

**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**REVIEWED REPORT AND INTERIM FINANCIAL INFORMATION**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

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

I have reviewed the accompanying statement of financial position of Asian Marine Services Public Company Limited and its subsidiaries as at March 31, 2019 and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and the condensed notes and have reviewed the separate financial information of Asian Marine Services Public Company Limited as well. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **SCOPE OF REVIEW**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **CONCLUSION**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with The Accounting Standard No. 34 "Interim Financial Reporting".

(Mr. Pojana Asavasontichai)  
Certified Public Accountant  
Registration No. 4891

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
May 10, 2019

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT MARCH 31, 2019**

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at March	As at December	As at March	As at December
Note		31, 2019	31, 2018	31, 2019	31, 2018
Assets					
Current assets					
Cash and cash equivalents		28,357	42,209	23,506	20,694
Trade accounts receivable					
Related parties	4, 5	22,379	19,383	22,333	19,544
Unrelated parties		72,558	44,669	72,509	44,501
Less: Allowance for doubtful accounts		(6,942)	(10,356)	(6,942)	(10,356)
Total trade accounts receivable	5	87,995	53,696	87,900	53,689
Unbilled complete construction in progress					
Related parties	4	478	2,528	478	2,528
Unrelated parties		63,661	88,517	63,661	88,517
Total unbilled complete construction in progress	6	64,139	91,045	64,139	91,045
Other receivables - related parties	4	-	-	106	197
Other receivables - unrelated parties	21	11,891	7,464	11,891	7,464
Inventories	7	40,934	40,725	40,703	40,359
Other current assets					
Advance payment for purchase of goods		1,454	181	1,454	181
Others		13,216	11,613	10,146	9,037
Total current assets		247,986	246,933	239,845	222,666
Non-current assets					
Investments in subsidiaries for under the cost method	8	-	-	26,882	26,882
Property, plant and equipment	9	443,571	440,586	442,579	439,542
Leasehold right of land and building	10	24,579	24,846	24,579	24,846
Intangible assets	11	11,442	11,878	11,442	11,878
Deferred tax assets	13	11,878	10,682	11,522	10,438
Withholding tax deducted at source		12,714	10,699	10,751	8,879
Other non-current assets	12	13,294	13,453	13,294	13,453
Total non-current assets		517,478	512,144	541,049	535,918
Total assets		765,464	759,077	780,894	758,584

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (Continued)**

**AS AT MARCH 31, 2019**

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at March	As at December	As at March	As at December
Note		31, 2019	31, 2018	31, 2019	31, 2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	14	87,133	87,000	87,133	87,000
Trade accounts payable					
Related parties	4	-	292	9,924	8,500
Unrelated parties		37,207	33,763	37,057	32,844
Total trade accounts payable		37,207	34,055	46,981	41,344
Accrued construction cost		821	278	821	278
Warranty provisions	15	1,044	1,157	1,044	1,157
Current portion of liabilities under financial					
lease agreement		918	810	918	810
Current portion of long term loans from bank	16	20,598	20,598	20,598	20,598
Other current liabilities					
Advance received from customers	6	2,064	-	2,064	-
Accrued expenses		19,407	17,833	16,188	16,538
Accrued corporate income tax		346	312	-	-
Others		13,209	13,785	13,331	11,760
Total current liabilities		182,747	175,828	189,078	179,485
Non-current liabilities					
Liabilities under financial lease					
agreement - net of current portion		1,202	632	1,202	632
Long - term loans - related parties	4	-	-	18,000	13,000
Long - term loans from bank	16	102,707	107,856	102,707	107,856
Employee benefit obligations	17	15,700	10,730	13,913	9,505
Total non-current liabilities		119,609	119,218	135,822	130,993
Total liabilities		302,356	295,046	324,900	310,478

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (Continued)**

**AS AT MARCH 31, 2019**

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at March	As at December	As at March	As at December
Note	31, 2019	31, 2018	31, 2019	31, 2018
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered share capital				
(258,291,110 ordinary shares of Baht 1 each)	258,291	258,291	258,291	258,291
Issued and paid-up share capital				
(258,291,087 ordinary shares of Baht 1 each)	258,291	258,291	258,291	258,291
Retained earnings				
Appropriated				
Statutory reserve	25,829	25,829	25,829	25,829
Unappropriated	177,627	177,948	171,874	163,986
Equity attributable to the parent company's shareholders	461,747	462,068	455,994	448,106
Non-controlling interests	1,361	1,963	-	-
Total shareholders' equity	463,108	464,031	455,994	448,106
Total liabilities and shareholders' equity	765,464	759,077	780,894	758,584

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

(Unit : Thousand Baht)				
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the three-month		For the three-month	
	periods ended March 31,		periods ended March 31,	
Note	2019	2018	2019	2018
<b>Revenues</b>				
Service income	106,577	133,502	105,996	131,385
Other income	2,531	1,979	2,663	2,552
Dividend received from subsidiary	-	-	8,160	-
<b>Total revenues</b>	<b>109,108</b>	<b>135,481</b>	<b>116,819</b>	<b>133,937</b>
<b>Expenses</b>				
Cost of services	70,152	88,060	72,528	90,037
Selling expenses	2,293	3,018	2,263	3,017
Administrative expenses	28,896	25,470	26,259	23,395
Management remuneration	4 4,116	4,282	4,116	4,282
Finance costs	2,039	1,438	2,093	1,431
<b>Total expenses</b>	<b>107,496</b>	<b>122,268</b>	<b>107,259</b>	<b>122,162</b>
Income before tax expense (income)	1,612	13,213	9,560	11,775
Tax expense (income)	13 172	2,418	89	2,110
Profit for the period	1,440	10,795	9,471	9,665
Other comprehensive income				
Items that will not be reclassified to profit or loss	1,763	47	1,583	48
Total comprehensive income (loss) for the period	(323)	10,748	7,888	9,617
<b>Profit attributable to :</b>				
Parent company's shareholders	1,058	10,746	9,471	9,665
Non-controlling interests	382	49	-	-
	1,440	10,795	9,471	9,665
<b>Total comprehensive income (loss) attributable to :</b>				
Parent company's shareholders	(321)	10,699	7,888	9,617
Non-controlling interests	(2)	49	-	-
	(323)	10,748	7,888	9,617
<b>Earnings per share</b>				
Profit for the period of parent company's shareholders	1,058	10,746	9,471	9,665
Weighted average number of ordinary shares (Shares)	258,291	258,291	258,291	258,291
Basic earnings per share for the period (Baht per share)	0.004	0.042	0.037	0.037

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

(Unit : Thousand Baht)

Consolidated financial statements						
	Note	Common shareholders			Non-controlling interests	Total
		Issued and paid up share capital	Retained earnings Appropriated-legal reserve	Unappropriated		
				Total		
<b>Beginning balance, as at January 1, 2019</b>		258,291	25,829	177,948	1,963	464,031
Total comprehensive income (loss) for the three-month		-	-	(321)	(2)	(323)
Dividend paid of subsidiary	8	-	-	-	(600)	(600)
<b>Ending balance, as at March 31, 2019</b>		<u>258,291</u>	<u>25,829</u>	<u>177,627</u>	<u>1,361</u>	<u>463,108</u>
<b>Beginning balance, as at January 1, 2018</b>		258,291	25,829	196,984	1,565	482,669
Total comprehensive income for the three-month		-	-	10,699	49	10,748
<b>Ending balance, as at March 31, 2018</b>		<u>258,291</u>	<u>25,829</u>	<u>207,683</u>	<u>1,614</u>	<u>493,417</u>

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

(Unit : Thousand Baht)

Separate financial statements				
Note	Issued and paid-up share capital	Retained earnings		Total
		Appropriated - legal reserve	Unappropriated	
<b>Beginning balance, as at January 1, 2019</b>	258,291	25,829	163,986	448,106
Total comprehensive income for the three-month	-	-	7,888	7,888
<b>Ending balance, as at March 31, 2019</b>	<u>258,291</u>	<u>25,829</u>	<u>171,874</u>	<u>455,994</u>
<b>Beginning balance, as at January 1, 2018</b>	258,291	25,829	187,774	471,894
Total comprehensive income for the three-month	-	-	9,617	9,617
<b>Ending balance, as at March 31, 2018</b>	<u>258,291</u>	<u>25,829</u>	<u>197,391</u>	<u>481,511</u>

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

(Unit : Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the three-month periods		For the three-month periods	
	ended March 31,		ended March 31,	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit for the period	1,440	10,795	9,471	9,665
Adjustments to reconcile net profit (loss) to net cash provided by (paid from) operating activities: -				
Allowance for doubtful accounts (reversal)	(3,525)	(1)	(3,525)	(1)
Stock obsolescence (decrease)	3	(1,074)	3	(1,074)
Depreciation and amortization	9,395	9,673	9,319	9,594
Loss (gain) on sale of fixed assets	(6)	-	(6)	-
Loss from asset disposal	132	-	132	-
Loss on impairment of other non - current asset	32	32	32	32
Warranty provisions (reversal)	-	(137)	-	(137)
Unrealized foreign exchange loss (gain)	165	(196)	165	(196)
Employee benefits obligations	3,324	322	2,988	290
Divident income	-	-	(8,160)	-
Interest expenses	1,934	1,370	1,999	1,370
Income tax expenses	172	2,418	89	2,110
Income from operating activities before changes in operating assets and liabilities	13,066	23,202	12,507	21,653
Decrease (increase) in operating assets				
Trade accounts receivable	(30,774)	(18,913)	(30,686)	(18,762)
Unbilled income	26,906	(6,913)	26,906	(5,462)
Other receivables - related parties	-	-	91	(1,767)
Inventories	(212)	(1,669)	(347)	(1,841)
Advance payment for purchase of goods	(1,273)	(4,385)	(1,273)	(4,385)
Other current assets	(6,046)	840	(5,536)	614
Other non-current assets	127	85	127	85

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (Continued)**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

(Unit : Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the three-month periods		For the three-month periods	
	ended March 31,		ended March 31,	
	2019	2018	2019	2018
Increase (decrease) in operating liabilities				
Trade accounts payable	3,152	9,387	5,577	38,334
Accrued cost of construction	543	161	543	161
Advance received from customers	2,064	1,672	2,064	1,672
Other current liabilities	994	(5,802)	1,247	(6,227)
Cash received (paid) from operating activities	8,547	(2,335)	11,220	24,075
Corporate income taxes paid	(2,907)	(3,268)	(2,649)	(3,080)
Warranty provisions paid	(114)	(2,708)	(114)	(2,708)
Employee benefit obligations paid	(557)	(172)	(557)	(172)
Net cash from (used in) operating activities	4,969	(8,483)	7,900	18,115
<b>Cash flows from investing activities</b>				
Cash paid for purchase of fixed assets	(10,669)	(9,903)	(10,645)	(9,865)
Proceeds from sale of fixed assets	30	-	30	-
Cash paid for purchase of intangible assets	-	(59)	-	(59)
Dividend received from subsidiary	-	-	8,160	-
Net cash from (used in) investing activities	(10,639)	(9,962)	(2,455)	(9,924)
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term				
loans from financial institutions	133	12	133	-
Increase (decrease) in trust receipts payable	-	(23,215)	-	(23,215)
Repayment of hire-purchase payable	(487)	(252)	(487)	(252)
Received for long-term loans from bank	-	18,000	-	18,000
Received for long-term loans - related parties	-	-	13,000	-
Repayment for long-term loans - related parties	-	-	(8,000)	-
Repayment for long-term loans to bank	(5,149)	(2,970)	(5,149)	(2,970)
Dividend payment from subsidiary to non - controlling interests	(600)	-	-	-
Interest paid	(1,914)	(1,475)	(1,965)	(1,475)
Net cash from (used in) financing activities	(8,017)	(9,900)	(2,468)	(9,912)

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (Continued)**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

(Unit : Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the three-month periods		For the three-month periods	
	ended March 31,		ended March 31,	
	2019	2018	2019	2018
Net increase (decrease) in cash and cash equivalents	(13,687)	(28,345)	2,977	(1,721)
Unrealized gain (loss) on exchange rate				
from deposit in foreign currency	(165)	73	(165)	73
Cash and cash equivalents at the beginning of the period	42,209	60,694	20,694	31,062
Cash and cash equivalents at the end of the period	28,357	32,422	23,506	29,414
<b>Supplemental disclosure of cash flows information: -</b>				
1. Cash and cash equivalents consisted of: -				
Cash on hand	215	221	180	191
Cash at bank - Savings account	24,848	29,649	20,937	27,589
- Current account	3,235	2,478	2,330	1,560
Fixed deposit 3 months or less	59	74	59	74
	28,357	32,422	23,506	29,414
2. Non - cash items consisted of: -				
Purchase of fixed assets by mean of financial				
lease agreement	1,165	-	1,165	-

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

**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**MARCH 31, 2019**

**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.

**2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

2.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2018) Interim Financial Reporting, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2018.

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

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

2.2 Significant accounting policies

The significant accounting policies used in preparing the interim financial statements are the same accounting policies used in the preparation of the annual financial statements for the three-month period ended March 31, 2019.

**2.3 Thai Financial Reporting Standards that become effective in the current year**

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements. However, the new standard involves changes to key principles, as summarized below.

**TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

**2.4 Financial reporting standards that will become effective in the future**

During the period, the Federation of Accounting Professions issued the financial reporting standard and accounting guidance for financial instruments, which is effective for fiscal years beginning on or after January 1, 2020. Key principles of these standards are summarized below. The accounting guidance for financial instruments and Presentation for Insurance business

Accounting practice was adjusted to have close content with TFRS 9 by dividing into 4 parts as follows:

1. The recognition of transaction and valuation of financial instrument which is developed closely to the accounting standards No.105 (revised 2016) regarding accounting for investment in debt securities and equity securities and financial reporting standards No.9 financial instrument.
2. Impairment of financial asset which has content close to the financial reporting standard No.9 re: financial instruments
3. Accounting to prevent risk with content close to the financial reporting standard No.9 regarding financial instrument.
4. Information disclosure of financial instrument with content similar to the financial reporting standard No.7 disclosure of financial instrument information.

### **TFRS 16 Leases**

As the lease is significant transaction in many business in many industries. It's significant that user of financial statement should receive information on activity of the lease completely and able to compare which the former accounting method for lease agreement under accounting standard No.17 regarding lease agreement require the lessee and lessor to classify lease agreement as financial lease or operating lease and record the account for both lease agreement differently. Such accounting method can't respond to the needs of the financial statement users as the accounting method does not objectively represent for the lease transaction in every case. For the lessee to recognize assets and liabilities that arise from operating lease which affects the lease agreement to be recognized as asset and liabilities in the statement of financial position. The use of asset and commitment that arises from the lease agreement under the definition of asset and liabilities affect the significant financial ratio to be distorted. New accounting method under the financial reporting standards No.16 lease agreement requires the lessee to recognize the right to use asset as asset in the financial statements and recognize commitment that arises from lease agreement in the financial statements. Such accounting method affects the asset presentation and liabilities of the lessee as objective representation as well as increase the disclosure of information that reflects the financial risk and capital money of the lessee.

At present, the management of the Company and its subsidiaries are evaluating the impact of this standard to the financial statements in the year when it is adopted.

### **3. BASIS OF CONSOLIDATION**

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

Company's name	Nature of business	Percentage of shareholding		Percentage of assets included in total assets as at		Percentage of revenues included in total revenues for the period	
		March	December	March	December	March	March
		31, 2019	31, 2018	31, 2019	31, 2018	31, 2019	31, 2018
		Percent	Percent	Percent	Percent	Percent	Percent
General Marine Co., Ltd.	Agent of machinery and equipment for marine service	100	100	0.72	0.74	0.01	0.02
Asimar Marine Co., Ltd.	Subcontractor of ship repair	100	100	1.67	1.60	8.89	6.27
Eco Marine Co., Ltd.	Pollution control and environmental management services	93	93	2.79	4.22	1.23	8.90

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

#### 4. RELATED PARTY TRANSACTIONS

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

	Million Baht		
	For the three-month periods ended March 31,		
<u>Transactions with subsidiaries</u>	2019	2018	Pricing Policy
(being eliminated from the consolidated financial statement)			
Ship building income	-	9.8	Based on each subcontractor work order
Ship repair income	-	0.1	Price close to that charged to ordinary customers
Divided received	8.2	-	Approval at the Annual General Meeting of Shareholders of a subsidiary
Other income	0.6	0.6	Supervisor fee and office service fee amounted to Baht 7,000-50,000 per month and rental fee for storage room amounted to Baht 1,500 per month and supplies were sold at cost plus margin 3 - 10% and service income at cost plus margin 20%
Cost of services	9.7	8.5	Baht 300 - 450 per day per person and agreed upon basis
Purchase material	0.209	0.014	Cost plus margin 10-150%
Interest expense	0.1	-	Interest rate 1.45%
<u>Transactions with related parties</u>			
Ship repair income	16.0	22.6	Price close to that charged to ordinary customers
Other income	-	0.2	Price close to that charged to ordinary customers
Cost of services	-	0.9	Based on each subcontractor work order

The outstanding balances as at March 31, 2019 and December 31, 2018 between the Company and the related companies are as follows:

		(Unit: Baht)			
	Relationship	Consolidated financial statements		Separate financial statements	
		As at March	As at December	As at March	As at December
		31, 2019	31, 2018	31, 2019	31, 2018
<b><u>Trade accounts receivable - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	-	539,558
Seatran Ferry Co., Ltd.	Common directors	22,326,171	18,663,604	22,279,626	18,284,260
Seatran Discovery Co., Ltd.	Common directors	53,500	53,500	53,500	53,500
Seatran Line Co., Ltd.	Common directors	-	208,350	-	208,350
Seatran Dockyard Co., Ltd.	Common directors	-	457,950	-	457,950
		<u>22,379,671</u>	<u>19,383,404</u>	<u>22,333,126</u>	<u>19,543,618</u>
<b><u>Unbilled complete construction in progress</u></b>					
Seatran Ferry Co., Ltd.	Common directors	<u>478,246</u>	<u>2,527,682</u>	<u>478,246</u>	<u>2,527,682</u>
		<u>478,246</u>	<u>2,527,682</u>	<u>478,246</u>	<u>2,527,682</u>

(Unit: Baht)					
Relationship		Consolidated financial statements		Separate financial statements	
		As at March	As at December	As at March	As at December
		31, 2019	31, 2018	31, 2019	31, 2018
<b><u>Amounts due from related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	35,642	91,771
Asimar Marine Co., Ltd.	Subsidiary	-	-	63,136	98,560
General Marine Co., Ltd.	Subsidiary	-	-	7,000	7,000
		-	-	105,778	197,331
<b><u>Trade accounts payable - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	48,824	9,437
Asimar Marine Co., Ltd.	Subsidiary	-	-	9,845,354	8,474,551
Seatran Ferry Co., Ltd.	Common directors	-	291,575	-	-
		-	291,575	9,894,178	8,483,988
<b><u>Accrued interest - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	25,345	11,084
General Marine Co., Ltd.	Subsidiary	-	-	4,926	4,926
		-	-	30,271	16,010
		-	291,575	9,924,449	8,499,998
<b><u>Long-term loans - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	14,000,000	9,000,000
General Marine Co., Ltd.	Subsidiary	-	-	4,000,000	4,000,000
		-	-	18,000,000	13,000,000

As at March 31, 2019 and as at December 31, 2018, the Company has the long-term loan with two subsidiaries at the total amount of Baht 18 million and Baht 13 million, respectively, with the interest rate of 1.45% per annum. The loan repayment is due by September 30, 2020.

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### **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 three-month periods ended March 31, 2019 and 2018 are as follow;

	(Unit : Baht)			
	For the three-month periods ended March 31,			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	4,062,570	4,248,960	4,062,570	4,248,960
Post employee benefits	53,000	33,002	53,000	33,002
Total	4,115,570	4,281,962	4,115,570	4,281,962

## **5. TRADE ACCOUNTS RECEIVABLE**

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	As at March	As at December	As at March	As at December
	31, 2019	31, 2018	31, 2019	31, 2018
<b><u>Trade accounts receivable - related parties</u></b>				
Trade accounts receivable - ship repair	22,333,126	19,004,061	22,333,126	19,043,618
Trade accounts receivable - other	-	-	-	500,000
Trade accounts receivable - service	46,545	379,343	-	-
Total	22,379,671	19,383,404	22,333,126	19,543,618
<b><u>Trade accounts receivable - unrelated parties</u></b>				
Trade accounts receivable - shipbuilding	8,183,342	36,960,201	8,183,342	36,960,201
Trade accounts receivable - ship repair	64,325,444	7,541,252	64,325,444	7,541,252
Trade accounts receivable - service	49,006	167,565	-	-
Total	72,557,792	44,669,018	72,508,786	44,501,453
Less: Allowance for doubtful accounts	(6,942,142)	(10,355,908)	(6,942,142)	(10,355,908)
Net	65,615,650	34,313,110	65,566,644	34,145,545
Total trade accounts receivable - net	87,995,321	53,696,514	87,899,770	53,689,163

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The agings of the outstanding balances of trade accounts receivable as at March 31, 2019 and as at December 31, 2018, as classified by due dates, are as follows:

	Consolidated financial statements		Separate financial statements	
	As at March	As at December	As at March	As at December
	31, 2019	31, 2018	31, 2019	31, 2018
<b><u>Age of receivables</u></b>				
Undue	61,073,850	22,483,462	61,036,293	22,045,437
Not over 3 months	17,545,820	26,322,991	17,487,826	26,253,665
Over 3 months to 6 months	6,584,142	4,745,561	6,584,142	4,745,561
Over 6 months to 12 months	2,791,508	144,500	2,791,508	144,500
Over 12 months	6,942,143	10,355,908	6,942,143	10,855,908
Total	94,937,463	64,052,422	94,841,912	64,045,071
Less: Allowance for doubtful accounts	(6,942,142)	(10,355,908)	(6,942,142)	(10,355,908)
Net	87,995,321	53,696,514	87,899,770	53,689,163

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

	Consolidated financial statements		Separate financial statements	
	As at March	As at December	As at March	As at December
	31, 2019 (for the three-month period)	31, 2018 (for the year ended)	31, 2019 (for the three-month period)	31, 2018 (for the year ended)
Beginning balance	(10,355,908)	(10,420,863)	(10,355,908)	(10,420,863)
Doubtful debt recovered	1,500	6,000	1,500	6,000
(Increase) decrease of allowance	3,412,266	58,955	3,412,266	58,955
Ending Balance	(6,942,142)	(10,355,908)	(6,942,142)	(10,355,908)

The Company has long time outstanding balances of trade accounts receivable, consisting of 1 debtors as at March 31, 2019 totaling 6.94 million. (As at December 31, 2018 : Baht 10.9 million of 7 debtors). The Company has set aside an allowance for doubtful accounts in amount of approximately Baht 6.94 million (As at December 31, 2018: Baht 10.4 million). These accounts are under a follow-up by the company.

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

(Unit : Baht)				
	Consolidated financial statements		Separate financial statements	
	For the three-month period ended		For the three-month period ended	
	March 31,		March 31,	
	2019	2018	2019	2018
Revenue recognized in the years - shipbuilding	1,166,315	-	1,166,315	9,841,797
- ship repair	104,829,310	107,424,936	104,829,310	107,508,896
- service	581,636	26,076,890	-	14,034,448

(Unit : Baht)				
	Consolidated financial statements		Separate financial statements	
	As at March	As at December	As at March	As at December
	31, 2019	31, 2018	31, 2019	31, 2018
Aggregate amount of cost incurred and recognized profit	1,166,315	-	1,166,315	39,650,000
Unbilled complete construction in progress for - Ship repair	51,396,512	73,234,047	51,396,512	73,234,047
- Service	12,742,749	17,810,754	12,742,749	17,810,754
	64,139,261	91,044,801	64,139,261	91,044,801
Advance received from customers - Shipbuilding	1,153,685	-	1,153,685	-
- Ship repair	910,155	-	910,155	-
	2,063,840	-	2,063,840	-

## 7. INVENTORIES

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	As at March	As at December	As at March	As at December
	31, 2019	31, 2018	31, 2019	31, 2018
Raw materials	35,573,955	35,765,839	35,342,686	35,573,520
Work in process	6,489,202	6,084,898	6,489,202	5,911,086
Total	42,063,157	41,850,737	41,831,888	41,484,606
Less : Allowance for stock obsolescence	(1,128,741)	(1,125,975)	(1,128,741)	(1,125,975)
Net	40,934,416	40,724,762	40,703,147	40,358,631

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

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2019 (for the three- month period)	As at December 31, 2018 (for the year ended)	As at March 31, 2019 (for the three- month period)	As at December 31, 2018 (for the year ended)
Beginning balance	(1,125,975)	(2,205,581)	(1,125,975)	(2,205,581)
Increase	(2,766)	-	(2,766)	-
Decrease	-	1,079,606	-	1,079,606
Ending balance	<u>(1,128,741)</u>	<u>(1,125,975)</u>	<u>(1,128,741)</u>	<u>(1,125,975)</u>

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Reversal of the decline in value of inventory for the three-month period ended March 31	-	1,074,522	-	1,074,522

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

These represent investments in ordinary shares in the following subsidiaries.

	(Unit: Baht)									
	Separate financial statements									
Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method		Dividend	
	As at March 31, 2019	As at December 31, 2018	As at March 31, 2019	As at December 31, 2018	As at March 31, 2019	As at December 31, 2018	As at March 31, 2019	As at December 31, 2018	For the period ended March 31, 2019	For the period ended March 31, 2018
	(Million Baht)	(Million Baht)	(Percent)	(Percent)						
<u>Investments in subsidiaries</u>										
General Marine Co., Ltd.	10.0	10.0	100	100	10,000,000	10,000,000	5,502,378	5,561,289	-	-
<u>Less Allowance for impairment</u>					<u>(5,115,021)</u>	<u>(5,115,021)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
					<u>4,884,979</u>	<u>4,884,979</u>	<u>5,502,378</u>	<u>5,561,289</u>	<u>-</u>	<u>-</u>
Asimar Marine Co., Ltd.	5.0	5.0	100	100	4,998,200	4,998,200	8,620,285	8,586,289	-	-
Eco marine Co., Ltd.	18.25	18.25	93	93	16,999,300	16,999,300	18,512,471	26,693,987	8,159,916	-
Total					<u>26,882,479</u>	<u>26,882,479</u>	<u>32,635,134</u>	<u>40,841,565</u>	<u>8,159,916</u>	<u>-</u>

On March 20, 2019, at the Annual General Meeting of Shareholders Year 2019 of a subsidiary, Eco marine Co., Ltd. declare a cash dividend payment from its of 2018 operations at the rate of Baht 12 per share for an amount of Baht 8.76 million. The payment was made on April 19, 2019.

## 9. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the three-month period ended March 31, 2019 are summarized as follows.

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
<b>At cost</b>		
Balance as at December 31, 2018	1,035,549,704	990,785,931
Acquisitions during the period	11,832,642	11,810,142
Transfer in during the period	148,173	148,173
Transfer out during the period	(280,173)	(280,173)
Disposals and write-off during the period	(932,173)	(930,173)
Balance as at March 31, 2019	1,046,318,173	1,001,533,900
<b>Accumulated depreciation</b>		
Balance as at December 31, 2018	594,962,940	551,243,678
Depreciation for the period	8,692,472	8,617,125
Accumulated depreciation on disposals and write-off	(908,331)	(906,332)
Balance as at March 31, 2019	602,747,081	558,954,471
<b>Net book value</b>		
Balance as at December 31, 2018	440,586,764	439,542,253
Balance as at March 31, 2019	443,571,092	442,579,429

For the three-month period ended March 31, 2019 and for the year ended December 31, 2018, the Company capitalizes borrowing costs as the cost of construction amount of Baht 0.3 million and Baht 1.0 million respectively. (Interest rate of 4.35% per annum).

Portion of buildings of the Company and its subsidiary are erected on the land which the Company has a lease agreement of the state land and construction with the Treasury Department and the right of such assets will be transferred to the lessor at the end of the agreement. (See note 10). As at March 31, 2019, cost value and book value of those assets were Baht 188.9 million and Baht 46.6 million, respectively. (The Company only : Baht 165.8 million and Baht 46.6 million, respectively).

As at March 31, 2019 and as at December 31, 2018, the Company has mortgaged two floating dockyards with a total net book value of Baht 113.2 million and Baht 115.3 million, respectively, and land and construction thereon with a total net book value of Baht 133.0 million and 133.9 million, respectively, and machinery with a net book value of Baht 0.03 million and Baht 0.1 million, respectively to secure credit facilities and loans obtained from financial institutions (See Note 14 and 16).

As at March 31, 2019 and as at December 31, 2018, the subsidiary has mortgaged two ships, with a total net book value of Baht 0.03 million, to secure credit facilities and loans obtained from financial institutions (See Note 14).

As at March 31, 2019 and as at December 31, 2018, motor vehicles of Company with a total net book value of Baht 5.3 million and Baht 4.3 million, respectively were under financial lease agreements with leasing companies.

As at March 31, 2019 and as at December 31, 2018, 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 497.3 million and Baht 465.3 million, respectively. (The Company Only: As at March 31, 2019 and as at December 31, 2018, Baht 446.7 million and Baht 414.7 million, respectively).

#### **10. LEASEHOLD RIGHT OF LAND AND BUILDING**

In addition, the Company is required to pay the rent annually throughout the term of the lease agreement for 30 years from 2012 to 2042.

Movement of the Leasehold right of land and building account for the three-month period ended March 31, 2019 are summarized as follow.

	(Unit : Baht)		
	Consolidated financial statements/ Separate financial statements		
	Book value as at December 31, 2018	Amortization	Book value as at March 31, 2019
Leasehold right of land building (30 years)	32,036,250		32,036,250
<u>Less</u> Accumulated amortization	<u>(7,190,531)</u>	<u>(266,969)</u>	<u>(7,457,500)</u>
Net book value	<u>24,845,719</u>		<u>24,578,750</u>

As at March 31, 2019, the Company has the obligation to pay the outstanding rent as follows:

	(Unit:Baht)
Payable within	Consolidated financial statements/ Separate financial statements
1 year	1,687,210
1 to 5 years	7,508,080
Thereafter 5 years	42,622,130
Total	51,817,420

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

Later on September 12, 2018, the Company has issued a letter of objection to the collection of rent, rental fees and compensation in such amount. The significant reason is the land and buildings lease agreement that is legitimate from the Ministry of Finance. It is carried out according to the resolution of the state property No. 1/2012 as well as informing the rental rate, rental fees and other conditions. The Company has considered and agreed to enter into the lease agreement and always pay the rent and follow the agreement correctly. Therefore, this claim is not in the terms of the agreement. In addition, the various claims for damages is a matter between Ministry of Finance and the lease parties during that time (The Agricultural Co-operative Federation of Thailand). The Company, with such facts, has not recorded rental fees and additional fees according to the request from Treasury Department in the financial statements as at March 31, 2019.

# **11. Intangible assets**

Movements of Intangible assets account for the three-month period ended March 31, 2019

	(Unit : Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
<b>At cost</b>		
Balance as at December 31, 2018	30,159,572	25,352,919
Acquisitions during the period	-	-
Transfer out during the period	-	-
Disposals and write-off during the period	-	-
Balance as at March 31, 2019	30,159,572	25,352,919
<b>Accumulated amortization</b>		
Balance as at December 31, 2018	18,281,983	13,475,330
Amortization for the period	435,160	435,160
Accumulated amortization on disposals and write-off	-	-
Balance as at March 31, 2019	18,717,143	13,910,490
<b>Net book value</b>		
Balance as at December 31, 2018	11,877,589	11,877,589
Balance as at March 31, 2019	11,442,429	11,442,429

As at March 31, 2019 and as at December 31, 2018 certain software items of the Company have been fully amortized but are still in use. The original cost of those assets amounted to Baht 8 million.

## 12. OTHER NON-CURRENT ASSETS

Movements of the other non-current assets account for the three-month period ended March 31, 2019 are summarized as follows.

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2019	As at December 31, 2018	As at March 31, 2019	As at December 31, 2018
Value of ship	43,000,000	43,000,000	43,000,000	43,000,000
Less Allowance for impairment	(34,432,981)	(34,400,941)	(34,432,981)	(34,400,941)
Net book value	8,567,019	8,599,059	8,567,019	8,599,059
Other non-current assets	4,726,460	4,853,710	4,726,460	4,853,710
Total other non-current assets	13,293,479	13,452,769	13,293,479	13,452,769

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

	(Unit : Baht)	
	Consolidated financial statements/ Separate financial statements	
	As at March 31, 2019 (For the three- month period)	As at December 31, 2018 (For the year)
Beginning balance	34,400,941	34,271,000
Increase	32,040	129,941
Ending balance	34,432,981	34,400,941

The Company has set the provisions on allowance for impairment of other non-current 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 2018, the Company has applied the impairment method according to remaining useful life of ship and the independent appraiser does not allows to evaluate the residual value.

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### 13. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

13.1 Changes in deferred tax assets and deferred tax liabilities for the three-month period ended March 31, 2019 are summarized as follows:

(Unit: Baht)

	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	Dec. 31, 2018	In profit or loss	In other comprehensive income	Mar. 31, 2019
Deferred tax assets:				
Inventories	225,195	553	-	225,748
Other non-current assets	6,880,188	6,408	-	6,886,596
Property, plant and equipment	305,219	143,138	-	448,357
Intangible assets	30,095	52,700	-	82,795
Employee benefit obligations	2,145,069	553,043	440,509	3,138,621
Warranty provisions	231,492	(22,831)	-	208,661
Operating lease	865,012	22,664	-	887,676
Total	10,682,270	755,675	440,509	11,878,454

(Unit: Baht)

	Separate financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	Dec. 31, 2018	In profit or loss	In other comprehensive income	Mar. 31, 2019
Deferred tax assets:				
Inventories	225,195	553	-	225,748
Other non-current assets	6,880,188	6,408	-	6,886,596
Property, plant and equipment	305,219	143,138	-	448,357
Intangible assets	30,095	52,700	-	82,795
Employee benefit obligations	1,900,932	486,017	395,648	2,782,597
Warranty provisions	231,492	(22,831)	-	208,661
Operating lease	865,012	22,664	-	887,676
Total	10,438,133	688,649	395,648	11,522,430

## 13.2 Tax expense (income)

13.2.1 Major components of tax expense (income) for the three-month period ended March 31, 2019 and 2018 consisted of:

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the period	927,610	1,825,892	777,768	1,511,557
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(755,675)	592,214	(688,649)	598,532
Total	171,935	2,418,106	89,119	2,110,089
Income tax relating to components of other comprehensive income				
Deferred tax relating to actuarial losses from defined employee benefit plans				
	440,509	11,948	395,648	11,968
Total	440,509	11,948	395,648	11,968

13.2.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the three-month period ended March 31, 2019 and 2018 as follows:

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit (loss) for the period	1,611,996	13,213,224	9,559,944	11,774,687
Add loss from subsidiary	58,055	37,850	-	-
Total	1,670,051	13,251,074	9,559,944	11,774,687
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	334,010	2,650,215	1,911,989	2,354,937
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit (reversal)	47,742	51,412	18,629	38,333
- Expense which is deductible increasing from actual payment	(209,817)	(283,521)	(1,841,499)	(283,181)
Total reconciliation items	(162,075)	(232,109)	(1,822,870)	(244,848)
Total tax expense (income)	171,935	2,418,106	89,119	2,110,089

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13.2.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the three-month period ended March 31, 2019 and 2018 are summarized as follows:

(Unit: Baht )				
Consolidated financial statements				
2019		2018		
Tax amount	Tax rate	Tax amount	Tax rate	
(Baht)	(%)	(Baht)	(%)	
Accounting profit (loss) before tax expense for the period	1,670,051	13,251,074		
Tax expense (income) at the applicable tax rate	334,010	2,650,215	20	
Reconciliation items	(162,075)	(232,109)	(1.75)	
Tax expense (income) at the average effective tax rate	171,935	2,418,106	18.25	

(Unit: Baht )				
Separate financial statements				
2019		2018		
Tax amount	Tax rate	Tax amount	Tax rate	
(Baht)	(%)	(Baht)	(%)	
Accounting profit (loss) before tax expense for the period	9,559,944	11,774,687		
Tax expense (income) at the applicable tax rate	1,911,989	2,354,937	20	
Reconciliation items	(1,822,870)	(244,848)	(2.08)	
Tax expense (income) at the average effective tax rate	89,119	2,110,089	17.92	

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

(Unit: Baht)						
Interest rate			Consolidated financial statements		Separate financial statements	
Percent per annum			As at March	As at December	As at March	As at December
			31, 2019	31, 2018	31, 2019	31, 2018
2019	2018		2019	2018	2019	2018
Bank overdrafts	MOR	-	133,120	-	133,120	-
Short-term loans from						
financial institutions	2.00 - 4.25	4.25 - 4.30	87,000,000	87,000,000	87,000,000	87,000,000
Total			87,133,120	87,000,000	87,133,120	87,000,000

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As at March 31, 2019, the Company has bank overdraft facilities amounted to Baht 38 million, short-term loans Baht 160 million and trust receipt Baht 110 million (As at December 31, 2018 : Bank overdraft facilities Baht 38 million, short-term loans Baht 160 million and trust receipt Baht 110 million), secured by the mortgage of the Company two floating dockyards and land and construction thereon.

As at March 31, 2019, the subsidiary has bank overdraft facilities amounted to Baht 2 million and short-term loans Baht 10 million (As at December 31, 2018 : Bank overdraft facilities Baht 2 million, short-term loans Baht 10 million), secured by the mortgage of the subsidiary’s two ships and secured by parent company.

## 15. PROVISION FOR WARRANTY UNDER CONTRACT

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

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at March	As at December	As at March	As at December
	31, 2019	31, 2018	31, 2019	31, 2018
	(for the three-month period)	(for the year )	(for the three-month period)	(for the year )
Balance, beginning of the period	1,157,461	10,179,758	1,157,461	10,179,758
<u>Add</u> Addition during the period	-	1,200,000	-	1,200,000
<u>Less</u> Payment during the period	(114,159)	(5,283,921)	(114,159)	(5,283,921)
Reversal	-	(4,938,376)	-	(4,938,376)
Balance, ending of the year	1,043,302	1,157,461	1,043,302	1,157,461

In 2018, the Company have set the provisions from the work guarantee amounting to Baht 1.20 million according to the estimated from the engineers.

## 16. LONG-TERM LOANS FROM BANK

Long-term loan consisted of:

(Unit : Baht)

	Consolidated financial statements/ Separate financial statements	
	As at March	As at December
	31, 2019	31, 2018
Loan from local commercial bank	123,304,855	128,454,385
Total long-term loans	123,304,855	128,454,385
<u>Less</u> Current portion	(20,598,120)	(20,598,120)
Long-term loans from bank-net	102,706,735	107,856,265

As at March 31, 2019 and as at December 31, 2018, the Company entered into two long-term loan agreements with the bank at the amount of Baht 125 million and Baht 72 million, respectively.

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

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

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

Such long-term loan are guaranteed by land and construction thereon (See note 9).

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

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

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

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

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

Such long-term loan is guaranteed by a floating dockyards (See note 9).

Other significant practice according to agreement

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

## 17. EMPLOYEE BENEFIT OBLIGATIONS

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

	Consolidated financial statements		Separate financial statements	
	As at March 31, 2019 (for the three- month period)	As at December 31, 2018 (for the year )	As at March 31, 2019 (for the three- month period)	As at December 31, 2018 (for the year )
Employee benefit obligations, balance forward	10,730,353	10,450,079	9,504,660	9,351,851
Current cost of service	3,218,287	1,015,007	2,893,615	913,713
Interest in the period	104,784	271,908	93,518	244,686
Actuarial losses from defined Employ benefit plans	2,203,403	58,789	1,978,238	59,840
Employee benefit paid in the period	(557,050)	(1,065,430)	(557,050)	(1,065,430)
Employee benefit obligations, ending forward	15,699,777	10,730,353	13,912,981	9,504,660

## Assumptions in the estimates based on the actuarial principles

	Percentage			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	2.50 - 3.19	2.39 - 3.06	2.80	2.72
Salary increase rate	3.00 - 6.00	3.00 - 6.00	5	5
Employee turnover rate	1.91 - 57.30	1.91 - 68.76	5.73 - 34.38	8.60 - 34.38
Mortality rate (Of thai mortality table 2017)	105	105	105	105

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.

Below is the consolidated financial information for the three-month period ended March 31, 2019 and 2018 of the Company and its subsidiaries by operating segments. (The Company only : recognize in the employee benefits obligations approximately Baht 2.58 million, resulting in the decrease in profit approximately Baht 2.08 million.)

[illegible]

## **19. COMMITMENTS AND CONTINGENT LIABILITIES**

### **19.1 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 March 31, 2019 are as follows:

(Unit: Million Baht)

Payable within	Consolidated financial statements	Separate financial statements
1 year	5.20	5.20
1 to 5 years	10.37	10.37
Thereafter 5 years	42.62	42.62
Total	58.19	58.19

### **19.2 Commitments relating to ship building and ship repairing contracts**

As at March 31, 2019, the Company has undelivered for unrendered ship building and ship repair contracts totaling approximately Baht 23.56 million.

### **19.3 Commitments for purchase goods**

As at March 31, 2019, the Company has outstanding commitments on the contracts to purchase machinery and equipment for ship repair of Baht 1.47 million.

### **19.4 Commitments relating to Construction Contract**

As at March 31, 2019, the Company has undelivered for construction work totaling approximately Baht 3.80 million.

### **19.5 Guarantees**

As at March 31, 2019 the Company and its subsidiaries there were outstanding bank guarantees of Baht 25.44 million (The Company Only : Baht 21.48 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.

**19.6 Securities against credit facilities and loans as obtained from financial institutions**

As at March 31, 2019, the Company’s credit facilities and loans obtained from banks at the amount of Bath 505 million have been secured by the mortgage of the Company’s two floating dockyard and land and construction thereon.

As at March 31, 2019, the subsidiary’s credit facilities and loans obtained from banks at the amount of Baht 12 million have been secured by the mortgage of the subsidiary’s two ships and secured by parent company.

**20. SUBSEQUENT EVENT**

At the Annual General Meeting of the shareholders held on April 4, 2019, it had the resolution to approve the dividend payment for the 2018 earnings in cash at the rate of Baht 0.10 per share, totalling Baht 25.83 million. The dividend payment was set on May 3, 2019.

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

In 2018, the Company had the works in steel structure installation, warehouse and passenger terminal in the new Sadao customs building project, Songkhla province. The Company has hired a construction contractor at the hiring limit of Baht 3.24 million but the contractor cannot finish work as agreed, On November 8, 2018, the Company entered into the memorandum with 2 contractor and subcontractor to be jointly responsible for the costs incurred by the Company entering into the work replaced the contractor's work until the project will be finished. However, the contractor entered into the debt settlement memorandum in February 2019 in order to take such damages incurred to deduct with the contract wages for installation construction of steel structure of Suvarnabhumi Airport expansion project. The Company has considered to record the transaction as other receivables in the financial statements as at March 31, 2019 amount of Baht 11.89 million.

**22. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial statements were authorized for issue by the Company’s Directors on May 10, 2019.