18.50 million and exchange rate losses of Baht 4.30 million in the Tug Boat Project for the Port Authority of Sihanoukville.

In 2015, the Company had recognition of losses from revaluation of assets held for sale amounting to Baht 16.32 million based on current market pricing. Meanwhile, financial cost decreased by Baht 2.56 million or 54.35 percent, with the Company posting as at the end of 2015 no liabilities from overdrafts, short term loans or trust receipts due to the fact that trust receipt liabilities were all accredited to the shipbuilding projects which were fully repaid upon project completion and revenue recognition

In summary, the company registered net profit in 2015 of Baht 90.18 million, an increase from the net profit of Baht 40.57 million in the previous year, or an increase of 122.28 percent.

## Financial Statements

### 1. Assets

The Company's assets stood at Baht 529.82 million, a decrease of Baht 56.46 million or 9.63 percent with current assets declining by Baht 4.53 million or 2.31 percent. Significant changes were due to the following:

- Cash and cash equivalent items increased by Baht 37.70 million or 90.54 percent with an increase of bills of exchange of less than 3-months' maturity by a total value of Baht 20.0 million due to revenue recognition of 2 shipbuilding projects which allowed the Company to make short-term investments and increase savings deposit of Ecomarine Company Limited by Baht 15 million from revenue recognition of Ecomarine's project.

- Net trade account receivable depreciated by Baht 15.50 million or 32.52 percent. Most of this was derived from ship repair works which decreased by Baht 17.38 million and were loans of less than 3-months maturity. In 2015 debts of more than 12 months decreased by Baht 2.23 million, the amount of which the Company has made allowance for doubtful accounts.
- Unbilled receivables increased by Baht 3.72 million or 8.48 percent, of which Baht 47.12 million were from ship repair works due to recognized revenue on the basis of deliverables not yet due according their contract.
- Inventory increased by Baht 5.25 million, representing 26.79 percent, due to the two shipbuilding projects being at the stage which required stockpiling more material and equipment in accordance with the set work plan.
- Net property (land, building and equipment) decreased by Baht 13.10 million from the previous year, due mainly to normal depreciation in value over the longer period of time. However, in 2015 the Company has made renovations to its floating dock amounting to Baht 8.10 million as well as acquiring additional machinery and equipment worth Baht 4.81 million in order to prepare for more shipbuilding and ship repair projects in the future.
- Cash deposits with limitations on withdrawal, namely fixed time deposits and savings, decreased by Baht 23.11 million, representing 73.58 percent, in accordance with conditions set in the financial services agreement in the shipbuilding projects which required that each instalment payment must be partly set aside as guarantee with the banks because in 2015 the Company completed 2 projects, the Tug Boat Project for the Port Authority of Sihanoukville and the Buoy Laying Vessel project commissioned by the Ports Authority of Thailand, and was able to withdraw the funds deposited as guarantees with the bank for use as working capital since there were no new projects which required cash deposits with limitations on withdrawal.

## 2. Liabilities

Liabilities and shareholders' equity in 2015 were Baht 89.25 million, a decrease of Baht 116.81 million or 56.69 percent, due to the following:

- Overdrafts and short term loans from financial institutions decreased by Baht 71.27 million because the Company was able to repay all its loans.
- Trust receipt decreased by Baht 19.81 million due to revenue recognition of the 2 shipbuilding projects which enabled repayment in order to reduce its interest obligations.
- Advance payment from clients decreased Baht 33.08 million because of the revenue recognition from the Tug Boat and Buoy Laying Vessel projects which were completed in 2015.

3. **Shareholders' equity** totalled Baht 440.57 million, an increase of Baht 60.35 million or 15.87 percent, mainly due to the recorded net profit of Baht 90.18 million subtracted by Baht 30.99 million in total dividend payment to shareholders in 2014.



## 4. Liquidity

The current ratio stood at 2.42, an increase from 1.01 in 2014, despite the decline in the Company's current assets such as net trade account receivables and advance payment for purchases and inventory. However, the decrease of current liabilities was at a much higher rate, for example in terms of overdrafts, short term loans from financial institutions, trust receipts, and advance payment from clients, resulting in the Company's liquidity being highly increased.

- The Company's cash flow from operations amounted to Baht 156.04 million - most of which came from the net profit recorded in its financial statement of Baht 91.18 million with the main items which clearly resulted in increased cash flow being value depreciation and loss from non-performing assets.
- Cashflow for investment activities stood at Baht 6.48 million - derived from cash paid for purchase of fixed assets of Baht 17.56 million and withdrawal of cash deposits as bank guarantees of Baht 23.11 million for use as working capital.
- As for net cash from funding activities, the total stood at Baht 124.74 million due to repayment of short term loans totalling Baht 70.00 million, repayment of trust receipt liabilities of Baht 19.81 million, dividend payment of Baht 30.88 million and interest payment of Baht 1.72 million.

Debt to equity ratio stood at 0.20, a decrease from 0.54 in 2014, due to the decrease in total liabilities of Baht 116.81 million, representing 56.69 percent. Shareholders' equity rose by Baht 60.35 million or 15.87 percent, reflecting that the Company was relying more on capital from shareholders rather than loans from financial institutions.

The profitability ratio showed a marked increase compared to 2014. Net profit margin was 11.77 percent, up from 6.68 percent in 2014. The interest coverage ratio was 82.86, an increase from the previous year, which demonstrated that if the Company needed to seek loans from financial institutions in the future, it would remain in a good position to continue with debt servicing and interest payment coverage. The debt service coverage ratio (cash basis) was posted at 3.09 which showed that the Company's debt service capability remained high, as were its credibility and potential to undertake new projects.

## 5. Capital Source

In 2015, the Company's total liabilities amounted to Baht 89.25 million, down by Baht 116.81 million, comprising Baht 78.94 million in current liabilities and Baht 10.31 million in other liabilities. The decrease in current liabilities was mainly from repayment of Baht 1.27 million in overdrafts and Baht 70.0 million in short term loans from financial institutions. The Company also repaid in full its liabilities in trust receipts accredited to its shipbuilding projects which were completed. Upon receiving payment for its shipbuilding services, the Company cleared its debts in order to reduce interest obligations. Advance payment from clients of shipbuilding projects decreased by Baht 33.08 million, again due to project completion and revenue recognition. Shareholders' equity consisted of Baht 258.29 million in paid up capital, Baht 25.03 million in appropriated retained earnings and Baht 156.10 million in unappropriated retained earnings, an increase from the increase in net profit of Baht 49.61 million.

Return on assets was 16.16, an increase from 7.06 in 2014, despite the decrease in total assets by Baht 56.46 million, reflecting the Company's increasing use of performing assets due to their development and improvement in preparation for future projects.

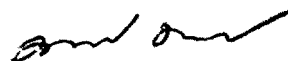
## BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

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

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



Mr. Prakrit Pradipasen  
**Chairman**



Ms. Warawan Nganthavee  
**Managing Director**

## AUDITOR OF REPORT

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

I have audited the accompanying consolidated financial statements of Asian Marine Services Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and the separate financial statements of Asian Marine Services Public Company Limited, which comprise the statement of financial position as at December 31, 2015, and the statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

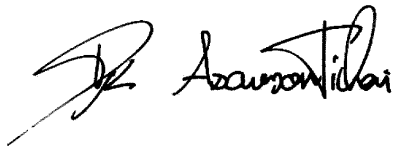
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the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

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

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

## Opinion

In my opinion, the consolidated financial statements of Asian Marine Services Public Company Limited and its subsidiaries and the separate financial statement of Asian Marine Services Public Company Limited referred to above present fairly, in all material respects, the financial position as at December 31, 2015, and the financial performance and cash flows for the year then ended in accordance with the Financial Reporting Standards.



(MR. POJANA ASAVASONTICHAJ)

Certified Public Accountant

Registration No. 4891

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 25, 2016

2016/0117/0283

## STATEMENTS OF FINANCIAL POSITION

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2015

(Unit: Baht)

		Consolidated		The Company Only	
		As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
	Note				
Assets					
Current assets					
Cash and cash equivalents		79,343,499	41,638,024	62,546,080	39,697,815
Trade accounts receivable	6				
Related parties	5, 6	11,215,645	4,460,636	11,380,291	4,920,470
Unrelated parties		40,311,451	61,114,047	39,711,451	61,114,047
Less: Allowance for doubtful accounts		(19,361,255)	(17,904,874)	(19,361,255)	(17,904,874)
Total trade accounts receivable	6	32,165,841	47,669,809	31,730,487	48,129,643
Unbilled complete construction in progress					
Related parties	5	1,578,618	7,932,037	1,605,438	7,932,037
Unrelated parties		46,020,519	35,948,043	45,540,597	35,948,043
Total unbilled complete construction in progress	7	47,599,137	43,880,080	47,146,035	43,880,080
Other receivables - related parties	5	605,473	97,747	6,469,330	20,110,743
Inventories	8	24,849,447	19,598,101	24,631,823	19,136,586
Other current assets					
Advance payment for purchase of goods		2,092,019	36,557,459	2,092,019	36,557,459
Account receivable Revenue Department		715,300	1,190,137	664,909	982,887
Others		3,876,029	5,152,569	4,238,417	6,237,026
Total current assets		191,246,745	195,783,926	179,519,100	214,732,239
Non-current assets					
Restricted bank deposits	9	8,304,453	31,414,020	8,304,453	25,348,326
Installment receivable for ship repair	10	-	-	-	-
Investments in subsidiaries for under the cost method	11	-	-	21,883,179	21,883,179
Property, plant and equipment	12	251,306,450	264,411,241	248,926,040	260,512,428
Leasehold right of land and building	13	28,049,344	29,117,219	28,049,344	29,117,219
Intangible assets	14	6,959,843	8,279,470	6,959,843	7,509,442
Assets held for sale	15	19,864,092	36,187,260	19,864,092	36,187,260
Deferred tax assets	16	10,592,290	4,712,649	10,493,024	4,622,249
Withholding tax deducted at source	17	5,403,128	8,412,027	42,960	42,960
Other non-current assets		8,089,218	7,957,718	7,089,218	6,957,718
Total non-current assets		338,568,818	390,491,604	351,612,153	392,180,781
Total assets		529,815,563	586,275,530	531,131,253	606,913,020

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



## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2015

(Unit: Baht)

		Consolidated		The Company Only	
	Note	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	18	-	71,265,787	-	71,265,787
Trust receipts payable	18	-	19,805,303	-	19,805,303
Trade accounts payable					
Related parties	5	144,450	-	15,270,840	24,909,427
Unrelated parties		26,754,649	40,275,847	25,242,203	39,569,974
Total trade accounts payable		26,899,099	40,275,847	40,513,043	64,479,401
Accrued construction cost		1,065,929	314,547	1,065,929	314,547
Current portion of liabilities under financial					
lease agreement		492,888	284,830	492,888	284,830
Other current liabilities					
Advance received from customers	7	-	33,084,311	-	33,084,311
Accrued expenses		17,069,853	13,730,743	15,745,587	12,012,035
Accrued corporate income tax		7,210,667	-	7,210,667	-
Provisions	19	-	5,294,903	-	5,294,903
Warranty provisions	20	18,550,114	-	18,550,114	-
Others		7,648,863	10,149,046	6,233,459	8,389,637
Total current liabilities		78,937,413	194,205,317	89,811,687	214,930,754
Non-current liabilities					
Liabilities under financial lease					
agreement - net of current portion		1,144,870	178,519	1,144,870	178,519
Employee benefit obligations	21	5,670,797	8,178,515	5,082,176	7,654,732
Other non - current liabilities		3,495,820	3,495,820	3,495,820	3,495,820
Total non-current liabilities		10,311,487	11,852,854	9,722,866	11,329,071
Total liabilities		89,248,900	206,058,171	99,534,553	226,259,825

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

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2015

(Unit: Baht)

		Consolidated		The Company Only	
		As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
	Note				
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered share capital					
(258,291,110 ordinary shares of Baht 1 each)		258,291,110	258,291,110	258,291,110	258,291,110
Issued and paid-up share capital					
(258,291,087 ordinary shares of Baht 1 each)		258,291,087	258,291,087	258,291,087	258,291,087
Retained earnings					
Appropriated					
Statutory reserve	22	25,029,532	20,933,076	25,029,532	20,933,076
Unappropriated		156,094,249	100,993,196	148,276,081	101,429,032
Other components of equity					
		-	-	-	-
Equity attributable to the parent company's shareholders		439,414,868	380,217,359	431,596,700	380,653,195
Non-controlling interests					
		1,151,795	-	-	-
Total shareholders' equity					
		440,566,663	380,217,359	431,596,700	380,653,195
Total liabilities and shareholders' equity					
		529,815,563	586,275,530	531,131,253	606,913,020

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

# STATEMENTS OF COMPREHENSIVE INCOME

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

(Unit: Baht)

		Consolidated		The Company Only	
	Note	2015	2014	2015	2014
<b>Revenues</b>					
Service income		757,231,132	591,278,211	734,863,187	584,054,722
Other income		9,160,956	16,387,604	10,469,870	16,903,662
<b>Total revenues</b>		<b>766,392,088</b>	<b>607,665,815</b>	<b>745,333,057</b>	<b>600,958,384</b>
<b>Expenses</b>					
Cost of services		489,599,160	430,273,486	489,224,089	429,231,489
Selling expenses		12,835,794	11,043,254	12,812,153	11,043,254
Administrative expenses		110,013,248	90,310,494	98,769,200	81,018,188
Loss on impairment of assets held for sale	15	16,323,168	1,362,548	16,323,168	1,362,548
Management remuneration	5	23,826,169	20,441,364	23,826,169	20,441,364
Finance costs		2,154,224	4,705,432	2,134,886	4,682,606
<b>Total expenses</b>		<b>654,751,763</b>	<b>558,136,578</b>	<b>643,089,665</b>	<b>547,779,449</b>
Income before tax expense (income)		111,640,325	49,529,237	102,243,392	53,178,935
Tax expense (income)	16	20,305,391	8,963,226	20,314,257	8,983,443
Profit for the year		<b>91,334,934</b>	<b>40,566,011</b>	<b>81,929,135</b>	<b>44,195,492</b>
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gain arising from post-employee benefit, net of income tax		-	3,858,996	-	3,549,899
<b>Total comprehensive income for the year</b>		<b>91,334,934</b>	<b>44,425,007</b>	<b>81,929,135</b>	<b>47,745,391</b>
<b>Profit attributable to :</b>					
Parent company's shareholders		90,183,139	40,566,011	81,929,135	44,195,492
Non-controlling interests		1,151,795	-	-	-
		<b>91,334,934</b>	<b>40,566,011</b>	<b>81,929,135</b>	<b>44,195,492</b>
<b>Total comprehensive income attributable to :</b>					
Parent company's shareholders		90,183,139	44,425,007	81,929,135	47,745,391
Non-controlling interests		1,151,795	-	-	-
		<b>91,334,934</b>	<b>44,425,007</b>	<b>81,929,135</b>	<b>47,745,391</b>
<b>Earnings per share</b>	23				
Profit for the year of parent company's shareholders		90,183,139	40,566,011	81,929,135	44,195,492
Weighted average number of ordinary shares (Shares)		258,291,087	258,291,087	258,291,087	258,291,087
Basic earnings per share for the year (Baht per share)		0.35	0.16	0.32	0.17

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

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2015

(Unit: Baht)

	Consolidated							
	Note	Common shareholders					Non-controlling interests	Total
		Issued and paid up share capital	Retained earnings		Other components of equity			
			Appropriated-statutory reserve	Unappropriated	Other comprehensive income			
Beginning balance, as at January 1, 2014		258,291,087	18,723,301	97,521,627	-	374,536,015	-	374,536,015
Total comprehensive income for the year								
Profit for the year 2014		-	-	40,566,011	-	40,566,011	-	40,566,011
Other comprehensive income - net of tax								
Actuarial gain (losses)		-	-	3,858,996	-	3,858,996	-	3,858,996
Legal reserve	22	-	2,209,775	(2,209,775)	-	-	-	-
Dividend paid	28	-	-	(38,743,663)	-	(38,743,663)	-	(38,743,663)
Ending balance, as at December 31, 2014		258,291,087	20,933,076	100,993,196	-	380,217,359	-	380,217,359
Total comprehensive income for the year								
Profit for the year 2015		-	-	90,183,139	-	90,183,139	1,151,795	91,334,934
Legal reserve	22	-	4,096,456	(4,096,456)	-	-	-	-
Dividend paid	28	-	-	(30,985,630)	-	(30,985,630)	-	(30,985,630)
Ending balance, as at December 31, 2015		258,291,087	25,029,532	156,094,249	-	439,414,868	1,151,795	440,566,663

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

FOR THE YEAR ENDED DECEMBER 31, 2015

		The Company Only				
		Issued and paid-up share capital	Retained earnings		other components of equity other comprehensive income	Total
	Note		Appropriated - statutory reserve	Unappropriated		
<b>Beginning balance, as at January 1, 2014</b>		258,291,087	18,723,301	94,637,079	-	371,651,467
Total comprehensive income for the year						
Profit (loss) for the year 2014		-	-	44,195,492	-	44,195,492
Other comprehensive income - net of tax						
Actuarial gain (losses)		-	-	3,549,899	-	3,549,899
Legal reserve	22	-	2,209,775	(2,209,775)	-	-
Dividend paid	28	-	-	(38,743,663)	-	(38,743,663)
<b>Ending balance, as at December 31, 2014</b>		258,291,087	20,933,076	101,429,032	-	380,653,195
Total comprehensive income for the year						
Profit (loss) for the year 2015		-	-	81,929,135	-	81,929,135
Legal reserve	22	-	4,096,456	(4,096,456)	-	-
Dividend paid	28	-	-	(30,985,630)	-	(30,985,630)
<b>Ending balance, as at December 31, 2015</b>		258,291,087	25,029,532	148,276,081	-	431,596,700

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



## STATEMENTS OF CASH FLOWS

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

(Unit: Baht)

	Consolidated		The Company Only	
	2015	2014	2015	2014
<b>Cash flows from operating activities</b>				
Profit (loss) for the year	91,334,934	40,566,011	81,929,135	44,195,492
Adjustments to reconcile net profit (loss) to net cash provided by (paid from) operating activities: -				
Allowance for doubtful accounts (reveral)	(2,220,808)	(360,093)	(2,220,808)	(360,093)
Stock obsolescence (decrease)	(525,056)	(763,192)	(525,056)	(763,192)
Depreciation and amortization	34,441,639	30,429,707	31,902,404	28,341,673
Loss (gain) on sale of fixed assets	(217,766)	(163,011)	(215,520)	(153,386)
Loss on fixed assets write-off	1,005,037	890,519	356,424	890,519
Loss on impairment of asset held for sale	16,323,168	1,362,548	16,323,168	1,362,548
Provision	20,439,026	2,894,037	20,439,026	2,894,037
Unrealized foreign exchange loss (gain)	(914,513)	(154,139)	(914,513)	(154,139)
Employee benefits obligations	733,381	795,624	687,809	705,732
Investment income	(587,646)	(467,979)	(551,023)	(444,308)
Finance cost	2,154,224	4,705,432	2,134,886	4,682,606
Tax expense (income)	20,305,391	8,963,226	20,314,257	8,983,443
Income from operating activities before changes in operating assets and liabilities	182,271,011	88,698,690	169,660,189	90,180,932
Decrease (increase) in operating assets				
Trade accounts receivable	18,711,680	(7,401,848)	19,606,868	(17,101,317)
Installment receivable for ship repair	-	309,593	-	309,593
Unbilled income	(3,719,057)	21,737,684	(3,265,955)	21,737,684
Other receivables - related parties	(507,726)	(77,952)	13,641,413	(931,701)
Inventories	(4,615,548)	15,422,251	(4,970,181)	15,458,290
Advance payment for purchase of goods	34,465,440	(36,509,227)	34,465,440	(36,509,227)
Other current assets	1,745,042	8,314,274	2,310,252	7,003,444
Other non-current assets	(131,500)	(42,831)	(131,500)	(42,830)

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

## STATEMENTS OF CASH FLOWS (CONTINUED)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	(Unit: Baht)			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Increase (decrease) in operating liabilities				
Trade accounts payable	(13,376,748)	(9,989,822)	(23,966,358)	(1,122,228)
Accrued cost of construction	751,382	(491,627)	751,382	(491,627)
Advance received from customers	(33,084,311)	27,860,381	(33,084,311)	27,860,381
Other current liabilities	740,104	(7,669,518)	1,478,551	(4,620,257)
Cash received (paid) from operating activities	183,249,769	100,160,048	176,495,790	101,731,137
Corporate income taxes paid	(20,888,245)	(17,025,996)	(18,974,365)	(15,145,348)
Cash refund from withholding tax refunded	4,540,809	13,078,981	-	13,056,022
Indemnity provisions paid	(7,183,815)	(3,132,803)	(7,183,815)	(3,132,803)
Employee benefit obligations paid	(3,680,470)	(1,431,034)	(3,680,470)	(1,431,034)
Net cash from (used in) operating activities	156,038,048	91,649,196	146,657,140	95,077,974
<b>Cash flows from investing activities</b>				
(Increase) decrease in fixed deposit	23,109,567	(31,414,020)	17,043,873	(25,348,326)
Cash paid for purchase of fixed assets	(17,563,028)	(29,686,630)	(16,927,085)	(29,184,194)
Proceeds from sale of fixed assets	637,877	673,701	627,877	656,737
Cash paid for purchase of intangible assets	(301,000)	(6,603,951)	(301,000)	(6,603,951)
Interest received	593,981	461,644	557,358	437,973
Net cash from (used in) investing activities	6,477,397	(66,569,256)	1,001,023	(60,041,761)
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(71,265,787)	5,799,336	(71,265,787)	5,799,336
Increase (decrease) in trust receipts payable	(19,805,303)	13,421,073	(19,805,303)	13,421,073
Repayment of hire-purchase payable	(1,064,829)	(588,791)	(1,064,829)	(588,791)
Dividend paid	(30,877,471)	(38,743,663)	(30,877,471)	(38,743,663)
Interest paid	(1,724,189)	(4,451,594)	(1,724,117)	(4,451,586)
Net cash from (used in) financing activities	(124,737,579)	(24,563,639)	(124,737,507)	(24,563,631)

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

## STATEMENTS OF CASH FLOWS (CONTINUED)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

(Unit: Baht)

	Consolidated		The Company Only	
	2015	2014	2015	2014
Net increase (decrease) in cash and cash equivalents	37,777,866	516,301	22,920,656	10,472,582
Unrealized gain (loss) on exchange rate				
from deposit in foreign currency	(72,391)	(581,604)	(72,391)	(581,604)
Cash and cash equivalents at the beginning of the year	41,638,024	41,703,327	39,697,815	29,806,837
Cash and cash equivalents at the end of the year	79,343,499	41,638,024	62,546,080	39,697,815
<b>Supplemental disclosure of cash flows information: -</b>				
1. Cash and cash equivalents consisted of: -				
Cash on hand	185,000	176,314	150,000	150,000
Cash at bank - Savings account	29,855,787	15,153,088	13,726,667	13,773,414
- Current account	4,287,167	1,293,240	3,653,868	759,019
Fixed deposit 3 months or less	15,545	15,382	15,545	15,382
Bill of exchange - not over 3 months	45,000,000	25,000,000	45,000,000	25,000,000
	79,343,499	41,638,024	62,546,080	39,697,815
2. Non-cash items consisted of :-				
Purchase of fixed assets by mean of financial				
lease agreement	2,239,238	-	2,239,238	-

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

# NOTES TO FINANCIAL STATEMENTS

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
DECEMBER 31, 2015

## 1. GENERAL INFORMATION

### 1.1 Legal status and address

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

The address of its registered office is as follows:

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

### 1.2 Nature of the Company's business

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

### 1.3 Major shareholder

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

### 1.4 Data of employees

As at December 31, 2015 and 2014, the numbers of employees of the Company and its subsidiaries approximate 409 persons and 472 persons, respectively. (The Company Only : 301 persons and 320 persons, respectively)

The staff costs for the year 2015 and 2014 amounted to Baht 112.0 million and Baht 97.8 million, respectively (The Company Only : Baht 87.3 million and Baht 69.6 million, respectively), The staff costs were consisted of salary, wages, bonus, contributions to social security fund, provident fund, benefits and welfare.

## 2. BASIS OF FINANCIAL STATEMENT PREPARATION

### 2.1 Basis for preparation of the financial statements

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

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

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

## 2.2 The new and revised accounting standards are not yet effective in the current year

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

These new and revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2015 are as follows:

### Conceptual Framework for Financial Reporting (revised 2014)

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events After the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates And Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings Per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities



TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2014)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14 (revised 2014)	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20 (revised 2014)	Stripping Costs in the Production Phase of a Surface Mine

The management of the Company and its subsidiaries have assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations and believes that they do not have a significant impact on the financial statements for the current years .

### 3. BASIS OF CONSOLIDATION

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

Company's name	Nature of business	Percentage of		Percentage of assets included in		Percentage of revenues included in	
		shareholding		total assets as at		total revenues for the years	
		2015	2014	2015	2014	2015	2014
		Percent	Percent	Percent	Percent	Percent	Percent
General Marine Co., Ltd. (Formerly : General Warehouse Co., Ltd)	Not operate	100	100	1.11	1.06	0.00	0.00
Asimar Marine Co., Ltd.	Subcontractor of ship repair	100	100	2.95	4.79	4.58	7.46
Eco Marine Co., Ltd.	Pollution control and environmental management services	93	93	3.82	2.15	6.65	1.31

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Revenue recognition

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

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

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

Other income is recognized on an accrual basis.

#### 4.2 Cost of services

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

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

#### 4.3 Cash and cash equivalents

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

#### 4.4 Trade accounts receivable and allowance for doubtful accounts

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

#### 4.5 Inventories

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

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

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

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

#### 4.6 Trade accounts receivable - installment

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

#### 4.7 Investments in subsidiaries

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

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

#### 4.8 Property, plant and equipment and depreciation

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

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

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

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

Depreciation is included in determining income.

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

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

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

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

#### 4.9 Borrowing costs

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

#### 4.10 Leasehold right of land and building and amortization

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

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

#### 4.11 Intangible assets and amortization

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

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

#### 4.12 Assets held for sale

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

#### 4.13 Related parties

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

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

#### 4.14 Derivatives

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



#### 4.15 Foreign currencies

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

Gains and losses on exchange are included in determining income.

#### 4.16 Impairment of assets

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

#### 4.17 Employee benefits

Short-term employee benefits

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

Post-employment benefit (Defined Contribution plans)

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

Post-employment benefits (Defined benefit plans)

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

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

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

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

#### 4.18 Provisions

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

#### 4.19 Corporate income tax

##### Income tax

Income tax comprises current income tax and deferred tax.

##### Current tax

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

##### Deferred tax

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

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

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

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

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

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

#### 4.20 Using of Accounting Estimation

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

##### Allowances for doubtful accounts

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

##### Allowances for defective inventories and net realizable value

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

##### Property, plant and equipment and intangible assets

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

##### Estimated for cost of project and percentage of completion

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

##### Provisions from the work guarantee

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

##### Assets held for sale

The management has set the provisions on allowance for impairment of assets held for sale from the deteriorated of assets. It is applied by the assumption according to period and is considered with the estimated of fair value by using the market price less the cost of sales.

#### 4.21 Operating lease

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

## 5. RELATED PARTY TRANSACTIONS

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

<u>Transactions with subsidiaries</u> (being eliminated from the consolidated financial statement)	Million Baht		Pricing Policy
	2015	2014	
Ship building income	28.0	-	Based on each subcontractor work order
Ship repair income	0.2	0.4	Price close to that charged to ordinary customers
Other income	1.9	2.3	Supervisor fee and office service fee amounted to Baht 10,000-50,000 per month and rental fee for storage room amounted to Baht 1,500 per month and supplies were sold at cost plus margin 3 - 10% and service income at cost plus margin 20%
Cost of services	34.7	43.6	Baht 300 - 450 per day per person and agreed upon basis
Purchase material	0.2	0.3	Cost plus margin 50-150%
<u>Transactions with related parties</u>			
Ship repair income	45.1	36.9	Price close to that charged to ordinary customers
Other income	0.1	-	Service income at cost plus margin 20%

The outstanding balances as at December 31, 2015 and 2014 between the Company and the related companies are as follows:

(Unit: Baht)

		Consolidated		The Company Only	
Relationship		2015	2014	2015	2014
<b><u>Trade accounts receivable - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	164,646	459,834
Seatran Ferry Co., Ltd.	Common directors	9,214,745	4,460,636	9,214,745	4,460,636
Seatran Discovery Co., Ltd.	Common directors	2,000,900	-	2,000,900	-
		<u>11,215,645</u>	<u>4,460,636</u>	<u>11,380,291</u>	<u>4,920,470</u>
<b><u>Unbilled complete construction in progress</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	26,820	-
Seatran Ferry Co., Ltd.	Common directors	754,432	7,932,037	754,432	7,932,037
Seatran Discovery Co., Ltd.	Common directors	120,000	-	120,000	-
Seatran Port Co., Ltd.	Common directors	704,186	-	704,186	-
		<u>1,578,618</u>	<u>7,932,037</u>	<u>1,605,438</u>	<u>7,932,037</u>
<b><u>Amounts due from related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	1,829,711	4,019,100
Asimar Marine Co., Ltd.	Subsidiary	-	-	4,049,476	16,051,569
General Marine Co., Ltd.	Subsidiary				
(Formerly : General Warehouse Co., Ltd.)		-	-	185	-
Seatran Ferry Co., Ltd.	Common directors	15,515	97,747	-	40,074
Seatran line Co., Ltd.	Common directors	589,958	-	589,958	-
		<u>605,473</u>	<u>97,747</u>	<u>6,469,330</u>	<u>20,110,743</u>
<b><u>Trade accounts payable - related parties</u></b>					
General Marine Co., Ltd.	Subsidiary				
(Formerly : General Warehouse Co., Ltd.)		-	-	4,091,520	4,591,520
Eco Marine Co., Ltd.	Subsidiary	-	-	50,750	-
Asimar Marine Co., Ltd.	Subsidiary	-	-	10,984,120	20,317,907
Seatran Ferry Co., Ltd.	Common directors	144,450	-	144,450	-
		<u>144,450</u>	<u>-</u>	<u>15,270,840</u>	<u>24,909,427</u>



### Management remuneration

Management remuneration represents the benefit paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management remuneration for the years ended December 31, 2015 and 2014 are as follow;

	(Unit : Baht)			
	Consolidated		The company only	
	2015	2014	2015	2014
Short-term employee benefits	23,573,092	20,199,277	23,573,092	20,199,277
Post employee benefits	253,077	242,087	253,077	242,087
Total	23,826,169	20,441,364	23,826,169	20,441,364

## 6. TRADE ACCOUNTS RECEIVABLE

	(Unit: Baht)			
	Consolidated		The Company Only	
	2015	2014	2015	2014
<b>Trade accounts receivable - related parties</b>				
Trade account receivable - ship building	2,000,900	-	2,000,900	-
Trade accounts receivable - ship repair	9,214,745	4,460,636	9,379,391	4,920,470
Total	11,215,645	4,460,636	11,380,291	4,920,470
<b>Trade accounts receivable - unrelated parties</b>				
Trade accounts receivable - ship repair	31,277,995	53,412,965	31,277,995	53,412,965
Trade accounts receivable - ship building	8,433,456	7,701,082	8,433,456	7,701,082
Trade accounts receivable - service	600,000	-	-	-
Total	40,311,451	61,114,047	39,711,451	61,114,047
Less: Allowance for doubtful accounts	(19,361,255)	(17,904,874)	(19,361,255)	(17,904,874)
Net	20,950,196	43,209,173	20,350,196	43,209,173
Total trade accounts receivable - net	32,165,841	47,669,809	31,730,487	48,129,643

The agings of the outstanding balances of trade accounts receivable as at December 31, 2015 and 2014, as classified by due dates, are as follows:

	Consolidated		The Company Only	
	2015	2014	2015	2014
<b>Age of receivables</b>				
Undue	22,229,963	21,607,367	21,629,963	21,619,387
Not over 3 months	9,492,614	22,364,293	9,657,260	22,812,107
Over 3 months to 6 months	443,264	16,585	443,264	16,585
Over 6 months to 12 months	-	-	-	-
Over 12 months	19,361,255	21,586,438	19,361,255	21,586,438
Total	51,527,096	65,574,683	51,091,742	66,034,517
Less: Allowance for doubtful accounts	(19,361,255)	(17,904,874)	(19,361,255)	(17,904,874)
Net	32,165,841	47,669,809	31,730,487	48,129,643

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

	Consolidated		The Company Only	
	2015	2014	2015	2014
Beginning balance	(17,904,874)	(17,897,353)	(17,904,874)	(17,897,353)
Doubtful debt recovered	22,500	50,500	22,500	50,500
(Increase) decrease of allowance	(1,478,881)	(58,021)	(1,478,881)	(58,021)
Ending Balance	(19,361,255)	(17,904,874)	(19,361,255)	(17,904,874)

The Company and its subsidiaries have long time outstanding balances of trade accounts receivable, consisting of 8 debtors as at December 31, 2015 totaling Baht 19.4 million. (As at December 31, 2014 : Baht 21.6 million of 9 debtors). The Company and its subsidiaries have set aside an allowance for doubtful accounts in amount of approximately Baht 19.4 million (As at December 31, 2014 : Baht 17.9 million). These accounts are under a follow-up by the company and its subsidiaries.

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

(Unit : Baht)

	Consolidated		The Company Only	
	2015	2014	2015	2014
Revenue recognized in the years - Ship building	359,949,087	232,568,123	387,986,470	232,568,123
- Ship repair	346,696,023	351,486,599	346,876,717	351,486,599
- Service	50,586,022	7,223,489	-	-

(Unit : Baht)

	Consolidated		The Company Only	
	2015	2014	2015	2014
Aggregate amount of cost incurred and recognized profit	539,134,812	778,970,505	567,172,195	778,970,505
Unbilled complete construction in progress for				
- Ship building	-	-	-	-
- Ship repair	47,119,215	43,880,080	47,146,035	43,880,080
- Service	479,922	-	-	-
	47,599,137	43,880,080	47,146,035	43,880,080
Advances received from customers				
- Ship building	-	33,084,311	-	33,084,311
	-	33,084,311	-	33,084,311

For the year 2015 and 2014, the Company has capitalized interest on the loan for construction as part of work in process of approximately Baht 1.99 million and Baht 0.33 million, respectively.

## 8. INVENTORIES

(Unit: Baht)

	Consolidated		The Company Only	
	2015	2014	2015	2014
Raw materials	22,037,629	19,959,367	21,899,422	19,497,852
Work in process	1,266,364	158,382	1,186,947	158,382
Goods intransit	2,109,593	569,547	2,109,593	569,547
Total	25,413,586	20,687,296	25,195,962	20,225,781
Less : Allowance for stock obsolescence	(564,139)	(1,089,195)	(564,139)	(1,089,195)
Net	24,849,447	19,598,101	24,631,823	19,136,586

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

(Unit: Baht)				
	Consolidated		The Company Only	
	2015	2014	2015	2014
Beginning balance	(1,089,195)	(1,852,387)	(1,089,195)	(1,852,387)
Increase	-	-	-	-
Decrease	525,056	763,192	525,056	763,192
Ending balance	(564,139)	(1,089,195)	(564,139)	(1,089,195)

(Unit: Baht)				
	Consolidated		The Company Only	
	2015	2014	2015	2014
Reversal of the decline in value of inventory for the year	(525,056)	(763,192)	(525,056)	(763,192)

## 9. RESTRICTED BANK DEPOSITS

As at December 31, 2015, the Company and its subsidiaries' time deposits at financial institutions amounted Baht 8.30 million (the Company only : 8.30 million Baht) have been pledged with banks to secure bank guarantees issued by banks on behalf of the Company.

## 10. INSTALLMENT RECEIVABLE - SHIP REPAIR

(Unit: Baht)		
	Consolidated / The Company Only	
	2015	2014
Installment receivables for ship repair		
(as at December 31, 2015 : one trade debtor)	2,594,985	4,793,293
(as at December 31, 2014 : two trade debtor)		
<u>Less</u> Allowance for doubtful accounts	(2,594,985)	(4,793,293)
Net	-	-

As at December 31, 2015 and 2014 the Company had one trade account and two trade accounts installment respectively, receivable of: -

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

Later, on December 26, 2009 the Company and account receivable for ship repair had agreed to amend the repayment conditions of the remaining debt and the debtor agreed to transfer ownership in 1 ship at the agreed amount of Baht 43 million. This was appraised by SEC independent appraiser using the replacement cost method of Baht 51.0 million on the appraisal date November 2, 2009 in order to repay partial amount of the debt to the Company. As such, the remaining debt including interest Baht 9.76 million is to be repaid in monthly installments not less than Baht 2 million with interest rate 9% per annum. Since 2009 - 2010, this

debtor had already settled payment of Baht 7.17 million with the value of debt balance amounting to Baht 2.59 million. Later, in 2011, the Company had provided an allowance for doubtful accounts in the full amount of the unpaid portion due to the payment default in the year. The transferred asset will be sold and the Company is now offering it for sale to other interested party, which needs to be modified to suit the commercial use to sell to the person who wants to buy it.

(2) In the year 2009, the account receivable which an allowance for doubtful accounts was provided had entered into a business rehabilitation plan with the Legal Execution Department. It had ordered the payment of debt to the Company in the amount of Baht 10.24 million, with the forfeited amount of Baht 7.27 million. The rest is paid quarterly in total 30 installments. The forfeited amount was recorded as bad debts in the financial statements of 2009 and the rest had been set aside as doubtful accounts. On April 20, 2015, the Central Bankruptcy Court ordered to terminate the business rehabilitation of the account receivable from the success of the business rehabilitation plan. The Company has written off the account receivable as bad debts totalling Baht 2.20 million from the debt release under the business rehabilitation plan. (In 2014 the Company received the payment of Baht 0.31 million.)

## 11. INVESTMENTS IN SUBSIDIARIES FOR UNDER THE COST METHOD

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Baht)

Company's name	The Company Only							
	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Million Baht)	(Million Baht)	(Percent)	(Percent)				
<u>Investments in subsidiaries</u>								
General Marine Co., Ltd. (Formerly : General warehouse Co., Ltd.)	10.0	10.0	100	100	10,000,000	10,000,000	5,379,199	5,650,862
Less Allowance for impairment					(5,115,021)	(5,115,021)	-	-
					4,884,979	4,884,979	5,379,199	5,650,862
Asimar Marine Co., Ltd.	5.0	5.0	100	100	4,998,200	4,998,200	8,659,408	8,196,988
Eco marine Co., Ltd.	18.25	18.25	93	93	16,999,300	16,999,300	15,662,739	6,663,299
Less Allowance for impairment					(4,999,300)	(4,999,300)	-	-
					12,000,000	12,000,000	15,662,739	6,663,299
Total					21,883,179	21,883,179	29,701,346	20,511,149



## 12. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

	Consolidated						
	For the year ended December 31, 2015						
	Book value	Transactions				Book value	
	as at			Transferred	Transferred	Transferred	as at
	December	Additions	Deduction	in	out	to Expense	December
	31, 2014						31, 2015
Cost							
Land	2,733,086	-	-	-	-	-	2,733,086
Floating dockyards	277,360,873	-	-	8,103,718	-	-	285,464,591
Building, building improvement and other constructions	237,623,226	-	-	-	-	-	237,623,226
Machinery and equipment	152,189,188	2,814,038	1,246,331	3,245,971	-	-	157,002,866
Furnitures and fixtures	26,437,344	1,276,246	2,499,785	-	-	17,299	25,196,506
Vehicles	45,050,341	2,893,083	4,185,776	421,022	-	522,323	43,656,347
Construction in progress	6,752,695	12,818,899	-	-	11,770,711	356,424	7,444,459
Total	748,146,753	19,802,266	7,931,892	11,770,711	11,770,711	896,046	759,121,081
Less Accumulated depreciation							
Floating dockyards	165,449,598	5,651,393	-	-	-	-	171,100,991
Building, building improvement and other constructions	144,461,985	11,150,692	-	-	-	-	155,612,677
Machinery and equipment	112,068,658	11,148,321	1,211,741	-	-	-	122,005,238
Furnitures and fixtures	22,505,194	1,431,147	2,426,974	-	-	17,297	21,492,070
Vehicles	39,250,077	2,371,584	3,873,066	-	-	144,940	37,603,655
Total	483,735,512	31,753,137	7,511,781	-	-	162,237	507,814,631
Equipment, net	264,411,241						251,306,450

(Unit : Baht)

	Consolidated						
	For the year ended December 31, 2014						
	Book value	Transactions				Book value	
	as at			Transferred	Transferred	Transferred	as at
	December	Additions	Deduction	in	out	to Expense	December
	31, 2013						31, 2014
<u>Cost</u>							
Land	2,733,086	-	-	-	-	-	2,733,086
Floating dockyards	261,119,691	250,000	-	15,991,182	-	-	277,360,873
Building, building improvement and other constructions	236,903,797	-	766,899	1,486,328	-	-	237,623,226
Machinery and equipment	144,628,916	8,287,092	5,570,917	4,844,097	-	-	152,189,188
Furnitures and fixtures	24,883,180	2,115,389	605,737	44,511	-	-	26,437,343
Vehicles	45,396,823	303,686	1,263,734	613,566	-	-	45,050,341
Construction in progress	11,892,437	18,730,462	-	-	22,979,684	890,520	6,752,695
Total	727,557,930	29,686,629	8,207,287	22,979,684	22,979,684	890,520	748,146,752
<u>Less</u> Accumulated depreciation							
Floating dockyards	160,872,524	4,577,074	-	-	-	-	165,449,598
Building, building improvement and other constructions	134,437,435	10,569,159	544,609	-	-	-	144,461,985
Machinery and equipment	107,465,438	9,950,945	5,347,725	-	-	-	112,068,658
Furnitures and fixtures	21,704,788	1,370,936	570,530	-	-	-	22,505,194
Vehicles	38,654,302	1,829,507	1,233,733	-	-	-	39,250,076
Total	463,134,487	28,297,621	7,696,597	-	-	-	483,735,511
Equipment, net	<u>264,423,443</u>						<u>264,411,241</u>
Depreciation for the year							
2015 (Baht 19.11 million included in cost of services, and the rest in administrative expenses)							<u>31,753,137</u>
2014 (Baht 16.84 million included in cost of services, and the rest in administrative expenses)							<u>28,297,621</u>

(Unit : Baht)

The Company Only							
For year ended December 31, 2015							
	Book value as at December 31, 2014	Transactions					Book value as at December 31, 2015
		Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	
<u>Cost</u>							
Land	2,733,086	-	-	-	-	-	2,733,086
Floating dockyards	277,360,873	-	-	8,103,718	-	-	285,464,591
Building, building improvement and other constructions	214,497,588	-	-	-	-	-	214,497,588
Machinery and equipment	149,730,799	2,705,638	1,237,240	3,245,971	-	-	154,445,168
Furnitures and fixtures	25,889,511	1,222,548	2,499,785	-	-	-	24,612,274
Vehicles	25,416,265	2,419,238	4,185,776	421,022	-	-	24,070,749
Construction in progress	6,752,695	12,818,899	-	-	11,770,711	356,424	7,444,459
Total	702,380,817	19,166,323	7,922,801	11,770,711	11,770,711	356,424	713,267,915
<u>Less</u> Accumulated depreciation							
Floating dockyards	165,449,598	5,651,393	-	-	-	-	171,100,991
Building, building improvement and other constructions	121,336,357	11,150,692	-	-	-	-	132,487,049
Machinery and equipment	110,017,114	10,910,605	1,210,404	-	-	-	119,717,315
Furnitures and fixtures	22,039,829	1,378,180	2,426,974	-	-	-	20,991,035
Vehicles	23,025,491	893,060	3,873,066	-	-	-	20,045,485
Total	441,868,389	29,983,930	7,510,444	-	-	-	464,341,875
Equipment, net	260,512,428						248,926,040

(Unit : Baht)

The Company Only							
For the year ended December 31, 2014							
	Book value as at December 31, 2013	Transactions					Book value as at December 31, 2014
		Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	
<u>Cost</u>							
Land	2,733,086	-	-	-	-	-	2,733,086
Floating dockyards	261,119,691	250,000	-	15,991,182	-	-	277,360,873
Building, building improvement and other constructions	213,778,159	-	766,899	1,486,328	-	-	214,497,588
Machinery and equipment	141,975,366	8,140,743	5,229,407	4,844,097	-	-	149,730,799
Furnitures and fixtures	24,387,748	2,062,989	605,737	44,511	-	-	25,889,511
Vehicles	26,066,433	-	1,263,734	613,566	-	-	25,416,265
Construction in progress	11,892,437	18,730,462	-	-	22,979,684	890,520	6,752,695
Total	681,952,920	29,184,194	7,865,777	22,979,684	22,979,684	890,520	702,380,817
<u>Less</u> Accumulated depreciation							
Floating dockyards	160,872,524	4,577,074	-	-	-	-	165,449,598
Building, building improvement and other constructions	111,311,807	10,569,159	544,609	-	-	-	121,336,357
Machinery and equipment	105,376,573	9,654,095	5,013,554	-	-	-	110,017,114
Furnitures and fixtures	21,297,470	1,312,889	570,530	-	-	-	22,039,829
Vehicles	23,682,188	577,036	1,233,733	-	-	-	23,025,491
Total	422,540,562	26,690,253	7,362,426	-	-	-	441,868,389
Equipment, net	259,412,358						260,512,428
Depreciation for the year							
2015 (Baht 18.88 million included in cost of services, and the rest in administrative expenses)							29,983,930
2014 (Baht 16.45 million included in cost of services, and the rest in administrative expenses)							26,690,253

Portion of buildings of the Company and its subsidiary are erected on the land which the Company has a lease agreement of the state land and construction with the Treasury Department and the right of such assets will be transferred to the lessor at the end of the agreement. (See note 13). As at December 31, 2015, cost value and book value of those assets were Baht 183.4 million and Baht 61.3 million, respectively. (The Company only : Baht 160.3 million and Baht 61.3 million, respectively).

As at December 31, 2015 and 2014, the Company has mortgaged one floating dockyards, with a total net book value, of Baht 71.7 million and Baht 68.0 million, respectively, and land and construction thereon with a total net book value of Baht 3.8 million and 4.0 million, respectively, and machinery, with a net book value of Baht 0.2 million and Baht 0.2 million, respectively to secure credit facilities and loans obtained from financial institutions.

As at December 31, 2015 and 2014, the subsidiary has mortgaged two ships, with a total net book value of Baht 0.5 million and Baht 1.1 million, respectively to secure credit facilities and loans obtained from financial institutions.

As at December 31, 2015 and 2014 motor vehicles of Company with a total net book value of Baht 2.5 million and Baht 1.3 million, respectively were under financial lease agreements with leasing companies.

As at December 31, 2015 and 2014 certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 333.6 million and Baht 334.1 million, respectively.(The Company Only: As at December 31, 2015 and 2014, Baht 308.1 million and Baht 309.0 million, respectively).

### 13. LEASEHOLD RIGHT OF LAND AND BUILDING

	(Unit : Baht)		
	Consolidated/ The Company Only		
	Book value as at December 31, 2014	Amortization	Book value as at December 31, 2015
Leasehold right of land and building (30 years)	32,036,250	-	32,036,250
<u>Less</u> Accumulated amortization	2,919,031	1,067,875	3,986,906
Net book value	<u>29,117,219</u>		<u>28,049,344</u>

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

On April 26, 2015, the Company entered into a lease agreement of the state land and construction with the Treasury Department. The lease has a term of 30 years starting from April 22, 2012 and ending on April 21, 2042. The Company has to pay for the land and construction leasehold right on the agreement date and costs involved totaling Baht 32,036,250 and is required to pay the rent annually throughout the term of the lease agreement. The details of the annual rental rates as specified in the agreement are as follows:

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

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

As at December 31, 2015, the Company has the obligation to pay the outstanding rent as follows:

		(Unit:Baht)
Payable within	Consolidated/ The Company Only	
1 year	1,467,139	
1 to 5 years	6,748,840	
Thereafter 5 years	50,130,210	
Total	58,346,189	

## 14. Intangible assets

		(Unit : Baht)				
		Consolidated				
		For the year ended December 31,2015				
	Book value as at December 31, 2014	Transactions			Book value as at December 31, 2015	
		Additions	Deduction	Transferred in	Transferred out Expense	
<u>Cost</u>						
Know - how for use in building						
pollution control ships	4,806,653	-	-	-	-	4,806,653
Copy-right ship blue print	1,025,000	-	-	-	-	1,025,000
Software	15,126,102	301,000	-	-	-	15,427,102
Total	20,957,755	301,000	-	-	-	21,258,755
<u>Less Accumulated amortization</u>						
Know - how for use in building						
pollution control ships	4,036,625	770,028	-	-	-	4,806,653
Copy-right ship blue print	162,596	102,500	-	-	-	265,096
Software	8,479,064	748,099	-	-	-	9,227,163
Total	12,678,285	1,620,627	-	-	-	14,298,912
Net book value	8,279,470					6,959,843

(Unit : Baht)

	Consolidated						
	For the year ended December 31, 2014						
	Book value	Transactions					Book value
	as at December 31, 2013	Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	as at December 31, 2014
<u>Cost</u>							
Know - how for use in building							
pollution control ships	4,806,653	-	-	-	-	-	4,806,653
Copy-right ship blue print	1,025,000	-	-	-	-	-	1,025,000
Software	8,522,151	6,603,951	-	-	-	-	15,126,102
Total	14,353,804	6,603,951	-	-	-	-	20,957,755
<u>Less Accumulated amortization</u>							
Know - how for use in building							
pollution control ships	3,555,960	480,665	-	-	-	-	4,036,625
Copy-right ship blue print	60,096	102,500	-	-	-	-	162,596
Software	7,998,019	481,045	-	-	-	-	8,479,064
Total	11,614,075	1,064,210	-	-	-	-	12,678,285
Net book value	2,739,729						8,279,470
Amortization for the year							
2015							1,620,627
2014							1,064,210

(Unit : Baht)

	The Company Only						
	For the year ended December 31, 2015						
	Book value	Transactions					Book value
	As at December 31, 2014	Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	As at December 31, 2015
<u>Cost</u>							
Copy-right ship blue print	1,025,000	-	-	-	-	-	1,025,000
Software	15,126,102	301,000	-	-	-	-	15,427,102
Total	16,151,102	301,000	-	-	-	-	16,452,102
<u>Less Accumulated amortization</u>							
Copy-right ship blue print	162,596	102,500	-	-	-	-	265,096
Software	8,479,064	748,099	-	-	-	-	9,227,163
Total	8,641,660	850,599	-	-	-	-	9,492,259
Net book value	7,509,442						6,959,843



(Unit : Baht)

The Company Only							
For the year ended December 31, 2014							
	Transactions						Book value as at December 31, 2014
	Book value as at December 31, 2013	Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	
<u>Cost</u>							
Copy - right ship blue print	1,025,000	-	-	-	-	-	1,025,000
Software	8,522,151	6,603,951	-	-	-	-	15,126,102
Total	9,547,151	6,603,951	-	-	-	-	16,151,102
<u>Less Accumulated amortization</u>							
Copy - right ship blue print	60,096	102,500	-	-	-	-	162,596
Software	7,998,019	481,045	-	-	-	-	8,479,064
Total	8,058,115	583,545	-	-	-	-	8,641,660
Net book value	1,489,036						7,509,442
Amortization for the year							
2015							850,599
2014							583,545

As at December 31, 2015 and 2014 certain software items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 7.9 million and Baht 7.9 million, respectively (The Company Only : As at December 31, 2015 and 2014 Baht 7.9 million and Baht 7.9 million, respectively).

## 15. ASSETS HELD FOR SALE

In 2009, the Company amended the condition of payment with a local ship repair account receivable by receiving the ownership transfer in the vessel as a security of Baht 43 million (Appraised value by the replacement cost method of Baht 51 million as shown in Note 10) for repayment of the debt. The Company aims to sell this vessel and now is in the process of offering it for sale to other interested party, of which it should be modified to suit the commercial use to propose to the person who wants to buy it. For the year 2015 and 2014 the Company has considered to record the impairment of asset by condition in the amount of Baht 16.32 million and Baht 1.36 million, respectively.

(Unit : Baht)

	Consolidated/ The Company Only		
	For the year December 31, 2015		
	Book value as at December 31, 2014	Transactions Additions      Deduction	Book value as at December 31, 2015
<u>Cost</u>			
Assets held for sale	43,000,000	-              -	43,000,000
Total	43,000,000	-              -	43,000,000
<u>Less</u> Allowance for impairment			
Assets held for sale	6,812,740	16,323,168              -	23,135,908
Total	6,812,740	16,323,168              -	23,135,908
Assets held for sale - net	36,187,260		19,864,092

(Unit : Baht)

	Consolidated/ The Company Only		
	For the year December 31, 2015		
	Book value as at December 31, 2013	Transactions Additions      Deduction	Book value as at December 31, 2014
<u>Cost</u>			
Assets held for sale	43,000,000	-              -	43,000,000
Total	43,000,000	-              -	43,000,000
<u>Less</u> Allowance for impairment			
Assets held for sale	5,450,192	1,362,548              -	6,812,740
Assets held for sale - net	5,450,192	1,362,548              -	6,812,740
	37,549,808		36,187,260
Loss on impairment for the year			
2015			16,323,168
2014			1,362,548

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

(Unit : Baht)

	Consolidated/ The Company Only	
	2015	2014
Beginning balance	6,812,740	5,450,192
Increase	16,323,168	1,362,548
Ending balance	23,135,908	6,812,740

The Company has set the provisions on allowance for impairment of assets held for sale from the deteriorated of assets. It is applied by the assumption according to the length of time together with comparative to the appraisal fair value of the assets by market approach method less selling cost. In 2015, it is used offering price from the third party to consider together with the adjustment to the fair value by applying the offering price deducted the cost of sales.

## 16. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

16.1 Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2015 are summarized as follows:

(Unit:Baht)

	Consolidated			
	Revenue (expenses) during the year			
	Balance as at Dec. 31, 2014	In profit or loss	In other comprehensive income	Balance as at Dec. 30, 2015
Deferred tax assets:				
Trade accounts receivable	439,662	(439,662)	-	-
Inventories	217,839	(105,011)	-	112,828
Assets held for sale	1,362,548	3,264,634	-	4,627,182
Property, plant and equipment	326,230	(70,340)	-	255,890
Intangible assets	374,681	(109,029)	-	265,652
Employee benefit obligations	1,621,346	(505,645)	-	1,115,701
Warranty provisions	-	3,710,023	-	3,710,023
Operating lease	370,343	134,671	-	505,014
Total	4,712,649	5,879,641	-	10,592,290

(Unit: Baht)

	The Company Only			Balance as at Dec. 31, 2015
	Balance as at Dec. 31, 2014	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Trade accounts receivable	439,662	(439,662)	-	-
Inventories	217,839	(105,011)	-	112,828
Assets held for sale	1,362,548	3,264,634	-	4,627,182
Property, plant and equipment	326,230	(70,340)	-	255,890
Intangible assets	374,681	(109,029)	-	265,652
Employee benefit obligations	1,530,946	(514,511)	-	1,016,435
Warranty provisions	-	3,710,023	-	3,710,023
Operating lease	370,343	134,671	-	505,014
Total	4,622,249	5,870,775	-	10,493,024

## 16.2 Tax expense (income)

16.2.1 Major components of tax expense (income) for the year ended December 31, 2015 and 2014 consisted of:

(Unit: Baht)				
	Consolidated		The Company Only	
	2015	2014	2015	2014
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	26,185,032	10,530,798	26,185,032	10,530,798
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(5,879,641)	(1,567,572)	(5,870,775)	(1,547,355)
Revaluation of deferred tax resulting from changing in tax rates	-	-	-	-
Total	20,305,391	8,963,226	20,314,257	8,983,443
Income tax relating to components of other comprehensive income :				
Deferred tax relating to :				
Actuarial gain (losses)	-	973,185	-	887,475
Total	-	973,185	-	887,475

16.2.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2015 and 2014 as follows:

(Unit: Baht)				
	Consolidated		The Company Only	
	2015	2014	2015	2014
Accounting profit (loss) for the year	111,640,325	49,529,237	102,243,392	53,178,935
Add loss from subsidiary	271,663	3,221,146	-	-
Total	111,911,988	52,750,383	102,243,392	53,178,935
The applicable tax rate (%)	20	20	20	20
Tax expense (income) at the applicable tax rate	22,382,398	10,550,077	20,448,678	10,635,787
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	333,830	293,042	58,443	221,397
- Expenses which is deductible increasing from actual payment	(2,410,837)	(242,131)	(192,864)	(235,979)
Tax expenses (income) of the reversal of residual value	-	(1,637,762)	-	(1,637,762)
Total reconciliation items	(2,077,007)	(1,586,851)	(134,421)	(1,652,344)
Total tax expense (income)	20,305,391	8,963,226	20,314,257	8,983,443

16.2.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2015 and 2014 are summarized as follows:

(Unit: Baht )

	Consolidated			
	2015		2014	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	111,911,988		52,750,383	
Tax expense (income) at the applicable tax rate	22,382,398	20.00	10,550,077	20.00
Reconciliation items	(2,077,007)	(1.86)	(1,586,851)	(3.05)
Tax expense (income) at the average effective tax rate	20,305,391	18.14	8,963,226	16.95

(Unit: Baht )

	The Company Only			
	2015		2014	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	102,243,392		53,178,935	
Tax expense (income) at the applicable tax rate	20,448,678	20.00	10,635,787	20.00
Reconciliation items	(134,421)	(0.13)	(1,652,344)	(3.11)
Tax expense (income) at the average effective tax rate	20,314,257	19.87	8,983,443	16.89

## 17. WITHHOLDING TAX DEDUCTED AT SOURCE

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

(Unit: Baht)

	Consolidated		The Company Only	
	2015	2014	2015	2014
Year 2008	-	434,533	-	-
Year 2009	-	977,337	-	-
Year 2010	-	854,660	-	-
Year 2011	-	763,727	-	-
Year 2012	-	1,168,368	-	-
Year 2013	1,600,100	2,324,151	-	-
Year 2014	1,889,148	1,889,251	42,960	42,960
Year 2015	1,913,880	-	-	-
Total	5,403,128	8,412,027	42,990	42,960

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

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

		(Unit: Baht)			
		Consolidated		The Company Only	
	Interest rate Percent per annum	2015	2014	2015	2014
Bank overdrafts	MOR	-	1,265,787	-	1,265,787
Short - term loans from financial institutions	5.42	-	70,000,000	-	70,000,000
Total		-	71,265,787	-	71,265,787
Trust receipts	4.30	-	19,805,303	-	19,805,303

As at December 31, 2015, the Company has bank overdraft facilities amounted to approximately Baht 38.0 million, short-term loans Baht 110.0 million and trust receipt Baht 110.0 million (As at December 31, 2014 : Bank overdraft facilities Baht 38.0 million, short-term loans Baht 110.0 million and trust receipt Baht 110.0 million), secured by the mortgage of the Company's floating dockyards and land and construction thereon.

As at December 31, 2015, the subsidiaries has bank overdraft facilities amounted to approximately Baht 2.0 million and short-term loans Baht 10.0 million (As at December 31, 2014: Bank overdraft facilities Baht 2.0 million, short-term loans Baht 10.0 million), secured by the mortgage of the subsidiary's two ships and secured by parent company.

## 19. PROVISIONS

These comprise the following:

		(Unit: Baht)	
		Consolidated/ The Company Only	
		2015	2014
Provision for compensation claims from a lawsuit (Note 29.6(1))		-	5,294,903
Total		-	5,294,903

In the year 2015, a lawsuit is finished and the Company has to pay for compensation claims of Baht 6.47 million (See Note 29.6 (1))



## 20. PROVISION FOR WARRANTY UNDER CONTRACT

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

(Unit: Baht)		
	Consolidated/ The Company Only	
	2015	2014
Balance, beginning of the year	-	238,766
<u>Add</u> Addition during the year	20,439,026	4,814,098
<u>Less</u> Payment during the year	(1,888,912)	(3,132,803)
Reversal	-	(1,920,061)
Balance, ending of the year	18,550,114	-

In 2014, the Company cut down the provisions from the work guarantee amounting to Baht 1.92 million due to the revision from the engineer according to the current information. In 2015, the Company has set the provisions from the work guarantee amounting to Baht 20.44 million according to the estimated from the engineers.

## 21. EMPLOYEE BENEFIT OBLIGATIONS

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

	(Unit : Baht)			
	Consolidated		The Company Only	
	2015	2014	2015	2014
Employee benefit obligations, balance forward	8,178,515	13,228,673	7,654,732	12,422,793
Current cost of service	733,381	795,624	687,809	705,732
Interest in the year	439,371	417,433	420,105	394,615
Actuarial gain (losses)	-	(4,832,181)	-	(4,437,374)
Employee benefit paid in the year	(3,680,470)	(1,431,034)	(3,680,470)	(1,431,034)
Employee benefit obligations, ending forward	5,670,797	8,178,515	5,082,176	7,654,732

Assumptions in the estimates based on the actuarial principles

	Percentage
	Consolidated /The Company Only
	2014
Discount rate	4.54 - 4.66
Salary increase rate	2.00
Employee turnover rate	0.00 - 26.00
Disability rate	10.00
Mortality rate	Of Thai mortality table 2008

In the first quarter 2014, the Company and its subsidiaries revised calculation of employee benefit obligations based on the actuarial principles by a qualified independent actuary. It has actuarial gain of Baht 4.8 million (the Company only : Baht 4.4 million).

The Company has no sensitivity information from the actuary so it has not disclosed this in the notes to the financial statements.

## 22. STATUTORY RESERVE

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

## 23. EARNINGS (LOSS) PER SHARE

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

	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Profit for the years (Baht)	91,334,934	40,566,011	81,929,135	44,195,492
Weighted average number of ordinary shares (Share)	258,291,087	258,291,087	258,291,087	258,291,087
Basic earnings per share (Baht/Share)	0.35	0.16	0.32	0.17

## 24. EXPENSE BY NATURE

Significant expenses by nature are as follows :

(Unit : Baht)

	For the year ended December 31			
	Consolidated		The Company only	
	2015	2014	2015	2014
Raw material and consumable used	242,673,691	176,467,743	241,564,759	171,026,379
Change in material and work in process	(3,186,244)	15,993,956	(3,430,135)	16,029,995
Depreciation and amortization	34,441,639	30,429,707	31,902,404	28,341,673
Employee benefit cost	112,011,104	97,781,492	87,307,321	69,615,636
Employee benefit after retired	733,381	795,624	687,809	705,732

## 25. FINANCIAL INFORMATION BY OPERATING SEGMENTS

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

The Company and its subsidiaries' business operations involve 2 principal segments: (1) Ship repairing and (2) Ship building. These operations are mainly carried on in Thailand.

Below is the consolidated financial information for the years ended December 31, 2015 and 2014 of the Company and its subsidiaries by operating segments.

(Unit: Million Baht)

	Consolidated									
	For the year ended December 31,									
	Ship repairing segment		Ship building segment		Other segments		Elimination of inter-segment revenues		Consolidation	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from external customers	346.7	351.1	359.9	232.6	50.6	7.6	-	-	757.2	591.3
Inter-segment revenues	0.2	36.1	28.0	7.5	34.9	2.3	(63.1)	(45.9)	-	-
Total revenues	346.9	387.2	387.9	240.1	85.5	9.9	(63.1)	(45.9)	757.2	591.3
Segment income (loss)	120.9	100.2	129.4	75.9	17.3	15.1	-	-	267.6	161.0
Unallocated income and expenses:										
Interest income									0.6	0.5
Other income									8.6	15.9
Administrative expenses									(163.0)	(123.1)
Finance costs									(2.2)	(4.7)
Income taxes expense									(20.3)	(9.0)
Profit (loss) for the year									91.3	40.6
Property, plant and equipment - net									251.3	264.4
Intangible assets									6.9	8.3
Leasehold right									28.0	29.1
Unallocated assets									243.6	284.5
Total assets									529.8	586.3

## 26. PROVIDENT FUND

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contributed to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by Siam Commercial Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. For the year 2015 and 2014 amount totaling Baht 3.4 million and Baht 3.2 million, respectively, (the Company only : Baht 3.2 million and Baht 3.0 million, respectively).

## 27. CAPITAL MANAGEMENT

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

According to the separate statements of financial position as at December 31, 2015 and 2014, the Company's debt-to-equity ratio was 0.23 : 1 and 0.59 :1, respectively.

## 28. DIVIDEND

### YEAR 2015

At the Annual General Meeting of the shareholders held on April 3, 2015, it had the resolution to approve the dividend payment for the 2014 earnings in cash at the rate of Baht 0.12 per share, totaling Baht 30.99 million, payment on April 30, 2015.

### YEAR 2014

At the Annual General Meeting of the Shareholders held on April 3, 2014, it had the resolution to approve the dividend payment for the 2013 earnings in cash at the rate of Baht 0.15 per share, totaling Baht 38.74 million, payment on May 3, 2014.

## 29. COMMITMENTS AND CONTINGENT LIABILITIES

### 29.1 Commitments relating to operating lease and service agreements

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

Future minimum rentals payable under these leases as at December 31, 2015 are as follows:

	(Unit: Million Baht)	
Payable within	Consolidated	The Company Only
1 year	2.53	2.53
1 to 5 years	8.99	8.99
Thereafter 5 years	50.13	50.13
Total	61.65	61.65

### 29.2 Commitments relating to ship building and ship repairing contracts

As at December 31, 2015 the Company has undelivered for unrendered ship building and ship repair contracts totaling approximately Baht 3.86 million.

### 29.3 Guarantees

As at December 31, 2015 there were outstanding bank guarantees of approximately Baht 9.79 million and USD 0.02 million (The Company Only : Baht 4.36 million and USD 0.02 million) which have been issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the ordinary course of business of the Company and its subsidiaries.

### 29.4 Securities against credit facilities and loans as obtained from financial institutions

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

The subsidiary's credit facilities and loans obtained from banks have been secured by the mortgage of the subsidiary's two ships and secured by parent company.

### 29.5 SPECIFIC CREDIT FOR PROJECT

As at December 31, 2015, the Company has received the specific credit for project from 2 banks. It has been guaranteed by transfer of claims in payment from such project of trade receivables. The details of credit balance have been shown as follows:

- Credit of letter under bank guarantee at the amount of Baht 77.48 million and have been withdrawn at the amount of USD 0.32 million and Baht 17.48 million.

### 29.6 Litigations

- (1) In March 2005, the Company was sued by a company claiming compensation of approximately Baht 108.2 million for breach of a joint venture agreement between the Company and that company which resulted in the termination of a ship repair agreement between the plaintiff and an employer. Subsequently, in May 2005, the Company counter-sued on the grounds that the management believes the above reason for contract termination was due to the breach of ship repair agreement of such company with the employer and the amount of the damages to be claimed under the lawsuit had no clear source. On October 30, 2006, the Court of First Instance delivered judgment, to dismiss the lawsuit and the Company's countersuit, with the decision that both parties have joint responsibilities to the employer that cannot be separated. However, the Company submitted an appeal to this judgment in December 2006. On October 11, 2011, the Appeal Court had a ruling by ordering the company to pay damages of Baht 5.3 million. The Company has already recorded this amount of liability in its 2011 financial statements. However, on December 25, 2011, the Company had filed a petition. Latter on October 14, 2015 the Supreme Court ordered the company to pay such damages in accordance with the Appeal Court order. The Company records such liabilities in 2015 in the amount Baht 1.02 million and already paid on November 26, 2015 for Baht 6.47 million.
- (2) In November 2012, the Company was sued for damage by a business partner who had entered the auction to buy scrap steel on the charge of breaking the contract in the amount of Baht 5 million plus interest 7.5% per annum. The Company submitted a statement to the court explaining that the plea of the lawsuit is ungrounded. On December 19, 2013, the Court of first instance delivered



judgment to dismiss the lawsuit. However, the prosecutor appealed to the court on April 2, 2014. Later on November 4, 2014 the Appeal court upheld the judgment of the court of first instance to dismiss the case. On December 3, 2014, the prosecutor appealed to the Supreme Court. The Company considered not providing the contingent liabilities provision as the lawsuit had no ground of action. As at December 31, 2015 the case is under consideration by the Appeal Court.

## 30. FINANCIAL INSTRUMENTS

### 30.1 Financial risk management and policies

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

#### 30.1.1 Credit risk

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

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

#### 30.1.2 Interest rate risk

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

Significant financial assets and liabilities as at December 31, 2015 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date).

	Fixed interest rates						Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	
	(Million Baht)						(% p.a.)
<b>Financial assets</b>							
Cash and cash equivalent	45.0	-	-	29.9	4.5	79.4	0.5 - 1.1
	45.0	-	-	29.9	4.5	79.4	
<b>Financial liabilities</b>							
Bank overdrafts and short- term loans from financial institutions							
Trust receipts	-	-	-	-	-	-	
	-	-	-	-	-	-	

### 30.1.3 Foreign currency risk

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

The balances of financial assets and liabilities denominated in foreign currencies as at December 31, 2015 are summarized below.

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at December 31, 2015
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	0.43	-	36.25
EURO	-	-	-
JPY	-	-	-

### 30.2 Fair values of financial instruments

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

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

### 31. The revised accounting standards are not yet effective in the current year

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

These revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2016 are as follows:

Conceptual Framework for Financial Reporting (revised 2015)	
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates And Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements

Conceptual Framework for Financial Reporting (revised 2015)	
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2015)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

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

### 32. CHANGING SUBSIDIARY'S NAME

According to the Extraordinary Shareholders' Meeting of the Subsidiary No.1/2015 dated December 18, 2015, it has a resolution to approve the change of the subsidiary's name from General Warehouse Co., Ltd. to General Marine Co., Ltd. The subsidiary has registered to change of name with the Ministry of Commerce on December 21, 2015.

### 33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Directors on February 25, 2015.

**WE EMPHASIZE ON THE TIME AND QUALITY**



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ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED





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