

# Annual Report 2008

รายงานประจำปี 2551



บริษัท เอเชีย นามีน เซอร์วิส จำกัด (มหาชน)  
ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED



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	คณะกรรมการตรวจสอบ		Audit Committee
	คณะกรรมการสรรหาและกำหนดค่าตอบแทน		Nominating and Remuneration Committee
	คณะผู้บริหาร		Management
	หลักเกณฑ์การสรรหากรรมการและค่าตอบแทนกรรมการ		Nominating of Directors
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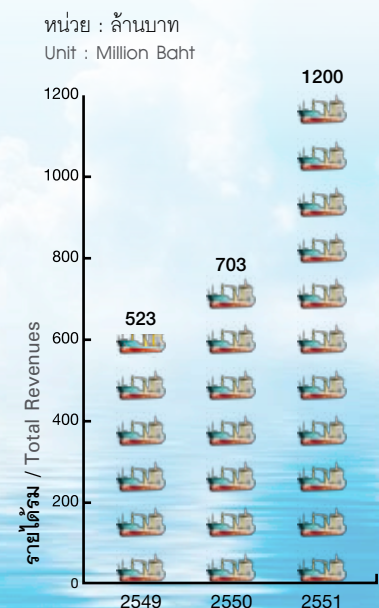
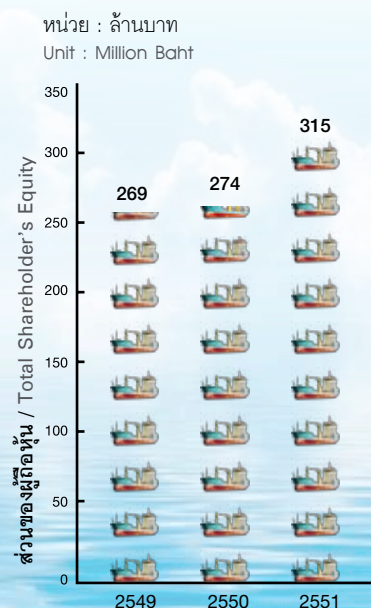
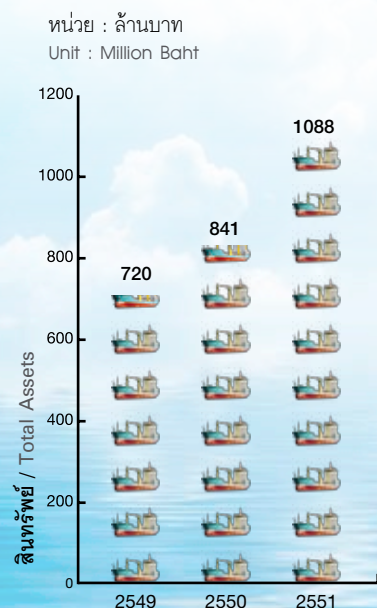
## Financial Highlight 2008

### จุดเด่นทางการเงิน 2008

หน่วย : ล้านบาท  
Unit : Million Baht

ข้อมูลทางการเงิน / Financial Data	2551 / 2008	2550 / 2007	2549 / 2006
สินทรัพย์รวม / Total Assets	1,088	841	720
หนี้สินรวม / Total Liabilities	773	567	452
ส่วนของผู้ถือหุ้น / Total Shareholders' Equity	315	274	269
รายได้จากการรับจ้าง / Service Income	1,160	671	514
รายได้รวม / Total Revenue	1,200	703	523
กำไรขั้นต้น / Gross Profit	183	115	103
กำไร (ขาดทุน) สุทธิ / Net Profit (Loss)	58	18	(5.90)

อัตราส่วนทางการเงิน / Financial Ratio	2551 / 2008	2550 / 2007	2549 / 2006
อัตรากำไรสุทธิ (%) / Net Profit Margin	4.90	2.63	(1.13)
อัตราผลตอบแทนผู้ถือหุ้น (%) / Return on Equity	19.97	6.81	(2.30)
อัตราผลตอบแทนจากสินทรัพย์ (%) / Return on Asset	6.10	2.37	(0.93)
มูลค่าตามบัญชีต่อหุ้น (บาท) / Book Value per Share (Baht)	1.34	1.17	1.14
กำไรสุทธิต่อหุ้น (บาท) / Net Profit per Share (Baht)	0.25	0.08	(0.03)







**Mr. Prakrit Pradiprasen**  
**Chairman**

ในรอบปี 2551 ที่ผ่านมา บริษัท เอเชีย มาร์ีน เซอร์วิส จำกัด (มหาชน) ประสบผลสำเร็จในด้านการดำเนินงาน การให้บริการ ต่อเรือ ช่อมเรือ เป็นที่น่าพอใจเป็นอย่างยิ่ง ซึ่งสามารถบรรลุเป้าหมาย ในปี 2551 มีรายได้ รวมเท่ากับ 1,200 ล้านบาท ขณะที่กำไรสุทธิรวม สูงขึ้นกว่าปี 2550 คิดเป็นร้อยละ 218.47 ทั้งนี้ บริษัท มุ่งมั่นที่จะปฏิบัติตามพันธกิจต่างๆ เพื่อผลสำเร็จขององค์กร พร้อม ทั้ง ได้สร้างการควบคุมคุณภาพด้านเวลา เพื่อความก้าวหน้าของ องค์กร ให้เป็นอยู่ต่อเรือ ช่อมเรือชั้นนำของประเทศ

บริษัทได้ดำเนินการพัฒนากระบวนการผลิต และ เทคโนโลยี รวมทั้งปรับปรุงโรงงานให้รองรับงานบริการที่เข้ามา ซึ่งใน ปี 2551 บริษัทได้ลงนามในสัญญากับลูกค้าต่างประเทศ 1 ราย ได้แก่ สัญญาจ้างต่อเรือ K.A. AL - GOSAIBI เมื่อวันที่ 9 กรกฎาคม 2551 เป็นงานต่อเรือสนับสนุนงานได้นำนอกชายฝั่ง ขนาดความยาว 60 เมตร ระยะเวลาโครงการ ประมาณ 21 เดือน นอกจากนี้บริษัทได้ส่ง มอบงานดัดแปลงเรือบรรทุกคอนเทนเนอร์ ให้เป็นเรือ OFFSHORE SUPPORT MAINTENANCE VESSEL มูลค่า ประมาณ 285 ล้านบาท ซึ่งส่งมอบไปแล้วเมื่อวันที่ 26 พฤศจิกายน 2551

ทั้งนี้ บริษัทให้ความสำคัญและตระหนักเป็นอย่างยิ่ง ถึง ความมีส่วนร่วมรับผิดชอบต่อสังคม และสิ่งแวดล้อม โดยให้ ความช่วยเหลือ สนับสนุน การดำเนินกิจกรรมสาธารณประโยชน์ ต่างๆ ทั้งด้านกำลังพลและเงินช่วยเหลือ ตามเจตนารมณ์ที่บริษัทจะ ดำรงไว้ซึ่งการพัฒนาชุมชนและสิ่งแวดล้อม

ในการขับเคลื่อนไปข้างหน้าในปี 2552 บริษัทมีความตื่นตัว และพร้อมที่จะเผชิญกับภาวะเศรษฐกิจ ที่ส่งผลกระทบต่อทั่วโลก โดยบริษัทเชื่อมั่นว่าการดำเนินตามแผนงานอย่างเป็นระบบ และตาม กลยุทธ์ที่ได้วางไว้ จะสามารถนำพาองค์กรไปสู่ความสำเร็จได้

ท้ายสุดนี้ ผมขอขอบพระคุณผู้ถือหุ้น ลูกค้าและพันธมิตร ทางธุรกิจทุกท่าน ที่ได้ให้การสนับสนุนการดำเนินงานของบริษัทด้วย ดีเสมอมา รวมทั้งกรรมการผู้บริหารและพนักงานของบริษัทฯ ที่ได้ทุ่มเทแรงกาย แรงใจ ปฏิบัติหน้าที่อย่างเต็มกำลังความสามารถ และร่วมกันพัฒนาองค์กร สร้างผลตอบแทนที่ดีต่อผู้ถือหุ้น บนพื้นฐานของการดำเนินงานอย่างเป็นธรรมต่อทุกฝ่าย และยังประโยชน์ต่อ สังคมต่อไป

นายปรกิต ปรกติประสู  
ประธานกรรมการบริษัทฯ

## Message from the chairman

### สาส์นจากประธานกรรมการโครงสร้างบริหาร

In 2008, Asian Marine Services Public Company Limited had tremendous success in its ship repair and shipbuilding operations. The Company was able to achieve its target for 2008, earning total revenue of Baht1.2 billion, while net profit rose by 218.47 % over the previous year (2007). In all its operations, the Company remained committed to its corporate mission to attain highest performance through strengthened control over quality and timeliness of service so that continued growth and recognition as one of the country's leading shipyards can be accomplished.

The Company has moved forward in developing its manufacturing processes and technologies, including an upgrade of its facilities. In 2008, the Company signed a contract with one foreign client: K.A. AL-GOSAIBI on 9 July 2008 commissioning a 60-metre offshore submarine vessel, in the project timeline of approximately 21 months. Additionally, on 26 November 2008, the Company delivered its offshore support maintenance vessel-converted from a container transport ship; a project valued at Baht285 million.

The Company is very much aware of, and has placed great emphasis on promoting a culture of social and environmental responsibility through our corporate good governance programs which provide assistance and support, in terms of both manpower and finance, to charity events and activities of public benefit. This is in keeping with the Company's intent to contribute to the sustainable development of the community and the environment.

In continuing to move forward in 2009, the Company is alert and prepared to face the economic downturn which already has global effects. By this, it should be noted that the Company has confidence in the work plans which have been developed systematically and in conformity to set strategies which will lead the organization to further success.

Lastly, I would like to thank all our shareholders and business alliances for their unfailing support for the Company. I also extend my thanks to the Members of the Board, executives and all the employees of the Company who have been untiring in their devotion to further develop the organization, create sustainable returns to our shareholders on the basis of efficient and fair business practice while also making significant contributions to society.

## Corporate Social Responsibility (CSR)

### กิจกรรมเพื่อชุมชน

Asimar มีความมุ่งมั่นพัฒนาศักยภาพ ทั้งในด้านสังคมและสิ่งแวดล้อม ชุมชน ให้มีคุณภาพชีวิตที่ดีขึ้น เพื่อเป็นการแบ่งปัน ความสุขให้กับสังคม และชุมชน โดยมุ่งประพุดิตนเป็นพลเมืองดี และสนับสนุนให้พนักงานมีส่วนร่วมสร้างสรรค์กิจกรรมต่างๆ เพื่อชุมชนและสังคมอย่างต่อเนื่อง โดยกิจกรรมและโครงการที่สำคัญในปี 2551 ได้แก่

#### 1. โครงการส่งเสริมการศึกษา บุตร-ธิดาพนักงาน

เมื่อวันที่ 23 พฤษภาคม 2551 เพื่อเป็นการปลูกฝังทัศนคติให้บุตร - ธิดาของพนักงานมีใจใฝ่ศึกษา เรียนรู้ อันจะเป็นหนทางนำไปสู่อนาคตที่ดี และเป็นความหวังของครอบครัวพนักงาน รวมทุนที่มอบ 16 ทุน เป็นจำนวนเงิน 62,000 บาท

Education Promotion for Children of Employees Project  
On 23 May 2008, the Company awarded 16 scholarships totalling 62,000 Baht to the sons and daughters of employees in order to encourage them to aspire to higher learning which will enable them to have a better and more productive future.



#### 2. โครงการปลูกป่าเพื่อชุมชน ณ.บางปู

วันที่ 5 กรกฎาคม 2551 เพื่อเป็นการส่งเสริมสภาพแวดล้อมป่าชายเลนที่กำลังเสื่อมสภาพลงทุกวัน Asimar ขอเป็นส่วนหนึ่งที่ช่วยแก้ปัญหาและดูแลรักษาอย่างต่อเนื่อง

Reforestation for the Community at Bang Pu Project  
On 5 July 2008, in order to help rehabilitate mangrove forests which are deteriorating at an alarming rate, the Company plays a constructive part in mitigating this on a regular basis.

#### 3. ให้ชีวิตใหม่ด้วยการบริจาคโลหิต

หนึ่งคนให้ หลายคนรับ เพื่อช่วยให้ผู้ป่วยที่ต้องการโลหิตมีชีวิตอยู่ในสังคมกับครอบครัวได้ต่อไป เมื่อวันที่ 8 สิงหาคม 2551 และ 7 พฤศจิกายน 2551

Giving New Life by Donating Blood Project  
Based on the principle that one gives and many receive, on 8 August and 7 November 2008, the Company held a blood donation campaign to help the ill who are in need of blood.



#### 4. โครงการชุมชนน่าอยู่

โดย Asimar เป็นส่วนหนึ่งในการช่วยสร้างสุขอนามัย สภาพแวดล้อมให้น่าอยู่ โดยการร่วมเก็บขยะชุมชนกับทางเทศบาลตำบลแหลมฟ้าผ่า เมื่อวันที่ 2 ธันวาคม 2551

Attractive Community Project The Company joined with the community and municipality of Laem Fa Pha Sub-district held a clean up day on 2 December 2008 to improve the health and environment of the community.

#### 5. กิจกรรมส่งเสริมความคิด การศึกษาให้กับเยาวชน

เมื่อวันที่ 4 ธันวาคม 2551 เป็นการร่วมกิจกรรมวันพ่อ ประกวดเรียงความ ระดับอนุบาล-ประถมศึกษา ณ โรงเรียนป้อมพระจุลจอมเกล้า

Activities to Promote Critical Thinking and Education among Youths On 4 December 2008, as part of the celebration for Father's Day, the Company organized composition contests for children from kindergarten to primary school levels at the Pom Phra Chulachomklat School.





## Board of Directors

## คณะกรรมการบริษัท

## 1. นายปรกิต ปรักปะสน \*

ประธานกรรมการ

อายุ 67  
จำนวนหุ้นที่ถือ (หุ้น) 182,000  
สัดส่วนในการถือหุ้น (%) 0.08

**คุณวุฒิทางการศึกษาสูงสุด**  
ปริญญาโท บริหารธุรกิจ  
- Wayne State University, Detroit, USA  
ปริญญาตรี บริหารธุรกิจ  
- Silliman University, Dumaguete, The Philippines

**ปัจจุบัน**  
ประธานกรรมการ  
- บมจ. เอเชียน มารีเนียร์ เซอร์วิส  
- บมจ. กระเบื้องตราเพชร  
ประธานกรรมการตรวจสอบ  
- บมจ. สุภาลัย  
- หอการค้าไทย  
กรรมการ  
- บมจ. กลุ่มเอราวัณ (ธุรกิจโรงแรม)  
กรรมการสภามหาวิทยาลัยพายัพ  
กรรมการส่งเสริม  
มหาวิทยาลัยสงขลานครินทร์  
กรรมการส่งเสริม มหาวิทยาลัยแม่โจ้



## 1. Mr. Prakit Pradipasen \*

Chairman

**Age** 67 (Yrs)  
**Number of Shares** 182,000  
**% of Total Shares (%)** 0.08

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

**Present**  
Chairman  
- Asian Marine Services PCL.  
- Diamond roofing tile PCL.  
Chairman of Audit Committee  
- Supalai PCL.  
- Thai Chamber of Commerce Director  
- Erawan Group PCL. (Business hotel)  
Member of University Council, Payap University

## 2. นางวรรณ งามทวี่ \*

กรรมการผู้จัดการ และกรรมการบริหาร

อายุ 50  
จำนวนหุ้นที่ถือ (หุ้น) 348,600  
สัดส่วนในการถือหุ้น (%) 0.15

**คุณวุฒิทางการศึกษาสูงสุด**  
ปริญญาโท บริหารธุรกิจ (MBA)  
- Ohio University, USA  
ปริญญาตรี บริหารธุรกิจ (การบัญชี)  
- คณะเศรษฐศาสตร์ และบริหารธุรกิจ มหาวิทยาลัยเกษตรศาสตร์

**ปัจจุบัน**  
กรรมการผู้จัดการ  
- บมจ. เอเชียน มารีเนียร์ เซอร์วิส  
**2544 - 2547**  
กรรมการผู้จัดการ  
- บริษัท ซีทรานเฟอร์รี่ จำกัด



## 2. Mrs. Warawan Nganthavee \*

Managing Director and Executive Director

**Age** 50 (Yrs)  
**Number of Shares** 348,600  
**% of Total Shares (%)** 0.15

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

**2004 - Present**  
Managing Director  
- Asian Marine Services PCL.

**2001 - 2004**  
Managing Director  
- Seatran Ferry Co., Ltd.

## 3. นายสุเทพ ตันทีโพบูลย์ \*

กรรมการ และกรรมการบริหาร

อายุ 73  
จำนวนหุ้นที่ถือ (หุ้น) 302,100  
สัดส่วนในการถือหุ้น (%) 0.13

**คุณวุฒิทางการศึกษาสูงสุด**  
อนุปริญญา  
- สถาบันเทคโนโลยีราชมงคล วิทยาเขตเทคนิคกรุงเทพ

**ปัจจุบัน**  
กรรมการบริหาร  
- บมจ. เอเชียน มารีเนียร์ เซอร์วิส  
**2546**  
ผู้อำนวยการสายงานผลิต  
- บมจ. เอเชียน มารีเนียร์ เซอร์วิส



## 3. Mr. Sutsep Tanpaibul \*

Director and Executive Director

**Age** 73 (Yrs)  
**Number of Shares** 302,100  
**% of Total Shares (%)** 0.13

**Education**  
Diploma  
- Rajamangala Institute of Technology Bangkok Technical Campus

**Present**  
Executive Director  
- Asian Marine Services PCL.

**2003**  
Production Director  
- Asian Marine Services PCL.

## 4. นายสุธรรม ตันทีโพบูลย์ \*

กรรมการ และประธานกรรมการบริหาร

อายุ 77  
จำนวนหุ้นที่ถือ (หุ้น) 26,040  
สัดส่วนในการถือหุ้น (%) 0.01

**คุณวุฒิทางการศึกษาสูงสุด**  
มัธยมศึกษาตอนปลาย  
- โรงเรียนอัสสัมชัญพาณิชย

**ปัจจุบัน**  
ประธานกรรมการบริหาร  
- บมจ. เอเชียน มารีเนียร์ เซอร์วิส  
ประธานกรรมการกลุ่มบริษัทซีทราน  
- บจก. ตันทีโพบูลย์ (ธุรกิจ Holding Company)  
- บจก. ซีทราน ทราเวล (ธุรกิจเรือท่องเที่ยว)  
- บจก. ซีทราน เฟอร์รี่ (ธุรกิจเรือรับส่งผู้โดยสารข้ามฝาก)  
- บจก. ซีทราน พอร์ท (ธุรกิจท่าเทียบเรือ)  
- บจก. ซีทราน โลจิสติกส์  
- บจก. ซีทราน ด็อคยาร์ด



## 4. Mr. Sutham Tanpaibul \*

Director and Chairman of The Executive Director

**Age** 77 (Yrs)  
**Number of Shares** 26,040  
**% of Total Shares (%)** 0.01

**Education**  
High School  
- Assumption Commerce

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

## Board of Directors

### คณะกรรมการบริษัท

#### 5. นายวิบูลย์ พานิตวงศ์ \*

กรรมการ, กรรมการบริหาร และ  
กรรมการสรรหา และกำหนดค่าตอบแทน

อายุ 65  
จำนวนหุ้นที่ถือหุ้น (หุ้น) 12,539,038  
สัดส่วนในการถือหุ้น (%) 5.34

คุณวุฒิทางการศึกษาสูงสุด

- ปริญญาโท (พืชไร่)
- University of Florida Florida, USA
- ปริญญาตรี วิศวกรรมศาสตร์
- มหาวิทยาลัยเกษตรศาสตร์

ปัจจุบัน

- กรรมการบริหาร
- บมจ. เอเชียน มารีน เซอร์วิส
- กรรมการ
- บจก. น้ำตาลนครเพชร
- บจก. น้ำตาลบ้านโป่ง
- บจก. ค้าผลผลิตน้ำตาล

2540 - ปัจจุบัน

- สมาคมเศรษฐศาสตร์เกษตร
- แห่งประเทศไทยในพระบรมราชูปถัมภ์

2543 - ปัจจุบัน

- ที่ปรึกษาคณะกรรมการ
- สมาคมอนุรักษ์ดินและน้ำแห่งประเทศไทย



#### 5. Mr. Vibul Panitvong \*

Director, Executive Director  
Director and Nominating  
and Remuneration Committee

Age 65 (Yrs)  
Number of Shares 12,539,038  
% of Total Shares (%) 5.34

Education

- MBA
- Florida University, USA
- BA
- Florida University, USA

Present

- Executive Director
- Asian Marine Services PCL.
- Director
- Nakorn Petch Sugar Co.,Ltd.
- Baan Pong Sugar Co.,Ltd.
- Sugar Product Trading Co.,Ltd.
- Seatran Dockyard Co.,Ltd.

1997 - Present

- The Agricultural Economics Society of Thailand Under Royal Patronage
- 2000 - Present
- Adviser to the Board
- Soil and Water Conservation Society of Thailand.

#### 6. นายสุทิน ตันทีพินุญ \*

กรรมการ และกรรมการบริหาร

อายุ 71  
จำนวนหุ้นที่ถือหุ้น (หุ้น) -  
สัดส่วนในการถือหุ้น (%) -

คุณวุฒิทางการศึกษาสูงสุด

- MINI MBA
- มหาวิทยาลัยธรรมศาสตร์
- ปริญญาตรี บริหารธุรกิจ
- University of the East Philippines
- อนุปริญญา บัญชี
- จุฬาลงกรณ์มหาวิทยาลัย

ปัจจุบัน

- กรรมการบริหาร
- บมจ. เอเชียน มารีน เซอร์วิส
- กรรมการผู้จัดการ
- บจก. ดินสีพูน
- (ธุรกิจ Holding Company)

กรรมการ

- บจก. ซีทราฟ
- (ธุรกิจเออร์รับส่งผู้โดยสารข้ามฝาก)
- บจก. ซีทราฟ พอร์ต (ธุรกิจท่าเทียบเรือ)

2545 - 2546

- กรรมการผู้จัดการ
- บมจ. เอเชียน มารีน เซอร์วิส



#### 6. Mr. Sutin Tanphaibul \*

Director and Executive Director

Age 71 (Yrs)  
Number of Shares -  
% of Total Shares (%) -

Education

- Mini MBA
- Thammasat University
- BBA
- The East Philippines University
- Diploma in Accounting
- Chulalongkorn University
- Diploma, Director Certification Program - 1
- Thai Institute of Director (IOD)

2003 - Present

- Executive Director
- Asian Marine Services PCL.

Present

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

2002 - 2003

- Managing Director
- Asian Marine Services PCL.

#### 7. นายประวัติ จันทร์เรือง

กรรมการบริษัท และกรรมการสรรหา  
และกำหนดค่าตอบแทน

อายุ 71  
จำนวนหุ้นที่ถือหุ้น (หุ้น) 7,928,725  
สัดส่วนในการถือหุ้น (%) 3.37

คุณวุฒิทางการศึกษาสูงสุด

- ปริญญาตรี บริหารธุรกิจ
- มหาวิทยาลัยธรรมศาสตร์
- ปริญญาตรี บัญชี
- มหาวิทยาลัยธรรมศาสตร์

ปัจจุบัน

- กรรมการ
- บมจ. เอเชียน มารีน เซอร์วิส
- กรรมการบริหาร
- บจก. นวกิจบ้านเมือง
- บจก. แพลมดิงอินเตอร์เนชั่นแนล
- คินเท็คส
- กรรมการผู้จัดการ
- บจก. นครินทร์ก่อสร้าง (รับเหมาก่อสร้าง)
- บจก. นครินทร์ปาร์ค (พัฒนาที่ดิน)
- บจก. นครินทร์ปทุมธานีเอสเตท



#### 7. Mr. Prawat Chanruang

Director and Nominating  
and Remuneration Committee

Age 71 (Yrs)  
Number of Shares 7,928,725  
% of Total Shares (%) 3.37

Education

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

Present

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

#### 8. นายณณ พานิตวงศ์

กรรมการ และกรรมการบริหาร

อายุ 33  
จำนวนหุ้นที่ถือหุ้น (หุ้น) 5,000,000  
สัดส่วนในการถือหุ้น (%) 2.13

คุณวุฒิทางการศึกษาสูงสุด

- ปริญญาโท บริหารธุรกิจ
- University of North Carolina
- Wilmington
- ปริญญาตรี บริหารธุรกิจ
- มหาวิทยาลัยอัสสัมชัญ (ABAC)

ปัจจุบัน

- กรรมการบริหาร
- บมจ. เอเชียน มารีน เซอร์วิส
- กรรมการ
- บจก. อ่างทองซูการ์เทอร์มินอล
- บจก. อความีเดีย
- ผู้จัดการฝ่ายบริหารบุคคล
- บจก. น้ำตาลนครเพชร



#### 8. Mr. Nonn Panitvong

Director and Executive Director

Age 33 (Yrs)  
Number of Shares 5,000,000  
% of Total Shares (%) 2.13

Education

- MBA
- North Carolina University
- Wilmington
- BBA
- Assumption University

Present

- Executive Director
- Asian Marine Services PCL.
- Director
- Ang Thong Sugar Terminal Co., Ltd.
- Aqua Madia Co.,Ltd.
- Human Resource Department Manager
- Nakorn Petch Sugar Co.,Ltd.

## Board of Directors

## คณะกรรมการบริษัท

## 9. นางวรรณพร วีรวรรณ

กรรมการอิสระ: และประธาน  
กรรมการตรวจสอบ

อายุ 66  
จำนวนหุ้นที่ถือหุ้น (หุ้น) -  
สัดส่วนในการถือหุ้น (%) -  
คุณวุฒิทางการศึกษาสูงสุด  
ปริญญาโท สาขาบริหารการเงิน  
- Oklahoma City University, USA  
ปริญญาตรี พาณิชย์ศาสตร์ฯ,  
- จุฬาลงกรณ์มหาวิทยาลัย

**ปัจจุบัน**  
กรรมการอิสระและกรรมการตรวจสอบ  
- บมจ. เอเชียน มารีน เซอร์วิสส์

**2549 - 2551**  
ที่ปรึกษาคณะกรรมการบริหาร  
- บล. เอเซีย พลัส จำกัด (มหาชน)

**2549 - ปัจจุบัน**  
กรรมการ  
- สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย  
(Thai IOD)



9. Mrs. Wannaporn Viravan  
Independent Director and  
Chairperson of Audit Committee

**Age** 66 (Yrs)  
**Number of Shares** -  
**% of Total Shares (%)** -  
**Education**  
MBA (Finance)  
- Oklahoma City University, USA  
BBA  
- Chulalongkorn University

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

**2006 - 2008**  
Advisor Executive Director  
Committee  
- Asia Plus Securities PCL.

**2000 - 2006**  
Director  
- Thai Institute of Director (IOD)

## 10. นายศรีภูมิ สุขเนตร

กรรมการอิสระ: กรรมการตรวจสอบ  
และกรรมการสรรหา  
และกำหนดค่าตอบแทน

อายุ 78  
จำนวนหุ้นที่ถือหุ้น (หุ้น) -  
สัดส่วนในการถือหุ้น (%) -  
คุณวุฒิทางการศึกษาสูงสุด  
ปริญญาวารสารศาสตร์ดุษฎีบัณฑิตกิตติมศักดิ์  
- มหาวิทยาลัยธรรมศาสตร์วิทยาลัยป้องกัน  
ราชอาณาจักร  
- รุ่นที่ 15  
ปริญญาโท รัฐประศาสนศาสตร์  
- สถาบันการประพันธ์และโทรคมนาคม  
และวิทยาลัยการปกครองแห่งชาติ  
- ปารีส ประเทศฝรั่งเศส  
ประกาศนียบัตรการปกครองและการคลัง  
คณะนิติศาสตร์  
- มหาวิทยาลัยปารีส  
วุฒิปดฺตรหลักสูตร กรรมการบริษัทไทย

**ปัจจุบัน**  
กรรมการอิสระและกรรมการตรวจสอบ  
- บมจ. เอเชียน มารีน เซอร์วิสส์

**2535 - ปัจจุบัน**  
ประธานกรรมการ  
- บมจ. ยูไนเต็ดคอมมูนิตี้ อินดัสตรี  
(ธุรกิจสื่อสารโทรคมนาคม)

**ปัจจุบัน**  
ประธานกรรมการ  
- บจก. โฆษการ

**2546 - ปัจจุบัน**  
รองประธานกรรมการ  
- สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย  
(Thai IOD)

**2540 - ปัจจุบัน**  
กงสุลกิตติมศักดิ์  
- ราชอาณาจักรโมนาโก



10. Mr. Sribumi Sukhanetr  
Independent Director, Audit Committee,  
Chairman of Nominating and Remuneration  
Committee

**Age** 78 (Yrs)  
**Number of Shares** -  
**% of Total Shares (%)** -  
**Education**  
Honorary Degree in Mass Communication  
- Thammasat University National Defense  
College, Bangkok  
Master Degree in Public Administration  
- Ecole Nationale des Postes et  
Telecommunications, France  
Bachelor Degree  
- Thammasat University  
- Faculte de Droits, Paris

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

**1992 - Present**  
Chairman  
- United Communication Industry PCL.  
(Telecommunication)

**Present**  
Chairman  
- Gosakon Co., Ltd.

**2003 - Present**  
Vice Chairman  
- Thai Institute of Director (IOD)

**1997 - Present**  
Honorary Consul of the Principality  
- Monaco

## 11. นายบำรุง จีนดา

กรรมการอิสระ: และกรรมการ  
ตรวจสอบ

อายุ 73  
จำนวนหุ้นที่ถือหุ้น (หุ้น) -  
สัดส่วนในการถือหุ้น (%) -  
คุณวุฒิทางการศึกษาสูงสุด  
ปริญญาเอก Dr. of Architecture  
- University of Rome  
ปริญญาตรี สถาปัตยกรรมศาสตร์  
- จุฬาลงกรณ์มหาวิทยาลัย

**ปัจจุบัน**  
กรรมการอิสระและกรรมการตรวจสอบ  
- บมจ. เอเชียน มารีน เซอร์วิสส์  
นักธุรกิจ



11. Mr. Bumroong Chinda  
Independent Director and  
Audit Committee

**Age** 73 (Yrs)  
**Number of Shares** -  
**% of Total Shares (%)** -  
**Education**  
Doctor of Architecture  
- Rome University, Italy  
Bachelor Degree in Architecture  
- Chulalongkorn University

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



## Management Team

### คณะผู้บริหาร

#### 12. นายธานี นารักษ์ ผู้จัดการอาวุโสฝ่ายผลิต

**อายุ** 59  
**จำนวนหุ้นที่ถือหุ้น (หุ้น)** -  
**สัดส่วนในการถือหุ้น (%)** -  
**คุณวุฒิทางการศึกษาสูงสุด**  
ปริญญาโท รัฐประศาสนศาสตร์  
- มหาวิทยาลัยศรีปทุม  
ปริญญาตรี  
- ศูนย์ฝึกพาณิชย์นาวี  
**ปัจจุบัน**  
ผู้จัดการอาวุโสฝ่ายผลิต  
- บมจ. เอเชียน มารีน เซอร์วิส  
**2547**  
ผู้จัดการอาวุโสฝ่ายบริหารโครงการ  
- บมจ. เอเชียน มารีน เซอร์วิส  
**2545 - 2546**  
อาจารย์พิเศษ ศูนย์ฝึกพาณิชย์นาวี  
ที่ปรึกษาฝ่ายเทคนิค  
- บจก. อิตาเลียนโปรดักส์ 2002  
ที่ปรึกษาฝ่ายเทคนิค  
- บจก.เฟอริลยาน์



#### 13. นางลักขณา ศรีสด ผู้จัดการฝ่ายการเงินและบัญชี

**อายุ** 46  
**จำนวนหุ้นที่ถือหุ้น (หุ้น)** 20,000  
**สัดส่วนในการถือหุ้น (%)** 0.01  
**คุณวุฒิทางการศึกษาสูงสุด**  
ปริญญาโท บัญชีการเงิน  
- จุฬาลงกรณ์มหาวิทยาลัย  
ปริญญาตรี บัญชี  
- วิทยาลัยเทคโนโลยี และอาชีวศึกษา  
**ปัจจุบัน**  
ผู้จัดการฝ่ายการเงินและบัญชี  
- บมจ. เอเชียน มารีน เซอร์วิส  
**2539 - 2549**  
ผู้ช่วยผู้จัดการแผนกการเงิน  
- บจก. คอม-ลิงค์



#### 14. นายเสกสรรค์ ปรานอมรกิจ ผู้จัดการฝ่ายทรัพยากรบุคคลและ ธุรการ

**อายุ** 44  
**จำนวนหุ้นที่ถือหุ้น (หุ้น)** 19,600  
**สัดส่วนในการถือหุ้น (%)** 0.01  
**คุณวุฒิทางการศึกษาสูงสุด**  
ปริญญาตรี วิศวกรรมเครื่องกล  
- ศูนย์ฝึกพาณิชย์นาวี  
**2548 - 2551**  
ผู้จัดการฝ่ายทรัพยากรบุคคลและธุรการ  
- บมจ. เอเชียน มารีน เซอร์วิส  
**2547 - 2548**  
ผู้จัดการฝ่ายซ่อมบำรุง  
- บจก. วี เอส พี มารีน ชิปปิง  
**2544 - 2544**  
ผู้จัดการฝ่ายตัวเรือ สายงานผลิต  
- บมจ. เอเชียน มารีน เซอร์วิส



#### 15. นาย dayananan ทิวารี ผู้จัดการฝ่ายการตลาด

**อายุ** 41  
**จำนวนหุ้นที่ถือหุ้น (หุ้น)** 21,000  
**สัดส่วนในการถือหุ้น (%)** 0.01  
**คุณวุฒิทางการศึกษาสูงสุด**  
ปริญญาตรี วิศวกรรมไฟฟ้า  
อิเล็กทรอนิกส์  
- Birla Institute of Technology,  
INDIA  
**ปัจจุบัน**  
ผู้จัดการฝ่ายการตลาด  
**2543 - 2544**  
ผู้จัดการแผนกขาย  
- บมจ. เอเชียน มารีน เซอร์วิส



#### 12. Mr.Thani Narux Production Senior Department Manager

**Age** 59 (Yrs)  
**Number of Shares** -  
**% of Total Shares (%)** -  
**Education**  
MPA  
- Sripatum University  
Bachelor Degree  
- Merchant Marine Training  
Centre  
**Present**  
Production Senior Department  
Manager  
**2004**  
Project Management Senior  
Department Manager  
- Asian Marine Services PCL.  
**2002 - 2003**  
Oasis Marine Technic Co., Ltd.  
Managing Director  
Merchant Marine Training Centre,  
Guest Lecturer,  
Maritime Media Magazine,  
Editorstaffs.

#### 13. Mrs.Luckana Srisod Finance and Accounting Department Manager

**Age** 46 (Yrs)  
**Number of Shares** 20,000  
**% of Total Shares (%)** 0.01  
**Education**  
Master Degree in Financial  
Accounting  
- Chulalongkorn University  
Bachelor of Science Accounting  
- Institute of Technology and  
Vocational Education  
**Present**  
Finance and Accounting  
Department  
Manager  
- Asian Marine Services PCL.  
**1995 - 2005**  
Assistance Finance Manager  
- Com-Link Co., Ltd.

#### 14. Mr. Seksun Pranamornkij Human Resource and Administration Department Manager

**Age** 44 (Yrs)  
**Number of Shares** 19,600  
**% of Total Shares (%)** 0.01  
**Education**  
Bachelor Degree in Mechanical  
Engineering  
- Merchant Marine Training  
Center  
**2005 - 2008**  
Human Resource and Administration  
Department Manager  
- Asian Marine Services PCL.  
**2004 - 2005**  
Technical Manager  
- V.S.P. Marine Shipping Co., Ltd.  
**2001 - 2004**  
Production Department Manager  
- Asian Marine Services PCL.

#### 15. Mr.Dayanan Tivari Marketing Department Manager

**Age** 41 (Yrs)  
**Number of Shares** 21,000  
**% of Total Shares (%)** 0.01  
**Education**  
Bachelor Degree Engineering  
(Electrical and Electronics)  
- Birla Institute of Technology,  
INDIA  
**Present**  
Marketing Department Manager  
**2000 - 2001**  
Sale Division Manager  
- Asian Marine Services PCL.



#### 16. น.ส. เบนจวรรณ ตันทีไพบลัย ผู้จัดการฝ่ายบริการพัสดุ

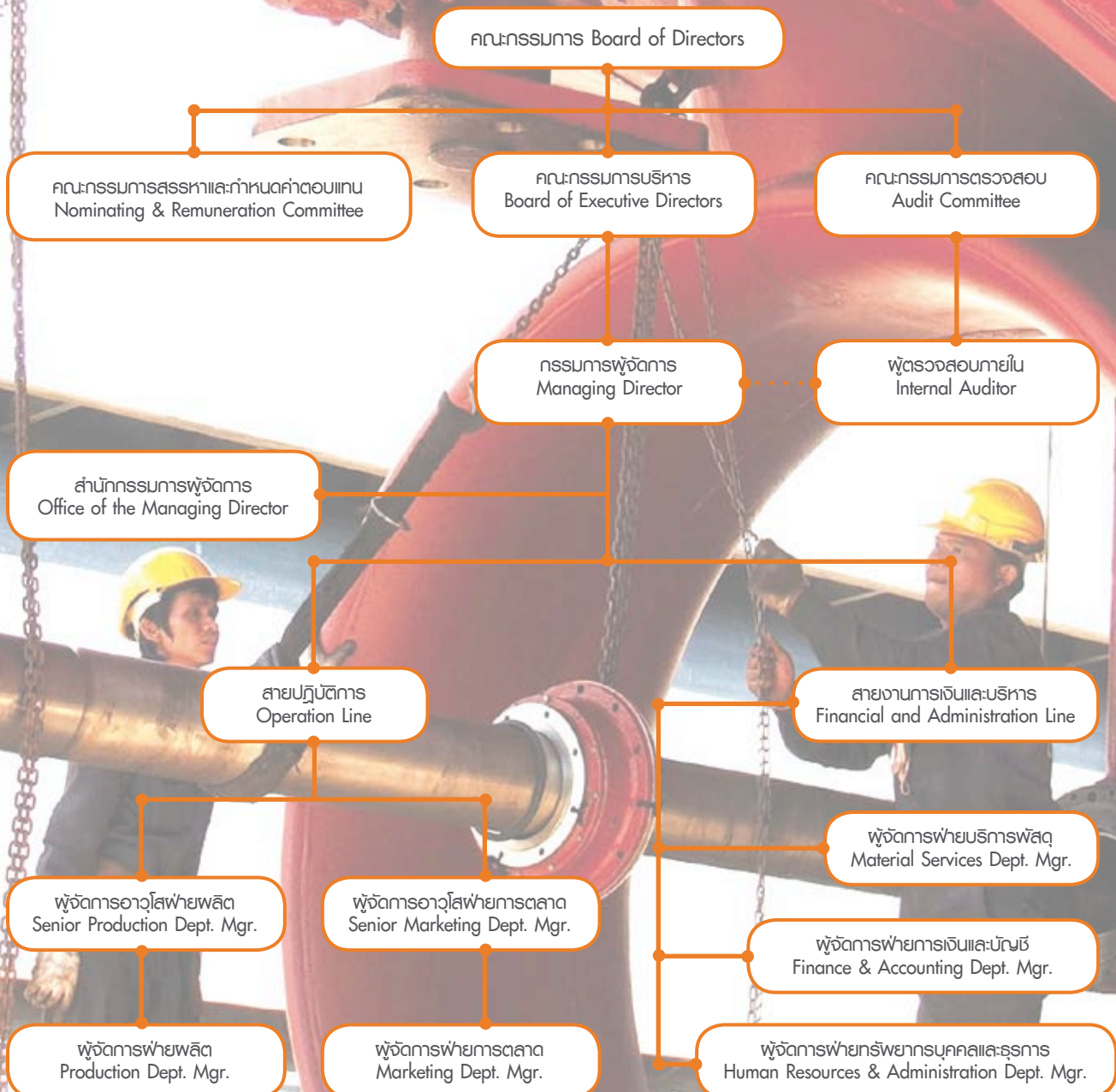
**อายุ** 41  
**จำนวนหุ้นที่ถือหุ้น (หุ้น)** -  
**สัดส่วนในการถือหุ้น (%)** -  
**คุณวุฒิทางการศึกษาสูงสุด**  
ปริญญาโท บริหารธุรกิจ  
- จุฬาลงกรณ์มหาวิทยาลัย  
ปริญญาโท วิทยาศาสตร์  
การจัดการวิศวกรรมคอมพิวเตอร์  
- มหาวิทยาลัยอัสสัมชัญ  
ปริญญาตรี วิศวกรรมศาสตร์  
- จุฬาลงกรณ์มหาวิทยาลัย  
**ปัจจุบัน**  
ผู้จัดการฝ่ายบริการพัสดุ  
- บมจ. เอเชียน มารีน เซอร์วิส  
**2546 - 2547**  
ผู้ประสานงานโครงการ  
- บมจ. เอเชียน มารีน เซอร์วิส  
ที่ปรึกษาด้านเทคโนโลยีสารสนเทศ  
- บมจ. ทรู คอร์ปอเรชั่น  
ผู้จัดการแผนกเทคโนโลยีสารสนเทศ  
- บริษัท อลิอันซ์ ซีพี ประกันภัย จำกัด

#### 16. Ms. Benjawan Tanpaibul Material Service Department Manager

**Age** 41 (Yrs)  
**Number of Shares** -  
**% of Total Shares (%)** -  
**Education**  
Master of Business Administration  
- Chulalongkorn University  
Master of Science, Computer  
Engineering Management  
- Assumption University  
Bachelor of Engineering  
(Industrial Engineering)  
- Chulalongkorn University  
**Present**  
Material Service Department  
Manager  
- Asian Marine Services PCL.  
**2004 - 2005**  
Project Co-ordinator  
- Asian Marine Services PCL.  
**2003 - 2004**  
IT consultant  
- True Cooperation PCL  
**2000 - 2002**  
Section Manager  
- Allianz Cp General Insurance Co., Ltd

## Organization Chart โครงสร้างบริหาร

โครงสร้างการจัดการและแผนผังการบริหารองค์กร  
บริษัท เอเชีย นามีน เซอร์วิส จำกัด (มหาชน) ณ วันที่ 31 ธันวาคม 2551









## History and Significant Developments

Asian Marine Services Public Company, Limited was established in 1981 as a marine survey company with registered capital of THB200,000. The Company later reviewed its original corporate objective in view of the growing demand for ship repair services of required standard. In response to such demand, the Company increased its registered capital to THB 20 million and purchased its first floating dock, Asimar 1, from Japan. Then in 1995, the Company purchased its second floating dock, Asimar 2, from Germany and increased the registered capital to THB 120 million and THB 170 million respectively. The Company subsequently became listed as a public company limited and changed its name to Asian Marine Services Public Company Limited or ASIMAR.

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

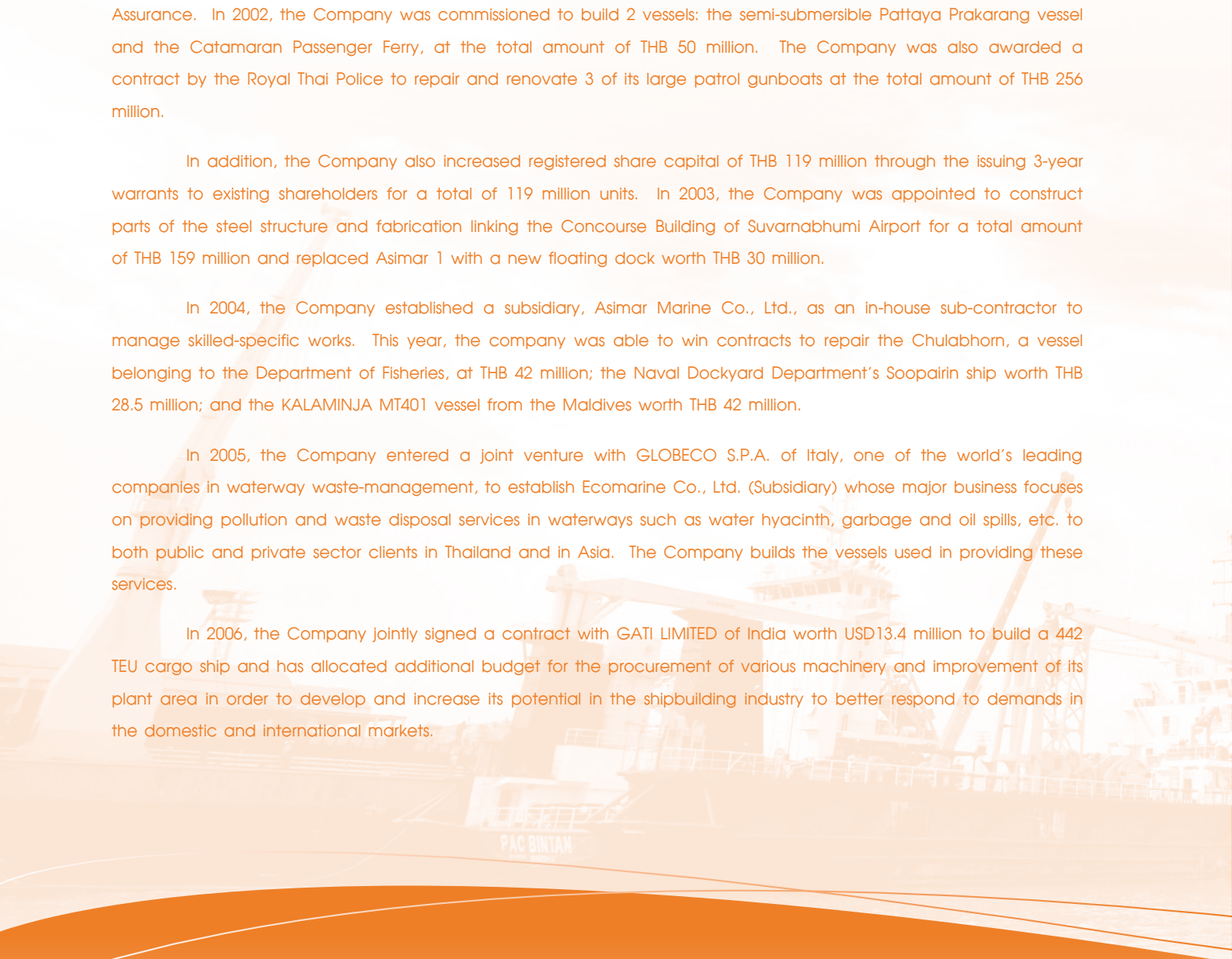
In 2000, the Company was awarded the ISO 9001 version 2000 certification from Lloyd's Register Quality Assurance. In 2002, the Company was commissioned to build 2 vessels: the semi-submersible Pattaya Prakarang vessel and the Catamaran Passenger Ferry, at the total amount of THB 50 million. The Company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

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

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

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

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



## Business overview of the Company and Affiliates

### Major Businesses

Core business of ASIMAR is in shipbuilding, ship repair and engineering works. The Company is the only leading shipyard listed on the Stock Exchange of Thailand with major shareholders being Tunpaibul Group (SEATRAN), Panitvong Group together. The Company's productivity in ship repair is about 75 vessels / year, and shipbuilding 500 — 1,000 DWT around 3 — 4 vessels / year. The Company also founded a number of subsidiaries to provide high-skilled services for specific applications, e.g. GENERAL WAREHOUSE CO., LTD., ASIMAR MARINE CO., LTD. and ECOMARINE CO., LTD.

#### 1. Ship Repair

The Company is equipped with major facilities for ship repair with the size of vessels ranging from 8,000 DWT. to 20,000 DWT. These facilities are two U Groove floating docks, to serve both domestic and international demands, together with other supporting facilities e.g. warehouse, giant cranes, and high-killed workforces capable of producing high standard outputs.

#### 2. Shipbuilding

The Company is entrusted by local and international customers to build a variety of special purpose vessels such as Naval Patrol Gunboats, Underwater Cable Inspection vessel of Califa Algosibi and Marine Services Co., Ltd., the antipollution vessels of Esso Standard (Thailand) Co., Ltd. and Shell (Thailand) Co., Ltd.

TYPES		SHIPOWNERS
Pollution Control Vessel	4 vessels	ESSO (Thailand) Public Co., Ltd., Shell (Thailand) Co., Ltd., Marine Department
Oil tankers (800 tons)	6 vessels	TPI OIL Co., Ltd.
Diving Support Vessel	1 vessel	Khalifa Algosaiibi Diving and Marine Services Co., Ltd.
Patrol Gun Boat	3 vessels	Royal Thai Navy
Catamaran Passenger Ferry	3 vessels	Khaolak Enterprise Co., Ltd.
Passengers Ships	6 vessels	Aqua Co., Ltd. / Seatrans Travel Co., Ltd., Pattaya Pakarang Semi-Submarine Co., Ltd.

#### 3. Ship Conversion

At present, the ship owners prefer to have their vessels converted in order to save cost and time as opposed to building new vessels. Such conversion requires specific knowledge, experience and expertise. Great examples can be witnessed from the Company's achievements e.g. Reefer from Maldives, the Patrol Gunboats of the Marine Police, and "H.T.M.S. Supairin" of the Royal Thai Navy.



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

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

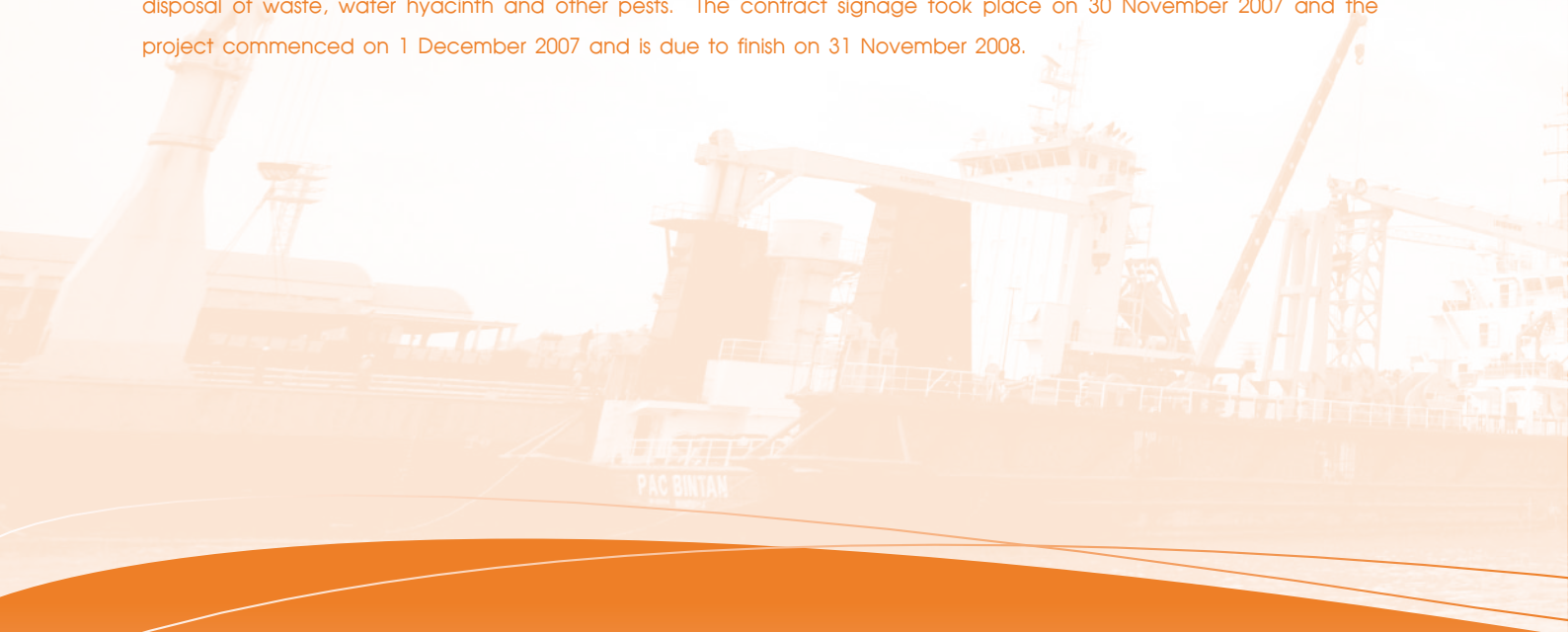
On 9 May 2006, the Company revised its registered capital in accordance with the resolution of the 2006 Annual General Shareholders' Meeting which noted that upon the expiry date of the warrants, there remained 3,189,900 share units still unexercised which made it necessary for the Company to amend its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

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

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

Asimar Marine Co., Ltd. proceeded to decrease its registered capital on 26 January 2007 from the total registered capital of THB37.5 million to THB10.0 million and again on 3 August 2007 from THB10.0 million to THB5.0 million.

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





## Achievements and Major Events in 2008

### Achievements in Shipbuilding, Ship Repair and Engineering

In 2008, the Company completed the project to build a 442 TEU cargo ship commissioned by GATI LIMITED of India which was delivered on 12 January 2009. Prior to that, on 26 November 2008, the Company delivered the offshore operations support vessel - converted from a container transport ship; commissioned by SERBA PACIFIK SDN.BHD of Malaysia and proceeded with the project commissioned by ALMANSOORI PRODUCTION SERVICE LLC. of the United Arab Emirates to build a petroleum exploration vessel which is due to be delivered in 2009. In addition, the Company signed a contract with K.A. AL-GOSAIBI DIVING AND MARINE SERVICES COMPANY of Saudi Arabia to build a 60-metre offshore submarine operations support vessel.

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

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



#### 4. Engineering Work

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

#### Important Equipments

1. The two floating docks with the Maximum capacity of 20,000 DWT and 8,000 DWT are as follows;

Floating Dock	Dimension	Lifting Capacity	Maximum Vessel	Crane
Asimar 1	80 x 19.6 m.	5,000 t.	8,000 DWT	
Asimar 2	161 x 28 m.	8,500 t.	20,000 DWT	2 x 12 t. 2 x Dock-knight

2. The shipyard has two separate slipways with 20,000 square meters area for production.

3. Several equipments such as large cranes and indoor workshop are available to assist repairing works effectively.

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

#### General Service Providing :

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

4. The total working area is approximately 33,280 square metre with 300 meters waterfront and 14 meters water depth at the jetty.

## Investment in Subsidiaries

### Nature of Business

#### General Warehouse Co., Ltd.

The Company is a sole shareholder in General Warehouse Co., Ltd., which renders services in rental of 8,000 m2 warehouse space and two jetties.

#### Asimar Marine Co., Ltd.

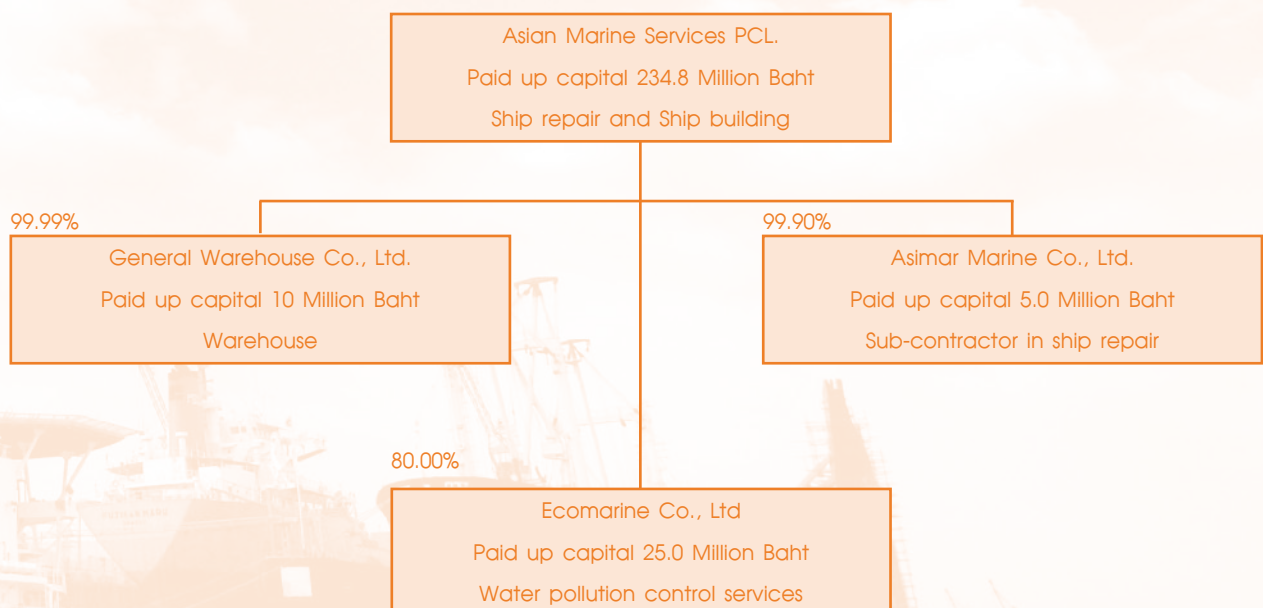
Asimar Marine co., Ltd. conducts business as ship repair contractor to the Company due to growing demand of the workforce in the market. The Company has great intention to develop highly skilled workforce to meet the standards set forth by Ship Classification Society.

#### Ecomarine Co., Ltd.

Ecomarine Co., Ltd. is a joint venture between ASIMAR and GLOBELCO S.p.A. from Italy with the shareholding structure of 80% and 20% respectively. ECOMARINE is a builder of vessels and renders services in the field of water antipollution e.g. debris collection, oil spill recovery, algae and weed harvesting for both private and public sectors.

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

ASIMAR Group structure as of 31 December 2007





## ASIMAR AND AFFILIATES INCOME STRUCTURE

(Unit: Thousand Baht)

Revenue categories	2008		2007		2006	
	Amount	%	Amount	%	Amount	%
Ship repair	520,100	43.34	396,200	59.08	400,100	76.45
Ship building	630,800	52.57	268,000	39.96	105,200	20.10
Engineering work	-	-	200	0.03	7,200	1.37
Other revenues *	48,997	4.08	6,200	0.92	10,848	2.07
<b>Total</b>	<b>1,199,897</b>	<b>100.00</b>	<b>670,600</b>	<b>100.00</b>	<b>523,348</b>	<b>100.00</b>

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

## Competitive Environment and Industry Trend

The current economic decline stemming from the subprime crisis has caused serious contraction of international trade, especially in the Americas and Europe, which inevitably impacts on the shipping industry. Other factors which have caused a sharp decrease in tonnage are delivery of new container transport vessels and the increased volume of bulk cargo of 50,000-120,000 DWT in the market, resulting in oversupply and negatively impacting on shipyards which build and repair vessels of 50,000-120,000 DWT capacity.

Against this scenario, the Company provides services in building and repairing ships of 7,000-20,000 DWT and building vessels of 3,000-8,000 DWT, which are more commonly used in Asia, including vessels for offshore oil rigs. International trade in the Asian region is likely to continue growing mainly due to continued development in a lot of these countries, population growth and a number of public sector projects currently underway in Asia.

Nevertheless, the competition in the region between shipyards in China and Vietnam is expected to become more forceful as a result of the financial crisis. As such, the Company has formulated a pricing strategy together with optimisation work to increase productivity and efficiency in ship repair operations through a policy of decreased production costs so as to enhance the Company's competitiveness in both the domestic and international markets in the current economic environment and future economic trend.

In addition, the Company remains committed to its policy of quality control and timely delivery as well as its focus on further penetrating the market for offshore oil rig and ship conversion works which have continuing demand in the market due to the additional regulatory requirements of the International Maritime Organization. Apart from the demand for vessels doing offshore oil rig works, liquid carriers and gas carriers already mentioned, the industry trend shows sustained demand for ships, especially those of 3,000-8,000 DWT which are in most use as coastal vessels and carriers in the region. The Company has modified its production process in order to cater to future demand for such vessels.

## Future Projects

The Company's business strategy is to develop new products and expand its shipyard to meet future demands of the market. In 2009, these projects will be delayed as appropriate to the current economic situation. However, the Company will continue to focus on developing its internal processes in order to strengthen its capacity and readiness for expansion and growth in accordance with future business opportunities.



## General Information

### Asian Marine Services Public Company Limited

Head Office: 599/1 Rimtangrotfai Chongnonsri Road, Klong Toey District, Bangkok 10110

Plant Location: 128 Moo 3 Suksawad Rd., Prasamutjedee, Samutprakarn 10290 Thailand

Type of Business: Ship Repair and Ship Building Register No. 0107538000185

Tel: (662) 0-2815-2060-7 Fax: (662) 0-2453-7213 Home Page: [www.asimar.com](http://www.asimar.com)

Paid up Capital: Baht 234,810,100

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

Head Office: 599/1 Rimtangrotfai Chongnonsri Rd., Klong-toey, Bangkok 10110, Thailand

Plant Location: 128 Moo 3 Suksawad Rd., Prasamutjedee, Samutprakarn 10290, Thailand

Type of Business: Warehouse and Port

Tel: (662) 0-2815-2060-7 Fax: (662) 0-2453-7214

Paid-up Capital: Baht 10,000,000

### Asimar Marine Company Limited

Head Office: 599/1 Rimtangrotfai Chongnonsri Rd., Klong-toey, Bangkok 10110, Thailand

Plant Location: 128 Moo 3 Suksawad Rd., Prasamutjedee, Samutprakarn 10290, Thailand

Type of Business: Ship repair subcontractor to Asian Marine Services PLC.

Tel: (662) 0-2815-2060-7 Fax: (662) 0-2453-7214

Paid-up Capital: Baht 5,000,000

### Ecomarine Company Limited

Head Office and plant Location: 128 Moo 3 Suksawad Rd., Prasamutjedee, Samutprakarn 10290, Thailand

Type of Business: Water pollution control service

Tel: (662) 0-2815-2060-7 Fax: (662) 0-2453-721 [www.ecomarine.com](http://www.ecomarine.com)

Paid-up Capital: Baht 25,000,000

## Other reference persons

**Share Registrar** : Thailand Securities Depository Co., Ltd.  
2/7 Moo 4 North Park , Vibhavadi Rangsit Road  
Thung Song Hong , Laksi , Bangkok , Thailand  
Tel: (662) 02-596-9000

**Auditor** : Dharmniti Auditing Co., Ltd.  
267/1 Pracharaj Sai 1 Road, Bangsue, Bangkok, Thailand  
Tel: (662) 02-587-8080  
Mr. Pojana Asawasontichai  
Certified Public Accountant (Thailand) No. 4891

**Internal Auditor** : Srlerk Limited Partnership  
232/1 Soi Chaengwattana 6 , Chaengwattana Rd.,  
Bangkhen Talad, Laksi , Bangkok.  
Tel: (662) 02-973-4908



Legal Office	:	JTJB ADVOCATES & SOLICITORS 5 Shenton Way #35-01 UIC Building Singapore Tel: 65 6220 9388
	:	Legal Advisory Council Co.,Ltd. 16 th Floor, Olympia Thai Tower 444 Ratchadapisek Rd., Huay Kwang, Bangkok Thailand Tel: (662) 512-6090

## RISK FACTORS

### 1. Risk associated with Business uncertainty

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

### 2. Risk associated with lack of workforces

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

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

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

### 4. Risks associated with Exchange Rate Volatility

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

## 5. Risks associated with Production Cost

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

## 6. Risks associated with Liquidity

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

## 7. Risks associated with Accidents

The Company has placed the all-risk insurance policy covering the risks for constructions, machinery, stocks and the loss or damage of ship hull in building or repairing process. Additionally, the Company has 2 floating docks under this policy with the insured value of THB 399 million.

# MAJOR SHAREHOLDERS AND EXECUTIVES

## 1. List of Major Shareholders as of April 3, 2007 (latest registrar closing date)

Name	As of March 14, 2008	
	Number of shares	%
1. Tanpaibul Group	42,493,900	18.10
2. Panitvong Group	26,380,476	11.23
3. Mr.Prawat Chanruang	7,928,725	3.38
4. Thai N.V.D.R. Co.Ltd.	7,807,000	3.32
5. Mr.Rungroj Rungmuangthong	5,000,000	2.13
6. Mr.Vichai Tanasamut	4,820,000	2.05
7. Mr.Pinit Sinchaisuksawat	3,117,300	1.33
8. Mr.Itsara Srisintun	3,000,000	1.28
9. Mr.Surapan Pattanapitoon	2,144,500	0.91
10. Goldman sachs & CO	2,144,400	0.90
<b>Total</b>	<b>104,806,301</b>	<b>44.63</b>

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

## 2. Dividend Policy

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

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

## Management and Corporate Governance

### 1. Management Structure

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

#### Board of Directors

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

#### Board Secretary

Mr. Auychai Tivirach

#### Authorized directors

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



### Board of Directors' duties and responsibilities

The board has the authority and the responsibility to manage the Company in compliance with the laws, the objectives and articles of association of the company and the shareholders' resolution. The board may appoint a number of directors or other people to oversee any activities on behalf of the board within the board supervision or to be an authority by the board, as it deems appropriate. The board can also cancel or change that authority.

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

### Board of Executive Directors consists of

1. Mr.Suthum	Tanpaibul	Chairman of the Executive Board
2. Mr.Sutep	Tanpaibul	Executive Director
3. Mr.Sutin	Tanpaibul	Executive Director
4. Mr.Vibul	Panitvong	Executive Director
5. Mrs. Warawan	Nganthavee	Executive Director
6. Mr.Nonn	Panitvong	Executive Director

### Duties and Responsibilities of the Board of Executive Directors

1. Jointly responsible with the Company's management in considering and scrutinizing business targets, strategic plans, financial and budget plans as well as key policies for submission to the Company's Board of Directors for approval.

2. Scrutinize work plans and supervise the performance of executives of the Company to ensure adherence to the work plans and achievement of the set targets as efficiently as possible in the prescribed guidelines pertaining to quality and standards.

3. Provide advice in matters at the request of the Company's management.

4. Promote an appropriate risk management system for the Company, and have in place a contingency plan in case of critical situations, including regularly reviewing and improving such plans.

5. Supervise the Company's compliance with the required regulations of the Stock Exchange of Thailand and other relevant legislation.

6. Review internal audits or initiate investigations into suspected or alleged misconduct or corruption, as well as take appropriate actions to rectify defective or damaging situations of material significance and report these to the Board of Directors for further consideration.

7. Consider and/or make recommendations to management regarding matters of importance to the Company such as personnel administration, information technology, marketing, etc.

8. Appoint and supervise sub-committee members, advisors and working groups to be responsible for different issues as assigned by the Board of Directors and/or the Board of Executive Directors.

9. The Board of Executive Directors is authorised to invite Company executives or other concerned parties to give statements or provide useful information or attend meetings of the Board of Executive Directors.

10. Perform other assignments or specific ad-hoc tasks as directed by the Board of Directors.

11. Approve the assignment, appointment, removal, disciplinary action, termination of employment, increment, promotion, transfer or salary reduction of staff at all levels outside the authority of the Managing Director.

12. Approve tenders, price quotations or conclusion of contracts to repair or build ships or other construction projects worth more than 50 million Baht but not exceeding 300 million Baht.

13. Approve procurements, including construction costs, of infrastructure and equipment, materials and durable articles as well as all other relevant costs worth more than 10 million but not exceeding 50 million Baht per item.

14. Approve the Executive Manual as well as any amendment or addendum specifically relating to the authority of the Managing Director.

### Audit Committee

The audit committee consists of

- |                          |   |
|--------------------------|---|
| 1. Mrs.Wannaporn Viravan | Chairperson of Audit Committee with finance and accounting background |
| 2. Mr.Sribhumi Sukhanetr | Member of Audit Committee with finance and accounting background      |
| 3. Mr.Bumroong Chinda    | Member of Audit Committee with finance and accounting background      |

### Audit Committees Secretary

Srilerk Limited Partnership

### Duties and Responsibilities of the Audit Committee

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

## Nominating and Remuneration Committee

The Nominating and Remuneration committee consists of

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

## Duties and Responsibilities of the Selection Committee

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

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

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

2. Prepare in advance a list of names of those who are eligible to be nominated as Director, Managing Director or Deputy Managing Director and/or in cases where the position(s) become vacant.

3. Accept for consideration the views and recommendations (if any) of the Board of Directors and/or the Managing Director with regard to selection of candidates, prior to submission of the nomination(s) to the Board of Directors or the Shareholders Meeting, whichever the case may be, for approval or election.

4. Formulate the performance agreements, as well as the structure for performance appraisal, for Directors, Members of Committees and Sub-committees and the Managing Director for further consideration by the Board of Directors.

5. Consider and nominate names of directors with appropriate qualifications for appointment to Sub-committees by the Board of Directors when there are vacancies (on such Sub-committees)

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

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



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

### Duties and Responsibilities of the Remuneration Committee

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

### Management

1. Mrs.Warawan	Nganthavee	Managing Director
2. Mr.Thani	Narux	Production Senior Department Manager
3. Mrs.Luckana	Srisod	Finance and Accounting Department Manager
4. Mr.Seksun	Pranamornkij	Human Resource and Administration Department Manager
5. Mr.Dayanan	Tivari	Marketing Department Manager
6. Ms.Benjawan	Tanpaibul	Material Service Department Manager

### Duties and Responsibilities of the Managing Director

1. Manage the Company's business operations in accordance with the Company's objectives and the policies set by the Board of Directors.
2. Approve the assignment, appointment, dismissal, disciplinary action, termination of employment, increment, promotion, transfer and salary deduction of staff at all levels, excluding those in the Deputy Managing Director position or higher, under strict adherence to Company regulations.

3. Authorise payment and/or borrowing of debts in relation to projects which have received approval of the Board of Directors or in the course of normal business operation as prescribed in the Annual Budget already approved by the Board of Directors.

4. Approve any tender, quotation or conclusion of contract for ship repair, shipbuilding or other construction engineering projects worth not more than 50 million Baht.

5. Approve the procurement or hiring of, including construction costs, equipment, materials and durable articles and any other cost not exceeding 10 million Baht per item.

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

### Nominating of Directors

#### Appointment of Directors of the Company

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

1. The number of Directors not less than 5 persons, and not less than half of total number of Directors must have residence in the kingdom.

2. Each shareholder is entitled to one vote per share.

3. In the election of directors, the meeting of shareholders may vote for one candidate at a time, or a group of candidates or any other methods, as it deems appropriate. The directors shall be appointed by a majority vote. In case of equal votes, the chairman of the meeting shall cast a deciding vote.

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

### Good Corporate Governance

#### Section 1 : Rights of Shareholders

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

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

#### Shareholders Meeting

The Company is required to disseminate notice of the meeting to shareholders, along with documentation of authorization which will allow shareholders to delegate an independent director to represent them as a proxy. Notice of the meeting will specify the date, time, venue, agenda and matters to be proposed to the meeting, together with sufficient details as to whether the matter is submitted for information or for consideration whichever the case may be.

Also included would be the Board's recommendation on the said matter. This meeting package shall be sent to all shareholders and the registrar no later than 7 days prior to the date of the meeting, as well as posted on the Company's website in advance of distribution of the package. Minority shareholders may propose qualified persons as candidates for committee membership, as well as propose motions to put matters on the agenda via the website. It is the Company's policy to accommodate shareholders and allocate sufficient time as well as provide adequate opportunity and convenience for shareholders to pose questions and express their views, with Members of the Board of Directors and relevant executives being required to be present to respond to questions in the meeting. Important questions and comments shall be recorded in the minutes of the meeting and posted on the Company's website within 14 days following the date of the meeting to allow shareholders to examine the record without having to wait until the next general meeting.

- The Company held its 2007 annual general shareholders meeting on 24 April 2007 which was attended by 9 of the total of 11 members of the Board of Directors, including the Chairman, Chairperson of the Audit Committee, the Managing Director, the Chief Financial Officer, as well as the auditor.
- The Company sent out notice of the meeting package and the minutes of the last meeting to shareholders 7 days in advance of the meeting date.
- The notice of the meeting was also posted on the Company website [www.asimar.com](http://www.asimar.com) Investor Relations 30 days prior to the meeting date, while the Minutes of the 2006 Shareholders Meeting was posted on the website 14 days prior to the meeting date.

For shareholders who found it inconvenient to attend the meeting in person, The Company suggested that they authorize one of the two Independent Director: Mrs Wannaporn Viravan and Mr Bamroong Chinda to represent them and vote on their behalf. However, in the 2007 General Shareholders Meeting, none of the shareholders elected to delegate either Independent Director as their proxy.

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

## **Section 2 : Equity of Shareholders**

The Company is well aware of shareholders' importance and has a policy to treat all shareholders equitably, fairly and in compliance with relevant laws and regulations. Shareholders may exercise their right to protect their own interests by expressing their views, making recommendations and voting in shareholders meetings. Moreover, shareholders are entitled to participate in key decisions for change in accordance with Company regulations (which are enclosed with the Notice of Meeting Package for the 2008 Annual General Shareholders Meeting) including in the election of Company Directors—one or many at a time depending on the resolution of the Meeting, in approving remuneration of Directors (details of which are provided in Section 4: Information Disclosure and Transparency) and approving connected business transactions, and in receiving accurate, complete and transparent information which can be examined and audited. The Company also provides the opportunity to shareholders to submit any questions they may have prior to the date of the shareholders meeting, and stipulates that the Directors and Executives must disclose their share holdings as required by law.



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

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

- Company Directors and employees shall strictly adhere to and comply with provisions of the Stock Exchange of Thailand (SET) and the Stock Exchange Commission (SEC) and other relevant legislation, which also pertain to equitable disclosure of information to shareholders and/or the general public.
- Company Directors, Management and employees shall safeguard important confidential information, especially the Company's financial statement, that could influence investor decision so that it is not leaked before being submitted to the SET and SEC.

On 15 December 2008, the Company publicized a letter to shareholders through the SET system calling for minority shareholders to submit questions, nominate qualified persons to be selected Directors, as well as propose matters to be included on the agenda via the Company's website. The terms and conditions governing consideration of matters for inclusion in the agenda were provided on the website and the period for submission of motions was from 15 December 2008 to 16 February 2009. However, after the expiration of the said period, the Company did not receive any nomination of any candidates for Company director nor any motion to add matters to the agenda of the meeting.

### **Section 3 : Role of Stakeholders**

#### **1. Policy and Best Practice toward Employees**

The Company places great emphasis on its human resources and adopted a work culture of participation, equitable promotion of career advancement, regular and continual training and development, as well as the importance of observing workplace health and safety measures and maintaining good environmental quality. This work culture has instilled a strong sense of pride in the organization and this is reflected in such initiatives as establishing a Workers Provident Fund, setting up a medical welfare scheme (in addition to Social Welfare entitlements), creating the Asian Marine Services Employees' Savings Cooperatives, organizing a bilateral vocational training course in collaboration with the Phra Samut Chedi Technical College, granting scholarships to employees' children who are good students, providing annual medical check ups for staff, providing transport to employees to and from work, appointing a staff relations committee to look after staff welfare, and providing a channel for communication so that staff have the opportunity to make suggestions or complaints via a comments and suggestions box. In addition, an Occupational Health and Safety Committee has also been set up to handle workplace health and safety issues for staff, the system's standard of which was developed in 2007 with the aim to achieve OHSAS 18001 accreditation.

#### **2. Policy and Best Practice toward Shareholders**

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

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

### **3. Policy and Best Practice toward Clients**

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

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

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

In 2007 the Company did not find any trading partner or employee who contravened this policy.

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

#### **Policy on Social Responsibility and Community Relations**

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

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

**In 2008, the Company participated in taking care of the communities in its surroundings as follows:**

**1. Education Promotion for Children of Employees Project**

On 23 May 2008, the Company awarded 16 scholarships totalling 62,000 Baht to the sons and daughters of employees in order to encourage them to aspire to higher learning which will enable them to have a better and more productive future.

**2. Reforestation for the Community at Bang Pu Project**

On 5 July 2008, in order to help rehabilitate mangrove forests which are deteriorating at an alarming rate, the Company plays a constructive part in mitigating this on a regular basis.

**3. Giving New Life by Donating Blood Project**

Based on the principle that one gives and many receive, on 8 August and 7 November 2008, the Company held a blood donation campaign to help the ill who are in need of blood.

**4. Attractive Community Project**

The Company joined with the community and municipality of Laem Fa Pha Sub-district held a clean up day on 2 December 2008 to improve the health and environment of the community.

**5. Activities to Promote Critical Thinking and Education among Youths**

On 4 December 2008, as part of the celebration for Father's Day, the Company organized composition contests for children from kindergarten to primary school levels at the Pom Phra Chulachomklao School.

**6. Policy and Best Practice toward the Environment**

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

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

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

electronic mail

[directors@asimar.com](mailto:directors@asimar.com)

post

The Board of Directors (Secretary of the Board)  
Asian Marine Services Public Company Limited  
128 Moo 3 Suksawad Road  
Laemfapha Sub-district, Prasamutjedee District  
Samut Prakan 10290



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

#### Section 4 : Information Disclosure and Transparency

The Board is fully aware that information regarding every aspect of the

Company has an impact on the decision of investors and stakeholders. It is, therefore, the Company's policy to disclose, both its financial and non-financial information, in a comprehensive, accurate, credible and timely manner in both Thai and English. Information disclosure is done via the SET Community Portal of the Stock Exchange of Thailand and via the Company's website (www.asimar.com) with the Managing Director or a delegate of the Managing Director assigned to conduct the disclosure. The Company has set up an Investor Relations Unit responsible for contacting and communicating with institutional investors, shareholders, including analysts and relevant public sector agencies in an equal and fair manner. In cases where a shareholder requires further information, it is possible to directly contact the Finance and Accounts Section of the Investor Relations Unit at telephone 02-815-2060 extension 2816 and 2819 or e-mail to fid@asimar.com. The Company has developed mechanisms to allow stakeholders to participate in contributing to its higher performance through transparent information disclosure.

Details	Reference in the 2007 Annual Report
4.1 Shareholders' Structure	Shareholders' Structure
4.2 Background and information regarding share holdings by Directors	Background on the Board of Directors
4.3 Background and information regarding share holdings by Executives	Background in the Board of Executive Directors
4.4 Financial position and operating results	The Company's Performance in 2007 and Financial Statements
4.5 Nature of business and competition	Major Businesses, Competitive Environment and Industry Trend
4.6 Risks in business operations	Risk Factors
4.7 Connected business transactions	Connected Transactions

#### 4.8 Policy and Guidelines on Remuneration for Directors

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

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

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

#### 4.9 Remuneration for Directors and the Management

Remuneration to Directors for the Year 2007

Unit: Baht

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

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

2. Total Remuneration for 11 managements is Baht 10.55 Million and Executives who were provident fund members received contributions at the rate of 5 percent

#### 4.10 Board of Directors' Meeting

Board meetings are scheduled in advance for setting the company's policy and business strategies including approval of the company's operations, annual budget and performance. Monitoring the company's operating performance is confirmed a routine procedure of the meetings. There was 4 ordinary meetings , Audit Committee 4 ordinary meetings and Nominating and Remuneration Committee 1 ordinary meetings in 2007, each director's attendance in these meetings are as follows:

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

4.11 The Company has provided a policy that Directors and Executives, including their spouses and their children not of legal age, who buy, sell, transfer, or receive transferred company shares, have a responsibility to report such transaction to the Stock Exchange Commission (SEC) within 3 days in compliance with the regulations of the Stock Exchange of Thailand.

**In 2007, the Company's key disclosure activities consisted of**

- Dissemination of news and information in compliance with the requirements of the Stock Exchange of Thailand (SET) and Stock Exchange Commission (SEC) via the SET Community Portal system and the company website ([www.asimar.com](http://www.asimar.com)).
- Presentation of the Company's operating results, annual reports which can be downloaded, meeting notices, investment in other companies, report on the shareholders meeting in both Thai and English, company news and updates, as well as reports on investor relations activities on the company website. In addition, prior to the posting of the meeting notice on the company website, shareholders and investors can express their opinions, including proposing additional items for meeting agendas and nominating qualified people to become Directors.
- Dissemination of information at the Company's Opportunity Day event on 31 August 2007 and the lectures for analysts and investors, held on 3 occasions at the company headquarters, to provide knowledge and information pertaining to the business and its performance and achievements.
- Arrangement of a company visit on 9 October 2007, for approximately 60 people, in collaboration with the Stock Exchange of Thailand so that shareholders, investors and analysts can have a better understanding of the company operations by seeing the actual workplace and meeting with company executives.



## Section 5 : Responsibilities of the Board of Directors

### 5.1 Policy on Corporate Governance

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

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

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

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

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

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

- Social and environmental awareness and responsibility must be fostered through the compliance with relevant environmental laws and regulations, including support for activities which benefit the community and society as a whole.

### 5.3 Corporate Vision and Mission

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

Vision	:	To establish ASIMAR as an internationally recognized brand name in the shipbuilding and ship repair industry, through the application of technology in developing its manufacturing process to achieve excellence in quality, timely delivery and ultimate client satisfaction.
Mission	:	Commitment to providing a high standard of service to clients by means of effective quality and time control comparable to a leading world-class shipyard, with continuing development and optimal efficiency in the management of company resources for
Clients	:	Well-received outcomes and complete client satisfaction
Shareholders	:	Target returns on investment to their satisfaction
Employees	:	Human resources development with opportunities for career advancement and good quality of life
Environment and	:	Participation in environmental and social development Community activities

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

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

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

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

## 5.4 Corporate Structure

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

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

### 5.4.2 Definition of Independent Directors

1. Hold no more than 5% of the total number of voting shares in the Company or its subsidiary or affiliated companies or persons who may have conflict of interest (including related persons as prescribed in Section 258 of the Stock Exchange of Thailand Act).

2. For at least a year prior to becoming director, had no role in the management of the Company, as well as not being an employee or adviser on the Company's fixed payroll, not providing such professional service to the Company or its subsidiaries as auditor, lawyer, etc. or assigned authority to supervise (the Company or its subsidiaries and affiliates), or having possible conflicts of interest.

3. Have no business relations, whether as trading partner, or as either lender/borrower/guarantor of a loan; not standing to gain or lose any interests whether directly or indirectly, whether financial or other management benefits in the Company or its subsidiaries and affiliates, including with persons who may have conflicts of interest that could undermine independence.

4. Are not close relations to senior executives or major shareholders of the Company or its subsidiaries or affiliates, or to persons with possible conflicts of interest, and are not assigned to represent the interests of directors or major shareholders.

### 5.4.3 Combining or Separating Positions

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

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

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



#### 5.4.5 Sub-committees

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

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

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

#### 5.6 Orientation and Knowledge Development for Directors

##### **Orientation for Directors**

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



**Knowledge Development for Directors**

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

Name		Programme	Year
Mr.Prakit	Pradipasen	● Director Accreditation Program (DAP)	2003
		● The role of Chairman (RCM)	2007
Mr.Sutham	Tanpaibul	● The role of Chairman (RCM)	2004
Mr.Vibul	Panitvong	● Director Certification Program (DCP)	2007
		● The role of Chairman (RCM)	2007
Mr.Prawat	Chanruang	● Role of the Compensation Committee	2008
Mrs.Warawan	Nganthavee	● Director Certification Program (DCP)	2004
		● Director Accreditation Program (DAP)	2004
		● Finance for Non-Finance Director (FN)	2004
		● Board & Director Performance and Evaluation	2008
		● Successful Formulation and Execution of Strategy	2008
Mr.Sutep	Tanpaibul	-	
Mr.Nonn	Panitvong	-	
Mr.Suthin	Tanpaibul	● Director Certification Program (DCP)	2003
Mrs.Wannaporn	Viravan	● Director Certification Program (DCP)	1999
		● Audit Committee Program (ACP)	2001
		● Chairman 2000	2002
		● Audit Committee Program (ACP)	2008
		● Refresher Course DCP	2008
		● Monitoring the Internal Audit Function	2008
		● Monitoring the System of Internal Control and Risk Management	2008
Mr.Sribhumi	Sukhanetr	● Director Certification Program (DCP)	2002
		● Finance for Non-Finance Director (FN)	2003
		● The role of Chairman (RCM)	2003
		● Director Forum	2004
		● Board Performance Evaluation	2004
		● CEO Performance Evaluation	2004
Mr.Bumroong	Chinda	● Director Certification Program (DCP)	2002
		● Finance for Non-Finance Director (FN)	2002
		● Audit Committee Program (ACP)	2008

### Matters not yet Implemented

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

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

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

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

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

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

The Board of Directors authorizes performance evaluation of Senior Executives

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

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

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

#### 5.9 Company Secretary

The Board of Directors recognizes the importance of the role and duties of the Company Secretary. In order to comply with best practice guidelines for listed companies and statutory requirements, the Board deemed it appropriate to appoint a Company Secretary to perform the prescribed duties. At present, the Company has appointed Mr. Auychai Tivirach, Secretary to the Board of Directors as the Company Secretary.



#### 5.10 Internal Control and Internal Audit

##### **Safeguarding Internal Information**

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

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

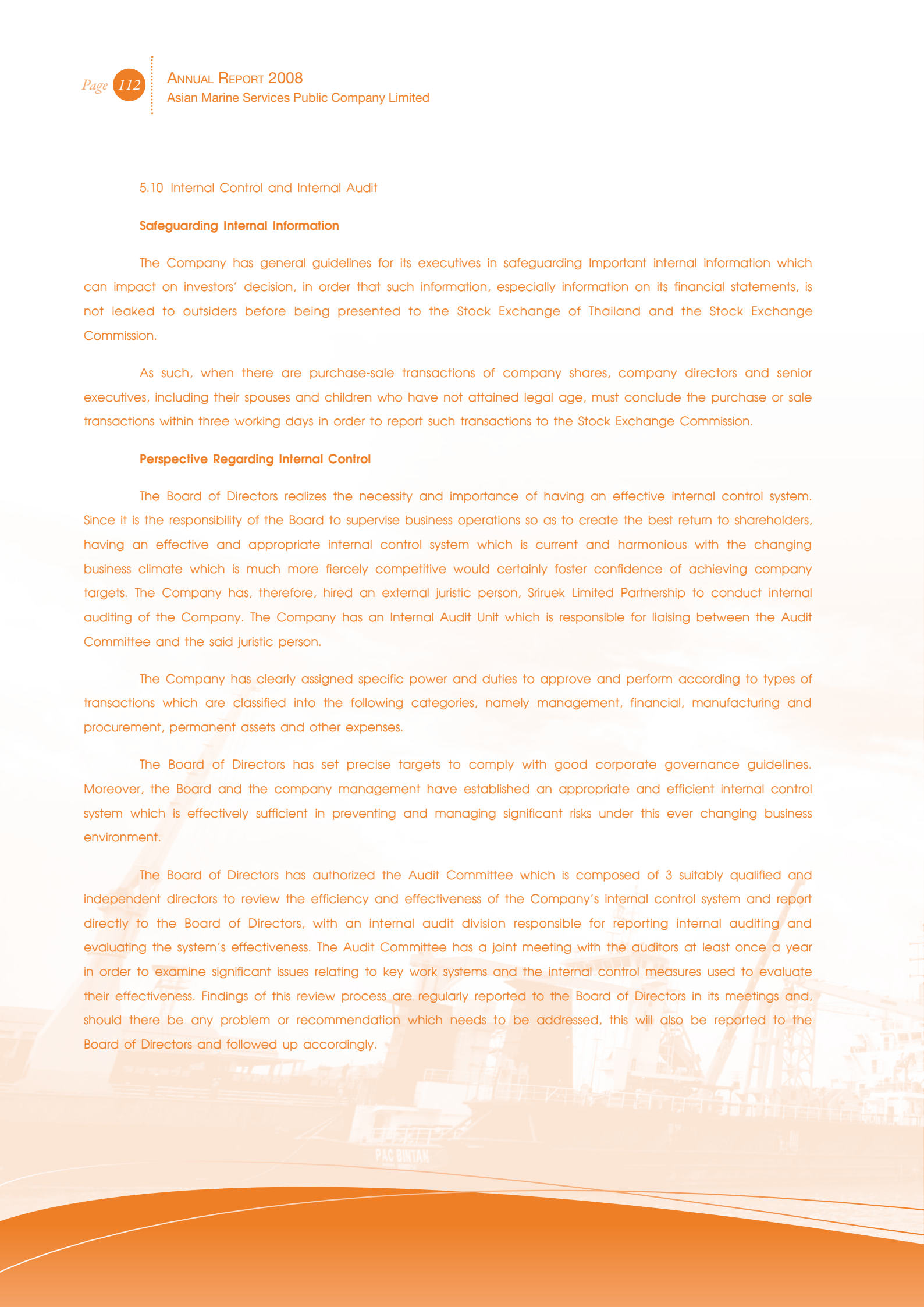
##### **Perspective Regarding Internal Control**

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

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

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

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



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

### **Risk Management**

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

**The Risk Management Committee** comprises the Managing Director, Line Directors, Department Manager and the Internal Audit Manager and is responsible for

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

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

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



## Connected Transactions

During the year 2007, the company had connected business transactions with its subsidiary companies and related companies (related by way of common shareholders, directors and/or management) principally in respect of loans, ship repair, lease of land and utilities expenses. Such transactions, which have been agreed in terms and conditions between Asimar and those companies are summarized as below:-

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

	Dec 31, 2008 Million Baht	Dec 31, 2007 Million Baht	Percentage of holding
<b>Long term loan to Subsidiary company</b>			
Subsidiary company	1.70	2.20	99.90
• General Warehouse Co.,Ltd			
<b>Short term loan to Subsidiary company</b>			
Subsidiary company			
• Ecomarine Co.,Ltd.	2.00	4.50	80.00
<b>Other account receivable</b>			
Subsidiary company			
• Asimar Marine Co.,Ltd.	15.31	0.88	99.90
• Ecomarine Co.,Ltd	8.14	4.95	80.00
Related company			
• Globeco S.p.A	-	-	-
<b>Trade account receivable</b>			
Related company			
• Ecomarine Co.,Ltd.	5.83	-	80.00
• Seatran Ferry Co.,Ltd	-	0.19	-
• Seatran Line Co.,Ltd	-	0.63	-
• Seatran Ports Co.,Ltd	-	0.30	-
<b>Accrued interest income</b>			
Subsidiary company			
• Ecomarine Co.,Ltd.	0.55	0.27	80.00
<b>Other payables</b>			
Related company			
• Eco marine Co.,Ltd.	0.16	5.14	80.00
<b>Unbilled receivables</b>			
Related company			
• Seatran Ports Co.,Ltd	0.04	-	-
• Seatran Line Co.,Ltd	2.08	-	-
• Seatran Ferry Co.,Ltd	0.10	-	-
• Seatran Discovery Co.,Ltd	0.02	-	-
<b>Trade accounts payable</b>			
Subsidiary company			
• General Warehouse Co.,Ltd	3.87	1.17	99.90
• Asimar Marine Co.,Ltd.	26.32	6.62	99.90
• Eco Marine Co.,Ltd.	1.28	-	80.00



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

(Unit: Million Baht)

	For the years ended 31 December	
	2008	2007
<b>Subsidiary company</b>		
Revenues		
Interest income	0.40	0.60
Ship repair income	0.70	0.70
Shipbuilding income	-	-
Other income	5.40	3.50
Expenses		
Interest expenses	-	0.50
Cost of services	50.50	21.50
Rental expenses	2.20	2.20
Landing charge	3.40	2.80
Utilities expenses	5.50	7.00
<b>Related company</b>		
Revenues		
Ship repair income	6.60	1.30
Interest income	14.50	0.50
Expenses		
Material	4.50	0.05

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

#### The Approval Criteria for Connected Transactions

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

	Name	General Warehouse	Asimar Marine	Eco Marine	Thai Mercantile	Seatran Ferry	Seatran Line	Seatran Ports
1. Mr.Prakit	Pradipasen	x						
2. Ms.Warawan	Nganthavee	x	x	x		x		
3. Mr.Sutep	Tanpaibul	x	x		x			
4. Mr.Sutham	Tanpaibul	x	x	x		x, xx	x, xx	x, xx
5. Mr.Vibul	Panitvong	x						
6. Mr.Suthin	Tanpaibul			x	x	x		x
7. Mr.Non	Panitvong			x				
8. Mr.Sribhumi	Sukhanetr					x		
9. Mr.Bumroong	Chinda			x				

x = Directors , xx = Management



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## Report of the Audit Committee

The Audit Committee of Asian Marine Services Public Company Limited in 2008 was appointed by the Board of Directors, comprising three independent directors whose qualifications meet the criteria set by the Stock Exchange Commission and the Stock Exchange of Thailand. The Audit Committee comprises:

- |                          |                         |
|--------------------------|-------------------------|
| 1. Mrs Wannaporn Viravan | Chair, Audit Committee  |
| 2. Mr Sribhum Sukhanetr  | Member, Audit Committee |
| 3. Mr Bumroong Chinda    | Member, Audit Committee |

The Audit Committee carried out their responsibility in supervising business operations as prescribed in its charter and in compliance with the best practice guidelines of the Stock Exchange of Thailand.

In 2008, the Audit Committee held 4 official meetings to which all three members of the Committee attended without fail. Of those meetings, two were with the auditor without the presence of the Company's management. The work undertaken by the Audit Committee covered the following substantive issues:

1. Reviewed the accuracy and reliability of the Company's, and its subsidiaries', quarterly financial statements and the annual Financial Statement for 2008 as assurance that preparation of those statements were done properly, with sufficient disclosure of information in accordance with generally accepted accounting principles.

2. Reviewed connected transactions and transactions which might be construed as possible conflicts of interest, to promote confidence that disclosure of those items were accurate and complete.

3. Conducted a review of the internal control system in order to assess whether it was sufficient, appropriate and effective. This was done through meetings with independent auditors, without the presence of the Company management, in order to hear the facts regarding the conduct of directors, managers or other personnel who may be responsible for operations. Findings of the review did not indicate any suspicious or improper conduct and, in fact, the process enabled the auditors to learn of performance, issues or limitations that were prevalent during the audit, and seek counsel on the internal control system, accounting system. The Committee also asked the auditors to consider the results of the Company's monthly internal audit and took any advice they offered on notice.

4. Reviewed the Company's compliance with legislation pertaining to the Stock Exchange of Thailand, regulatory requirements of the SET as well as other legislation which may be relevant to the Company's business operations. An internal auditor was given this assignment and instructed to report to the Audit Committee.

5. Reviewed the internal audit system, i.e. considered the internal audit process, duties and responsibilities as well as the independence of the internal audit division by commissioning an external specialist to undertake an internal audit. The Audit Committee further reviewed and amended the Company's Internal Audit Charter to ensure that it remained well-suited, up to date, and complied with the Internal Audit Guidelines of the Stock Exchange of Thailand. In addition, the Audit Committee considered the annual audit work plan each year and sought comment from independent auditors in order to ensure that the work plan was comprehensive. Results of the audit are reported directly to the Audit Committee on a monthly basis by the expert commissioned to undertake the audit. In some cases, the Audit Committee provided advice on significant matters which impacted on management efficiency, risk management, debt collection management as well as capital and budget management.



6. In terms of risk management, the Audit Committee assigned the internal auditor to review the minutes of the meeting of the Risk Management Sub-committee in order to monitor progress and report directly to the Audit Committee. The Audit Committee also reviewed the annual risk management plan submitted by the Company's management. The Risk Management Sub-committee would evaluate the implementation of the risk management plan and report to the Audit Committee on a quarterly basis prior to submission of the plan to the Board of Directors for consideration and endorsement.

7. The Audit Committee conducted a review of the Audit Committee Charter and made some amendments for submission to the Board of Directors. The Board of Directors approved the addendum on 25 November 2008.

8. The Audit Committee prepared reports of its meetings for submission to the Board of Directors after each meeting.

9. The Audit Committee selected and nominated Dharmaniti Auditing Co., Ltd. as the Company's auditor to the Board of Directors for endorsement before proposing the nomination to the 2009 Shareholders' Meeting for approval. It should be noted that Dharmaniti Auditing Co., Ltd. did not provide any other service to the Company aside from conducting the audit.

Finally, the Audit Committee is of the view that the Company's financial statements, items which may have conflict of interest, internal control systems, compliance with related legislation and regulatory requirements, qualifications of the auditor and internal audit system as well as risk management process are all effectively implemented and complied with the principles of good corporate governance.



Mrs. Wannaporn Viravan  
Chairperson of Audit Committee



## Report of the Nomination and Remuneration Committee

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

- |                          |   |
|--------------------------|---|
| 1. Mr Sribhumi Sukhanetr | Chairman, Nomination and Remuneration Committee |
| 2. Mr Vibul Panitvong    | Member, Nomination and Remuneration Committee   |
| 3. Mr Prawat Chanruang   | Member, Nomination and Remuneration Committee   |

The tenure of the Nomination and Remuneration Committee is 3 years which is in line with the term of the Board of Directors. The Nomination and Remuneration Committee is responsible for selecting qualified and suitable candidates for appointment as directors, members of the various sub-committees which are assigned duties and responsibilities directly by the Board of Directors and senior executives of the Company from the Deputy Managing Director upward. The Committee is also authorised to consider the remuneration package for members of the Board of Directors and senior executives of the Company from the Deputy Managing Director upward for submission to the Board of Directors for further consideration and approval..

In 2008, the Nomination and Remuneration Committee met twice to consider matters under its responsibility, including formulation of plans for the succession to senior executive positions, with emphasis given to qualifications, knowledge, capability, experience, diverse expertise and leadership as well as vision and a positive attitude toward the organization which will have positive impact on the Company's business operation. The Committee also gave consideration as to the appropriate size, structure and composition of the Board of Directors in order to optimize management and promote effective internal control and audit, in compliance with the requirements of regulatory authorities. In determining remuneration for the Board of Directors and senior executives, the Nomination and Remuneration Committee based its consideration on what would be commensurable with the professional obligations, duties and responsibility as well as performance of each position, factoring in the Company's business performance and overall business environment.

As for the remuneration package for the Board of Directors and senior executives, which is presented under the heading "Remuneration for Directors and Senior Executives in 2008", the Nomination and Remuneration Committee regards this as appropriate and such package has already been considered and approved by the Board of Directors.



Sribhumi Sukhanetr  
Chair, Nomination and Remuneration Committee

## Additional Information regarding auditor's service fee

## 1. Audit fee

The company and subsidiaries paid the audit fee to Dharmniti Auditing Co., Ltd. office limited for year 2007 totaling 615,000 Baht.

## 2. Non-audit fee

- No -

## Performance in 2008

## SUMMARY OF FINANCIAL INFORMATION

## Consolidated Financial Data

Unit: Thousand Baht

	2008	2007	2006
Total Assets	1,088,067	840,565	720,496
Total Liabilities	773,113	566,699	451,735
Shareholders' Equity	314,954	273,866	268,761
Revenue from services	1,160,162	670,572	514,059
Revenue from Ship Repair	520,140	396,200	400,100
Revenue from Shipbuilding	630,810	268,000	105,200
Total Revenue	1,199,898	702,657	523,347
Gross Profit	96,232	114,622	10,370
Net Earning ( Loss )	58,792	18,463	(5,902)

## Financial Ratio

		2008	2007	2006
Net Profit Margin	(%)	4.90	2.63	(1.13)
Return on Equity	(%)	19.97	6.81	(2.30)
Return on Asset	(%)	6.10	2.37	(0.93)
Book Value per share	(Baht)	1.34	1.17	1.14
Earnings per share	(Baht)	0.25	0.08	(0.03)



The Company's performance in 2008 compared to the previous year posted an increase in net earnings of THB497.24 million or 70.77 percent. Main revenue came from ship repair services totalling THB520.10 million, an increase of THB123.20 million or 31.04 percent. This was very much due to growth in the maritime transport industry in 2008 which resulted in more work volume for shipyards and shipbuilding businesses.

Revenue from shipbuilding amounted to THB630.80 million, an increase of THB382.80 million or 135.38 percent while capital expenses topped THB977.03 million, an increase of THB421.08 million or 75.74 percent from THB555.95 million in 2007.

Expenses from sales and administration amounted to THB113.78 million, a rise of THB25.59 million or 29.02 percent over the previous year which stood at THB88.19 million due to losses from foreign exchange which totalled THB10.43 million and an increase in interest payment of THB2.26 million as the Company used more of its working capital facility from financial institutions.

Overall, the Company's net profit in 2008 totalled THB58.79 million which is amounted to an increase of THB40.33 million, or 218.42 percent, over 2007.

## Financial Statements

### 1.) Assets

The Company's total assets continued to increase in 2008 by THB247.50 million or 29.44 percent over 2007. Significant changes were due to:

Net trade account receivable rose by THB15.33 million or 41.30 percent because of the increasing number of ship repair contracts as well as ongoing shipbuilding projects from 2007, translating into higher number of debtors.

Unbilled receivables, comprising revenue from ship repair of THB107.38 million and revenue from shipbuilding of THB154.98 million, increased by THB167.17 million or 175.61 percent due to recognized revenue on the basis of deliverables not yet due according their contract.

Inventory increased by THB120.92 million, representing 106.83 percent, due to stockpiling of raw materials in response to increasing shipbuilding demands in 2008 and in anticipation of higher costs of raw materials.

Prepaid expenses declined by THB14.52 million, representing 34.60 percent, due to the fact that these were mainly advance payment for shipbuilding machinery most of which have now been delivered.

Net property (land, building and equipment) decreased in 2008 from the previous year by THB25.21 million, or 6.97 percent, due to sale of some office equipment during 2008.

Cash deposits with limitations on withdrawal, namely fixed time deposits and savings deposits, increased by THB28.83 million, representing 50 percent, in compliance with a financial services condition in the shipbuilding contracts which requires the Company to deposit with the bank a portion of its income from each instalment.

**2.) Liabilities and Shareholders' Equity**

Liabilities and shareholders' equity in 2008 were higher than the previous year by THB247.50 million or 29.44 percent, due to increases in the following:

**Short term liabilities of which significant changes were**

- overdrafts and short term loans
 

from financial institutions	increased	THB	197.26	million
-----------------------------	-----------	-----	--------	---------
- trust receipt
 

	increased	THB	72.82	million
--	-----------	-----	-------	---------
- trade accounts payable
 

	increased <sup>¶</sup>	THB	5.88	million
--	------------------------	-----	------	---------
- advance payment from clients
 

	increased	THB	22.49	million
--	-----------	-----	-------	---------
- repayment of long-term loan (1 year)
 

	increased	THB	2.08	million
--	-----------	-----	------	---------

**Long-term liabilities decreased due to the repayment of the principal amounting to THB18.92 million.**

**Shareholders' equity increased by THB41.09 million from THB273.87 in 2007 to THB314.95 million in 2008, of which significant changes were**

- Payment of mid-year dividend amounting to THB16.43 million;
- Retained earnings, appropriated-statutory reserve increased by THB2.83 million.

**3.) Liquidity**

The current ratio stands at 0.96 in 2008, an increase from 0.91 in 2007 because of increases in the Company's current assets such as trade account and unbilled receivables, which are long-term investments for future shipbuilding projects. The Company's cash flow for investment activities in 2008 stood at THB19.96 million and sources of capital were bank overdrafts and short-term loans amounting to THB278.49 million, trust receipts of THB84.67 million and payment of dividends at a rate of THB0.07 per share. The Company, therefore, had net cash from funding activities totalling THB215.90 million and net cash from operating activities totalling THB230.41 million.

Debt to equity ratio stands at 2.45 in 2008, an increase from 2.07 in 2007, due to the increase in total liabilities of THB206.41 million, representing 36.42 percent. Shareholders' equity rose by THB41.09 million or 15 percent.

The profitability ratio increased in 2008 compared to 2007, with a 31.05-percent increase in ship repair operations and a 135.38-percent increase in shipbuilding operations, resulting in the rise in the Company's net profit by 4.90 percent in 2008, from 2.63 percent in 2007. The interest coverage ratio was (11.82), a decrease from 14.76 times in 2007 due to the fact that the Company's operation cash flow in 2008 was lower than in 2007 by THB53.03 million. The debt service coverage ratio (cash basis) also declined to (3.05) because of higher interest expenses and repayment of due capital on loans.

#### 4.) Capital Source

In 2008, the Company's total liabilities amounted to THB773.11 million comprising THB676.47 million in current liabilities and THB96.64 million in other liabilities. The increase in current liabilities in the past year were mainly from bank overdrafts and short-term loans from financial institutions, trust receipts payable, repayment of long-term loans (due in 1 year) as working capital to increase liquidity in operations. In terms of shareholders' equity, this consisted of THB234.81 million in paid up capital, THB11.06 million in appropriated retained earnings and THB68.21 million in unappropriated retained earnings.

Return on assets in 2008 was 6.10 compared to 2.37 in 2007 due to more efficient use of optimized facilities and equipment.





## Board of directors' responsibility for financial reporting

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

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



Mr. Prakit Pradipasen  
Chairman



Ms. Warawan Nganthavee  
Managing Director



## AUDITOR'S REVIEW REPORT

To **The Shareholders and Board of Directors of**

**Asian Marine Services Public Company Limited**

I have audited the accompanying consolidated balance sheets of Asian Marine Services Public Company Limited and its subsidiaries as at 31 December 2008 and 2007, the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, and the separate financial statements of Asian Marine Services Public Company Limited for the same year. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Asian Marine Services Public Company Limited and subsidiaries as at December 31, 2008 and 2007, the consolidated results of their operations, the consolidated changes in their shareholders' equity and their consolidated cash flows for the years then ended and the financial position of Asian Marine Services Public Company Limited as at December 31, 2008 and 2007, the results of its operations, the changes in its shareholders' equity and its cash flows for the years then ended in conformity with generally accepted accounting principles.



(Mr. Pojana Asavasontichai)

Certified Public Accountant (Thailand) No. 4891

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 24, 2009

2009/132/7977

## BALANCE SHEETS

## ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

	Note	Consolidated		The Company Only	
		As at December	As at December	As at December	As at December
		31, 2008	31, 2007	31, 2008	31, 2007
Assets					
Current assets					
Cash and cash equivalents	5.3, 6	20,665,662	55,143,563	19,826,012	51,009,297
Investment	5.6, 7	-	25,000,000	-	25,000,000
Trade accounts receivable	5.4, 9				
Related parties	8	-	1,127,563	5,833,988	1,127,563
Unrelated parties		69,002,127	52,767,711	67,816,442	51,432,658
Less : Allowance for doubtful accounts		(16,565,698)	(16,785,125)	(16,078,225)	(16,297,652)
Trade accounts receivable, net		52,436,429	37,110,149	57,572,205	36,262,569
Unbilled complete construction in progress					
Related parties	8	2,233,958	-	2,396,458	5,144,679
Unrelated parties		260,120,282	95,188,962	260,120,282	95,188,962
Total unbilled complete construction in progress	10	262,354,240	95,188,962	262,516,740	100,333,641
Short - term loan to subsidiary	8	-	-	2,000,000	4,500,000
Amounts due from related parties	8	-	-	23,445,168	5,839,139
Inventories, net	5.5, 11	234,107,624	113,189,368	233,800,701	113,189,368
Other current assets					
Withholding tax deducted at source	12	1,181,836	8,089,072	-	7,420,136
Prepaid expenses		2,509,387	3,835,139	2,484,484	3,810,283
Advance payment for purchase of goods		27,459,906	41,984,532	27,459,906	41,984,532
Other receivables - subcontractors, net		4,674,185	5,547,592	4,658,968	5,547,592
Accrued interest income - subsidiary	8	-	-	549,008	270,138
Others		46,031,846	24,780,907	46,611,577	24,515,862
Total current assets		651,421,115	409,869,284	680,924,769	419,682,557
Non-current assets					
Restricted bank deposits	13	86,473,842	57,645,514	86,473,842	57,645,514
Investments accounted for under the cost method	14	-	-	16,260,211	18,796,670
Long - term loan to subsidiary	8	-	-	1,700,000	2,200,000
Property, plant and equipment, net	15	336,600,203	361,808,078	320,679,696	341,646,374
Intangible assets, net	16	8,592,574	7,973,418	4,313,553	3,004,082
Other non - current assets		4,979,592	3,269,043	3,929,994	2,255,444
Total non - current assets		436,646,211	430,696,053	433,357,296	425,548,084
Total assets		1,088,067,326	840,565,337	1,114,282,065	845,230,641

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



## BALANCE SHEETS (Continued)

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

(Unit : Baht)

	Note	Consolidated		The Company Only	
		As at December	As at December	As at December	As at December
		31, 2008	31, 2007	31, 2008	31, 2007
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short - term loans from financial institutions	17	278,486,947	81,229,182	278,486,947	81,150,612
Trust receipts	17	84,668,807	11,858,856	84,668,807	11,858,856
Trade accounts payable Related parties					
Related parties	8	-	-	31,474,451	7,795,720
Unrelated parties		47,481,047	41,603,137	46,047,425	41,150,761
Total trade accounts payable		47,481,047	41,603,137	77,521,876	48,946,481
Accrued construction cost		75,542,205	166,303,297	75,542,205	166,303,297
Current portion of liabilities under financial lease agreement		886,090	243,391	886,090	243,391
Current portion of long - term loans	18	20,400,000	18,320,000	20,400,000	18,320,000
Other current liabilities					
Advances received from customers	10	88,582,535	66,094,736	88,582,535	66,094,736
Accrued expenses		56,102,641	48,821,017	51,919,902	44,966,568
Provisions	19	4,061,928	4,061,928	4,061,928	4,061,928
Provision for warranty under contract	20	4,000,000	-	4,000,000	-
Corporate income tax payable		5,098,657	2,633,761	4,861,625	2,402,113
Forward exchange contracts payable	5.10	805,991	-	805,991	-
Others		10,352,264	7,712,134	10,096,361	7,495,518
Total current liabilities		676,469,112	448,881,439	701,834,267	451,843,500
Non-current liabilities					
Liabilities under financial lease agreement - net of current portion		-	173,788	-	173,788
Long - term loans - net of current portion	18	96,644,000	117,644,000	96,644,000	117,644,000
Total non - current liabilities		96,644,000	117,817,788	96,644,000	117,817,788
Total liabilities		773,113,112	566,699,227	798,478,267	569,661,288

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

**BALANCE SHEETS (Continued)****ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

(Unit : Baht)

	Note	Consolidated		The Company Only	
		As at December 31, 2008	As at December 31, 2007	As at December 31, 2008	As at December 31, 2007
<b>Shareholders' equity</b>					
Share capital					
Registered share capital					
234,810,100 ordinary shares of Baht 1 each (234,810,100 ordinary shares of Baht 1 each)		234,810,100	234,810,100	234,810,100	234,810,100
Issued and paid - up share capital					
234,810,100 ordinary shares of Baht 1 each (234,810,100 ordinary shares of Baht 1 each)		234,810,100	234,810,100	234,810,100	234,810,100
Retained earnings					
Appropriated - statutory reserve	21	11,058,401	8,225,391	11,058,401	8,225,391
Unappropriated		68,215,644	28,682,338	69,935,297	32,533,862
Equity attributable to Company's shareholders		314,084,145	271,717,829	315,803,798	275,569,353
Minority interest - equity attributable to minority shareholders of subsidiary		870,069	2,148,281	-	-
<b>Total shareholders' equity</b>		<b>314,954,214</b>	<b>273,866,110</b>	<b>315,803,798</b>	<b>275,569,353</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,088,067,326</b>	<b>840,565,337</b>	<b>1,114,282,065</b>	<b>845,230,641</b>

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

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## INCOME STATEMENTS

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

(Unit : Baht)

	Note	Consolidated		The Company Only	
		For the year ended December 31,		For the year ended December 31,	
		2008	2007	2008	2007
<b>Revenues</b>					
Service income		1,160,161,535	670,572,348	1,150,948,547	665,013,500
Other income		39,736,034	32,085,168	44,479,967	36,013,350
<b>Total revenues</b>		<b>1,199,897,569</b>	<b>702,657,516</b>	<b>1,195,428,514</b>	<b>701,026,850</b>
<b>Expenses</b>					
Cost of services		977,028,783	555,950,320	979,737,367	556,014,413
Administrative expenses and management		113,779,730	88,189,746	108,470,097	85,634,038
Director's remuneration		12,857,473	12,923,467	12,857,473	12,923,467
<b>Total expenses</b>		<b>1,103,665,986</b>	<b>657,063,533</b>	<b>1,101,064,937</b>	<b>654,571,918</b>
Income before interest expenses and corporate income tax		96,231,583	45,593,983	94,363,577	46,454,932
Interest expenses		(16,223,669)	(13,962,609)	(16,223,665)	(14,421,812)
Corporate income tax	25	(22,494,058)	(14,773,080)	(21,479,715)	(14,266,508)
Net income		57,513,856	16,858,294	56,660,197	17,766,612
<b>Attributable to :</b>					
Minority interests		(1,278,212)	(1,605,178)	-	-
Common Shareholders		58,792,068	18,463,472	56,660,197	17,766,612
		57,513,856	16,858,294	56,660,197	17,766,612
<b>Earnings per share</b>					
Basis earnings per share	23				
Net income gain (loss) (Baht/share)		0.25	0.08	0.24	0.08
Weighted average number of ordinary share		234,810,100	234,810,100	234,810,100	234,810,100

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



## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

(Unit : Baht)

		Consolidated					
		Common shareholders					
		Retained earnings				Minority interests	
	Note	share capital issued and paid-up	Legal reserve	Unappropriated	Total		Total
<b>Beginning balance, as at January 1, 2007</b>		<b>234,810,100</b>	<b>7,337,061</b>	<b>22,847,526</b>	<b>264,994,687</b>	<b>3,766,659</b>	<b>268,761,346</b>
Net profit for the year ended December 31, 2007		-	-	18,463,472	18,463,472	-	18,463,472
Legal reserve		-	888,330	(888,330)	-	-	-
Dividend paid	27	-	-	(11,740,330)	(11,740,330)	-	(11,740,330)
Decrease in minority interest from decrease in reduction in registered share capital		-	-	-	-	(13,200)	(13,200)
Minority shareholders of subsidiary		-	-	-	-	(1,605,178)	(1,605,178)
<b>Ending balance, as at December 31, 2007</b>		<b>234,810,100</b>	<b>8,225,391</b>	<b>28,682,338</b>	<b>271,717,829</b>	<b>2,148,281</b>	<b>273,866,110</b>
Net profit for the year ended December 31, 2008		-	-	58,792,068	58,792,068	-	58,792,068
Legal reserve		-	2,833,010	(2,833,010)	-	-	-
Dividend paid	27	-	-	(16,425,752)	(16,425,752)	-	(16,425,752)
Minority shareholders of subsidiary		-	-	-	-	(1,278,212)	(1,278,212)
<b>Ending balance, as at December 31, 2008</b>		<b>234,810,100</b>	<b>11,058,401</b>	<b>68,215,644</b>	<b>314,084,145</b>	<b>870,069</b>	<b>314,954,214</b>

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

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

(Unit : Baht)

The Company Only				
Note	Issued and paid-up share capital	Retained earnings		Total
		Appropriated - statutory reserve	Unappropriated	
<b>Beginning balance, as at January 1, 2007</b>	<b>234,810,100</b>	<b>7,337,061</b>	<b>27,395,910</b>	<b>269,543,071</b>
Net profit for the year ended December 31, 2007	-	-	17,766,612	17,766,612
Legal reserve	-	888,330	(888,330)	-
Dividend paid 27	-	-	(11,740,330)	(11,740,330)
<b>Ending balance, as at December 31, 2007</b>	<b>234,810,100</b>	<b>8,225,391</b>	<b>32,533,862</b>	<b>275,569,353</b>
Net profit for the year ended December 31, 2008	-	-	56,660,197	56,660,197
Legal reserve	-	2,833,010	(2,833,010)	-
Dividend paid 27	-	-	(16,425,752)	(16,425,752)
<b>Ending balance, as at December 31, 2008</b>	<b>234,810,100</b>	<b>11,058,401</b>	<b>69,935,297</b>	<b>315,803,798</b>

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

## STATEMENTS OF CASH FLOWS

## ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

	Consolidated		The Company Only	
	For the year		For the year	
	ended December 31,		ended December 31,	
	2008	2007	2008	2007
<b>Cash flows from operating activities</b>				
Net income for the period	57,513,856	16,858,294	56,660,197	17,766,612
Adjustments to reconcile net income (loss) to net cash provided by (paid from) operating activities :-				
Bad debts and allowance for doubtful accounts	-	11,401,277	-	11,401,277
Depreciation and amortization	49,517,402	37,954,679	43,358,697	30,850,332
Loss on impairment of subsidiary	-	-	3,646,666	5,039,438
Loss on write - off of asset	29,535	-	29,535	-
Stock obsolescence (reversal)	(288,764)	(399,262)	(288,764)	(399,262)
Loss on impairment of subsidiary (reversal)	-	-	(1,110,207)	(1,074,459)
Bad debt and allowance for doubtful account (reversal)	(219,427)	-	(219,427)	-
Provision	4,000,000	-	4,000,000	-
Loss (Gain) on sales of equipment	(646,024)	(1,040,951)	(636,282)	(1,120,974)
Loss (Gain) on sales of short - term investment	(4,204)	-	(4,204)	-
Unrealised foreign exchange loss	1,882,083	214,788	1,882,083	214,788
Investment income	(6,198,738)	(1,585,531)	(6,610,174)	(2,195,069)
Interest expenses	16,223,670	13,962,608	16,223,665	14,421,812
Corporate income tax	22,494,058	14,773,080	21,479,715	14,266,508
Income from operating activities before changes in operating assets and liabilities	144,303,447	92,138,982	138,411,500	89,171,003
Decrease (increase) in operating assets				
Trade accounts receivable	(14,448,989)	(6,767,424)	(21,130,557)	(5,919,994)
Unbilled complete construction in progress	(167,165,278)	24,656,747	(162,183,099)	24,716,460
Amounts due from related parties	-	2,500,000	(17,606,029)	(3,993,584)
Inventories	(120,629,492)	(19,577,748)	(120,322,569)	(19,577,748)
Other current assets	3,519,179	(21,082,915)	2,831,963	(17,590,614)
Other non - current assets	(1,710,549)	(414,706)	(1,674,550)	(414,706)

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



## STATEMENTS OF CASH FLOWS (Continued)

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

	Consolidated		The Company Only	
	For the year ended December 31,		For the year ended December 31,	
	2008	2007	2008	2007
Increase (decrease) in operating liabilities				
Trade accounts payable	5,998,407	(12,213,119)	28,695,892	(10,166,173)
Other account payable - related parties	-	(1,345,003)	-	(2,591,043)
Accrued construction costs	(90,761,092)	129,360,199	(90,761,092)	129,360,199
Advances received from customers	22,487,799	(1,623,829)	22,487,799	(1,623,829)
Provision for compensation claims	-	(2,815,438)	-	(2,815,438)
Other current liabilities	9,092,587	20,389,455	8,779,926	15,372,102
Cash receipt (payment) in operating activities	(209,313,981)	203,205,201	(212,470,816)	193,926,635
Corporate income taxes paid	(21,097,977)	(12,848,284)	(19,020,203)	(11,864,395)
Net cash from operating activities	(230,411,958)	190,356,917	(231,491,019)	182,062,240
<b>Cash flows from investing activities</b>				
Cash payment for purchases of plant and equipment	(21,563,733)	(52,471,996)	(20,334,699)	(49,942,048)
Proceeds from sales of equipment	1,744,664	2,446,095	1,733,082	2,442,834
Proceeds from sales of short - term investment	238,004,204	-	238,004,204	-
Interest received	6,198,738	5,842,271	6,331,304	1,983,580
Cash payment for purchase of intangible assets	(2,520,008)	(2,442,140)	(2,520,008)	(87,000)
Cash return from decrease in reduction in registered share capital in subsidiaries	-	-	-	32,486,800
Decrease in minority interest from decrease in reduction in registered share capital	-	(13,200)	-	-
Cash payment for short - term investment	(213,000,000)	(25,000,000)	(213,000,000)	(25,000,000)
Increase in fixed deposit	(28,828,328)	(28,124,115)	(28,828,328)	(28,124,115)
Decrease in short - term loan to subsidiary	-	-	2,500,000	-
Decrease in long - term loan to subsidiary	-	-	500,000	2,600,000
Net cash used in investing activities	(19,964,463)	(99,763,085)	(15,614,445)	(63,639,949)

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

## STATEMENTS OF CASH FLOWS (Continued)

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

(Unit : Baht)

	Consolidated		The Company Only	
	For the year ended December 31,		For the year ended December 31,	
	2008	2007	2008	2007
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short - term loans from financial institutions	197,257,765	9,535,675	197,336,335	9,557,582
Increase (decrease) in trust receipts	71,653,710	8,144	71,653,707	8,144
Repayment of long - term loan from subsidiary	-	-	-	(28,400,000)
Repayment of hire - purchase payable	(2,272,700)	(293,497)	(2,272,700)	(293,497)
Repayment of long - term loan	(18,920,000)	(23,760,000)	(18,920,000)	(23,760,000)
Interest paid	(15,394,503)	(18,819,122)	(15,449,411)	(19,181,533)
Dividend paid	(16,425,752)	(11,740,330)	(16,425,752)	(11,740,330)
Net cash from (used in) financing activities	215,898,520	(45,069,130)	215,922,179	(73,809,634)
Net increase (decrease) in cash and cash equivalents	(34,477,901)	45,524,702	(31,183,285)	44,612,657
Cash and cash equivalents at beginning of year	55,143,563	9,618,861	51,009,297	6,396,640
Cash and cash equivalents at end of year	20,665,662	55,143,563	19,826,012	51,009,297

#### Supplemental cash flows information :-

##### 1. Cash and cash equivalents consisted of :-

Cash on hand	162,573	152,735	150,000	149,804
Cash at bank - Saving account	18,485,813	52,299,510	17,889,000	48,431,327
- Current account	2,016,254	2,690,318	1,785,990	2,427,166
Fixed deposit 3 monthes	1,022	1,000	1,022	1,000
	20,665,662	55,143,563	19,826,012	51,009,297

##### 2. Non-cash items consist of :-

Purchase of fixed assets that has not yet been paid	2,536,280	-	2,536,280	-
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Notes to financial statements form an integral part of these statements.

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## NOTES TO THE FINANCIAL STATEMENTS

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
DECEMBER 31, 2008 AND 2007

### 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 :

599/1 Rintangroffai Chongnonsri Road, Klongtoey, Bangkok and it has 1 branch which is located at 128 Mu 3 Suksawad Road, Leamfapa, Prasamutjedee, Samutprakarn, Thailand.

#### 1.2 Nature of the Company's business

Main business activities are principally engaged in the ship building and ship repair.

#### 1.3 Major shareholder Name

Its major shareholder is Tanphaibul Company Limited.

#### 1.4 Data of employees

As at December 31, 2008 and 2007, the number of employees of the Company and its subsidiaries is approximate 599 persons and 512 persons, respectively (The Company Only 380 persons and 364 persons, respectively).

The employees' benefit for the year ended December 31, 2008 and 2007 amounted to Baht 117.43 million and Baht 97.05 million, respectively (The Company Only amounted to Baht 87.52 million and Baht 76.96 million, respectively). The employees' benefit was consisted of salary, wages, bonus, social security, contribution to provident fund and welfare.

#### 1.5 Supplemental disclosures of revenue and expense information

Supplemental disclosure of revenue and expense information for the years ended December 31, 2008 and 2007 are as follows :-

	Baht			
	Consolidated		The Company's only	
	2008	2007	2008	2007
Depreciation and amortization	49,517,402	37,954,679	43,358,697	30,850,332
Gain (loss) on exchange rate	(10,568,318)	7,168,661	(10,574,560)	7,170,936
Employee benefit cost	117,517,303	97,047,960	87,603,428	76,958,179
Loss on written off assets	29,535	-	29,535	-
Gain (loss)	646,024	1,040,951	636,282	1,120,974



## 2. BASIS FOR THE PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 14, 2001 issued under the Accounting Act B.E. 2543.

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

## 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		Assets as a percentage to the consolidated total assets as at		Revenues as a percentage to the consolidated total revenues for the years	
		2008	2007	2008	2007	2008	2007
		Percent	Percent	Percent	Percent	Percent	Percent
General Warehouse Co., Ltd.	Lease of warehouse	100	100	0.88	1.07	0.92	0.02
Asimar Marine Co., Ltd.	Subcontractor	100	100	2.61	1.25	4.29	0.80
Eco Marine Co., Ltd.	Provision of pollution control and environmental management services	80	80	1.99	3.11	0.83	0.80

Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

## 4. ADOPTION OF NEW ACCOUNTING STANDARDS

### 4.1 Adoption of new accounting standards during the year

The Federation of Accounting Professions (FAP) has issued Notification No. 9/2550 No. 38/2550 and No.62/2550 regarding Thai Accounting Standards (TAS), which were announced in the Royal Gazette. These Notifications mandate the use of the following Thai Accounting Standards (amended 2007) in place of the previous versions, which are cancelled. These Thai Accounting Standards (revised version) are effective for the fiscal years beginning on or after January 1, 2008.

TAS 25	Cash Flow Statements
TAS 29	Leases
TAS 31	Inventories
TAS 33	Borrowing Costs
TAS 35	Presentation of Financial Statements
TAS 39	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41	Interim Financial Reporting
TAS 43	Business Combinations
TAS 49	Construction Contracts
TAS 51	Intangible Assets (newly issued)

The management of the Company and its subsidiaries has assessed the effect of these revised and newly issued accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

## 5. SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Revenue recognition

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

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

Interest income is recognized as interest accrued based on the effective rate method.

### 5.2 Cost of services

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

The recognized cost of services which has not yet been paid has been shown under the caption of "Accrued construction cost" in the balance sheets.

### 5.3 Cash and cash equivalents

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

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

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

### 5.5 Inventories

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

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

**5.6 Investments**

Investments in bill of exchanges issued by financial institution are presented by the fair value, interest income will be recognized by the straight-line basis over the life of the bill of exchanges.

Investments in subsidiaries are stated at cost for the Company's financial statements.

In the case of impairment on investment, the loss will be recognized in the income statement.

Short-term investments and other long-term investments in non-marketable equity securities are stated at cost. Loss on impairment of investment when the book value is higher than the recoverable amount is recorded immediately in the statement of income.

**5.7 Property, plant and equipment and depreciation**

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their depreciable amount (the cost of asset less its residual value) on the straight-line basis over the following estimated useful lives:

Floating dockyards	20 years
Building and other constructions	15 - 21 years
Building improvements	16 - 21 years
Machinery and equipments	5 years
Furniture and fixtures	5 years
Marine and motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

**5.8 Intangible assets and amortization**

Intangible assets are stated at cost less accumulated amortization. Amortization of intangible assets is calculated by reference to cost on a straight-line basis over the expected future period, for which the assets are expected to generate economic benefit, as follows: -

Leasehold right	24 years
Know-how for use in building pollution control ships	10 years
Software (Application software)	10 years

The amortization is included in determining income.

**5.9 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.



They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company and its subsidiaries' operations.

#### **5.10 Derivatives**

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

#### **5.11 Foreign currencies**

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

Gains and losses on exchange are included in determining income.

#### **5.12 Impairment of assets**

The Company and its subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company and its subsidiaries make an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

#### **5.13 Employee benefits**

Salary, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

#### **5.14 Provisions**

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

**5.15 Income tax**

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

**5.16 Use of accounting estimates**

Preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, effecting amounts reported in these interim separate financial statements and related notes. Actual results could differ from these estimates.

**6. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of :-

(Unit : Baht)

	Consolidated		The Company Only	
	2008	2007	2008	2007
Cash on hand and petty cash	162,573	152,735	150,000	149,804
Cash at banks - Saving account	18,485,813	52,299,510	17,889,000	48,431,327
- Current account	2,016,254	2,690,318	1,785,990	2,427,166
Fixed deposit 3 months	1,022	1,000	1,022	1,000
	20,665,662	55,143,563	19,826,012	51,009,297

Cash at bank-saving account bear interest at the floating rate which are set by bank.

**7. SHORT - TERM INVESTMENT**

Short - term investment consisted of :-

(Unit : Baht)

	Consolidated		The Company Only	
	2008	2007	2008	2007
Bill of exchange	-	25,000,000	-	25,000,000

Bill of exchange consisted of :-

	2007		
	Fair value	Interest Rate	Maturity
Consolidated and The Company Only			
Bill of exchange consisted of :-			
Consolidated and The Company Only	25,000,000	3.25%	4/1/2551

**8. RELATED PARTY TRANSACTIONS**

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

	Million Baht		Transfer Pricing Policy
	2008	2007	
<u>Transactions with subsidiaries</u>			
(being eliminated from the consolidated financial statement)			
Ship repair income	0.7	0.7	Price close to that charged to ordinary customers
Interest income	0.4	0.6	Interest rate at MLR per annum without collateral
Other income	5.4	3.5	Supervisor fee and office service fee of Baht 70,000 per month and supplies were sold at cost plus margin 3 - 10%
Cost of services	50.5	21.5	Baht 180 - 400 per day per person and agreed upon basis
Utilities expenses	5.5	7.0	Cost plus margin 10%
Landing expenses	3.4	2.8	Baht 8,000 per day and start in October 2008 calculate to capacity of ship Baht 2,000 - 8,000 per day
Rental expenses	2.2	2.2	Baht 180,000 per month
Interest expenses	-	0.5	Interest rate at MLR per annum without collateral
<u>Transactions with related parties</u>			
Ship repair income	6.6	1.3	Price close to that charged to ordinary customers
Service expense	14.5	-	Based on each subcontractor work order
Supplies	4.5	0.5	Price close to that charged to ordinary customers

The balances of the accounts as at December 31, 2008 and 2007 between the Company and those related companies are as follows :

(Unit : Baht)

	Relationship	Consolidated		The Company Only	
		2008	2007	2008	2007
<b><u>Trade accounts receivable - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	5,833,988	-
Seatran Ports Co., Ltd.	Common directors	-	305,000	-	305,000
Seatran Ferry Co., Ltd.	Common directors	-	192,600	-	192,600
Seatran Line Co., Ltd.	Common directors	-	629,963	-	629,963
		-	1,127,563	5,833,988	1,127,563
<b><u>Unbilled complete construction in progress - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	162,500	5,144,679
Seatran Line Co., Ltd.	Common directors	2,077,158	-	2,077,158	-
Seatran Ferry Co., Ltd.	Common directors	100,800	-	100,800	-
Seatran Discovery Co., Ltd.	Common directors	20,000	-	20,000	-
Seatran Ports Co., Ltd.	Common directors	36,000	-	36,000	-
		2,233,958	-	2,396,458	5,144,679



(Unit : Baht)

	Relationship	Consolidated		The Company Only	
		2008	2007	2008	2007
<b><u>Short-term loan to subsidiary</u></b>					
Eco Marine Co., Ltd.	Subsidiary			2,000,000	4,500,000
<b><u>Amounts due from related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	8,139,203	4,956,763
Asimar Marine Co., Ltd.	Subsidiary	-	-	15,305,965	882,376
		-	-	23,445,168	5,839,139
<b><u>Accrued interest income - subsidiary</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	549,008	270,138
<b><u>Long-term loan to subsidiary</u></b>					
General Warehouse Co., Ltd.	Subsidiary	-	-	1,700,000	2,200,000
<b><u>Trade accounts payable - related parties</u></b>					
General Warehouse Co., Ltd.	Subsidiary	-	-	3,872,207	1,170,470
Asimar Marine Co., Ltd.	Subsidiary	-	-	26,318,244	6,625,250
ECO Marine Co., Ltd.	Subsidiary	-	-	1,284,000	-
		-	-	31,474,451	7,795,720

During in 2008, movements of short - term loan to subsidiaries from subsidiary were as follow :-

**Short-term loan to subsidiary**

(Unit : Baht)

	The Company Only					
	Loan			Percentage of interest charge		
	As at December 31, 2007	Additions during the year	Repayment during the year	As at December 31, 2008	As at December 31, 2007	As at December 31, 2008
					Percent	Percent
ECO Marine Co., Ltd.	4,500,000	-	(2,500,000)	2,000,000	6.875	6.75

Short - term loan is an unsecured loan to the subsidiary for use in the operations. This loan is repayable within November 2, 2009.

Long - term loan to subsidiary

(Unit : Baht)

	The Company Only					
	Loan			Percentage of interest charge		
	As at December 31, 2007	Additions during the year	Repayment during the year	As at December 31, 2008	As at December 31, 2007	As at December 31, 2008
					Percent	Percent
General Warehouse Co., Ltd.	2,200,000	-	(500,000)	1,700,000	6.875	6.75

Long - term loan is an unsecured loan to the subsidiary for use in the operations. This loan is repayable within December 31, 2009.

Directors and management's remuneration

The Company and its subsidiaries paid salaries, meeting allowances and gratuities to their directors and management for the years ended December 31, 2008 and 2007 totaling Baht 12.86 million and Baht 12.92 million, respectively (the Company only : Baht 12.86 million and Baht 12.92 million, respectively)

**9. TRADE ACCOUNTS RECEIVABLE - NET**

(Unit : Baht)

	Consolidated		The Company Only	
	2008	2007	2008	2007
<u>Trade accounts receivable - related parties</u>				
Trade accounts receivable - ship repair	-	1,127,563	1,206,312	1,127,563
Trade accounts receivable - ship building	-	-	4,627,676	-
Total	-	1,127,563	5,833,988	1,127,563
<u>Trade accounts receivable - unrelated parties</u>				
Trade accounts receivable - ship repair	66,558,712	50,134,928	66,558,712	50,134,928
Trade accounts receivable - ship building	1,257,730	1,297,730	1,257,730	1,297,730
Trade accounts receivable - landing charge	487,473	505,886	-	-
Trade accounts receivable - service	698,212	829,167	-	-
Total	69,002,127	52,767,711	67,816,442	51,432,658
Less : Allowance for doubtful accounts	(16,565,698)	(16,785,125)	(16,078,225)	(16,297,652)
Net	52,436,429	35,982,586	51,738,217	35,135,006
Total trade accounts receivable - net	52,436,429	37,110,149	57,572,205	36,262,569

The agings of the outstanding balances of trade accounts receivable as at December 31, 2008 and 2007, as classified by due dates, are as follows :

(Unit : Baht)

	Consolidated		The Company Only	
	2008	2007	2008	2007
<b>Age of receivables</b>				
Undue	40,971,965	27,707,451	40,292,478	26,878,134
Not over 3 months	10,194,815	9,734,630	10,332,095	9,734,630
Over 3 months to 6 months	803,100	572,500	803,100	572,500
Over 6 months to 12 months	600,000	-	1,082,248	-
Over 12 months	16,432,247	15,880,693	21,140,509	15,374,957
Total	69,002,127	53,895,274	73,650,430	52,560,221
Less : Allowance for doubtful accounts	(16,565,698)	(16,785,125)	(16,078,225)	(16,297,652)
Net	52,436,429	37,110,149	57,572,205	36,262,569

The company has long time outstanding balances of trade accounts receivable, consisting of 8 and 7 debtors and aging over 180 days, as at December 31, 2008 and 2007 totaling Baht 17.0 million and Baht 16.3 million, respectively. These accounts are under a follow-up by the company and it expects to recover most of the balances. The Company has set aside an allowance for doubtful accounts in the full amount of approximately Baht 16.08 million (As at December 31, 2007 : Baht 16.3 million).

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

(Unit : Baht)

	Consolidated/The Company Only	
	2008	2007
Contract revenue recognized in the period	379,134,922	236,053,668

	Consolidated		The Company Only	
	2008	2007	2008	2007
Aggregate amount of cost incurred and recognized profit	720,421,926	341,287,004	720,421,926	341,287,004
Unbilled complete construction in progress				
for - Ship building	154,976,914	94,079,843	154,976,915	99,224,522
- Ship repair	107,377,326	1,109,119	107,539,825	1,109,119
	262,354,240	95,188,962	262,516,740	100,333,641
Advances received from customers - Ship building	88,582,535	48,256,652	88,582,535	48,256,652
- Ship repair	-	17,838,084	-	17,838,084
	88,582,535	66,094,736	88,582,535	66,094,736



As at December 31, 2008 the balance was amounted to approximately Baht 72.18 million of an unbilled complete construction - unrelated party relates to the collateral obligations arising as a result of the transfer of rights of claim over collections from a project customer to secure specific purpose credit facilities obtained from a bank as described in Note 28.7

## 11. INVENTORIES

(Unit : Baht)

	Consolidated		The Company Only	
	2008	2007	2008	2007
Raw materials	232,294,835	101,822,941	231,987,912	101,822,941
Semi - raw materials	2,806,973	596	2,806,973	596
Work in process	490,129	13,138,908	490,129	13,138,908
Total	235,591,937	114,962,445	235,285,014	114,962,445
Less : Allowance for stock obsolescence	(1,484,313)	(1,773,077)	(1,484,313)	(1,773,077)
Net	234,107,624	113,189,368	233,800,701	113,189,368

For the year ended December 31, 2008, the Company has capitalized interest loan for construction as part of work in process of approximately Baht 5.94 million (2007 : 2.13 million Baht).

Allowance for stock obsolescence is changed in the period.

(Unit : Baht)

	Consolidated		The Company Only	
	2008	2007	2008	2007
Beginning balance	1,773,077	2,172,339	1,773,077	2,172,339
Addition	392,870	157,772	392,870	157,772
Deduction	(681,634)	(557,034)	(681,634)	(557,034)
Ending balance	1,484,313	1,773,077	1,484,313	1,773,077

## 12. WITHHOLDING TAX DEDUCTED AT SOURCE

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

(Unit : Baht)

	Consolidated		The Company Only	
	2008	2007	2008	2007
Year 2006	-	7,437,326	-	7,420,136
Year 2007	651,559	651,746	-	-
Year 2008	530,277	-	-	-
Total	1,181,836	8,089,072	-	7,420,136

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

### 13. RESTRICTED BANK DEPOSITS

As at December 31, 2008, these time deposits at financial institutions amounted Baht 86.47 million (as at December 31, 2007 : Baht 57.65 million) have been pledged with banks to secure bank guarantees issued by banks on behalf of the Company.

### 14. INVESTMENTS ACCOUNTED 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	
	2008	2007	2008	2007	2008	2007	2008	2007
	Million Baht	Million Baht	Percent	Percent				
<u>Investments in subsidiaries</u>								
General Warehouse Ltd.	10.0	10.0	100	100	10,000,000	10,000,000	4,884,979	3,774,771
Less Allowance for impairment					(5,115,022)	(6,225,229)	-	-
					4,884,978	3,774,771	4,884,979	3,774,771
Asimar Marine Ltd.	5.0	5.0	100	100	4,998,200	4,998,200	10,343,976	8,212,106
Ecomarine Co., Ltd.	25.0	25.0	80	80	19,999,300	19,999,300	3,529,585	8,642,416
Less Allowance for impairment					(13,622,267)	(9,975,601)	-	-
					6,377,033	10,023,699	3,529,585	8,642,416
Total					16,260,211	18,796,670	18,758,540	20,629,293

On July 3, 2007 and August 1, 2007 the extraordinary general meeting of shareholders of Asimar Marine Limited approved a reduction in its registered share capital by decreasing the number of ordinary shares by 100,000 shares of Baht 100 each, to consisting of 100,000 ordinary shares of Baht 50 each. The subsidiary registered the share capital reduction with the Ministry of Commerce on December 21, 2007.

## 15. PROPERTY, PLANT AND EQUIPMENT, NET

(Unit : Baht)

	Consolidated						Book value as at December 31, 2008
	Book value as at December 31, 2007	Transactions					
		Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	
<u>Cost</u>							
Land	2,733,086	-	-	-	-	-	2,733,086
Floating dockyards	219,257,573	-	88,743	3,939,659	-	6,372	223,102,117
Building, building improvement and other constructions	208,288,793	-	1,449,484	11,943,456	-	-	218,782,765
Machinery and equipment	138,409,465	5,929,162	8,281,168	5,410,240	-	-	141,467,699
Furnitures and fixtures	31,682,037	2,290,635	2,044,936	-	-	-	31,927,736
Marine and motor vehicles	52,360,982	4,642,088	3,694,991	2,605,700	-	55,105	55,858,674
Construction in progress	20,709,943	11,510,728	270,258	-	23,899,055	479,687	7,571,671
Total	673,441,879	24,372,613	15,829,580	23,899,055	23,899,055	541,164	681,443,748

(Unit : Baht)

	Consolidated						
	Book value as at			Transactions			Book value as at
	December 31, 2007	Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	December 31, 2008
Less Accumulated depreciation							
Floating dockyards	110,972,839	11,255,688	55,587	-	-	-	122,172,940
Building, building improvement and other constructions	72,448,707	10,775,326	867,460	-	-	-	82,356,573
Machinery and equipment	79,456,412	15,361,244	7,891,790	-	-	-	86,925,866
Furnitures and fixtures	24,571,889	2,465,834	1,953,732	-	-	-	25,083,991
Marine and motor vehicles	24,183,953	7,810,004	3,689,782	-	-	-	28,304,175
Total	311,633,800	47,668,096	14,458,351	-	-	-	344,843,545
Equipment, net	361,808,079						336,600,203

Depreciation for the year

2008 (Baht 35.48 million included in cost of services, and the balance in administrative expenses)	47,668,096
2007 (Baht 28.56 million included in cost of services, and the balance in administrative expenses)	36,406,102



(Unit : Baht)

	Consolidated						
	Book value as at December 31, 2007	Transactions					Book value as at December 31, 2008
		Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	
<b>Cost</b>							
Land	2,733,086	-	-	-	-	-	2,733,086
Floating dockyards	219,257,573	-	88,743	3,939,659	-	6,372	223,102,117
Building, building improvement and other constructions	185,163,155	-	1,449,484	11,943,456	-	-	195,657,127
Machinery and equipment	136,018,813	4,789,066	8,271,425	5,410,240	-	-	137,946,694
Furnitures and fixtures	31,077,821	2,199,355	2,044,936	-	-	-	31,232,240
Marine and motor vehicles	30,527,158	4,642,088	3,694,991	2,596,671	-	55,105	34,015,821
Construction in progress	23,230,364	11,240,470	-	-	23,890,026	479,687	10,101,121
Total	628,007,970	22,870,979	15,549,579	23,890,026	23,890,026	541,164	634,788,206
<b>Less</b> Accumulated depreciation							
Floating dockyards	110,972,839	11,255,688	55,587	-	-	-	122,172,940
Building, building improvement and other constructions	54,166,474	9,611,738	867,460	-	-	-	62,910,752
Machinery and equipment	78,254,403	14,838,832	7,886,230	-	-	-	85,207,005
Furnitures and fixtures	24,137,790	2,414,122	1,953,732	-	-	-	24,598,180
Marine and motor vehicles	18,830,090	4,079,325	3,689,782	-	-	-	19,219,633
Total	286,361,596	42,199,705	14,452,791	-	-	-	314,108,510
Equipment, net	<u>341,646,374</u>						<u>320,679,696</u>
Depreciation for the years							
2008 (Baht 30.13 million included in cost of services, and the balance in administrative expenses)							<u>42,199,705</u>
2007 (Baht 22.22 million included in cost of services, and the balance in administrative expenses)							<u>30,369,653</u>

Buildings of the Company and its subsidiary are erected on the land which the subsidiary has subleased under an agreement terminating in 2012. During in 2005, the Company has entered into a memorandum of agreement in respect of the sublease agreement, agreeing to extend the term of the sublease for another 25 years.

The Company has mortgaged two floating dockyards with a total net book value as at December 31, 2008, of Baht 100.9 million (as at December 31, 2007 : Baht 108.3 million) and land and construction thereon with a total net book value of Baht 5.7 million to secure credit facilities and loans obtained from financial institutions.

As at December 31, 2008 motor vehicles and office equipment of the Company with a total net book value of Baht 3.3 million (as at December 31, 2007 : Baht 0.4 million) were under financial lease agreements with leasing companies.

As at December 31, 2008 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 91.8 million (as at December 31, 2007 : Baht 98.3 million) (The Company only : Baht 90.2 million, as at December 31, 2007 : Baht 96.7 million).

## 16. Intangible assets

(Unit : Baht)

	Consolidated						
	Book value as at December 31, 2007	Transactions					Book value as at December 31, 2008
		Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	
<b>Cost</b>							
Leasehold right	5,000,000	-	-	-	-	-	5,000,000
Know - how for use in building							
pollution control ships	4,806,653	-	-	-	-	-	4,806,653
Software	5,052,377	2,520,008	(1,056,825)	798,800	-	-	7,314,360
Software - in progress	820,800	-	-	-	(798,800)	(22,000)	-
Total	15,679,830	2,520,008	(1,056,825)	798,800	(798,800)	(22,000)	17,121,013
<b>Less Accumulated amortization</b>							
Leasehold right	4,166,666	208,333	-	-	-	-	4,374,999
Know - how for use in building							
pollution control ships	670,651	481,982	-	-	-	-	1,152,633
Software	2,869,095	1,158,990	(1,027,278)	-	-	-	3,000,807
Total	7,706,412	1,849,305	(1,027,278)	-	-	-	8,528,439
Net book value	7,973,418						8,592,574
<b>Amortization for the years</b>							
2008							1,849,305
2007							1,167,294



(Unit : Baht)

	The Company Only						
	Transactions						
	Book value as at December 31, 2007	Additions	Deduction	Transferred in	Transferred out	Transferred to Expense	Book value as at December 31, 2008
<b>Cost</b>							
Software	5,052,377	2,520,008	(1,056,825)	798,800	-	-	7,314,360
Software - in progress	820,800	-	-	-	(798,800)	(22,000)	-
Total	5,873,177	2,520,008	(1,056,825)	798,800	(798,800)	(22,000)	7,314,360
<b>Less Accumulated amortization</b>							
Software	2,869,095	1,158,990	(1,027,278)	-	-	-	3,000,807
Total	2,869,095	1,158,990	(1,027,278)	-	-	-	3,000,807
Software - Net	3,004,082						4,313,553
Amortization for the period							
2008							1,158,990
2007							480,680

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

(Unit : Baht)

	Interest rate Percent per annum	Consolidated		The Company Only	
		2008	2007	2008	2007
Bank overdrafts	MOR	32,486,947	11,229,182	32,486,947	11,150,612
Short-term loans from financial institutions	4.35 - 5.25	246,000,000	70,000,000	246,000,000	70,000,000
Total		<u>278,486,947</u>	<u>81,229,182</u>	<u>278,486,947</u>	<u>81,150,612</u>
Trust receipts	2.955 - 6.66	<u>84,668,807</u>	<u>11,858,856</u>	<u>84,668,807</u>	<u>11,858,856</u>

Bank overdrafts, short-term loans from financial institutions and trust receipt facilities are secured by the mortgage of the Company's floating dockyards and land and construction thereon.

As at December 31, 2008 remaining bank overdraft facilities amounted to approximately Baht 48.0 million (as at December 31, 2007 : Baht 48.4 million).



## 18. LONG-TERM LOANS

(Unit : Baht)

	Consolidated / The Company Only	
	2008	2007
1. Baht loan from a bank, with facility of Baht 181.5 million, at a fixed rate per annum for the first two years and MLR per annum from October 31, 2005 onwards, repayable 35 quarterly installments as from March 2005 to September 2013.	117,044,000	135,644,000
2. Baht loan from a bank, with facility of Baht 20 million, at a fixed rate per annum for the first two years, and MLR per annum from February 28, 2006 onwards, repayable 42 monthly installments as from August 2004 to January 2008.	-	320,000
Total	117,044,000	135,964,000
Less : Current portion	(20,400,000)	(18,320,000)
Net	96,644,000	117,644,000

MLR : Minimum Loan Rate

The loans are secured by the mortgage of the Company's floating dockyards.

## 19. PROVISIONS

These comprise the following :

(Unit : Baht)

	Consolidated / The Company Only	
	2008	2007
Provision for compensation claims from a ruling of an Arbitration Committee (Note 28.8)	4,061,928	4,061,928
Total	4,061,928	4,061,928

## 20. PROVISION FOR WARRANTY UNDER CONTRACT

The Company has set a provision for product warranty against any loss or damage that might occur approximately 4.0 million Baht. The warranty will cover a period of year, commencing as from the date in which the full amount of contract based upon management experience.

## 21. STATUTORY RESERVE

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

**22. CORPORATE INCOME TAX**

Corporate income tax for the year ended December 31, 2008 the Company has been calculated at the rate 25 percent on net earning under tax basis, after adding back provisions and certain expense which are disallowable of for tax purposes, and deducting the accumulated tax losses brought forward from previous year.

Corporate income tax for the year ended December 31, 2008, Subsidiary Company has been calculated at the percent rate on net earning under tax basis, after adding back provisions and certain expense which are disallowable of for tax purposes, and deducting the accumulated tax losses brought forward from previous year.

**23. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net income for the period by the weighted average number of ordinary shares in issue during the period.

Reconciliation between basic earnings per share and diluted earnings per share is presented below.

Earnings per share

Net income (loss)

Earnings per share

Net income (loss)

Consolidated					
For the years ended					
Net income (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
2008	2007	2008	2007	2008	2007
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
58,792	18,463	234,810	234,810	0.25	0.08

Separate financial statement					
For the years ended					
Net income (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
2008	2007	2008	2007	2008	2007
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
56,660	17,767	234,810	234,810	0.24	0.08

## 24. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' business operations involve 3 principal segments: (1) Ship repairing, (2) Ship building and (3) Engineering construction. These operations are mainly carried on in Thailand. Below is the consolidated financial information for the years ended December 31, 2008 and 2007 of the Company and its subsidiaries by segment.

(Unit : Million Baht)

	Consolidated											
	For the years ended											
	Ship repairing segment		Ship building segment		Engineering construction segment		Other segments		Elimination of inter-segment revenues		Consolidation	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenue from external customers	519.4	396.2	630.8	268.0	-	0.2	10.0	6.2	-	-	1,160.2	670.6
Inter-segment revenues	0.7	0.7	-	-	-	-	61.5	38.1	(62.2)	(38.8)	-	-
Total revenues	520.1	396.9	630.8	268.0	-	0.2	71.5	44.3	(62.2)	(38.8)	1,160.2	670.6
Segment income (loss)	147.0	75.3	29.2	36.2	-	0.1	6.9	3.0			183.1	114.6
Unallocated income and expenses:												
Interest income											6.2	1.7
Other income											33.5	30.4
Administrative expenses											(126.6)	(101.1)
Interest expenses											(16.2)	(13.9)
Corporate income tax											(22.5)	(14.8)
Minority interest											1.3	1.6
Net income (loss)											58.8	18.5

	Ship repairing segment		Ship building segment		Engineering construction segment		Other segments		Elimination of inter-segment revenues		Consolidation	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Property, plant and equipment - net											336.60	361.81
Unallocated assets											751.47	478.76
Total assets											1,088.07	840.57

Transfer prices between business segments are as set out in Note 8.



**25. CORPORATE INCOME TAX**

Corporate Income Tax Consisted of :

(Unit : Baht)

	Consolidated		The Company's only	
	2008	2007	2008	2007
Main Components of Corporate Income Tax Expense (Revenue)				
Profit before Corporate Income Tax	80,007,914	31,631,374	78,139,912	32,033,120
Entries Adjusted to Arrive at Taxable Profit				
Expenses - Not Tax Deductible	9,878,550	17,589,852	9,716,821	17,549,058
Expenses (Reversal) - Tax Deductible	(1,956,167)	(2,257,794)	(1,937,876)	(2,027,149)
Taxable profit	87,930,297	46,963,432	85,918,857	47,555,029
Corporate Income Tax Expenses	22,494,058	14,773,080	21,479,715	14,266,508

**26. PROVIDENT FUND**

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contributed to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by Siam Commercial Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. For the years ended December 31, 2008 and 2007 amount totaling Baht 2.9 million and Baht 2.9 million, respectively, (the Company only : Baht 2.7 million and Baht 2.8 million, respectively).

**27. DIVIDEND PAID**

(Unit : Baht)

Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2006	Annual General Meeting of the shareholders on April 24, 2007	11,740,330	0.05
Total for 2007		11,740,330	0.05
Final dividends for 2007	Annual General Meeting of the shareholders on April 3, 2007	16,425,752	0.07
Total dividend paid for the year 2008		16,425,752	0.07

**28. COMMITMENTS AND CONTINGENT LIABILITIES****28.1 Commitments relating to operating lease and service agreements**

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

Future minimum rentals payable under these leases as at December 31, 2008 are as follows :

(Unit : Million Baht)

Payable within :	Consolidated	The Company Only
1 year	7.8	5.2
2 to 5 year	7.9	-
Thereafter 5 year	73.6	-
Total	89.3	5.2

## 28.2 Commitments liabilities under financial lease agreements

As at December 31, 2008 and 2007, liabilities under 5 financial lease agreements and 3 financial lease agreements were leasing of vehicles and office equipment which the Company recorded by the financial lease method with payment details as follows :

(Unit : Baht)

	Consolidated/The Company Only	
	2008	2007
Current portion due within one year	886,090	243,391
Current portion due after one year not over five years	-	173,788
Total	886,090	417,179

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

As at December 31, 2008 the Company has undelivered and unrendered ship building and ship repair contracts totalling approximately USD 0.93 million and Baht 7.7 million.

## 28.4 Commitments relating to ship building project

As at December 31, 2008 the Company had outstanding commitments of approximately USD 0.99 million.

## 28.5 Letters of credit commitments

As at December 31, 2008 the Company had outstanding commitments in respect of irrevocable letters of credit amounting to Baht 18.66 million, USD 2.95 million and EURO 0.77 million.

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

Credit facilities and loans obtained from banks have been secured by the mortgage of the Company's two floating dockyards and land and construction thereon.

## 28.7 Contract financial facilities

As at December 31, 2008 the Company has been granted specific purpose credit facilities by 2 banks, which are secured by transferring the rights to make collection from a customer of the project. Detail of the credit facilities are as follow :-

- Letter of guarantee facility of USD 16.8 million of which USD 11.66 million and EURO 0.77 million has been utilised.
- Letter of credit and trust receipt facilities of not more than Baht 340 million (or in equivalent amount in other currencies).
- FX Global Line facility of not more than Baht 220 million (or in equivalent amount in other currencies), which Baht 160.37 million has been utilised.
- Revolving short-term loans of Baht 66 million, which Baht 66 million has been utilized.

## 28.8 Litigations

- (1) In July 2004, the Company was counter-sued by a customer, claiming compensation of approximately Baht 7.8 million for breach of a ship building agreement. On May 19, 2006, the Company received a ruling from an Arbitration Committee ordering the Company to pay compensation amounting to Baht 4.1 million to the customer. The Company believes that the Arbitration Committee's ruling is in some respects contrary to the agreement and to the law, and during the third quarter of 2006 the Company has petitioned the court to overturn ruling, and the case is currently in court trial. However, for conservative purposes, the Company has already recorded provision for the above amount of compensation in the financial statements of the current year.
- (2) In March 2005, the Company was sued by a company claiming compensation of approximately Baht 108.2 million for a breach of a joint venture agreement between the Company and that company which resulted in the termination of a ship repair agreement between the plaintiff and an employer. Subsequently, in May 2005, the Company counter-sued on the grounds that the management believes the above reason for contract termination was due to the breach of ship repair agreement with the employer and the amount of the damages to be claimed under the lawsuit has yet to be clearly determined. On October 30, 2006, the Court of First Instance delivered judgment dismissing the lawsuit and the Company's countersuit, with the court deciding that both parties have responsibilities to the employer and that these responsibilities can not be separated. However, the Company has appealed this judgment in December 2006. The case is currently under review by The Appeal Court as at December 31, 2008. From reviewing the case, the management expects to have no loss or damage to the company and its subsidiary. Therefore, the liabilities reserve for the compensation above is not recorded in the financial statements.

## 29. COMMERCIAL DISPUTE

The Company delivered ships to the Royal Thai Navy in late 2000, which was beyond the deadline stipulated in the ship building contract, making it liable to pay for a late delivery penalty amounting to Baht 68.7 million, for which the Company had set aside as a penalty reserve of Baht 14.5 million in its accounts for the year 2000 and recorded the difference of Baht 54.2 million between the reserve and the actual penalty as expense in the year 2001. On February 9, 2004, the Company filed a dispute with the Arbitration Institute, seeking to recover the penalty plus interest at a rate of 7.5% per annum. On July 11, 2005, the Arbitration Committee has a ruling and ordered the Royal Thai Navy to return Baht 14.4 million of the penalty to the Company. The Company sent



a payment request letter to the Royal Thai Navy but the Navy refused to pay. On September 5, 2005, the Company filed suit with the Lower Administrative Court to recover the penalty from the Royal Thai Navy. On September 30, 2006, the Lower Administrative Court ordered that the ruling of the Arbitration Committee not be enforced. In the third quarter of 2006, the Company appealed this judgment to the Supreme Administrative Court. As at October 30, 2008, the Supreme Administrative Court issued its ruling for the Royal Thai Navy to return Baht 14.4 million of the penalty plus interest at a rate of 7.5% per annum of the principal to the Company from August 9, 2005 until payment is fully settled. In the forth quarter of 2008, the Company received a penalty with overall interest amount.

## 30. FINANCIAL INSTRUMENTS

### 30.1 Financial risk management and policies

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable and payable, loans, bank overdrafts, trust receipts, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed are described below.

#### 30.1.1 Credit risk

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

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

#### 30.1.2 Interest rate risk

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

Significant financial assets and liabilities as at December 31, 2008 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Fixed interest rates					Non- interest bearing	Effective interest rate	
	Within 1 year	1 — 5 years	Over 5 years	Floating interest rate	Total			
	(Million Baht)							(% p.a.)
Financial assets								
Cash and cash equivalent	-	-	-	20.52	0.16	20.68	0 - 0.50	
Trade accounts receivable - net	-	-	-	-	51.74	51.74	-	
Restricted bank deposits	-	-	-	86.47	-	86.47	2.25 - 3.30	
	-	-	-	106.99	51.90	158.89		
Financial liabilities								
Bank overdrafts and short-term loans from financial institutions	-	-	-	278.59	-	278.59	6.75 - 8.20	
Trust receipts	-	-	-	84.67	-	84.67	3.25 - 6.45	
Trade accounts payable	-	-	-	-	47.48	47.48	-	
Long-term loans	-	-	-	117.04	-	117.04	6.75	
	-	-	-	480.30	47.48	527.78		

### 30.1.3 Foreign currency risk

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

The balances of financial assets and liabilities denominated in foreign currencies as at December 31, 2008 are summarised below.

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at September 30, 2008
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	0.37	1.19	34.96
EURO	-	0.01	52.82
SG dollar	-	0.77	24.33

As at December 31, 2008 the Company has outstanding unbilled receivables amounting to USD 4.5 million under contracts made in foreign currency.

As at December 31, 2008 the Company had outstanding forward foreign exchange contract for the purchase of EURO 0.25 million at the rate of Baht 50.84 per EURO 1 and the company had outstanding forward foreign exchange contract for the sale of USD 4.63 million

Currently the Company recognize forward exchange contracts in the balance sheet as at December 31, 2008 and recognize the exchange differences for forward exchange contracts in the income statement. The Company had selected prospective application of a change in accounting policy.

### 30.2 Fair values of financial instruments

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

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

## 31. RECLASSIFICATION

Certain amounts in the financial statements for the year ended December 31, 2007 have been reclassified to conform to the current year's classifications, with no effect to previously reported net income or shareholders' equity.

## 32. GLOBAL ECONOMIC CRISIS

In the mid 2008, there has been a severe financial crisis in the United States of America, it gives rise a great fluctuation in financial, equity and derivative markets and the economics are significant slowdown. The financial and economic unstable are spread all over the world so as to Thailand. The crisis has significantly affected the business, finance and asset value which would be substantially declined. The global economic crisis remains uncertain as to when the global economy will return to normalcy. These financial statements have been prepared on the bases of estimates and assumptions currently considered appropriate. However, the financial position could be adversely affected by an array of future events.

## 33. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's Board of Directors on February 24, 2009.











**วิสัยทัศน์** : เป็นอยู่เรือที่มีตราผลิตภัณฑ์สู่ระดับสากล นำเทคโนโลยีพัฒนากระบวนการผลิตให้ได้คุณภาพ เวลาส่งมอบ และความพึงพอใจสูงสุดของลูกค้า

**พันธกิจ** : มุ่งมั่นให้บริการแก่ลูกค้า โดยมีการควบคุมคุณภาพและเวลาตามมาตรฐานอยู่เรือชั้นนำ มีการพัฒนาอย่างต่อเนื่อง และบริหารทรัพยากรของบริษัทให้มีประสิทธิภาพสูงสุดเพื่อ

- ลูกค้า : ผลงานเป็นที่ยอมรับและเกิดความพึงพอใจสูงสุด
- ผู้ถือหุ้น : มีผลประโยชน์การตามเป้าหมายเป็นที่พอใจแก่ผู้ถือหุ้น
- พนักงาน : พัฒนาบุคลากร ให้โอกาสก้าวหน้าในงาน มีคุณภาพชีวิตที่ดี
- สิ่งแวดล้อมและชุมชน : ร่วมพัฒนาสิ่งแวดล้อมและรับผิดชอบต่อชุมชน

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

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

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



**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED**

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