

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

---

**REVIEWED REPORT AND INTERIM FINANCIAL INFORMATION**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018**

## **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 consolidated statement of financial position of Asian Marine Services Public Company Limited and its subsidiaries as at June 30, 2018, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2018, changes in shareholders' equity and cash flows for the six-month period ended June 30, 2018, and selected explanatory notes and the separate statement of financial position of Asian Marine Services Public Company Limited as at June 30, 2018, and the related separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2018, changes in shareholders' equity and cash flows for the six-month period ended June 30, 2018, and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting standards 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 auditing 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 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 standards No. 34 "Interim Financial Reporting".

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

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
August 10, 2018

"UNAUDITED"

"REVIEWED"

- 2 -

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2018

(Unit : Thousand Baht)

	Note	Consolidated		The Company Only	
		As at June	As at December	As at June	As at December
		30, 2018	31, 2017	30, 2018	31, 2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		14,163	60,694	10,998	31,062
Trade accounts receivable					
Related parties	4, 5	17,984	7,822	18,338	8,429
Unrelated parties		43,643	51,848	43,375	51,552
Less: Allowance for doubtful accounts		(10,544)	(10,421)	(10,544)	(10,421)
Total trade accounts receivable	5	51,083	49,249	51,169	49,560
Unbilled complete construction in progress					
Related parties	4	7,211	37,247	33,226	37,247
Unrelated parties		114,770	31,123	84,764	31,123
Total unbilled complete construction in progress	6	121,981	68,370	117,990	68,370
Other receivables - related parties	4	-	-	7,377	4,849
Inventories	7	61,712	47,250	61,141	46,759
Other current assets					
Advance payment for purchase of goods		12,912	3,198	12,805	3,198
Others		8,887	6,200	9,035	6,418
<b>Total current assets</b>		<b>270,738</b>	<b>234,961</b>	<b>270,515</b>	<b>210,216</b>
<b>Non-current assets</b>					
Investments in subsidiaries for under the cost method	8	-	-	26,882	26,882
Property, plant and equipment	9	425,166	423,465	424,064	422,251
Leasehold right of land and building	10	25,380	25,914	25,380	25,914
Intangible assets	11	12,309	12,971	12,309	12,971
Deferred tax assets	13	11,655	12,678	11,423	12,459
Withholding tax deducted at source		14,818	9,943	12,455	7,982
Other non-current assets	12	13,621	13,873	13,621	13,873
<b>Total non-current assets</b>		<b>502,949</b>	<b>498,844</b>	<b>526,134</b>	<b>522,332</b>
<b>Total assets</b>		<b>773,687</b>	<b>733,805</b>	<b>796,649</b>	<b>732,548</b>

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

"UNAUDITED"

"REVIEWED"

- 3 -

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT JUNE 30, 2018

(Unit : Thousand Baht)

	Note	Consolidated		The Company Only	
		As at June	As at December	As at June	As at December
		30, 2018	31, 2017	30, 2018	31, 2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	14	85,926	20,000	85,926	20,000
Trust receipts payable	14	7,947	28,460	7,947	28,460
Trade accounts payable					
Related parties	4	749	1,030	16,081	15,117
Unrelated parties		58,628	41,150	57,831	40,047
Total trade accounts payable		59,377	42,180	73,912	55,164
Other payable - ralated parties	4	-	-	24,847	-
Accrued construction cost		1,511	262	1,511	262
Warranty provisions	15	5,281	10,180	5,281	10,180
Current portion of liabilities under financial					
lease agreement		1,017	1,027	1,017	1,027
Current portion of long term loans from bank	16	19,145	11,881	19,145	11,881
Other current liabilities					
Advance received from customers	6	137	-	137	-
Accrued expenses		16,952	16,588	16,937	15,611
Accrued corporate income tax		602	7,193	-	7,020
Others		9,484	13,213	7,183	11,995
<b>Total current liabilities</b>		<b>207,379</b>	<b>150,984</b>	<b>243,843</b>	<b>161,600</b>
<b>Non-current liabilities</b>					
Liabilities under financial lease					
agreement - net of current portion		945	1,442	945	1,442
Long - term loans from bank	16	109,055	88,260	109,055	88,260
Employee benefit obligations	17	10,829	10,450	9,667	9,352
<b>Total non-current liabilities</b>		<b>120,829</b>	<b>100,152</b>	<b>119,667</b>	<b>99,054</b>
<b>Total liabilities</b>		<b>328,208</b>	<b>251,136</b>	<b>363,510</b>	<b>260,654</b>

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

"UNAUDITED"

"REVIEWED"

- 4 -

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT JUNE 30, 2018

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
<b>Liabilities and shareholders' equity (continued)</b>				
<b>Shareholders' equity</b>				
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	159,631	196,984	149,019	187,774
Other components of equity	-	-	-	-
Equity attributable to the parent company's shareholders	443,751	481,104	433,139	471,894
Non-controlling interests	1,728	1,565	-	-
<b>Total shareholders' equity</b>	<b>445,479</b>	<b>482,669</b>	<b>433,139</b>	<b>471,894</b>
<b>Total liabilities and shareholders' equity</b>	<b>773,687</b>	<b>733,805</b>	<b>796,649</b>	<b>732,548</b>

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

"UNAUDITED"

"REVIEWED"

- 5 -

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018

(Unit : Thousand Baht)

	Note	Consolidated		The Company Only	
		For the three-month periods ended June 30,		For the three-month periods ended June 30,	
		2018	2017	2018	2017
<b>Revenues</b>					
Service income		136,843	207,220	133,858	205,143
Other income		2,119	3,014	2,475	3,507
<b>Total revenues</b>		<b>138,962</b>	<b>210,234</b>	<b>136,333</b>	<b>208,650</b>
<b>Expenses</b>					
Cost of services		97,654	133,259	97,837	133,320
Selling expenses		2,320	2,989	2,298	2,929
Administrative expenses		28,364	26,443	26,305	24,368
Management remuneration	4	4,412	4,478	4,412	4,478
Finance costs		1,719	1,658	1,713	1,652
<b>Total expenses</b>		<b>134,469</b>	<b>168,827</b>	<b>132,565</b>	<b>166,747</b>
Income before tax expense (income)		4,493	41,407	3,768	41,903
Tax expense (income)	13	773	8,089	482	8,084
Profit for the period		<b>3,720</b>	<b>33,318</b>	<b>3,286</b>	<b>33,819</b>
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial losses from defined employee benefit plans - net of income tax		-	(3,982)	-	(4,023)
Total comprehensive income for the period		<b>3,720</b>	<b>29,336</b>	<b>3,286</b>	<b>29,796</b>
<b>Profit attributable to :</b>					
Parent company's shareholders		3,606	33,339	3,286	33,819
Non-controlling interests		114	(21)	-	-
		<b>3,720</b>	<b>33,318</b>	<b>3,286</b>	<b>33,819</b>
<b>Total comprehensive income attributable to :</b>					
Parent company's shareholders		3,606	29,362	3,286	29,796
Non-controlling interests		114	(26)	-	-
		<b>3,720</b>	<b>29,336</b>	<b>3,286</b>	<b>29,796</b>
<b>Earnings per share</b>					
Profit for the period of parent company's shareholders		3,606	33,339	3,286	33,819
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)		<b>0.014</b>	<b>0.13</b>	<b>0.013</b>	<b>0.13</b>

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

"UNAUDITED"

"REVIEWED"

- 6 -

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONT.)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

(Unit : Thousand Baht)

	<b>Consolidated</b>		<b>The Company Only</b>		
	For the six-month		For the six-month		
	periods ended June 30,		periods ended June 30,		
Note	2018	2017	2018	2017	
<b>Revenues</b>					
Service income	270,345	344,576	265,243	341,705	
Other income	4,098	6,808	5,027	7,718	
<b>Total revenues</b>	<b>274,443</b>	<b>351,384</b>	<b>270,270</b>	<b>349,423</b>	
<b>Expenses</b>					
Cost of services	185,714	235,309	187,874	234,768	
Selling expenses	5,338	5,929	5,315	5,869	
Administrative expenses	53,834	50,874	49,700	46,630	
Management remuneration	4	8,694	9,548	8,694	9,548
Finance costs	3,157	3,031	3,144	3,020	
<b>Total expenses</b>	<b>256,737</b>	<b>304,691</b>	<b>254,727</b>	<b>299,835</b>	
Income before tax expense (income)	17,706	46,693	15,543	49,588	
Tax expense (income)	13	3,191	9,367	2,592	9,390
Profit for the period		14,515	37,326	12,951	40,198
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial losses from defined employee benefit plans					
- net of income tax		47	(3,982)	48	(4,023)
Total comprehensive income for the period		14,468	33,344	12,903	36,175
<b>Profit attributable to :</b>					
Parent company's shareholders		14,352	37,396	12,951	40,198
Non-controlling interests		163	(70)	-	-
		14,515	37,326	12,951	40,198
<b>Total comprehensive income attributable to :</b>					
Parent company's shareholders		14,305	33,419	12,903	36,175
Non-controlling interests		163	(75)	-	-
		14,468	33,344	12,903	36,175
<b>Earnings per share</b>					
Profit for the period of parent company's shareholders		14,352	37,396	12,951	40,198
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)		0.06	0.14	0.05	0.16

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

**"UNAUDITED"**

**"REVIEWED"**

- 7 -

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

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018**

(Unit : Thousand Baht)

		Consolidated						
		Common shareholders			Non-controlling			
		Issued and	Retained earnings		Other components of equity		interests	
		paid up	Appropriated-	Unappropriated	Other comprehensive			
		share capital	legal reserve		income	Total		Total
Note								
	<b>Beginning balance, as at January 1, 2018</b>	258,291	25,829	196,984	-	481,104	1,565	482,669
	Total comprehensive income for the six-month	-	-	14,305	-	14,305	163	14,468
	Dividend paid	-	-	(51,658)	-	(51,658)	-	(51,658)
	<b>Ending balance, as at June 30, 2018</b>	<u>258,291</u>	<u>25,829</u>	<u>159,631</u>	<u>-</u>	<u>443,751</u>	<u>1,728</u>	<u>445,479</u>
	<b>Beginning balance, as at January 1, 2017</b>	258,291	25,829	152,008	-	436,128	1,497	437,625
	Total comprehensive income for the six-month	-	-	33,419	-	33,419	(75)	33,344
	Dividend paid	-	-	(30,995)	-	(30,995)	-	(30,995)
	<b>Ending balance, as at June 30, 2017</b>	<u>258,291</u>	<u>25,829</u>	<u>154,432</u>	<u>-</u>	<u>438,552</u>	<u>1,422</u>	<u>439,974</u>

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



**"UNAUDITED"**

**"REVIEWED"**

- 8 -

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

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018**

(Unit : Thousand Baht)

<b>The Company Only</b>						
	Note	Retained earnings		other components of equity	Total	
		Issued and paid-up share capital	Appropriated - legal reserve	Unappropriated		other comprehensive income
<b>Beginning balance, as at January 1, 2018</b>		258,291	25,829	187,774	-	471,894
Total comprehensive income for the six-month		-	-	12,903	-	12,903
Dividend paid	19	-	-	(51,658)	-	(51,658)
<b>Ending balance, as at June 30, 2018</b>		<u>258,291</u>	<u>25,829</u>	<u>149,019</u>	<u>-</u>	<u>433,139</u>
<b>Beginning balance, as at January 1, 2017</b>		258,291	25,829	144,520	-	428,640
Total comprehensive income for the six-month		-	-	36,175	-	36,175
Dividend paid	19	-	-	(30,995)	-	(30,995)
<b>Ending balance, as at June 30, 2017</b>		<u>258,291</u>	<u>25,829</u>	<u>149,700</u>	<u>-</u>	<u>433,820</u>

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

**"UNAUDITED"**

**"REVIEWED"**

- 9 -

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

**STATEMENTS OF CASH FLOWS**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018**

(Unit : Thousand Baht)

	<b>Consolidated</b>		<b>The Company Only</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>				
Profit for the period	14,515	37,326	12,951	40,198
Adjustments to reconcile net profit to net cash provided by (paid from) operating activities: -				
Allowance for doubtful accounts (reversal)	(3)	(3)	(3)	(3)
Stock obsolescence (decrease)	(1,088)	(72)	(1,088)	(72)
Depreciation and amortization	19,355	18,588	19,195	18,409
Loss (gain) on sale of fixed assets	(197)	(209)	(197)	(209)
Loss on fixed assets write-off	24	297	22	297
Loss on impairment of other non - current asset	64	347	64	347
Warranty provisions (reversal)	(137)	(199)	(137)	-
Unrealized foreign exchange loss (gain)	296	(127)	296	(127)
Employee benefits obligations	508	485	457	449
Investment expense (income)	(43)	(165)	(28)	(64)
Finance cost	3,157	3,031	3,143	3,020
Tax expense (income)	3,191	9,367	2,592	9,390
Income from operating activities before changes in operating assets and liabilities	39,642	68,666	37,267	71,635
Decrease (increase) in operating assets				
Trade accounts receivable	(1,831)	(7,716)	(1,606)	(5,258)
Unbilled income	(53,611)	25,205	(49,620)	25,576
Other receivables - related parties	-	(74)	(2,528)	(1,693)
Inventories	(13,374)	1,945	(13,294)	2,018
Advance payment for purchase of goods	(9,714)	3,267	(9,607)	4,947
Other current assets	(2,687)	(1,402)	(2,617)	(318)
Other non-current assets	188	(1,760)	188	(1,760)

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

**"UNAUDITED"**

**"REVIEWED"**

- 10 -

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

**STATEMENTS OF CASH FLOWS (Continued)**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018**

(Unit : Thousand Baht)

	<b>Consolidated</b>		<b>The Company Only</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Increase (decrease) in operating liabilities				
Trade accounts payable	17,196	2,319	18,747	995
Other payable - related parties	-	-	24,847	-
Accrued cost of construction	1,249	(1,965)	1,249	(1,965)
Advance received from customers	137	20,583	137	20,583
Other current liabilities	(3,561)	18,956	(3,682)	18,254
Cash received (paid) from operating activities	(26,366)	128,024	(519)	133,014
Corporate income taxes paid	(13,622)	(7,706)	(13,037)	(7,083)
Warranty provisions paid	(4,762)	(223)	(4,762)	(223)
Employee benefit obligations paid	(324)	(275)	(324)	(275)
Net cash from (used in) operating activities	(45,074)	119,820	(18,642)	125,433
<b>Cash flows from investing activities</b>				
(Increase) decrease in fixed deposit	-	2,947	-	2,947
Cash paid for purchase of fixed assets	(19,830)	(12,147)	(19,780)	(12,103)
Proceeds from sale of fixed assets	201	213	201	213
Cash paid for purchase of intangible assets	(58)	-	(58)	-
Interest received	43	154	28	64
Net cash from (used in) investing activities	19,644	(8,833)	(19,609)	(8,879)
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	65,926	30,000	65,926	30,000
Increase (decrease) in trust receipts payable	(20,747)	(53,060)	(20,747)	(53,060)
Repayment of hire-purchase payable	(507)	(328)	(507)	(328)
Received for long-term loans from bank	34,000	-	34,000	-
Repayment for long-term loans to bank	(5,941)	-	(5,941)	-
Dividend paid	(51,486)	(30,867)	(51,486)	(30,867)
Interest paid	(2,997)	(2,843)	(2,997)	(2,843)
Net cash from (used in) financing activities	18,248	(57,098)	18,248	(57,098)

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

**"UNAUDITED"**

**"REVIEWED"**

- 11 -

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

**STATEMENTS OF CASH FLOWS (Continued)**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 31, 2018**

(Unit : Thousand Baht)

	<b>Consolidated</b>		<b>The Company Only</b>	
	2018	2017	2018	2017
Net increase (decrease) in cash and cash equivalents	(46,470)	53,889	(20,003)	59,456
Unrealized gain (loss) on exchange rate				
from deposit in foreign currency	(61)	127	(61)	127
Cash and cash equivalents at the beginning of the period	60,694	36,897	31,062	8,568
Cash and cash equivalents at the end of the period	14,163	90,913	10,998	68,151
<b>Supplemental disclosure of cash flows information: -</b>				
1. Cash and cash equivalents consisted of: -				
Cash on hand	222	211	191	180
Cash at bank - Savings account	12,042	18,090	9,627	14,984
- Current account	1,825	3,539	1,106	2,914
Fixed deposit 3 months or less	74	73	74	73
Promissory notes-not over 3 months	-	69,000	-	50,000
	14,163	90,913	10,998	68,151

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**  
**JUNE 30, 2018**

**1. GENERAL INFORMATION**

1.1 Legal status and address

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

The address of its registered office is as follows:

128 Moo 3 Suksawad Road, Leamfapa, Prasadumjatee, 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 2017) 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, 2017.

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 year ended December 31, 2017.

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

The Company and its subsidiaries have adopted the revised 2017 Thai Financial Reporting Standards issued by the Federation of Accounting Professions which become effective for the fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. These financial reporting standards do not have any significant impact on the Company and its subsidiaries' financial statements.

2.4 Financial reporting standard that will become effective in the future

During 2018, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after January 1, 2019. Key principles of this standard is revenue recognition will replace the following standards and interpretations as follows:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmer
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

TFRS 15 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.

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	
		June	December	June	December	June	June
		30, 2018	31, 2017	30, 2018	31, 2017	30, 2018	30, 2017
		Percent	Percent	Percent	Percent	Percent	Percent
General Marine Co., Ltd.	Agent of machinery and equipment for marine service	100	100	0.82	0.88	0.01	0.44
Asimar Marine Co., Ltd.	Subcontractor of ship repair	100	100	2.37	2.20	5.34	4.08
Eco Marine Co., Ltd.	Pollution control and environmental management services	93	93	6.90	3.33	11.38	0.81

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				Pricing Policy
	For the three-month		For the six-month		
	periods ended June 30,	2017	periods ended June 30,	2017	
<u>Transactions with subsidiaries</u>	2018	2017	2018	2017	
(being eliminated from the consolidated financial statement)					
Shipbuilding income	16.2	1.3	26.0	1.3	Based on each subcontractor work order
Ship repair income	-	0.026	0.1	0.031	Price close to that charged to ordinary customers
Other income	0.4	0.6	1.0	1.0	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	6.1	8.0	14.6	14.3	Baht 300 - 450 per day per person and agreed upon basis
Purchase material	0.036	0.008	0.050	0.054	Cost plus margin 10-150%
<u>Transactions with related parties</u>					
Ship repair income	3.3	5.8	25.9	12.6	Price close to that charged to ordinary customers
Other income	0.3	-	0.5	-	Price close to that charged to ordinary customers



**“UNAUDITED”**

**“REVIEWED”**

- 16 -

The outstanding balances as at June 30, 2018 and as at December 31, 2017 between the Company and the related companies are as follows:

		(Unit: Baht)			
	Relationship	Consolidated		The Company Only	
		As at June 31, 2018	As at December 31, 2017	As at June 31, 2018	As at December 31, 2017
<b><u>Trade accounts receivable - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	500,000	673,273
Seatran Ferry Co., Ltd.	Common directors	17,918,687	7,822,283	17,773,167	7,755,729
Seatran Discovery Co., Ltd.	Common directors	65,270	-	65,270	-
		<u>17,983,957</u>	<u>7,822,283</u>	<u>18,338,437</u>	<u>8,429,002</u>
<b><u>Unbilled complete construction in progress</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	26,014,728	-
Seatran Ferry Co., Ltd.	Common directors	7,211,594	37,221,672	7,211,594	37,221,672
Seatran Discovery Co., Ltd.	Common directors	-	24,859	-	24,859
		<u>7,211,594</u>	<u>37,246,531</u>	<u>33,226,322</u>	<u>37,246,531</u>
<b><u>Other receivable - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	34,898	288,445
Asimar Marine Co., Ltd.	Subsidiary	-	-	7,334,987	4,553,134
General Marine Co., Ltd.	Subsidiary	-	-	7,000	7,000
		<u>-</u>	<u>-</u>	<u>7,376,885</u>	<u>4,848,579</u>
<b><u>Trade accounts payable - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	5,585	14,740
Asimar Marine Co., Ltd.	Subsidiary	-	-	15,326,307	14,072,347
Seatran Ferry Co., Ltd.	Common directors	749,000	1,029,875	749,000	1,029,875
		<u>749,000</u>	<u>1,029,875</u>	<u>16,080,892</u>	<u>15,116,962</u>
<b><u>Other payable - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	19,846,833	-
General Marine Co., Ltd.	Subsidiary	-	-	5,000,000	-
		<u>-</u>	<u>-</u>	<u>24,846,833</u>	<u>-</u>

**“UNAUDITED”**

**“REVIEWED”**

- 17 -

### **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 and six-month periods ended June 30, 2018 and 2017 are as follow;

(Unit : Baht)

	For the three-month periods ended June 30,				For the six-month periods ended June 30,			
	Consolidated		The Company only		Consolidated		The Company only	
	2018	2017	2018	2017	2018	2017	2018	2017
Short-term employee benefits	4,379,032	4,416,320	4,379,032	4,416,320	8,627,992	9,446,393	8,627,992	9,446,393
Post employee benefits	33,002	61,328	33,002	61,328	66,004	101,344	66,004	101,344
Total	4,412,034	4,477,648	4,412,034	4,477,648	8,693,996	9,547,737	8,693,996	9,547,737

## **5. TRADE ACCOUNTS RECEIVABLE**

(Unit: Baht)

	Consolidated		The Company Only	
	As at June	As at December	As at June	As at December
	30, 2018	31, 2017	30, 2018	31, 2017
<b><u>Trade accounts receivable - related parties</u></b>				
Trade accounts receivable - ship repair	17,838,437	7,755,729	17,838,437	7,929,002
Trade accounts receivable - other	-	-	500,000	500,000
Trade accounts receivable - service	145,520	66,554	-	-
Total	17,983,957	7,822,283	18,338,437	8,429,002
<b><u>Trade accounts receivable - unrelated parties</u></b>				
Trade accounts receivable - shipbuilding	7,702,575	7,597,664	7,702,575	7,597,664
Trade accounts receivable - ship repair	35,671,954	43,954,700	35,671,954	43,954,700
Trade accounts receivable - service	268,570	295,138	-	-
Total	43,643,099	51,847,502	43,374,529	51,552,364
Less: Allowance for doubtful accounts	(10,544,059)	(10,420,863)	(10,544,059)	(10,420,863)
Net	33,099,040	41,426,639	32,830,470	41,131,501
Total trade accounts receivable - net	51,082,997	49,248,922	51,168,907	49,560,503

**“UNAUDITED”**

**“REVIEWED”**

- 18 -

The agings of the outstanding balances of trade accounts receivable as at June 30, 2018 and as at December 31, 2017, as classified by due dates, are as follows:

(Unit: Baht)

	Consolidated		The Company Only	
	As at June	As at December	As at June	As at December
	30, 2018	31, 2017	30, 2018	31, 2017
<b><u>Age of receivables</u></b>				
Undue	25,953,284	12,643,585	25,844,037	12,323,623
Not over 3 months	18,634,747	35,535,278	18,469,004	35,666,821
Over 3 months to 6 months	1,306,883	1,070,059	1,306,883	1,070,059
Over 6 months to 12 months	5,188,083	-	5,048,983	500,000
Over 12 months	10,544,059	10,420,863	11,044,059	10,420,863
Total	61,627,056	59,669,785	61,712,966	59,981,366
Less: Allowance for doubtful accounts	(10,544,059)	(10,420,863)	(10,544,059)	(10,420,863)
Net	51,082,997	49,248,922	51,168,907	49,560,503

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

(Unit: Baht)

	Consolidated		The Company Only	
	As at June	As at December	As at June	As at December
	30, 2018 (for the three-month period)	31, 2017 (for the year ended)	30, 2018 (for the three-month period)	31, 2017 (for the year ended)
Beginning balance	(10,420,863)	(11,233,005)	(10,420,863)	(11,233,005)
Doubtful debt recovered	3,000	5,500	3,000	5,500
(Increase) decrease of allowance	(126,196)	806,642	(126,196)	806,642
Ending Balance	(10,544,059)	(10,420,863)	(10,544,059)	(10,420,863)

The Company has long time outstanding balances of trade accounts receivable, consisting of 7 debtors as at June 30, 2018 totaling 11 million. (As at December 31, 2017: Baht 10.4 million of 6 debtors). The Company has set aside an allowance for doubtful accounts in amount of approximately Bah 10.5 million (As at December 31, 2017: Baht 10.4 million). These accounts are under a follow-up by the company.

**“UNAUDITED”**

**“REVIEWED”**

- 19 -

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

(Unit : Baht)

	For the three-month periods ended June 30,				For the six-month periods ended June 30,			
	Consolidated		The Company Only		Consolidated		The Company Only	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenue recognized in the years-								
- shipbuilding	-	93,882,268	16,172,931	95,211,427	-	141,068,708	26,014,728	142,397,867
- ship repair	111,396,825	109,906,484	111,393,438	109,932,085	218,821,761	199,276,534	218,902,334	199,307,459
- service	25,446,384	1,881,248	6,292,263	-	51,523,274	2,680,988	20,326,711	-
- agent of equipment								
for marine service	-	1,549,720	-	-	-	1,549,720	-	-

(Unit : Baht)

	Consolidated		The Company Only	
	As at June	As at December	As at June	As at December
	30, 2018	31, 2017	30, 2018	31, 2017
Aggregate amount of cost incurred and recognized profit	-	470,843,000	26,014,728	486,943,000
Unbilled complete construction in progress for - Shipbuilding	-	-	26,014,728	-
- Ship repair	88,375,132	68,369,992	88,375,132	68,369,992
- Service	33,605,772	-	3,600,636	-
	121,980,904	68,369,992	117,990,496	68,369,992
Advances received from customers - Ship repair	136,370	-	136,370	-
	136,370	-	136,370	-

## 7. INVENTORIES

(Unit: Baht)

	Consolidated		The Company Only	
	As at June	As at December	As at June	As at December
	30, 2018	31, 2017	30, 2018	31, 2017
Raw materials	49,905,857	43,971,565	49,562,876	43,666,300
Work in process	12,924,322	5,484,529	12,696,042	5,298,137
Total	62,830,179	49,456,094	62,258,918	48,964,437
Less : Allowance for stock obsolescence	(1,118,074)	(2,205,581)	(1,118,074)	(2,205,581)
Net	61,712,105	47,250,513	61,140,844	46,758,856

**“UNAUDITED”**

**“REVIEWED”**

- 20 -

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

(Unit: Baht)

	Consolidated		The Company Only	
	As at June 30, 2018 (for the six- month period)	As at December 31, 2017 (for the year ended)	As at June 30, 2018 (for the six- month period)	As at December 31, 2017 (for the year ended)
Beginning balance	(2,205,581)	(892,138)	(2,205,581)	(892,138)
Increase	-	(1,313,443)	-	(1,313,443)
Decrease	1,087,507	-	1,087,507	-
Ending balance	1,118,074	(2,205,581)	1,118,074	(2,205,581)

(Unit: Baht)

	Consolidated		The Company Only	
	2018	2017	2018	2017
Reversal of the decline in value of inventory for the six-month period ended June 30	1,087,507	71,806	1,087,507	71,806

## 8. 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	
	As at June 30, 2018 (Million Baht)	As at December 31, 2017 (Million Baht)	As at June 30, 2018 (Percent)	As at December 31, 2017 (Percent)	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
<u>Investments in subsidiaries</u>								
General Marine Co., Ltd.	10.0	10.0	100	100	10,000,000	10,000,000	6,329,464	6,556,598
<u>Less</u> Allowance for impairment					(5,115,021)	(5,115,021)	-	-
					4,884,979	4,884,979	6,329,464	6,556,598
Asimar Marine Co., Ltd.	5.0	5.0	100	100	4,998,200	4,998,200	7,744,121	8,472,782
Eco marine Co., Ltd.	18.25	18.25	93	93	16,999,300	16,999,300	23,501,764	21,273,760
Total					26,882,479	26,882,479	37,575,349	36,303,140

**“UNAUDITED”**

**“REVIEWED”**

- 21 -

## 9. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the six-month period ended June 30, 2018 are summarized as follows.

	(Unit : Baht)	
	Consolidated	The Company only
<b>At cost</b>		
Balance as at December 31, 2017	986,216,644	941,445,855
Acquisitions during the period	19,829,677	19,779,710
Transfer in during the period	1,359,805	1,359,805
Transfer out during the period	(1,359,805)	(1,359,805)
Disposals and write-off during the period	(1,155,602)	(1,151,702)
Balance as at June 30, 2018	<u>1,004,890,719</u>	<u>960,073,863</u>
<b>Accumulated depreciation</b>		
Balance as at December 31, 2017	562,751,024	519,194,972
Depreciation for the period	18,101,220	17,940,770
Accumulated depreciation on disposals and write-off	(1,127,966)	(1,125,627)
Balance as at June 30, 2018	<u>579,724,278</u>	<u>536,010,115</u>
<b>Net book value</b>		
Balance as at December 31, 2017	<u>423,465,620</u>	<u>422,250,883</u>
Balance as at June 30, 2018	<u>425,166,441</u>	<u>424,063,748</u>

For the six-month period ended June 30, 2018 and for the year ended December 31, 2017, the Company capitalizes borrowing costs as the cost of construction amount of Baht 0.3 million and Baht 0.1 million respectively. (interest rate of 4.35% per annum.)

Portion of buildings of the Company and its subsidiary are erected on the land which the Company has a lease agreement of the state land and construction with the Treasury Department and the right of such assets will be transferred to the lessor at the end of the agreement. (See note 10). As at June 30, 2018, cost value and book value of those assets were Baht 188.9 million and Baht 51.5 million, respectively. (The Company only : Baht 165.8 million and Baht 51.5 million, respectively).

As at June 30, 2018 and as at December 31, 2017, the Company has mortgaged two floating dockyards with a total net book value of Baht 114.2 million and Baht 118 million, respectively, and land and construction thereon with a total net book value of Baht 135.7 million and 136.6 million, respectively, and machinery with a net book value of Baht 0.1 million and Baht 0.1 million, respectively to secure credit facilities and loans obtained from financial institutions (See Note 14 and 16).

As at June 30, 2018 and as at December 31, 2017, the subsidiary has mortgaged two ships, with a total net book value of Baht 0.03 million, to secure credit facilities and loans obtained from financial institutions (See Note 14).

As at June 30, 2018 and as at December 31, 2017, motor vehicles of Company with a total net book value of Baht 4.9 million and Baht 5.4 million, respectively were under financial lease agreements with leasing companies.

As at June 30, 2018 and as at December 31, 2017, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 509 million and Baht 417.9 million, respectively.(The Company Only: As at June 30, 2018 and as at December 31, 2017, Baht 458.4 million and Baht 367.4 million, respectively).

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

Movement of the Leasehold right of land and building account for the six-month period ended June 30, 2018 are summarized as follow.

	(Unit : Baht)		
	Consolidated/ The Company Only		
	Book value as at December 31, 2017	Amortization	Book value as at June 30, 2018
Leasehold right of land building (30 years)	32,036,250	-	32,036,250
<u>Less</u> Accumulated amortization	<u>(6,122,656)</u>	<u>(533,938)</u>	<u>(6,656,594)</u>
Net book value	<u>25,913,594</u>		<u>25,379,656</u>

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.

As at June 30, 2018, the Company has the obligation to pay the outstanding rent as follows:

	(Unit:Baht)
Payable within	Consolidated/ The Company Only
1 year	1,687,210
1 to 5 years	7,255,000
Thereafter 5 years	<u>44,562,420</u>
Total	<u>53,504,630</u>

**11. Intangible assets**

Movements of Intangible assets account for the six-month period ended June 30, 2018

	(Unit : Baht)	
	Consolidated	The Company only
<b>At cost</b>		
Balance as at December 31, 2017	29,637,202	24,830,549
Acquisitions during the period	58,300	58,300
Transfer in during the period	2,626,170	2,626,170
Transfer out during the period	(2,626,170)	(2,626,170)
Disposals and write-off during the period	-	-
Balance as at June 30, 2018	<u>29,695,502</u>	<u>24,888,849</u>
<b>Accumulated amortization</b>		
Balance as at December 31, 2017	16,666,423	11,859,770
Amortization for the period	720,178	720,178
Accumulated amortization on disposals and write-off	-	-
Balance as at June 30, 2018	<u>17,386,601</u>	<u>12,579,948</u>
<b>Net book value</b>		
Balance as at December 31, 2017	<u>12,970,779</u>	<u>12,970,779</u>
Balance as at June 30, 2018	<u><u>12,308,901</u></u>	<u><u>12,308,901</u></u>

As at June 30, 2018 and as at December 31, 2017 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.



**“UNAUDITED”**

**“REVIEWED”**

- 24 -

## 12. OTHER NON-CURRENT ASSETS

Movements of the other non-current assets account for the six-month period ended June 30, 2018 are summarized as follows.

	(Unit : Baht)			
	Consolidated		The Company Only	
	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
Value of ship	43,000,000	43,000,000	43,000,000	43,000,000
<u>Less</u> Allowance for impairment	34,335,437	(34,271,000)	34,335,437	(34,271,000)
Net book value	8,664,563	8,729,000	8,664,563	8,729,000
Other non-current assets	4,956,260	5,144,260	4,956,260	5,144,260
Total other non-current assets	<u>13,620,823</u>	<u>13,873,260</u>	<u>13,620,823</u>	<u>13,873,260</u>

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

	(Unit : Baht)	
	Consolidated/ The Company Only	
	As at June 30, 2018 (For the six month period)	As at December 31, 2017 (For the year)
Beginning balance	34,271,000	23,876,670
Increase	64,437	10,394,330
Ending balance	<u>34,335,437</u>	<u>34,271,000</u>

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 2017, the value of the assets has been adjusted based on the appraised value by the replacement - cost method amounted Baht 8.73 million.

**“UNAUDITED”**

**“REVIEWED”**

- 25 -

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

13.1 Changes in deferred tax assets and deferred tax liabilities for the six-month period ended June 30, 2018 are summarized as follows:

(Unit: Baht)

	Consolidated			Balance as at June 30, 2018
	Balance as at Dec. 31, 2017	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Inventories	441,116	(217,501)	-	223,615
Other non-current assets	6,854,200	12,887	-	6,867,087
Property, plant and equipment	402,290	25,099	-	427,389
Intangible assets	80,591	15,500	-	96,091
Employee benefit obligations	2,089,256	63,690	11,948	2,164,894
Warranty provisions	2,035,952	(979,809)	-	1,056,143
Operating lease	774,355	45,329	-	819,684
Total	12,677,760	(1,034,805)	11,948	11,654,903

(Unit: Baht)

	The Company Only			Balance as at June. 30, 2018
	Balance as at Dec. 31, 2017	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Inventories	441,116	(217,501)	-	223,615
Assets held for sale	6,854,200	12,887	-	6,867,087
Property, plant and equipment	402,290	25,099	-	427,389
Intangible assets	80,591	15,500	-	96,091
Employee benefit obligations	1,870,370	51,054	11,968	1,933,392
Warranty provisions	2,035,952	(979,809)	-	1,056,143
Operating lease	774,355	45,329	-	819,684
Total	12,458,874	(1,047,441)	11,968	11,423,401

## 13.2 Tax expense (income)

13.2.1 Major components of tax expense (income) for the three-month and six-month periods ended June 30, 2018 and 2017 consisted of:

	(Unit: Baht)							
	For the three-month periods ended June 30,				For the six-month periods ended June 30,			
	Consolidated		The Company Only		Consolidated		The Company Only	
	2018	2017	2018	2017	2018	2017	2018	2017
Income tax expense (income) shown in profit or loss :								
Current tax expense:								
Income tax expense for the periods	330,126	8,106,319	33,558	8,106,319	2,156,018	9,648,282	1,545,115	9,648,282
Deferred tax expense (income):								
Changes in temporary differences relating to the original recognition and reversal	442,591	(17,140)	448,909	(22,092)	1,034,805	(281,220)	1,047,441	(258,127)
Total	<u>772,717</u>	<u>8,089,179</u>	<u>482,467</u>	<u>8,084,227</u>	<u>3,190,823</u>	<u>9,367,062</u>	<u>2,592,556</u>	<u>9,390,155</u>
Income tax relating to components of other comprehensive income :								
Deferred tax relating to actuarial losses from defined employee benefit plans	-	995,422	-	1,005,762	11,948	995,422	11,968	1,005,762
Total	<u>-</u>	<u>995,422</u>	<u>-</u>	<u>1,005,762</u>	<u>11,948</u>	<u>995,422</u>	<u>11,968</u>	<u>1,005,762</u>

13.2.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the six-month period ended June 30, 2018 and 2017 as follows:

	(Unit: Baht)			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Accounting profit for the period	17,706,256	46,693,394	15,543,612	49,587,981
Add loss from subsidiary	837,089	3,352,726	-	-
Total	<u>18,543,345</u>	<u>50,046,120</u>	<u>15,543,612</u>	<u>49,587,981</u>
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	<u>3,708,669</u>	<u>10,009,224</u>	<u>3,108,722</u>	<u>9,917,596</u>
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit (reversal)	76,752	115,458	61,132	98,330
- Expense which is deductible increasing from actual payment	(594,598)	(757,620)	(577,298)	(625,771)
Total reconciliation items	<u>(517,846)</u>	<u>(642,162)</u>	<u>(516,166)</u>	<u>(527,441)</u>
Total tax expense (income)	<u>3,190,823</u>	<u>9,367,062</u>	<u>2,592,556</u>	<u>9,390,155</u>

**“UNAUDITED”**

**“REVIEWED”**

- 27 -

13.2.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the six-month period ended June 30, 2018 and 2017 are summarized as follows:

	(Unit: Baht )			
	Consolidated			
	2018		2017	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the period	18,543,345		50,046,120	
Tax expense (income) at the applicable tax rate	3,708,669	20	10,009,224	20
Reconciliation items	(517,846)	(2.79)	(642,162)	(1.28)
Tax expense (income) at the average effective tax rate	<u>3,190,823</u>	<u>17.21</u>	<u>9,367,062</u>	<u>18.72</u>

  

	(Unit: Baht )			
	The Company Only			
	2018		2017	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the period	15,543,612		49,587,981	
Tax expense (income) at the applicable tax rate	3,108,722	20	9,917,596	20
Reconciliation items	(516,166)	(3.32)	(527,441)	(1.06)
Tax expense (income) at the average effective tax rate	<u>2,592,556</u>	<u>16.68</u>	<u>9,390,155</u>	<u>18.94</u>

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

	Interest rate		(Unit: Baht)			
	Percent per annum		Consolidated		The Company Only	
	2018	2017	June, 30 2018	December, 31 2018	June, 30 2018	December, 31 2017
Bank overdrafts	MOR	-	1,926,200	-	1,926,200	-
Short-term loans from financial institutions	4.25 - 4.30	5.42	<u>84,000,000</u>	<u>20,000,000</u>	<u>84,000,000</u>	<u>20,000,000</u>
Total			<u>85,926,200</u>	<u>20,000,000</u>	<u>85,926,200</u>	<u>20,000,000</u>
Trust receipts	3.40 - 3.95	4.30	<u>7,947,424</u>	<u>28,460,018</u>	<u>7,947,424</u>	<u>28,460,018</u>

As at June 30, 2018, 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, 2017 : 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 June 30, 2018, the subsidiary has bank overdraft facilities amounted to Baht 2 million and short-term loans Baht 10 million (As at December 31, 2017 : 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		The Company Only	
	As at June 30, 2018 (for the six-month period)	As at December 31, 2017 (for the year )	As at June 30, 2018 (for the six-month period)	As at December 31, 2017 (for the year )
Balance, beginning of the period	10,179,758	1,462,819	10,179,758	1,264,075
<u>Add</u> Addition during the period	-	11,200,000	-	11,200,000
<u>Less</u> Payment during the period	(4,761,645)	(1,418,531)	(4,761,645)	(1,418,531)
Reversal	(137,400)	(1,064,530)	(137,400)	(865,786)
Balance, ending of the year	<u>5,280,713</u>	<u>10,179,758</u>	<u>5,280,713</u>	<u>10,179,758</u>

In 2017, the Company have set the provisions from the work guarantee amounting to Baht 11.20 million according to the estimated from the engineers.

**16. LONG-TERM LOANS FROM BANK**

Long-term loan consisted of:

(Unit : Baht)

	Consolidated/ The Company Only	
	As at June 30, 2018	As at December 31, 2017
Loan from local commercial bank	128,200,645	100,141,305
Total long-term loans	128,200,645	100,141,305
<u>Less</u> Current portion	(19,145,320)	(11,881,320)
Long-term loans from bank-net	<u>109,055,325</u>	<u>88,259,985</u>

As at June 30, 2018 and as at December 31, 2017, the Company entered into two long-term loan agreements with the bank at the amount of Baht 125 million and Baht 160 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  
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 cursing 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 :

(Unit : Baht)

	Consolidated		The Company Only	
	As at June 30, 2018 (for the six-month period)	As at December 31, 2017 (for the year )	As at June 30, 2018 (for the six-month period)	As at December 31, 2017 (for the year )
Employee benefit obligations, balance forward	10,450,079	5,137,042	9,351,851	4,523,552
Current cost of service	507,503	970,426	456,857	898,279
Interest in the period	135,954	374,304	122,343	354,341
Actuarial losses from defined				
Employ benefit plans	58,789	6,993,677	59,840	6,601,049
Employee benefit paid in the period	(323,930)	(3,025,370)	(323,930)	(3,025,370)
Employee benefit obligations, ending forward	10,828,395	10,450,079	9,666,961	9,351,851

### Assumptions in the estimates based on the actuarial principles

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

## 18. 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) Shipbuilding. These operations are mainly carried on in Thailand.

**“UNAUDITED”**

**“REVIEWED”**

- 31 -

Below is the consolidated financial information for the three-month and the six-month period ended June 30, 2018 and 2017 of the Company and its subsidiaries by operating segments.

(Unit: Million Baht)

	Consolidated									
	For the three-month period ended June 30,									
	Ship repairing		Shipbuilding		Other segments		Elimination of inter-segment		Consolidation	
	segment	segment	segment	segment	segment	segment	revenues	revenues	2018	2017
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from external customers	111.4	109.9	-	93.9	25.4	3.4	-	-	136.8	207.2
Inter-segment revenues	-	-	16.2	1.3	6.2	8.0	(22.4)	(9.3)	-	-
Total revenues	<u>111.4</u>	<u>109.9</u>	<u>16.2</u>	<u>95.2</u>	<u>31.6</u>	<u>11.4</u>	<u>(22.4)</u>	<u>(9.3)</u>	<u>136.8</u>	<u>207.2</u>
Segment income (loss)	28.5	42.4	7.5	28.9	3.2	2.6	-	-	39.2	73.9
Unallocated income and expenses:										
Interest income									-	0.2
Other income									2.1	2.8
Selling and administrative expenses									(35.1)	(33.9)
Finance costs									(1.7)	(1.6)
Income taxes expense									(0.8)	(8.1)
Profit (loss) for the year									<u>3.7</u>	<u>33.3</u>
Property, plant and equipment - net									425.2	392.4
Intangible assets									12.3	14.3
Leasehold right									25.4	26.5
Unallocated assets									310.8	294.4
Total assets									<u>773.7</u>	<u>727.6</u>

	Consolidated									
	For the six-month periods ended June 30,									
	Ship repairing		Ship building		Other segments		Elimination of inter-segment		Consolidation	
	segment	segment	segment	segment	segment	segment	revenues	revenues	2018	2017
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from external customers	218.8	199.3	-	141.1	51.5	4.2	-	-	270.3	344.6
Inter-segment revenues	0.1	-	26.0	1.3	14.7	14.3	(40.8)	(15.6)	-	-
Total revenues	<u>218.9</u>	<u>199.3</u>	<u>26.0</u>	<u>142.4</u>	<u>66.2</u>	<u>18.5</u>	<u>(40.8)</u>	<u>(15.6)</u>	<u>270.3</u>	<u>344.6</u>
Segment income (loss)	68.1	69.9	9.7	37.6	6.8	1.7	-	-	84.6	109.2
Unallocated income and expenses:										
Interest income									-	0.2
Other income									4.1	6.6
Selling and administrative expenses									(67.9)	(66.3)
Finance costs									(3.1)	(3.0)
Income tax expense									(3.2)	(9.4)
Profit (loss) for the period									<u>14.5</u>	<u>37.3</u>
Property, plant and equipment - net									425.2	392.4
Intangible asset									12.3	14.3
Leasehold right of land and building									25.4	26.5
Unallocated assets									310.8	294.4
Total assets									<u>773.7</u>	<u>727.6</u>



## **19. DIVIDEND**

### For the year 2018

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

### For the year 2017

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

## **20. COMMITMENTS AND CONTINGENT LIABILITIES**

### **20.1 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 June 30, 2018 are as follows:

	(Unit: Million Baht)	
<u>Payable within</u>	<u>Consolidated</u>	<u>The Company Only</u>
1 year	4.65	4.65
1 to 5 years	11.50	11.50
Thereafter 5 years	44.56	44.56
Total	<u>60.71</u>	<u>60.71</u>

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

As at June 30, 2018, the Company has undelivered for unrendered ship building and ship repair contracts totaling approximately Baht 21.26 million.

### **20.3 Commitments for purchase goods**

As at June 30, 2018, the Company has outstanding commitments on the contracts to purchase machinery and equipment for ship repair of Baht 7.76 million.

**20.4 Commitments relating to Construction Contract**

As at June 30, 2018, the Company has undelivered for construction work totaling approximately Baht 8.06 million.

**20.5 Guarantees**

As at June 30, 2018, the Company and its subsidiaries there were outstanding bank guarantees of Baht 14.02 million (The Company Only : Baht 10.45 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.

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

As at June 30, 2018, the Company's credit facilities and loans obtained from banks at the amount of Baht 505 million have been secured by the mortgage of the Company's two floating dockyard and land and construction thereon.

As at June 30, 2018, 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.

**21. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial statements were authorized for issue by the Company's Directors on August 10, 2018.