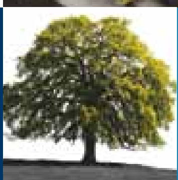
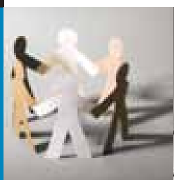
THORESEN GROUP

ANNUAL REPORT 2009





PATH of SUCCESS

Important Changes and Developments

1926

Thoresen & Co., Ltd., Hong Kong established a branch office in Thailand to provide ship agency and brokerage services.

1986

In order to separate the ship agency and brokerage businesses from the ship owning business, Thoresen Thai Offshore Ltd. changed its name to Thoresen Thai Agencies Ltd. on 20 October 1986. All ship agency and brokerage activities were transferred to this company.

1993

Thoresen Thai Agencies Ltd. became a holding company. It was decided that Thoresen Thai Agencies Ltd. would own shares of all newly established Thoresen Group companies, including all vessel owning companies, as the dry bulk fleet started to expand.

1994

Thoresen Thai Agencies Ltd. converted into a public limited company.

1995

The ordinary shares of Thoresen Thai Agencies Plc. ("TTA") were listed on the Stock Exchange of Thailand ("SET").

2003

The dry bulk fleet expanded significantly from twenty-five vessels to thirty-three vessels due to the strong freight market. TTA changed its par value from Baht 10 per share to Baht 1 per share.

2005

TTA won the Best Performance Award in the Service Industrycategory from the SET.

2006

TTA stressed greater diversification in its business by increasing its stake in Mermaid Maritime Ltd. ("Mermaid") to 74.01% as of 30 September 2006 to increase its exposure in the rapidly expanding offshore oil and gas markets.

TTA was named one of the 200 best listed companies in Asia with revenues under US$ 1 billion from Forbes Asia magazine.

2007

TTA issued convertible bonds in an amount of US$ 169.80 million to fund a gradual fleet renewal and expansion plan.

Mermaid raised SG$ 246 million from its initial public offering on the Singapore Exchange Securities Trading Limited ("SGX"). Mermaid acquired a 22.5% stake in Allied Marine & Equipment Sdn. Bhd. and formed a drilling partnership with Kencana Petroleum Berhad.

2008

TTA expanded its business in Indonesia with the 49% acquisition of PT Perusahaan Pelayaran Equinox ("Equinox").

TTA won Thailand's Best-Managed Medium-Cap Corporation Award from Asiamoney Magazine.

2009

TTA established Soleado Holdings Pte. Ltd., as an investment holding company for projects, assets, or companies outside of Thailand.

TTA expanded its business in Vietnam by acquiring Baconco Co., Ltd, a fertiliser company.

TTA acquired a 21.18% interest in Merton Group (Cyprus) Limited, a coal mining venture in the Philippines.

Mermaid raised SG$ 156 million gross proceeds by way of a rights issue to pursue its business growth.

TTA announced the repurchase and cancellation of US$ 56.40 million of its outstanding convertible bonds. The aggregate principal amount of outstanding bonds as of 30 September 2009 was US$ 113.40 million.

The total owned fleet as of 30 September 2009 consisted of thirty-six general cargo and dry bulk vessels, seven offshore support vessels, and two tender drilling rigs. Additionally, approximately twelve dry bulk vessels and two offshore support vessels were chartered in to meet client demand.

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Nature of Business

Market Situation

Financial Highlights

	Year Ended 30 September		
	2009	2008 Restated	2007 Restated
	(Baht in millions, except share, per share data, and ratios)		
Income Statement Data:			
Voyage revenues	13,842.17	28,453.61	15,865.29
Voyage expenses	8,099.49	15,076.15	6,760.65
Vessel operating expenses - owner expenses	2,890.82	2,798.01	2,519.71
Offshore services revenues	5,173.92	5,258.48	4,025.55
Offshore services expenses	3,310.88	3,562.39	2,713.75
Revenues from service companies and other sources	2,106.02	1,155.14	623.10
Depreciation and amortisation	1,778.93	2,050.62	1,850.02
General and administrative expenses	2,093.67	1,893.52	1,605.94
Interest expenses	378.05	535.68	665.47
Interest income	125.43	204.71	71.90
Equity income (loss) from associates and joint venture	29.88	74.21	9.39
Foreign exchange gains (losses)	(9.87)	236.32	723.36
Net income	**1,813.71**	**8,776.44**	**4,961.95**
Per Share Data:			
Net income - basic	2.56	12.40	7.01
Cash dividends declared	0.54	2.25	1.65
Net book value	43.91	45.39	24.88
Balance Sheet Data (at end of year):			
Cash and marketable securities	11,822.56	11,990.56	4,045.76
Vessels and equipment - net of depreciation	11,759.45	13,631.94	14,933.13
Total assets	41,640.83	42,143.11	28,143.96
Total liabilities	10,549.39	12,928.02	12,126.89
Issued share capital	708,004,413	643,684,422	643,684,422
Total shareholders' equity	31,091.44	29,215.10	16,017.08
Other Financial Data:			
Net cash flows provided by (used in) operating activities	5,000.69	11,340.02	6,861.40
Net cash flows provided by (used in) investing activities	(4,757.44)	(6,281.04)	(4,366.27)
Net cash flows provided by (used in) financing activities	(1,111.25)	2,612.65	(99.07)
Capital expenditures :			
Property, plant and equipment, and intangible assets	4,726.32	3,756.58	3,807.81
Financial Ratios:			
Return on shareholders' equity (%)	7.06	43.73	37.73
Return on total assets (%)	4.33	24.97	19.35
Net profit margin (%)	8.52	24.97	24.09
Total debt to total capitalisation	0.18	0.22	0.36
Net debt to total net capitalisation	(0.18)	(0.16)	0.24

DIVERSITY

Letter to Our Shareholders

2009 – Laying The Foundation For Strong Growth Amidst Economic Turmoil

2009 was a tough year, as the world remained in a recession that was unpredictable in terms of length and severity. The credit and liquidity crisis that began in 2008 turned into a worldwide financial meltdown that drove most of the global economy into recession.

Many factors led to the severity of the economic recession, but we would like to argue that excessive leverage was the main culprit. Over many years, companies and consumers added incredibly to their leverage, and the banking community's policies actually made the situation worse. During good times, credit was abundant, and banks marketed consumers and companies to accept more debt for spending and investments. When the economy slowed down, the same banks forced a dramatic reduction in credit and caused consumers and companies to reduce spending and investments and to conserve cash to repay their creditors.

Government actions helped to stabilise the economic environment. Towards the latter half of 2009, the credit and liquidity situation improved, largely due to aggressive and concerted actions by global governments. In addition, stimulus programs around the world will lead to significant new infrastructure investments. Signs of a consistent economic recovery have not yet appeared, so the macroeconomic environment continues to be weak as we sail into 2010.

In 2009, Thoresen Thai Agencies Public Company Limited ("TTA" or the "Company") worked hard to remain safe and to anticipate how the economic crisis would impact our businesses. TTA reported Baht 1,813.71 million of net profits in 2009, down 79.33% from Baht 8,776.44 million in the prior year, and earnings per share of Baht 2.56. Net operating cash flows were Baht 5,000.69 million. Our return on capital (defined as profit before interest and taxes divided by average debt and shareholders' equity) and return on equity were 7.34% and 7.06%, respectively. During a "normal" business cycle, our existing businesses should earn more than Baht 2 billion of annual net profits; clearly, this was not a great year financially.

Throughout this economic crisis, TTA has benefited from a very strong balance sheet. We started 2009 with equity capital of Baht 29,215.10 million, or 69.32% of total assets, and ended it with equity capital of Baht 31,091.44 million, or 74.67% of total assets. We increased credit loss reserves to Baht 91.18 million. Although TTA did not anticipate all of the extraordinary events of the year, our strong balance sheet, general conservatism, and constant focus on risk management enabled us to weather this crisis.

The credit for this performance in the toughest times goes to our people. The efforts of more than 2,000 skilled workers, crews, technicians, analysts, service providers, and management ensured some profitability in 2009 and prepared the Company for a period of sustainable growth.

LAYING THE FOUNDATION

TTA's 2009 financial results were caused by two primary reasons, both of which will be highlighted in more detail below. The first relates to a weak freight rate environment, driven by significant drops in dry bulk shipping demand, particularly in the first half of 2009. The second relates to significant volatility in oil prices, which resulted in cancellations or considerable delays in awarding numerous subsea and drilling contracts to offshore service providers.

TTA's business portfolio is not diversified enough to balance out economic cycles. Insufficient balance and diversity called for a major rethinking of our business strategy. Last year's annual report noted the evolution to a strategic holding company with interests in transport, energy, and infrastructure businesses.

In 2009, TTA laid the foundation by establishing medium-term growth targets through 2013, prioritising investment opportunities, redesigning the corporate structure, and improving management control and business support systems. The primary strategic objective is to create a balanced and diversified business portfolio across all three businesses with sustainable revenues and net profits.

We spent more than 30% of our time last year on the recruitment and assessment of a new senior management team that is capable of executing our revised strategy. On pages 33 to 35, you will see a host of new people who did not appear in last year's annual report. They bring determination and new ideas on how our businesses should grow. TTA is fortunate to attract a strong and highly qualified team of professionals that believe in our vision and plans.

TTA restructured the organisation around three main business groups, Transport, Energy, and Infrastructure, and had three strategic priorities for 2009.

1. Expand Energy and Infrastructure Groups

The Transport Group faces strong headwinds. Dry bulk freight rates in 2010 are not expected to increase from 2009, as increasing numbers of dry bulk vessels enter the market amidst a slow trade recovery. We do not expect significant new build order cancellations, as governments in China and South Korea subsidise their shipbuilding industries, and banks continue to be lenient on defaulted clients.

The decline and volatility of oil prices in 2009 was clearly a negative, but we believe that as oil prices stabilise in 2010, some offshore projects may in fact accelerate. Long-term growth remains robust, as energy demand continues to grow and should at least double in the next twenty-five (25) years.

Another possible growth driver is the impact government stimulus will have on infrastructure investment. It is estimated that more than US$ 3 trillion in government stimulus shall be directed towards infrastructure investments.

TTA's Energy and Infrastructure Groups grew significantly with the following acquisitions:

Transaction	Business Group	Amount
Acquisition of 100% of Nemo Subsea IS ("Nemo")	Energy	Baht 454.30 million
Acquisition of 21.18% of Merton Group (Cyprus) Ltd. ("Merton")	Energy	Baht 169.65 million
Acquisition of 100% of EMC Gestion S.A.S. ("EMCG")	Infrastructure	Baht 374.07 million
Acquisition of 89.55% of Unique Mining Services Public Company Limited ("UMS")	Infrastructure	Baht 3,129.91 million

The Energy and Infrastructure Groups represented 27.79% of revenues in 2009, and we expect them to be a larger percentage of revenues in 2010 with these acquisitions.

2. Capitalise on short-term distressed opportunities

During the height of the worldwide financial meltdown, significant nervousness permeated the business world and capital markets, which led many players to make very shortsighted decisions. Between November 2008 and February 2009, TTA was able to repurchase US$ 56.4 million of convertible bonds at an average of 65.87% of their par value. TTA recorded Baht 676.33 million of gains from the repurchase and subsequent cancellation of convertible bonds, which were issued only fourteen (14) to seventeen (17) months earlier. An internal rate of return of 28.18% resulted from this transaction, which was an excellent use of our capital.

In 2009, Mermaid Maritime Public Company Limited ("Mermaid"), our 57.14% owned offshore services company, acquired the Mermaid Endurer, a highly sophisticated dive support vessel being built in Norway, from a distressed seller, although shareholders might not tell from the investment cost of Baht 3,115.84 million. According to market valuation reports for this vessel, the acquisition made good sense.

3. Develop a pipeline of new business opportunities and funding sources

TTA was able to source a strong pipeline of business investments, which led to the successful acquisitions of Nemo, Merton, EMCG, and UMS. Our business development team is working on a number of different transactions at this time, and we hope to announce more deals in the near future.

We realised that 2009 would be difficult. To that end, TTA lowered costs in the dry bulk shipping business, increased loss reserves, maintained high levels of liquidity, and intensified our management processes. TTA ended 2009 with Baht 10,718.89 million of cash and cash equivalents on our balance sheet and a debt to equity ratio of 0.25 x. This strong position allowed TTA to secure a three-year US$ 200 million credit facility to finance future corporate acquisitions in November 2009.

In November 2009, Mermaid completed a 9 for 20 rights offering to existing shareholders and raised SG$ 156 million. The primary purpose of the rights offering is to improve Mermaid's financial flexibility to pursue strategic growth opportunities as and when they arise.

BUSINESS VISION

TTA is a 106-year-old growth company. What drives results through business cycles is a strong ability to perform and change with the environment. We expect to see changes in many industries. For example, a prolonged downturn in construction and housing affects shipping, industrial production, and other associated businesses. An extended period of reduced leverage is expected in most businesses, which slows down investment growth and consumer spending.

TTA intends to build on what we know, own, and manage. We want to own a balanced portfolio of businesses across the Transport, Energy, and Infrastructure Groups. While we invested in businesses with good long-term growth prospects, our business portfolio changed by selling Thai P&I Services International Ltd., which is a local correspondent for protection and indemnity clubs, for Baht 10.40 million in July 2009 and selling the assets of Asia Coating Services Ltd., which provided industrial coating services.

TTA wants to redeploy capital to enable long-term growth. We constantly review the viability and expected profitability of various businesses and invest in those areas that offer the best opportunity for future growth and returns. For businesses that do not meet our long-term return targets or are considered to be nonstrategic, we could either reduce or divest them over the next few years. We target our long-term returns on capital to be at least 15% annually.

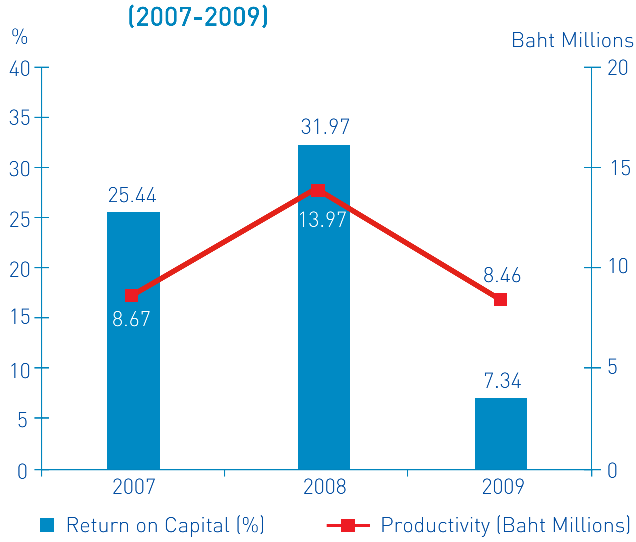
Our top priority for capital allocation must be safety and sound risk management. The economic turbulence has led us to shift into a recession management mode. Early in this crisis, the Company responded quickly and instituted considerable risk management improvements. These included prioritising key risks, placing owners in charge of these risks, and monitoring them on a regular basis. TTA will continue to be managed with the disciplines of adequate capital, solid earnings, and conservative funding throughout this period.

Our vision and strategy borrow our key strengths from the past and make them relevant to a new era of global business:

Build Relationships. TTA has many ventures and partnerships that help us grow and diversify risk on a global basis. We aim to accelerate growth by expanding our product lines, serving new clients, and creating strong associations with like-minded partners.

Leverage Strengths. TTA's core processes focus on growth, performance management, and leadership development. We compare performance on common metrics of return on capital, and productivity as measured by revenue per employee. The chart on this page shows how we have performed over the past few years.

Chart 1 : Return On Capital And Productivity (2007-2009)



Source : TTA

In addition, we invested more than Baht 138.47 million in 2009 in our people, leadership development, and management control systems. TTA values our team and remains committed to developing them further. In 2009, TTA completed a five-year human resources road map to ensure that we have capable talent to execute our business strategy. Among other things, we redesigned job grades and salary structures for the new organisation and modified short-term and medium-term incentive plans for 2010 onwards.

In this letter, we will describe our 2009 performance by line of business and review many critical events of the previous year. We hope, after reading this letter, you will share our confidence in our vision of a stronger and more vibrant company for the future.

REVIEW OF 2009 FINANCIAL PERFORMANCE AND KEY EVENTS

A. Net Profit Contributions by Line of Business

Unit : Baht Millions

Business Group	2007	2008	2009
Transport	4,572.30	8,550.27	819.30
Energy	455.06	572.64	400.90
Infrastructure	6.02	12.37	26.11
Corporate	(71.43)	(358.84)	567.40
Group	4,961.95	8,776.44	1,813.71

Transport Group reported net income of Baht 819.30 million

Transport Group	Nature of Business
Dry Bulk Shipping Business	International maritime transportation
ISS Thoresen Agencies Ltd.	Ship agency
Fearnleys (Thailand) Ltd.	Ship brokerage
PT Perusahaan Pelayaran Equinox	Maritime transportation services
Thoresen (Indochina) S.A.	Ship agency and related services
Thoresen Shipping FZE	Ship agency

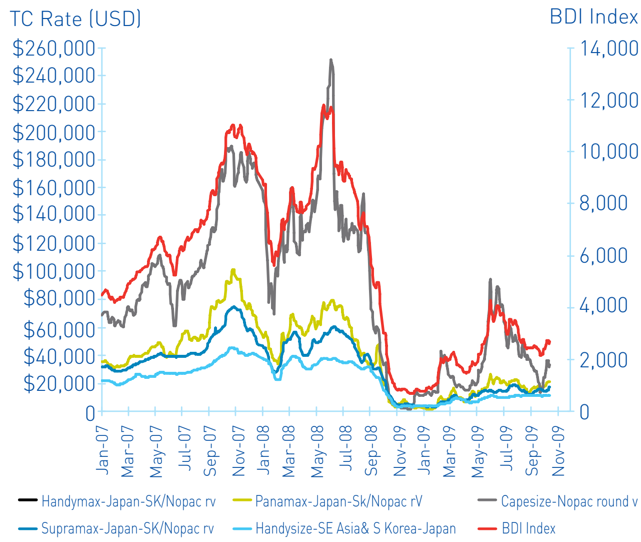
The Transport Group consists of the dry bulk shipping business and a number of shipping services businesses. The Transport Group had disappointing financial results on an absolute basis, which reflect a tough operating environment. The Baltic Dry Index ("BDI") fell to its lowest point in twenty-two (22) years (663 points) in December 2008. The average BDI fell 39.11% to 2,499 compared to 2008. With more than 81.47% of our dry bulk vessel days operating in the spot markets, revenues and profits of the dry bulk shipping business fell by 48.88% and 92.49%, respectively.

Dry Bulk Shipping Business

The rapid fall in the BDI was attributed to softening shipping demand. Cargo volume for our fleet fell 31.85% to 11.72 million tonnes in 2009. Vessels of all types were being laid up. But, the artificial reduction in supply was still insufficient to prop up freight rates. Our average time charter-equivalent ("TC") rates fell 56.63% to US$ 10,973 per day, while our owner expenses increased 5.02% to US$ 5,563 per day.

In line with weak demand, TTA sold or scrapped eight (8) vessels and recorded Baht 33.51 million of profits. To limit our potential liabilities, the number of chartered-in vessel days also fell 30.95% to 5,023 days. With lower TC rates, vessel days, and cargo volume, the dry bulk shipping business generated Baht 14,794.24 million of revenues, a 48.88% decrease from 2008, and Baht 623.70 million of net profits, a 92.49% decrease from 2008. The return on capital was 3.95%.

Chart 2 : Baltic Dry Index (2007-2009)



Source: Baltic Exchange Limited

TTA has an orderbook of five (5) new build dry bulk vessels. We shall take delivery of one new build dry bulk vessel in 2010 and continue to source second-hand opportunities. In 2009, we did not purchase or commit to any new vessels, since they will not likely achieve our investment hurdle rates.

The fundamental business remains the same - transporting cargo safely and efficiently, and giving our clients the best logistics services possible to move their goods. As we sail into 2010, we expect weak freight rates to continue for the next few years, and therefore remain careful of new investments. Our existing dry bulk shipping businesses are being examined and could be more focused than a few years ago.

ISS Thoresen Agencies Ltd.

ISS Thoresen Agencies Ltd. ("ITA") is a market leader in ship agency services in Thailand. We now serve more than 185 clients around the world. In 2009, ITA brought in more than twenty-five (25) new client relationships, contributing 6.89% of its revenues. As a result, ITA delivered strong financial results in 2009. Its net income increased 287.91% to Baht 53.78 million, resulting in a return on equity of 96.93%.

The profitability resulted from an increasing number of services provided to clients and a decrease in accrued bonus compensation of Baht 26.45 million. ITA has a notable advantage as clients generally advance agency-related expenses. Therefore, there is never an issue with working capital requirements. Average advances rose 7.30% to Baht 507.78 million in 2009.

As the economy stabilises in 2010, we do not believe that a similar performance can be repeated, as competition is fierce in the ship agency business. We appreciate how ITA has maintained long-standing client relationships from different parts of the world.

Fearnleys (Thailand) Ltd.

Fearnleys (Thailand) Ltd. ("Fearnleys") is a ship brokerage company that specialises in dry cargo activities. Most of its revenues are related to commissions earned on vessel charters and are a fixed percentage of underlying freight rates. Fearnleys experienced a turbulent year in 2009. Net profits dropped 46.81% to Baht 50.10 million, but the return on equity was a respectable 35.77%. The number of brokerage transactions in 2009 remained generally the same as 2008 at 240. Overall, the year's results were mostly affected by the weak freight rate environment.

Fearnleys has invested in Fearnleys Shipbroking Private Limited and Fearnleys Dry Cargo (Singapore) Pte. Ltd. to expand its dry cargo business in Asia. Growth has been slow in these companies, but given the potential markets of India and Singapore, long-term prospects remain sound. We expect Fearnleys to have lower performance in 2010 based on our dry bulk shipping outlook.

PT Perusahaan Pelayaran Equinox

PT Perusahaan Pelayaran Equinox ("Equinox") is a fully integrated Indonesian shipping company and acts as the primary marketing office for the liner services out of Indonesia. Net profits increased to Baht 12.01 million, with a return on equity of 9.09%.

Equinox owned two dry bulk vessels, M.V. Thor Venture and M.V. Thor Sailor, in 2009 and offers clients domestic and international transportation services. It is actively involved in the provision of dry bulk shipping services and provides marine support services to the domestic oil and gas industry, including floating production, storage and offloading ("FPSO") and floating, storage and offloading ("FSO") vessels. The company also provides full agency services, integrated technical ship management and crew management services to third party owners.

In 2009, Equinox handled on average nineteen (19) ship calls per month. Equinox sees many opportunities with the formal implementation of cabotage regulations in Indonesia commencing on 1 January 2010 and is planning additional vessel acquisitions to enable it to further expand its domestic shipping services.

Thoresen (Indochina) S.A.

Thoresen Indochina S.A. ("TI") continues to grow rapidly in line with Vietnam's economic growth. In 2009, TI formed a joint venture, Thoresen-Vinama Agencies Co., Ltd. ("TVA"), as Vietnam has a policy to liberalise foreign ownership of ship agency companies by 2014.

TI has seen a continued increase in activity and income in 2009, mainly due to its diversified approach that includes ship agency (43% of revenues), forwarding and marine logistics (19% of revenues), bunkering (5% of revenues), chartering (23% of revenues), and special projects (10% of revenues). Overall revenues increased by 16%, which resulted in a 27.17% increase in net profits to Baht 37.21 million, which was the first time in TI's history that net profits exceeded US$ 1 million. The return on equity was 54.89%.

Due to its diversified business activity, TI has been able to continue growing, even during the difficult year of 2009, and will continue and strengthen this successful policy. TI-TVA is today one the leading ship agents in southern Vietnam, handling more than forty-five (45) vessel calls per month. Although the agency business is much more competitive, TI has secured a broad range of twenty (20) long-term clients in different shipping segments and has specialised in offering services for difficult cargo operations, such as wind tower loadings.

TTA is excited about Vietnam's overall growth prospects, as evidenced by our acquisition of EMCG. TI was instrumental in securing TTA's acquisition of EMCG in July 2009 and is currently sourcing further investment projects in Vietnam's ports and logistics industry. TI will expand its activities in 2010 with the addition of the warehouse and logistics services in Baconco, and therefore, we expect TI to continue its healthy growth in the next few years.

Thoresen Shipping FZE

Thoresen Shipping FZE ("TSF") promotes the liner services and provides cost effective cargo operations on vessels calling at the United Arab Emirates ("UAE") and other Gulf ports. TSF acts as TTA's regional office in the Middle East and takes the lead role in our joint venture with Sharjah Ports Authority called Sharjah Port Services LLC ("SPS").

Overall business in the UAE was negatively affected in 2009. The number of TTA vessels calling at Sharjah fell by 50% (72 vessels), and cargo volume fell by 36% compared to 2008. The company handled more than 2,000 import consignments and 476 transshipments in 2009. Given the lower volumes, TSF net profits fell 37.08% to Baht 97.79 million, which resulted in a return on equity of 21.22%.

SPS performed relatively well, considering the business environment, and our share of its net profits was Baht 31.56 million. Since the local economy has yet stabilised, there remains uncertainty about its future growth.

TTA expects the Transport Group to have a similar year in 2010 as the prior one.

Energy Group reported net income of Baht 400.90 million

Energy Group	Nature of Business
Mermaid Maritime Public Company Limited	Subsea engineering and drilling services
Merton Group (Cyprus) Limited	Coal mining

The Energy Group consists of Mermaid and Merton.

Mermaid Maritime Public Company Limited

Mermaid Maritime Public Company Limited ("Mermaid") had a lower than expected year overall primarily due to deferred and postponed subsea activities. Mermaid's return on capital and return on equity were 7.77% and 7.44%, respectively. For its two primary businesses, subsea engineering and drilling, it was a "tale of two cities".

On the positive side, the drilling business generated Baht 2,230.67 million of revenues, a 66.85% increase from 2008, and Baht 609.42 million of net profits, an 864.88% increase from 2008. The return on capital for drilling was 14.45%. Both MTR-1 and MTR-2 achieved high utilisation rates at 90.05% and 99.71%, respectively in 2009 with focused cost controls. The average day rate for the two drilling rigs increased 69.12% to US$ 87,315 per calendar-rig-day.

MTR-1 completed its contract with Amerada Hess (Indonesia-Pangkah) Limited in September 2009 and is presently undergoing some essential repair and maintenance activities while we work to secure its next contract. When considering market requirements, Mermaid has budgeted six (6) months of inactivity for MTR-1 in 2010. MTR-2 continues to fulfil its obligations with Chevron Corporation under a fixed-term contract that expires in April 2010. We expect discussions on a contract extension to be concluded in the next few months. The newbuild drilling rig KM-1 is nearing completion, and delivery is expected in early 2010. Part of KM-1's earnings will compensate for the MTR-1 downtime.

Market conditions have somewhat stabilised over the last few months and current enquiries for new contracts exceed available units. Some oil and gas companies who had previously cancelled or deferred their drilling programmes have recently issued tenders for an additional two or three rigs commencing from March to April 2010. New award contract durations for tender rigs are still expected to be in the one (1) to five (5) year period. We continue to observe clients showing a preference for newer equipment and continue to discuss their future needs for potential new build opportunities. With greater stability in oil prices and a general upturn in the global economy, these projects should be awarded in line with client needs.

On the negative side, the subsea engineering business generated Baht 3,021.81 million of revenues, a 26.51% decrease from 2008, and Baht 191.51 million of net profits, a 80.38% decrease from 2008, driven by a 38.84% decrease in asset utilisation. The return on capital for subsea engineering was 3.97%. Significant delays in subsea project awards were experienced as oil price volatility caused companies to re-evaluate their cost budgets. Average day rates for the subsea engineering business fell 38.56% to US$ 31,361 per calendar-ship-day.

Despite this performance, Mermaid remains confident on the future opportunities for the subsea engineering business, and three new build subsea vessels will be delivered, one in late 2009 and two in 2010. We ordered the Mermaid Asiana and Mermaid Sapphire in December 2007 in line with Mermaid's initial public offering. We also acquired the Mermaid Endurer in June 2009 from Aquanos Offshore AS. The subsea engineering business has experienced an increase in the number of inquiries and tenders for its services. Market conditions appear favourable to secure high utilisation across the subsea fleet, particularly on the higher specification vessels. At the start of FY 2010, all dive support vessels and remotely operated vehicle vessels are utilised.

After these new build deliveries, Mermaid will own and operate a modern fleet of subsea support vessels and drilling rigs with high technical capabilities that will enable us to serve customers across many services and locations. Performance should be higher in 2010, as the higher technical capabilities of our assets produce higher day rates. Mermaid's overall strengths are excellent safety and operational performance, a deliberate focus on niche subsea and drilling opportunities, and a growing international presence.

Merton Group (Cyprus) Ltd.

TTA acquired a 21.18% ownership in Merton Group (Cyprus) Ltd., which controls coal-mining concessions in the Philippines along with its partner, SKI Construction Group Inc. Exploration drilling is well advanced, an initial mine site is under construction, and commercial production is expected as early as May 2010.

TTA expects 2010 to be a good year for the Energy Group.

Infrastructure Group reported net income of Baht 26.11 million

Infrastructure Group	Nature of Business
Unique Mining Services Plc.	Coal-related logistics
EMC Gestion S.A.S./Baconco Co., Ltd.	Fertiliser manufacturing and logistics
GAC Thoresen Logistics Ltd.	Third-party logistics
Chidlom Marine Services & Supplies Ltd.	Stevedoring, ship supplies, and warehouses

The Infrastructure Group consists of UMS, EMCG, GAC Thoresen Logistics Ltd., and Chidlom Marine Services & Supplies Ltd.

GAC Thoresen Logistics Ltd.

GAC Thoresen Logistics Ltd. provides full-service logistics services at its modern warehouse facility in Amata Nakorn Industrial Estate. The company faced diminished business volume for many clients, with average warehouse utilisation of 72% in 2009. However, this difficult time allowed for internal rationalisation, creating a more efficient organisation. Net profits were Baht 0.07 million, which resulted in a return on capital of 4.08%.

The new year sees committed volumes increasing significantly. Combined with an improved pricing structure, this should generate additional revenues without cost increases. We have over 5,000 pallet positions yet to be filled. This capacity can generate significant revenue growth with no required additional capital. The focus in 2010 will include non-investment related businesses, including back-office activities and other value added services.

Chidlom Marine Services & Supplies Ltd.

Chidlom Marine Services & Supplies Limited ("CMSS") serves more than 110 clients by providing ship stevedoring, material supplies, and warehouse services in Thailand. In 2009, CMSS brought in more than ten (10) new clients and had seventy-four (74) third-party client relationships that contributed 54% of its revenues. However, because of the overall downturn in shipping activity in the past year, the net income of CMSS decreased 9.40% to Baht 8.44 million, resulting in a return of equity of 7.17%.

CMSS has seen its income of warehouse services increase 12.73%. Even though the warehouse space remained the same at 16,343 square metres, the company provided warehouse services to four (4) clients, an increase of 30% from 2008.

CMSS has a notable advantage as it has three different business areas, i.e. stevedoring, ship supplies, and warehouse services. This brings stability and sustainable growth to the company, even when faced with many challenges.

As the economy stabilises in 2010, CMSS should see some benefit from the economic recovery, especially in shipping and logistics markets. We also anticipate that CMSS will continue to increase the number of new clients and therefore continue to increase revenues.

EMC Gestion S.A.S./Baconco Co., Ltd.

In July 2009, TTA acquired 100% of EMCG, which owns Baconco Co., Ltd. ("Baconco"), a fertiliser producer in Vietnam. Our intention is to ensure fertiliser production at a consistently profitable level and enlarge Baconco's revenues and profits through logistics. Baconco owns warehouses and is conveniently located next door to Baria Serece Port, which is one of Vietnam's largest deep-sea ports. The Company could act as a logistics hub for the Phu My industrial area. From the acquisition date through 30 September 2009, Baconco contributed Baht 365.9 million of revenues and Baht 17.64 million of net profits.

Unique Mining Services Public Company Limited

In October 2009, TTA acquired 48.46% of UMS from its two largest shareholders and completed its tender offer for the remaining shares and warrants in December 2009. TTA owns 89.55% of UMS after the tender offer. UMS is listed on the Market for Alternative Investment ("MAI") and is an "end to end" logistics company that specialises in coal. It has an asset base of twelve (12) barges, two (2) coal blending facilities and warehouses, and twenty-six (26) trucks. Its key strength is to provide "just in time" delivery to small and medium-sized industrial customers which use coal-fired boilers. UMS has been a client of TTA for six (6) years and should bring good synergies with our existing businesses.

TTA expects 2010 to be a good year for the Infrastructure Group, as positive net profits are expected from our newest acquisitions.

B. Review of Key Events

TTA's goal is to be among the best and most profitable companies, but not necessarily the largest. We know that size matters in businesses where economies of scale in areas such as systems, operations, and risk diversification can be critical to success. The only reason to get bigger and gain economies of scale is when doing so enables you to do a better job for your clients. TTA is also keen to explore additional value added across our businesses. For example, with the UMS acquisition, we could conceivably source and mine our coal, transport it on our vessels, and sell it to our own end-user clients.

In this section, we want to review some of the major strategic acquisitions of this past year:

I. The purchase of EMC Gestion S.A.S/Baconco Co., Ltd.

On 23 July 2009, TTA closed the acquisition of EMCG.

The seller, EMC S.A., which is French state enterprise, ran a competitive auction process and set a floor price at which they would sell EMCG, whose sole asset is the 100% ownership of Baconco. As the floor price was reasonably attractive, other bidders were interested, and it became a situation where the party who could complete the deal soonest and with the least conditions wins. Going into this deal, TTA had two things in our favour: the strength of our balance sheet and liquidity base and the skills of our people. To a person, our Board of Directors spared time to consider the transaction outside normal meeting times and allowed us to proceed.

Upon closing, TTA's first priority was to quickly reduce our downside investment risk. The fertiliser business is not one that delivers consistently high profit margins over time. Our business plan was to ensure consistent profitability from fertiliser production and increase Baconco's revenues from logistics. Baconco should be able to capture some cargo flows in and out of Baria Serece Port, which exceeded three (3) million tons in 2009. TTA's management team in Vietnam was able to secure the logistics license within eight (8) weeks of deal closing. In 2010, Baconco will therefore have two revenue and net profit streams.

Under normal conditions, the price we ultimately paid for Baconco would have been considered low by most standards. TTA purchased Baconco at 81% of net book value and paid US$ 11.03 million for a company that reported more than US$ 16 million in common equity. TTA recorded Baht 287.21 million of negative goodwill from this acquisition. We inherited a dedicated team of more than 300 people. TTA augmented this team with two of our own, including the Executive Chairman position, to drive some necessary changes in the business.

II. The purchase of Merton Group (Cyprus) Ltd.

On 14 August 2009, TTA closed the acquisition of a stake in Merton. We paid US$ 5 million for a 21.18% stake in Merton, which formed a joint venture with SKI Energy Resources Inc. ("SERI") that controls over 13,000 hectares of coal operating concessions ("COC") in Cebu, Philippines.

There has been a history of small-scale coal mining in Cebu, and the presence of coal deposits was well established, but Merton will be establishing the first coal mining operation of commercial scale. Merton's founder, Mr. David Garcia, is a well-known mining industry veteran, has decades of experience with major mining companies such as Iscor and Glencore, and with his shareholders, invested more than US$ 12 million in acquiring COC's and executing an extensive exploratory drilling programme. Prior to our investment, TTA employed industry leading mining consultants to review all geological data from the drilling programme, inspect the initial mining site and plan, and confirm that the mineable reserves from the initial mine location are more than sufficient to justify our investment.

Of the 13,000 hectares under these COC's, the initial mine site will occupy less than 100 hectares. Given the remaining areas contain substantial additional coal deposits estimated to total as much as forty (40) million tons, there is significant potential for future growth and for TTA to scale up its investment as appropriate, based on success of this initial investment. The absolute level of earnings contribution from Merton will depend upon coal prices, but given the growing energy demand in Asia, and the supply and demand situation in coal markets, industry analysts expect the next few years will see a strong coal price environment.

III. The purchase of Unique Mining Services Public Company Limited

The truly impressive part of the UMS deal was the human side. In July, initial contact was made to gauge TTA's interest to do the transaction. Given that both companies were publicly listed, the deal was known to only a few people in TTA. We immediately hired financial and legal advisors, who worked with our execution team to manage the due diligence process, which gave us the confidence to complete the deal.

Their strong efforts over the next several months made it possible for TTA to sign and close the deal in about ninety-five (95) days. If you could have seen what we saw during that time, you would have been very proud of the team at TTA.

On 26 October 2009, TTA acquired 73,649,166 shares, or 48.46%, of UMS from Mr. Phaibul Chalermsaphayakorn and Mr. Chaiwat Cruecha-Em at a price of Baht 23 per share. We also purchased 3,222,100 warrants from Mr. Chaiwat. Under the Securities and Exchange Commission rules, the acquisition of such a significant stake obligates TTA to tender for the remaining shares and warrants, which was completed in December 2009. In the end, TTA acquired 89.55% of UMS common shares and 97.19% of UMS warrants.

As part of our strategic planning process, TTA consistently expressed our desire to broaden our niche logistics capabilities. Typical profit margins for third party logistics companies that serve basic needs run between 3% to 6%. In UMS, we have found a company that regularly exceeds these margins.

The deal was financially compelling, as it should be accretive to 2010 earnings. With growth plans at UMS, it should add increasingly more earnings thereafter. Coal use among industrial buyers is growing strongly due to cost efficiencies compared to diesel and fuel oil. From 2007 to 2008, industrial coal use in Thailand rose from 8.98 million tonnes to 10.93 million tonnes. UMS is a niche player that specialises in coal logistics to small and medium-sized companies.

TTA's acquisition price of Baht 23 per share equates to a price to book value multiple of 3.48 x but UMS generated a 52.89% return on equity in 2008. With the UMS acquisition, we gained access to more than 400 clients across a wide range of industries.

Our due diligence on UMS was extensive, and our assumptions were conservative. We assumed that coal import volumes in UMS would go up 7% annually over time, whereas UMS management is already targeting at least 15% growth in 2010 alone.

The UMS transaction aligns perfectly with our diversification tests of capabilities and adjacency. The transaction expands our supply chain to fast-growing end users and, over time, allows us to extend the reach of our coal mining, dry bulk shipping, ship brokerage, and ship agency efforts. TTA has the expertise to operate many of the assets owned by UMS. However, these synergies are not being forced on UMS or any other TTA subsidiary. We have a strong performance philosophy, and all companies must compete on the basis of price, quality, and service.

RISK MANAGEMENT

In 2008, Lehman Brothers declared bankruptcy, and Merrill Lynch sold itself to Bank of America. Around the world, French, British, Swiss, and German banks were rescued by their governments, and the world entered the sharpest downturn since the Great Depression.

As for TTA, our management teams, risk officers, legal, finance, and audit teams worked tirelessly to protect the Company. We believe it is a considerable sign of strength that we could manage through such extraordinary problems with minimal losses.

In 2009:

- TTA essentially stayed away from investing in assets, preferring to acquire ownership stakes in companies that offered a better proposition of risk versus potential reward.

- TTA did not enter into any speculative derivative transactions. In 2009, TTA recorded losses of Baht 198.43 million from bunker fuel hedges that were transacted in 2008 and 2009. But, we did not execute any forward freight agreements or other structures that could have added risk to our business.

- TTA substantially cut back on underperforming assets. Eight (8) vessels were sold or scrapped, reducing our fleet ownership by 18.18%. We avoided far worse results, because we did not invest significantly in the dry bulk shipping business in 2007 and 2008, when asset prices were at all-time highs.

- TTA did not leverage our capital. We always believe in high-quality capital, which, among other things, means conservative accounting and a high component of tangible common equity. The higher the quality of capital, the more prepared one is for tough times.

- TTA maintained a high level of liquidity. We reduced our cash dividend payouts over the past few years and built up our cash reserves. The fact that as of 30 September 2009, we had cash and cash equivalents of Baht 10,718.89 million (the downside was that bank deposits earned almost no interest income) positioned TTA advantageously overall to make rapid investment decisions and helped us weather the worst of the crisis. We will do whatever it takes to ensure that our liquidity remains a strong part of our balance sheet so that we can maintain flexibility during challenging times to be in a position to grow our businesses.

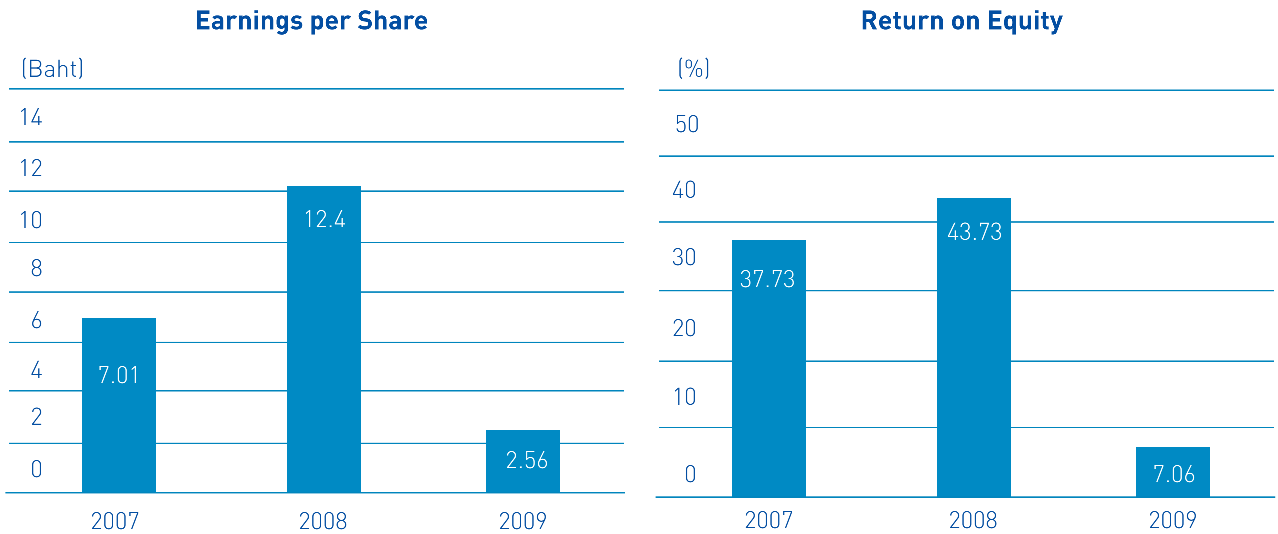
- TTA follows the tried and true financial commandment - Do not borrow short to invest long.

FINANCIAL CONSIDERATIONS

Maintaining a strong balance sheet will always be essential to TTA. Our common equity was Baht 31.09 billion, and we will continue to increase our loss reserves, as appropriate. With Baht 91.18 million in allowance for credit losses at the end of 2009, we believe that we are well positioned for any deterioration in our accounts receivable.

Out of caution during this uncertain environment, we believed it was prudent to reduce our cash dividend to Baht 2.25 per share in 2008, which was supplemented with a 1 for 10 stock dividend to all shareholders. TTA did not take this action lightly, as we recognise our commitment to shareholders value by maintaining cash dividend levels. But extraordinary times require extraordinary measures. So while our performance and capital are solid, we have an even higher obligation to ensure that our balance sheet remains intact. This will enable us to stay flexible to seize opportunities and continue to build and invest in our businesses, even in a highly stressed environment.

Chart 3 : Earnings Per Share And Return On Equity (2007-2009)



Source: TTA

In 2009, TTA proposes to pay cash dividends of Baht 0.54 per share. TTA maintains a long-term commitment to the dividend and still views a 25% cash payout ratio of normalised earnings as reasonable. We will review all relevant criteria to ensure the ongoing strength of our capital base and will await a more stable economic environment before increasing the cash dividend.

TTA has been consistent in letting our shareholders know that a recession will impact our financial results. Our current view is that 2010 remains weak and that it will take some time for a consistent recovery to take hold. The recession will affect all of our businesses, some worse than others. We regularly do stress tests for the Company, always projecting forward our capital and liquidity. We think our capital ratios will maintain their extremely strong levels throughout the crisis.

CORPORATE SOCIAL RESPONSIBILITY

TTA believes that we have a deep responsibility to you, our shareholders, our creditors, our clients, and our employees. We work incredibly hard to uphold all our obligations every day.

We have always been deeply committed to being good corporate citizens. As such, we have intensified our corporate social responsibility efforts, directing resources to make a meaningful difference to the people who live and work in the communities in which we operate. We also provide education scholarships to the families of our sea staff and fund other educational programs.

We have developed a sustainable emissions reduction strategy for the dry bulk fleet, which includes use of low sulphur fuels and fuel additives to provide a cleaner burn and lower consumption of fuel oil. We recognise the value of our employees and offer a range of benefits, including a provident fund scheme, life insurance, private health care, and a fair holiday allotment.

CLOSING THOUGHTS

Successful companies seek out new opportunities in a changing world, and that is what TTA aims to do with an unwavering commitment to our long-term strategy. This economic crisis presents an opportunity to reset the core of TTA and reset expectations for our performance. If our people are energised and desire to play a part in transforming TTA for the future, then this is going to be an exciting time to work here.

While TTA is disappointed with our 2009 financial results, we have not lost sight of our important achievements. We do not expect significant profits from the Transport Group, but increasing profits from the Energy and Infrastructure Groups should allow us to achieve better earnings than last year. Even in tough years like 2009, we did not stop doing all the things that make our businesses better.

TTA sought new business opportunities and invested in a few of them. We never stopped investing in our people, systems, and infrastructure. We believe that an emphasis on serving clients and growing our businesses will drive our results for years to come. We have always tried to be transparent, to offer a lot of detail and data, and describe TTA externally the way we run it internally. As a long-cycle business, we want our shareholders to focus on long-term results.

Finally, thank you very much to our shareholders, clients, suppliers, bankers, and especially our colleagues for your continuing support to TTA. We will maintain our disciplined and conservative business approach and hope to maintain the momentum created in 2009 in the coming years. We are energised about the future prospects of TTA and promise to work very hard to achieve our vision and goals.

Yours sincerely,

M.R. Chandram S. Chandratat

M.L. Chandchutha Chandratat

Audit Committee's Report

The Audit Committee is composed entirely of directors who satisfy applicable SEC and SET audit committee independence standards. The Audit Committee includes Ms. Pratana Mongkolkul (Chairperson), Dr. Siri Ganjarerndee, and Mr. Aswin Kongsiri. The Board of Directors meeting held on 13 February 2009 resolved to appoint Ms. Pratana Mongkolkul as Audit Committee Chair and Mr. Aswin Kongsiri as an Audit Committee member to replace the position after the resignation of Mr. Bjorn Ostrom (former Chairman).

The Audit Committee assists the Board of Directors in fulfilling its responsibilities for general oversight of:

1. The integrity of our financial statements;
2. The compliance with legal and regulatory requirements of the Securities and Exchange Act and other relevant laws;
3. The independent auditors' qualifications and independence; and
4. The performance of our internal audit function and independent auditors.

Furthermore, the Audit Committee pursues and promotes good corporate governance by actively creating awareness and providing advice to management on sound risk management and internal control practices.

In line with the above principles, the Audit Committee's major roles and responsibilities include:

- Financial Reporting: The Audit Committee reviewed the interim and annual financial statements for recommendation to the Board for approval. The review focused on changes in accounting policies and practices, major judgemental and risk areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards, compliance with the SET, and other legal requirements.

- External Audit: The Audit Committee discussed with the external auditor the audit plan, and the report on the audit of the year-end financial statements; reviewed the external auditor's management letter and management's responses thereto; and reviewed the external auditor's objectivity and independence from management and TTA. The appointment of the external auditor and the audit fee were considered, and recommendations made to the Board on the selection of TTA's external auditors.

- Internal Audit: The Audit Committee reviewed the scope of internal audit work and its audit programmes; reviewed the major findings during the year and management's responses thereto; and ensured the suitability of the internal audit function as well as the adequacy of TTA' s internal controls.

- Risk Management: The Audit Committee reviewed the effectiveness of TTA's material controls, including financial, compliance, and risk management control, to safeguard shareholders' investments and TTA's assets.

- Interested Person Transactions or the transactions that may lead to conflicts of interest: The Audit Committee reviewed interested person transactions or the transactions that may lead to conflicts of interest incurred in 2009 to ensure compliance with the SET and other legal requirements.

During the financial year that ended on 30 September 2009, the Audit Committee convened eight (8) meetings. Ms. Pratana Mongkolkul and Dr. Siri Ganjarerndee have a full attendance record. Mr. Aswin Kongsiri and Mr. Bjorn Ostrom attended four (4) meetings and two (2) meetings, respectively. They reviewed accounting systems, internal control systems, and quarterly and annual financial reports before proposing them to the Board of Directors and for public dissemination. The review of all matters is based on independent consideration by discussion and exchange ideas with external auditors, related management, and internal auditors. In addition, minutes of all Audit Committee meetings were furnished to the Board of Directors for consideration and acknowledgement in the quarterly Board of Directors meetings.

In conclusion, the Audit Committee is of the opinion that TTA's operations during the year of 2009:

- Had reasonable and sufficient internal control systems;
- Financial reports were accurately, completely and reliably prepared in accordance with the generally accepted accounting principles;
- The Company has complied with legal and regulatory reguirement regarding the Securities and Exchange Act and other relevant laws;
- The external auditor, PricewaterhouseCoopers ABAS Limited, had appropriately performed the audit work;
- Interested person transactions or the transactions that may lead to conflicts of interest incurred in 2009 were reasonably generated in order to achieve the best benefit to the Company.

The Audit Committee carried out its duties independently and has full discretion to invite any director or executive officer to attend its meetings. There were no restrictions on the access to information.

For the financial year ended on 30 September 2010, the Audit Committee has recommended to the Board of Directors that PricewaterhouseCoopers ABAS Limited be re-appointed as the Company's auditors due to the fact that its reputation and audit standards are widely acceptable. The appointment of the audit firm would be further proposed to the shareholders for approval at the Annual General Meeting of the Shareholders to be held in January 2010.

Ms. Pratana Mongkolkul
Chair of the Audit Committee

Board of Directors

1	2	3	4	5

6 7 8 9 10

1. M.R. Chandram S. Chandratat
2. M.L. Chandchutha Chandratat
3. Mr. Stephen Fordham
4. Mrs. Pratana Mongkolkul
5. Dr. Pichit Nithivasin
6. Mr. Sak Euarchukiati
7. Dr. Siri Ganjarerndee
8. Mrs. Joey Horn
9. Mr. Aswin Kongsiri
10. Mr. Terje Schau

M.R. Chandram S. Chandratat age 79

Chairman

Percentage of Shareholding: 0.18

M.R. Chandram S. Chandratat has been Chairman since 1994. His professional experiences include serving as the Deputy General Manager at the Bank for Agriculture and Agricultural Cooperatives from 1982 to 1985 and as Director General of the Government Savings Bank from 1985 to 1990. He has been the Managing Director of C.S. Capital Ltd. since 1991. He also held positions as the Chairman of the Executive Board of Capital Nomura Securities Plc. from 1990 to 1992, a Director of United Palm Oil Industry Plc. ("UPOIC") from 1992 to 2004, including being the Chairman of UPOIC from 2001 to 2002. He holds a Bachelor of Arts (Honours) in Economics from the University of Cambridge.

M.L. Chandchutha Chandratat age 43

President & Chief Executive Officer

Percentage of Shareholding: 0.028

M.L. Chandchutha Chandratat joined in 2005 as the Managing Director, which has since changed to President & Chief Executive Officer. His professional experience began with Bank of America, where he served in San Francisco (U.S.A.), Hong Kong, and Bangkok from 1989 to 1994. He then joined Bangkok Bank Plc. from 1994 to 2000 and worked for J.P. Morgan, Hong Kong from 2000 to 2002. His final banking job was with Morgan Stanley Dean Witter Asia (Singapore) Pte. Ltd. from 2002 to 2005. He was appointed Chairman of Mermaid Maritime Plc. since January 2007 and Chairman of Unique Mining Services Pcl. since October 2009. He received his M.B.A. from the University of California at Berkeley in 1989 and his B.S. (magna cum laude) in Economics from the University of Minnesota in 1987. In 2006, he completed the Directors Certification Program (DCP 70/2006) by the Thai Institute of Directors Association.

Mr. Stephen Fordham age 58

Independent Director, Nomination Committee Chairman
Percentage of Shareholding: 0.00

Mr. Stephen Fordham is a trained lawyer, having worked for Norton Rose Botterell & Roche, London from 1974 to 1976, Baker & McKenzie in Hong Kong from 1976 to 1977 and in Bangkok in 1978, Clifford Turner from 1979 to 1983, and Sinclair Roche & Temperley, where he also served as Partner from 1986 to 1998. From 1998 to 2000, he was the Managing Director of Argonaut Shipping Pte. Ltd. and from 1998 to 2003, he was a Consultant at Watson Farley Williams. He has been the Chairman of Masterbulk Pte. Ltd. since 1995, a Partner at Wikborg Rein since 2003, and an Independent Director of Total Access Communication Plc. since 2006. Mr. Fordham holds a Masters of Arts in Jurisprudence from Oxford University.

Mrs. Pratana Mongkolkul age 45

Independent Director, Audit Committee Chairperson
Percentage of Shareholding: 0.003

Mrs. Pratana Mongkolkul holds the positions of Chief Financial Officer and Director of Minor International Plc and it subsidiaries since 1998 as well as Director of S&P Syndicate Plc. since 2007. Prior to joining the Minor Group, she was a Vice President and Senior Vice President of Central Pattana Plc's Finance and Accounting Department during 1992-1998. She holds a Bachelors Degree in Accounting and a Masters Degree in Business Administration from Thammasart University. Furthermore, she is accredited with diplomas from the Thai Institute of Directors Association and the Institute of Certified Accounting and Auditors of Thailand. In 2008, she completed the Capital Market Academy Leader Program 6/2008 by the Capital Market Academy.

Dr. Pichit Nithivasin age 63

Independent Director, Remuneration Committee Chairman, Member of Nomination Committee
Percentage of Shareholding: 0.00

Dr. Pichit Nithivasin has been the Managing Director of B.I.G Marketing Co., Ltd. (since 1989) and Bangkok Cogeneration Co., Ltd. (since 1996). He has held directorships at Huakee Paper Co., Ltd. (since 1984), Polymers Marketing Co., Ltd (since 1988), Rayong Olefins Co., Ltd. (since 1995), Thai MMA Co. Ltd (since 1997), Basell Advance Polyolefins (Thailand) Co., Ltd. (since 1997), Map Ta Phut Tank Terminal Co., Ltd. (since 1998), and PTT Chemical Plc (since 2005). He has been the President of Bangkok Industrial Gas Co., Ltd. (since 1987), the President of Bangkok Synthetics Co., Ltd. (since 1991), the Chairman of Foamtec International Co., Ltd. (since 1997), the President of BST Elastomers Co., Ltd. (since 1999), and a director of HMC Polymers Co., Ltd. (since 1983). Dr. Nithivasin holds a Ph.D in Operations Research, a Masters of Science in Electrical Engineering and Computers, a Masters of Science in Industrial Engineering, and a Bachelor of Science in Industrial Engineering, all from the University of California at Berkeley. In 2003, he completed the Finance for Non-Finance Director Program (FN 4/2003) by the Thai Institute of Directors Association.

Mr. Sak Euarchukiati age 60

Independent Director, Member of Remuneration Committee and Nomination Committee
Percentage of Shareholding: 0.00

Mr. Sak Euarchukiati worked for Continental Illinois Thailand Ltd. from 1973 to 1974, before joining Bank of Asia Plc. from 1975 to 1998, where he rose to be an Executive Vice President. He was the President of the Institute of Internal Audit of Thailand from 2003 to 2004 and the Compliance and Internal Audit Leader of GE Money Finance Plc. (Thailand) from 2004 to 2005, where he also served as a Director from 2005 to 2006. He was appointed a Director of Deves Insurance Plc. in April 2009. He has also been a Director at Thai Plastic & Chemical Plc. since 1990. Mr. Euarchukiati holds a Bachelor of Science (Management Science) from Colorado State University, USA.

Dr. Siri Ganjarerndee age 61

Independent Director, Member of Audit Committee, Remuneration Committee, and Nomination Committee

Percentage of Shareholding: 0.00

Dr. Siri Ganjarerndee served as Assistant Governor, Bank of Thailand from 1992 to 1997 and Senior Assistant Governor in 1998. He has held independent directorships with Indorama Polymers Plc. and Prasit Patana Plc. since 2005. He has served as Chairman of the Audit Committee and Director of The Post Publishing Plc. since 1999 and the Vice Chairman and Member of the Audit Committee of Thai Vegetable Oil Plc. since 2000. In 2008, he was appointed a member of the Financial Institutions Supervision Policy Board of the Bank of Thailand. In 2009, he was appointed a member of the Monetary Policy Committee of the Bank of Thailand. Dr. Ganjarerndee holds a Ph.D in Monetary Economics and Econometrics from Monash University, and a Masters in Economics in Economic Statistics and Monetary Economics and a Bachelors in Economics (Honours) from the University of Sydney. Dr. Ganjarerndee completed the Directors Accreditation Program (DAP 4/2003) in 2003 and the Directors Certification Program (DCP 60/2005) by the Thai Institute of Directors Association in 2005.

Mrs. Joey Horn age 43

Independent Director

Percentage of Shareholding: 0.00

Mrs. Joey Horn was appointed a Director of Mermaid Maritime Plc. in January 2009. Her independent director board positions included Norse Energy Corp. ASA (2005-2008), an oil and gas exploration and production company, and Petrojarl ASA (2006), an FPSO company. Mrs. Horn is also an Alumni Trustee of her alma mater, Williams College in the US. Her previous work experience includes Partner, Equity Research, HQ Norden Securities, Oslo, Norway and Vice President, Mergers and Acquisitions, Credit Suisse First Boston, New York, USA. She has an M.B.A. from Yale University (1991) and a B.A. from Williams College (1987).

Mr. Aswin Kongsiri age 63

Independent Director / Member of Audit Committee
Percentage of Shareholding: 0.00

Mr. Aswin Kongsiri has been Chairman of Ch. Karnchang Plc. (since 2007), Executive Director of Krung Thai Bank Plc. (since 2005), Chairman of Risk Management Committee and Nominating Committee of Bangkok Aviation Fuel Services Plc. (since 2005), Chairman of Ton Poh Thailand Fund (since 2005), Vice Chairman and Nomination and Remuneration Committee of Electricity Generating Plc. (since 2003), Chairman of AK Place Co., Ltd. (since 2003), Chairman of the Audit Committee of OHTL Plc. (Mandarin Oriental Hotel) (since 1999), Audit Committee, and Nomination and Remuneration Committee Member of Thai Reinsurance (since 1993), and Audit Committee and Nomination and Remuneration Committee Member of Padaeng Industry Plc. (since 1981). Mr. Kongsiri holds a Bachelors Degree in Philosophy, Politics and Economics (Honours) from Oxford University, England. In 2001, he completed the Chairman 2000 Program (Class 5/2001) and the Directors Certification Program (DCP 11/2001) by the Thai Institute of Directors Association.

Mr. Terje Schau age 60

Independent Director
Percentage of Shareholding: 0.00

Mr. Terje Schau has been an independent consultant of Windglory Agent Limited since 2003. His professional experience includes serving as an Executive Director at Belships from 1992 to 2003, an Executive Director at R.S. Platou / Fearnleys / Belship, Oslo from 1985 to 1996, and an Executive Director at Thome & Partners, Singapore from 1977 to 1985. He also served as a Ship Broker in P.T. Johs Larsen, Jakarta and a Ship Broker in N.R. Bugge AS Norway from 1972 to 1975. Mr. Schau holds a Diploma in Shipping & Finance, London School of Foreign Trade.

Executive Officers

6	4	5	1	7	3	2

1. M.L. Chandchutha Chandratat
2. Mr. David Lawrence Ames
3. Mr. John Crane
4. Mr. Prithayuth Nivasabutr
5. Mrs. Thitima Rungkwansiriroj
6. Mr. Tom Springall
7. Mrs. Penroong Suwannakudt

M.L. Chandchutha Chandratat (43) is the President & Chief Executive Officer of TTA. His biography appears in the section "Board of Directors".

Mr. David Lawrence Ames (44) joined TTA in February 2009 and is the Executive Vice President, Transport Group. Prior to joining TTA, he was the Chief Executive of Zuellig Pharma, Korea from 2005 to 2007, General Manager of Metro Drug Inc., Philippines from 2003 to 2005, and Managing Director of American President Lines ("APL"), Indonesia from 2001 to 2003. Prior to this, Mr. Ames held various positions within APL. Mr. Ames holds a B.A. in Political Science from Northwestern University, USA. He also completed executive education programs in Supply Chain Management from Stanford University in 1999 and Advance Management from INSEAD, Fontainebleau, France in 2005.

Mr. John Crane (49) was assigned to Mermaid Maritime Public Company Limited as Chief Financial Officer in March 2007 to manage its IPO. Following Mermaid's successful listing on the Singapore Exchange, he was reassigned to TTA in October 2008 and is the Executive Vice President, Group Strategy. His professional experiences include serving as a Director at Aspire Pacific Ltd., Hong Kong, an advisory firm specialising in strategic consultancy, business development, and private equity since 2004, and as an executive at JP Morgan in New York, Hong Kong, and Thailand from 1992 to 2004. Prior to his years at JP Morgan, Mr. Crane held business development positions for United Technologies, Singapore and Unico (Japan), based in Shanghai. A graduate of the Lauder Institute at University of Pennsylvania, he earned a M.B.A., Finance from the Wharton School, and M.A., International Studies, University of Pennsylvania in 1990, and a B.A. in International Relations from Pomona College in 1983.

Mr. Prithayuth Nivasabutr (51) joined TTA in 2008 and is the Executive Vice President, Group Operations. He is also a Director of ISS Thoresen Agencies Ltd. Prior to joining TTA, he was the Managing Director of Pacific Internet (Thailand) Limited from 2000 to 2007. He was also the Country Director in Thailand for MasterCard International. He received a M.B.A. from the University of Maryland, U.S.A. in 1987, and a Bachelors Degree from George Mason University, U.S.A. in 1981. In 2004, he completed the Directors Certification Program (DCP 40/2004) by the Thai Institute of Directors Association.

Mrs. Thitima Rungkwansiriroj (48) joined TTA in August 2009 and is the Executive Vice President, Group Finance and Accounting. She became a director of Unique Mining Services Pcl. in October 2009. She joins TTA from Siam Commercial Bank Public Company Limited ("SCB"), where she was the Head of Equity Investment Division and was nominated as SCB's representative director of Shin Corporation Public Company Limited and other companies. Prior to SCB, she was Group Chief Financial Officer at GMM Grammy Public Company Limited from 2003 to 2006. She also held the position of Chief Financial Officer or senior finance and accounting positions with other leading companies in various industries, such as KGI Securities (Thailand) Public Company Limited, The East Asiatic (Thailand) Public Company Limited and First Asia Securities Public Company Limited. She holds a Master's of Science in Accounting from Thammasat University. In 2007, she completed the Directors Accreditation Program (DAP 66/2007) by the Thai Institute of Directors Association.

Mr. Tom Springall (44) joined TTA in September 2009 and is the Executive Vice President, Group Energy. He brings more than 20 years experience in both the downstream and upstream energy industries, and has worked in a variety of different locations across the world, including more than 10 years in Asia. He started his professional career with Shell in the UK, and for the past 12 years he has worked for Hess Ltd. in several positions including Country Manager for Azerbaijan and Commercial Manager for South East Asia and Australia. During his time at Hess, he served as director for a number of companies, such as CarigaliHess, responsible for operating major gas production facilities in the Malaysia / Thailand Joint Development Area. Mr. Springall holds a B.A. in Industrial Economics from Nottingham University, UK.

Mrs. Penroong Suwannakudt (46) joined TTA in 2008 and is the Vice President, Group Human Resources. She became a director of Unique Mining Services Pcl. in October 2009. Prior to joining TTA, she was Head of Human Resources, Consumer Banking in Standard Chartered Bank (Thai) Pcl. from 2003 to 2008, and Country Personnel Manager at Bank of America, Thailand from 1993 to 2003. Mrs. Penroong received a Diploma in Human Resources Management from Sasin Graduate Institute of Business Administration of Chulalongkorn University in 1999 and a B.A. in Social Work from Thammasart University in 1985.

GROWTH

Nature of Business

Thoresen Thai Agencies Public Company Limited ("TTA" or the "Company") is a strategic investment holding company with three primary business groups - Transport, Energy, and Infrastructure. TTA and its subsidiaries (the "Group") have provided shipping-related services since 1904, dry bulk shipping services since 1985, and offshore oil and gas services since 1995. In 2009, the Group added fertiliser production and coal mining in its business portfolio.

As of 30 September 2009, TTA owned a fleet of thirty-six (36) general cargo and dry bulk vessels operating on a global scale, with plans to expand and renew the fleet during the next two to three years. The Group also operated a fleet of seven (7) subsea vessels and two (2) tender drilling rigs, with four (4) newbuild assets comprising one (1) tender rig and three (3) subsea vessels being delivered by May 2010.

During the year that ended on 30 September 2009 ("2009"), TTA restructured the ownership of subsidiary and associate companies around the three main business groups. The Transport Group includes the dry bulk shipping business and shipping services businesses, such as ship agency and ship brokerage. The Energy Group includes the offshore services business and the coal mine project. The Infrastructure Group includes the port management, third-party logistics, and fertiliser and warehouse businesses.

An international management team with expertise and experience leads the Group. As of 30 September 2009, TTA acted as the holding company for sixty-four (64) consolidated subsidiaries and five (5) affiliates. TTA's shares have been listed on the Stock Exchange of Thailand ("SET") since 1995 under the symbol "TTA", and TTA is a member of the SET 50 Index, which is comprised of the fifty largest listed companies in Thailand by market capitalisation.

In 2007, TTA issued convertible bonds of US$ 169.80 million. In 2009, TTA repurchased and cancelled US$ 56.4 million of convertible bonds, equivalent to 33.22% of the total issue. As of 30 September 2009, the outstanding principal amount of the convertible bonds equalled US$ 113.40 million.

The Transport Group, which is led by the dry bulk shipping business, provides services to major dry bulk and container vessel owners and operators, trading companies, logistics companies, and contractors. As of 30 September 2009, TTA's fleet comprised twenty-eight (28) Handysize and eight (8) Handymax vessels, with an additional one (1) Handysize and three (3) Handymax vessels chartered-in through 2011. The dry bulk shipping business provides both liner and tramp services. The liner services provide regular services along major voyage routes from South-East Asia and China to the Persian Gulf, the Red Sea, and the Mediterranean Sea, while the tramp services operate with no fixed schedules and according to the bespoke requirements of TTA's clients. The liner and tramp

services segments complement each other, as vessels being used on the liner services on their outbound voyages to the Middle East may frequently be used to provide tramp services on their return voyages. The tramp services are operated under period time charters, contracts of affreightment ("COA"), short-term fixed contracts, and spot rate contracts.

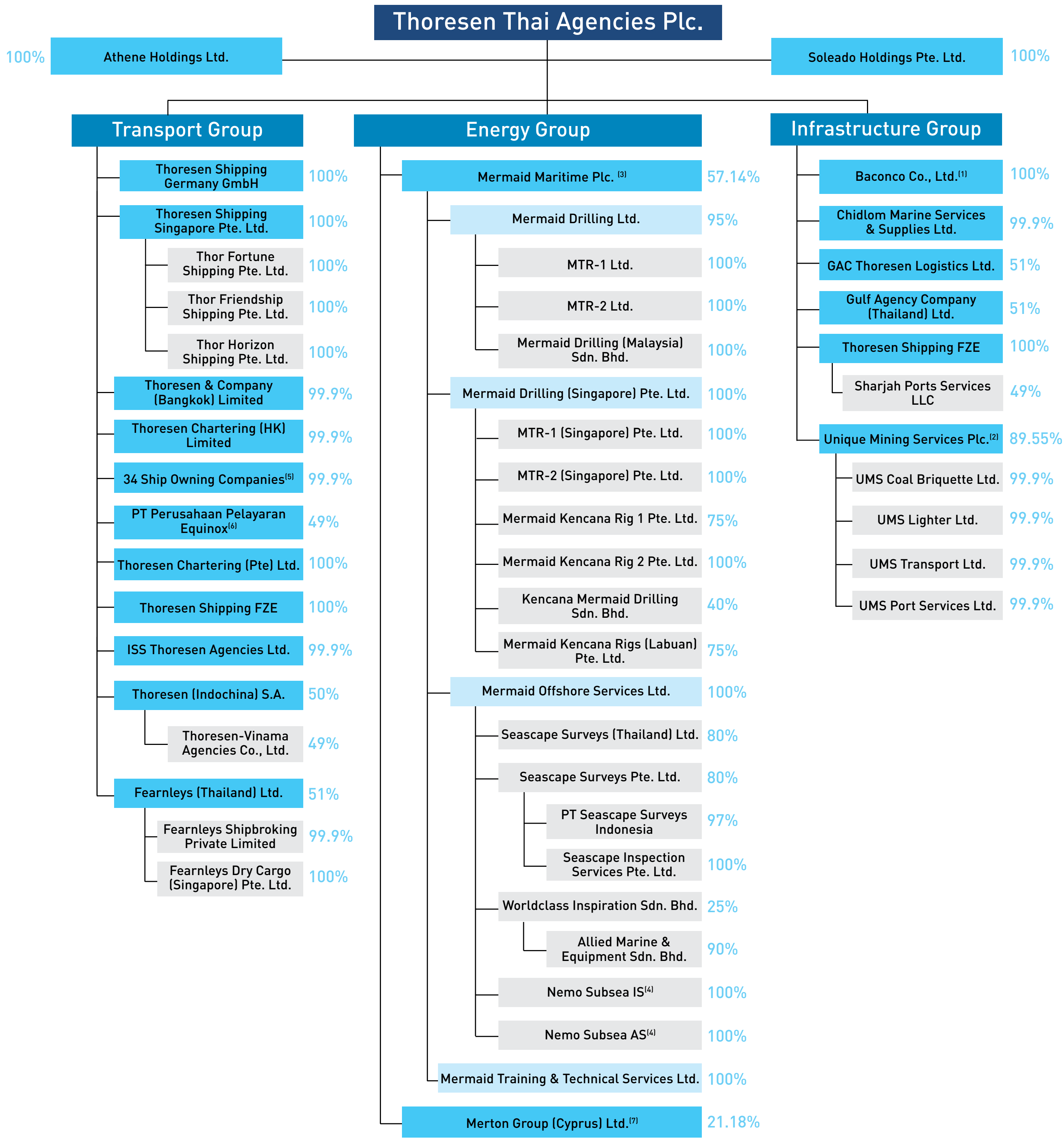
The shipping services businesses include ship agency services in Thailand, Vietnam, and the United Arab Emirates and ship brokerage services around the region.

The Energy Group, which is led by Mermaid Maritime Public Company Limited ("Mermaid"), provides offshore oil and gas related services, particularly subsea engineering and contract drilling. Mermaid operates increasingly in different parts of the world. As of 30 September 2009, TTA owned 57.14% of Mermaid. TTA acquired 21.18% of Merton Group (Cyprus) Ltd. in August 2009, and its coal mine project is expected to commence commercial production in May 2010.

The Infrastructure Group, which is led by Unique Mining Services Public Company Limited ("UMS") provides niche or third-party logistics, vessel supplies and stevedoring, warehouse rentals, and port management services in Asia and the Middle East.

The next chart depicts the Group's corporate structure under the new business groups.

Chart 4 : Corporate Structure Under New Business Groups



Note: (1) Soleado Holdings Pte. Ltd. indirectly holds a 100% stake in Baconco Co., Ltd. through EMC Gestion S.A.S.
(2) As of 31 December 2009, Athene Holdings Ltd. holds an 89.55% stake in Unique Mining Services Public Company Limited.
(3) TTA directly holds a 35.40% stake and Soleado Holdings Pte. Ltd. holds a 21.74% stake in Mermaid Maritime Public Company Limited.
(4) As of 31 December 2009, Mermaid Offshore Services Ltd. holds a 100% stake in Nemo Subsea IS and Nemo Subsea AS.
(5) As of 30 September 2009, each of the 34 dry bulk vessel owning subsidiaries owns one vessel.
(6) Two dry bulk vessels are owned and operated by PT Perusahaan Pelayaran Equinox.
(7) Merton Group (Cyprus) Ltd. is classified in the consolidated financial statements as a general investment.

Source : TTA

Competitive Strengths of the Group

The Group's strategic objectives depend on prudent and efficient management of its business groups and their operations as to enable it to continuously expand its businesses, improve its service offerings, and service its debt repayments. In 2009, TTA announced its intention to focus and shape its future strategic direction around three business groups. TTA intends to achieve balanced and consistent growth across all three business groups by seeking and evaluating strategic opportunities that meet or exceed its targeted long-term returns on capital.

The current economic and financial market conditions may affect the timing of any strategic opportunities, but TTA intends to focus on monetising certain non-core assets and investments and allocating cash flows to accelerate the Group's medium-term strategic goals.

The Group has the following competitive strengths:

• ***Increasingly Diversified Business Portfolio:*** The Group has invested in a growing and diversified portfolio of international businesses, which now encompasses dry bulk shipping, offshore drilling, subsea engineering, a range of shipping-related services, fertiliser production, coal mining, and coal-related logistics. The primary objective of diversification is to reduce the cyclicality and uncertainty of the Group's cash flows, so the focus is to find new investments that counterbalance our existing ones. The Group's strategy is to increase the diversification of activities in the future. For instance, the Group's drilling business services the production upstream sector, while the subsea engineering business typically services the production downstream sector, thereby seeking to reduce the volatility in its earnings. In addition, the cargo carried by the dry bulk fleet is highly diverse in nature, thereby reducing the Group's exposure to individual commodity cycles. A diversified mix of spot rate and charter contracts reduces the volatility of earnings, while retaining an upside element from any increase in spot rates.

• ***Growing Presence in Niche Markets:*** The Group has historically chosen to focus on niche services. Being headquartered in Thailand enables the Group to leverage its geographical base to serve the region. Among specific examples, the Group is one of the first to focus on serving clients in the niche tender drilling rig market and subsea engineering segment in South-East Asia. The Group is one of the first to focus on professional logistics services in Vietnam and has a first mover advantage by being one of the first players to commence commercial coal production on Cebu in the Philippines. The Group is one of the first to focus on just-in-time coal logistics services in Thailand and has invested in the infrastructure to execute this business. The Group believes that focusing on niche markets will enable it to maintain its competitive position.

• ***Versatile and High Quality Fleet and Services:*** The dry bulk shipping business maintains a fleet of twenty-eight (28) Handysize and eight (8) Handymax carriers, which ensures that the vessels can carry a broad range of cargoes and may be used interchangeably for different types of liner and tramp services, according to varying client requirements. The Group spends a significant amount of funds to ensure the Group's vessels are maintained in a condition that exceeds the minimum requirements imposed by the classification societies. Mermaid maintains a fleet of two (2) tender drilling rigs which provide drilling services, and seven (7) subsea vessels which provide subsea inspection, repair and maintenance services, light construction services, and emergency repair and call out services, primarily in South-East Asia, but with recent expansion into China, India, Middle East, and Brazil. The Group owns most of its assets, enabling it to provide excellent customised services to its clients, to maintain better control of its operating costs and to provide competitive market pricing, resulting in strong brand recognition and long-term client relationships. The dry bulk shipping business and Mermaid also charter-in vessels from time to time, giving flexibility to increase capacity without incurring additional capital expenditures. In addition, the dry bulk shipping business has committed to purchase five (5) new build vessels, and Mermaid has committed to purchase one (1) new build tender drilling rig and three (3) new build subsea vessels, which will be delivered over the next few months.

• ***Client-centric Infrastructure and Service Network:*** The dry bulk shipping business has developed strong relationships with many international ports, where the Group enjoys priority privileges to conduct its business. The dry bulk shipping business is able to leverage its network of agents and offices and its port relationships to serve its clients, many of whom are long-term and provide repeat business. Mermaid operates a world-class facility in Chonburi, Thailand and has established shore-based support functions in Kuala Lumpur in Malaysia, Jakarta in Indonesia, Singapore, and Qatar in the Middle East to support the expansion of its operations, and has also appointed local agent representatives in its primary client markets, enabling it to develop strong relationships with major oil and gas companies operating in the region.

• ***Strong and Diversified Portfolio of Clients:*** The dry bulk shipping business serves a diversified portfolio of more than 700 clients, including leading international traders, reputable vessel owners and operators, major commodity producers, and government-owned companies. With the top ten (10) clients accounting for 47.75% of total voyage revenues as of 30 September 2009, revenue dependency on clients is low. Mermaid has built a reputation with its client base in South-East Asia as one of the leading providers of subsea engineering and tender drilling services, consistently delivering high quality services safely and efficiently to high quality counterparties such as Amerada Hess, Chevron, and British Petroleum.

• ***Expandable Business Model:*** The Group first began in 1904 as a small shipping services provider to Norwegian companies along the coast of China. Since then, the Group has demonstrated the adaptability and expandability of its business model by growing its services and operations base to include liner services and offshore services, amongst others. The Group has built a solid operational platform that can be leveraged for further expansion into areas that complement or are natural extensions to its existing businesses.

• ***Strong Financial Position:*** Even though 2009 was a tough year, the Group still managed total operating revenues of Baht 19,959.92 million and EBITDA of Baht 5,266.55 million. Moreover, the Group follows a conservative business strategy in terms of its leverage, as measured by its total debt to EBITDA ratio, which was 1.33 x as of 30 September 2009, reflecting successful execution of its business strategy and a positive financial track record. Thus, the Group believes that its strong financial position can take advantage of the declining business conditions by making acquisitions at favourable prices.

Strategy of the Group

The Group intends to pursue dynamic business growth by adopting the approach of a strategic investment holding company. The Group anticipates further investments in the Transport, Energy, and Infrastructure Groups to achieve greater diversification and balance across the three business groups. The key components of the Group's growth strategy will be to (a) identify expansion opportunities in new geographic areas and services which will enable it to leverage its competitive strengths, or which are a natural extension of its existing businesses; (b) continuously upgrade, renew, and expand the vessel and rig fleet through the newbuild and second-hand markets; and (c) secure a high quality mix of stable revenues and profits to readily meet its operating expenses, debt repayments, new investments, and dividends to shareholders.

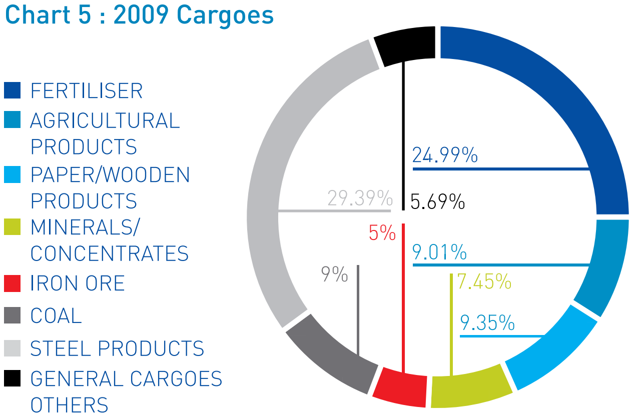
TTA's core business strategies are set forth below:

• ***Rationalisation and expansion of integrated business platform:*** The Group's strategy is to build its business platform to provide reliable earnings visibility and cash flow streams in the coming years. It will make additional investments to strengthen existing business lines and expand into new market niches. As a good example, with the recent acquisitions of Merton and UMS, the Group could be able to source and mine its own coal, ship it on its vessels, and sell it to its own clients. The Group may seek to divest existing companies that do not have sound revenue or profit growth prospects. By focusing on businesses that meet its growth requirements and hurdle rates, the Group will focus its resources on areas that increase long-term shareholder value. The Group has embarked on a gradual dry bulk fleet renewal plan and has ordered five (5) dry bulk vessels, one (1) tender drilling rig, and three (3) subsea vessels. As increasing safety and environmental standards continue to be demanded globally, the Group's emphasis on quality and safety and its operational track record provide it with a competitive advantage in its areas of business.

• ***Continued diversification of fleet employment, product utilisation, and clientele:*** In 2009, the dry bulk shipping business and Mermaid contributed 65.86% and 24.83% of TTA's consolidated revenues, respectively. Over the next five years, the Group intends to achieve greater balance and diversification across the Transport, Energy, and Infrastructure Groups. Balance and diversification is also stressed in each business unit. The dry bulk shipping business intends to increase its proportion of medium-term fixed rate contracts, which it believes will ensure lower volatility. Vessels will continue to carry varied cargo products, as demonstrated by

the mix of steel products (approximately 30%), fertiliser (approximately 25%), paper and wooden products (approximately 9%), coal (approximately 9%), agricultural products (approximately 9%), mineral concentrates (approximately 7%), iron ore (approximately 5%), and general cargoes (approximately 6%). Besides having a diversified clientele by servicing both the upstream and downstream sectors, Mermaid aims to maintain a mix of long-term drilling services contracts and short-term subsea engineering contracts, which will enable it to further reduce the volatility in its revenues. Mermaid intends to increase its medium-term contracts in the subsea engineering business to further reduce the volatility in its revenues.

Chart 5 : 2009 Cargoes



Source: TTA

• ***Focused investment and fleet acquisition and renewal plans:*** The dry bulk shipping business has undertaken a programme of renewing its fleet to position itself within the market as a provider of younger and higher capacity vessels. The dry bulk shipping business will target a mix of newbuild and second-hand vessels for acquisition, as prices have fallen over the past year. As an example, Mermaid acquired the Mermaid Asiana and Mermaid Endurer in the second-hand market at competitive prices to increase its subsea engineering business.

• *Maximising the useful life of the fleet:* In addition to its fleet acquisition and renewal programme, the Group also plans to extend the economically useful life of a number of vessels in its existing fleet. This would allow vessels to operate longer, which maximises their earnings power and is especially attractive in a lower charter rate market environment, since most of its costs have been depreciated. The dry bulk shipping business devotes significant resources for capital expenditures in order to maintain vessels in a condition that exceeds the minimum requirements imposed by classification societies. For example, the dry bulk shipping business spent Baht 519.71 million in 2009, when twelve (12) vessels underwent dry-docking and special surveys. By 2012, sixteen (16) vessels will reach the age of twenty-five (25) years.

• *Taking advantage of new technologies and introducing new working practices:* In 2009, the Group focused on business process improvements to increase productivity and efficiency and integrate these changes to its information technology systems. These upgrades will be completed in 2010 for TTA and the dry bulk shipping business, with plans to introduce similar changes across the Group. Furthermore, the systems improvements should enhance the speed of data analysis systems, which should result in better decision making.

TTA's Business Areas

The Group is organised into three business areas: the Transport Group, the Energy Group, and the Infrastructure Group.

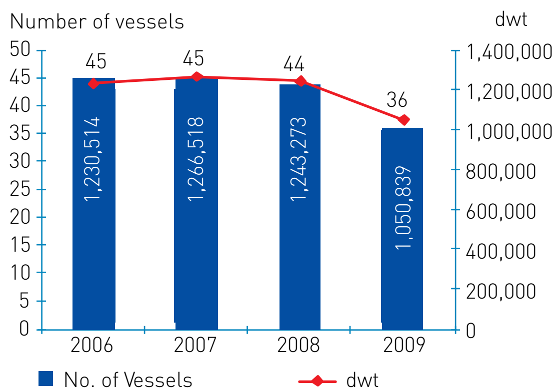
Transport Group

Dry Bulk Shipping Business

The Group is one of the largest Thai-based owners of general cargo, Handysize, and Handymax dry bulk vessels. Its vessels range in size from 16,211 to 52,375 deadweight tonnes ("dwt") and are able to carry a broad range of major and minor bulk cargoes, including iron ore, coal, grains, cement, fertilisers, steel products, and forest products.

In 2009, the Group sold eight (8) second-hand vessels. The Group has ordered five (5) new build vessels, each with an average capacity of 53,000 dwt, for delivery from 2010 to 2012. As of 30 September 2009, the Group's fleet had a total cargo carrying capacity of 1,050,839 dwt, an average size of 27,185 dwt, and a dwt-weighted average age of 19.05 years. The size of the fleet has fallen from forty-eight (48) vessels in 2005 to thirty-six (36) vessels as of 30 September 2009, and from a cargo-carrying capacity of 1,230,514 dwt to 1,050,839 dwt over the same period. The following chart summarises fleet development from 2006 to 2009.

Chart 6 : Dry Bulk Fleet Development



Source: TTA

The dry bulk shipping business comprises (a) the liner services segment, where vessels are hired for predetermined voyages, calling at pre-announced ports, according to specific routes and regular schedules, and (b) the tramp services segment, where vessels are hired according to time charters or contracts with variable terms.

The Fleet

Thoresen & Company (Bangkok) Limited ("TCB") handles the commercial and technical operations of the vessels in the dry bulk shipping business. The vessel configurations include tween-deckers and open-hatch box-shaped and conventional bulk vessels. Although such vessels may be used interchangeably, each vessel design has certain advantages, as set forth in the table below:

Table 1 : Vessel Configurations

Design Type	Description
Tween-deckers	Such vessels have a middle, or tween, deck in their cargo holds, making them very suitable for bagged, unitised, or non-stackable cargoes. A tween-decker can be used to carry conventional bulk cargoes. The jumbo derricks and tandem cranes also allow these vessels to carry heavy project cargoes.
Open-Hatch Box-Shaped Vessels	The open-hatch box-shaped bulk vessels have much wider hatch openings than conventional bulk vessels, making them more efficient in carrying unitised cargoes, such as steel and forest products. These vessels can also be used to carry conventional bulk cargoes.
Standard Bulk Vessels	The conventional bulk vessel is, as the name implies, the most suitable design to carry conventional bulk cargoes.

The following tables present summary information on the composition of the dry bulk fleet as of 30 September 2009.

Table 2 : Fleet Structure

Number of Vessels				
	Owned Vessels	Period Chartered-in Vessels	Newbuild Vessels on Order	Total
Handysize	28	1	-	29
Handymax	8	3	5	16
TOTAL	**36**	**4**	**5**	**45**

Dwt-Weighted Average Age of Vessels				
	Owned Vessels	Period Chartered-in Vessels	Newbuild Vessels on Order	Total
Handysize	22.07	23.18	-	22.12
Handymax	13.24	4.94	-	10.75
TOTAL	**19.05**	**8.46**	**-**	**17.42**

Source: TTA

Table 3 : Dry Bulk Fleet List

Vessel Name	Original Delivery Date	DWT	Age	Design		Classification
TWEEN DECKERS						
1. Thor Sailor	3/21/1986	16,248	23.55	TD-15A		ABS
2. Thor Sea	4/28/1986	16,248	23.44			LR
3. Thor Skipper	11/4/1986	16,211	22.92			LR
4. Thor Sky	12/18/1986	16,225	22.80			LR
5. Thor Spirit	6/11/1986	16,248	23.32			LR
6. Thor Sun	7/4/1986	16,223	23.26			LR
7. Thor Navigator	3/29/1987	20,358	22.52	Passat		LR
8. Thor Nautica	12/9/1988	20,542	20.82			BV
9. Thor Neptune	3/1/1989	20,377	20.60			GL
10. Thor Nexus	1/1/1989	20,377	20.76			GL
11. Thor Nautilus	5/6/1988	20,457	21.42			BV
12. Thor Nectar	1/1/1990	20,433	19.76			GL
13. Thor Nereus	1/1/1988	20,380	21.76			LR
BULK CARRIERS						
14. Thor Pilot	5/22/1986	33,400	23.38	Standard	Bulk < 40,000 dwt	LR
15. Thor Orchid	9/27/1985	34,800	24.02			BV
16. Thor Lotus	2/18/1985	35,458	24.63			BV
17. Thor Venture	6/14/1986	41,824	23.31	Standard	Bulk > 40,000 dwt	LR
18. Thor Dynamic	4/30/1991	43,497	18.43			BV
19. Thor Integrity	4/2/2001	52,375	8.50			BV
20. Thor Jasmine	8/22/1985	36,633	24.12	Box Shape	Bulk (Box)	DNV
21. Thor Jupiter	8/18/1986	36,992	23.13			ABS
22. Thor Wave	7/30/1998	39,042	11.18	Open Hatch / Box Shape	< 40,000 dwt	ABS
23. Thor Wind	11/18/1998	39,087	10.87			ABS
24. Thor Energy	11/16/1994	42,529	14.88	Open Hatch / Box Shape	Bulk (Box) > 40,000 dwt	NKK
25. Thor Endeavour	4/11/1995	42,529	14.48			NKK
26. Thor Enterprise	7/28/1995	42,529	14.19			DNV
27. Thor Harmony	3/21/2002	47,111	7.53			DNV
28. Thor Horizon	10/1/2002	47,111	7.00			BV
29. Thor Champion	12/1/1982	25,150	26.85	Open Hatch / Box Shape	Con-Bulkers (Box)	GL
30. Thor Captain	5/1/1983	25,085	26.44			GL
31. Thor Confidence	6/24/1983	24,900	26.29			GL
32. Thor Commander	5/1/1984	26,140	25.43			LR
33. Thor Tribute	1/3/1985	23,224	24.76	Open Hatch / Box Shape	Wismar (Box)	BV
34. Thor Traveller	11/30/1985	24,126	23.85			LR
35. Thor Transporter	8/8/1986	23,930	23.16			BV
36. Thor Transit	12/1/1986	23,042	22.85			ABS
TOTAL THORESEN FLEET 1,050,839 DWT						

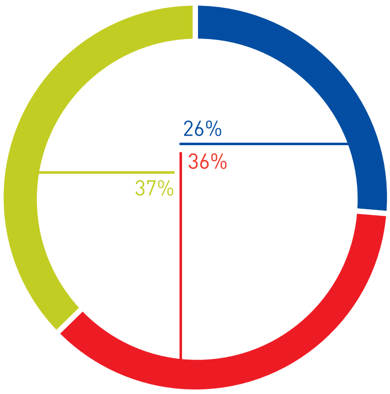
ABS : Amercian Bureau of Shipping
DNV : Det Norske Veritas
LR : Lloyd's Register

BV : Bureau Veritas
GL : Germanischer Lloyd
NKK : Nippon Kaiji Kyokai

Source : TTA

The vessels are registered in Thailand (with the exception of M.V. Thor Horizon, which is registered in Singapore) and owned by separate wholly-owned subsidiaries of TTA. The Group's vessel employment strategy is to optimally service a highly diversified mix of clients and cargoes. TTA aims to achieve a balanced portfolio of liner operations, chartered-out tonnage, and fixing cargoes or short employment periods in the tramp market.

Chart 7 : Fleet Employment by Vessel Days



- Liner Service
- Tramp-Voyage Charter
- Tramp-Time Charter

Source: TTA

Liner Services Segment

The following map illustrates the Group's current liner service routes.

The liner services segment is engaged in the transportation of a variety of palletised dry cargoes. Since its inception, the liner services' major route has been from South-East Asia to the Persian Gulf, the Red Sea, and the Mediterranean Sea. In 2009, the Group offered on average two (2) liner services per month from China and two (2) to five (5) liner services per month from South-East Asia to the Middle East.

Table 4 : Liner Production Statistics

Route	Number of Voyages		Cargo Volume		% Increase	Principal Cargoes
	2008	2009	2008	2009		
China-Middle East	28	14	1,100,617	410,473	- 62.71%	Wood & Steel Products
Southeast Asia-Middle East	133	87	2,550,740	1,266,248	- 50.36%	Wood & Steel Products
Others		1		14,497		Wood Products
Total	**161**	**102**	**3,651,357**	**1,691,218**	**100%**	

Source : TTA

In the liner services segment, vessels call regularly at pre-announced ports. Clients pay a fixed charter rate per revenue tonne of cargo, while the Group pays for all voyage related expenses, including loading and discharge expenses, fuel oil, port expenses, and agency fees. The number and variety of clients and cargoes tend to be high for the liner services. Spot rates fluctuate in line with current dry bulk shipping conditions, while liner rates usually lag behind current dry bulk shipping conditions, because liner bookings cover a certain period, usually two to four months in advance. Return journeys of the liner services segment are mostly sourced by way of COA's and the tramp services market.

The Group offers liner services to various shippers and manufacturers, which vary from year to year. Due to the rapid growth of key Asian economies such as China and India, the trading patterns and cargo volumes have been increasing significantly. The Group sources cargoes through its network of shipping agents, brokers, and direct discussions with clients.

The Group competes principally with companies, which operate similar liner services from South-East Asia and China to the Middle East. TTA has a comparatively smaller fleet than its competitors. However, TTA also provides logistical and shipping services for the Group's clients, in addition to being a tonnage provider, by maintaining high sailing frequencies, and an extensive network of shipping agents, brokers, and clients in Asia Pacific and the Middle East.

The Group was initially a liner services operator, but as its fleet has grown rapidly in the last five years, the portion of the fleet utilised in liner trades has, despite having introduced additional services, gradually declined from more than 65% in 2003 to approximately 26% for the financial year that ended on 30 September 2009.

Tramp Services Segment

The tramp services segment represents the remainder of the dry bulk shipping business and derives its revenues from:

• Voyage, or spot charters, which are charters based on the current market rate;

• Time charters, whereby vessels are chartered to clients for a fixed period of time at rates that are generally fixed, but may contain a variable component, such as an inflation adjustment or a current market rate component; and

• COA's, which are forward delivery contracts agreeing to the quantity of cargo to be carried for a client over a specified trade route within a fixed period of time.

The table below illustrates the primary distinctions among the main types of charters and contracts within the shipping industry.

Table 5 : Types of Charters

	Voyage Charter	Time Charter	Bareboat Charter	Contract of Affreightment
Typical contract length	Single voyage	One year or more	One year or more	One year or more
Hire rate basis	Varies	Daily	Daily	Typically daily
Voyage expenses	Paid by TTA	Paid by the client	Paid by the client	Paid by TTA
Vessel operating expenses	Paid by TTA	Paid by TTA	Paid by the client	Paid by TTA
Off-hire	Client does not pay	Varies	Typically paid by client	Typically not paid by client

The Group operates one-way liner services from South-East Asia and China to the Middle East. Given the Group's fleet size, it is not always required to sail vessels straight back to South-East Asia and China. The Group has the flexibility to employ vessels on a spot basis or with return cargoes to the Asia-Pacific region to proceed with their next scheduled voyages. The return cargoes are sourced through a combination of COA's and the tramp market.

Competition in the tramp segment is intense and may be affected by the availability of vessels in sizes that the Group does not currently own and which may also compete in its markets. Due to the large difference in size, Capesize dry bulk carriers rarely compete with Handymax vessels for specific cargoes. Panamax trades resulting in Panamax vessels moving into Handymax trades could intensify competition in the Group's Handysize and Handymax vessels.

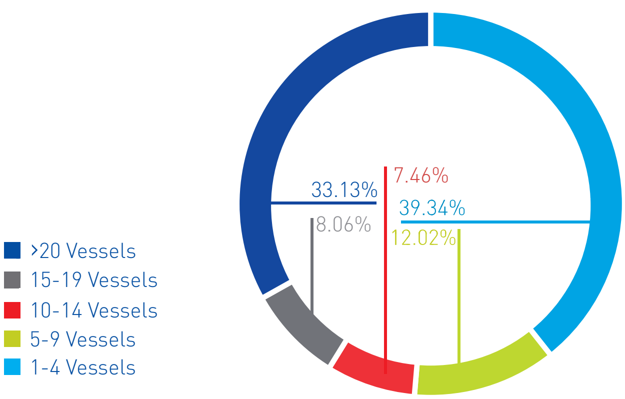
The Group enters into period time charter contracts for a portion of its vessels in the tramp services segment. The period time charters range in length from one (1) to three (3) years and provide for fixed semi-monthly payments in advance. A period time charter transaction involves the hiring of a vessel for a fixed period of time and the vessel, including its crew and equipment, are at the service of the charterer. In a typical time charter, the charterer pays the Group a fixed daily charter hire rate twice a month and bears all voyage expenses, including the cost of fuel and port and canal charges. The charterer generally determines the type and quantity of cargo to be carried and the ports of loading and discharging. The operation and navigation of the vessel remains the Group's responsibility, as well as vessel operating expenses, such as the cost of crewing, insuring, maintaining and repairing the vessel, and costs of spare parts and supplies. In period time charters, the charter rates are typically locked in for a period of twelve (12) to twenty-four (24) months.

During 2009, approximately 14.19% of TTA's available capacity was employed on period time charters, and approximately 12.76% of its available capacity for 2010 has been booked on period time charters. The alternative to chartering vessels is to operate them against forward cargo bookings and cargo contracts. In the spot market, it is possible to take advantage of sudden upturns in the market, as well as being exposed to sudden downturns. The number of vessels the Group operates in the spot market at any time will vary according to its time charter and liner services.

In connection with the charter of each of its vessels, the Group pays commissions to brokers associated with the charter, ranging from 0.625% to 6.25% of the total daily charter hire rate.

The Group's tramp business fluctuates with the supply and demand of dry bulk cargoes for charters on the basis of price, vessel location, size, age, and condition of the vessel, as well as on its reputation as an owner and operator. The Group competes with other owners of general cargo and Handysize and Handymax dry bulk vessels. Ownership of general cargo and dry bulk vessels from 15,000 to 50,000 dwt is highly fragmented and is divided among approximately 1,435 independent owners with 5,458 vessels.

Chart 8 : Vessel Owners (15,000 - 50,000 dwt)

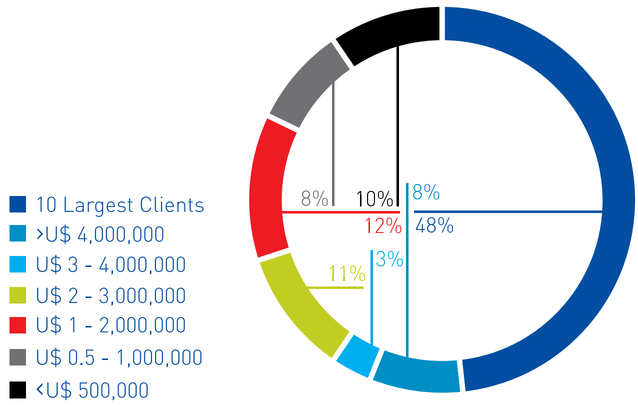


Source: Fairplay World Shipping Encyclopedia

Clients

As the Group manages a mix of liner and tramp services, its clients include a wide range of leading international traders and vessel operators. The Group's strategy is to charter vessels to major trading houses (including commodities traders), publicly traded companies, reputable vessel owners and operators, major producers and government-owned entities, rather than speculative companies.

Chart 9 : Freight Revenues (By Client Size)



Source: TTA

The Group aims to achieve diversified vessel employment for its fleet. For 2009, the ten (10) largest dry bulk shipping business clients accounted for 47.75% of its total charter revenues.

Competitors

The dry bulk shipping business is highly competitive. The Thai domestic market is fragmented, and the Group's competitors have significantly smaller operations than the Group. The international market is also fragmented, and the Group competes with a number of prominent shipping companies in Asia, including STX Pan Ocean Co., Ltd., Hyundai Merchant Marine Co., Ltd., and China Ocean Shipping (Group) Company. Competition is expected to intensify due to the consolidation and expansion of major international carriers and the entry of new competitors as a result of favourable market conditions.

Table 6 : Key Liner Competitors

- Hyundai Merchant Marine Co., Ltd.: 0 Handysize vessels and 3 Handymax vessels (138,589 dwt)
- STX Pan Ocean Co., Ltd.: 14 Handysize vessels (404,130 dwt) and 20 Handymax vessels (894,646 dwt)
- China Ocean Shipping (Group) Company: 97 Handysize vessels (1,979,308dwt) and 113 Handymax vessels (5,228,800 dwt)

Source: company websites

As discussed in "Competitive Strengths of the Group", the Group's businesses compete in selected markets (South-East Asia, China, India, and the Middle East).

Apart from the dry bulk shipping business, ship agency and ship brokerage are included in the Transport Group.

Ship Agency

The Group is the largest ship agency group in Thailand, handling vessels of every industry type. The Group's ship agency business is undertaken by four companies, including ISS Thoresen Agencies Ltd. ("ITA"), which is a wholly-owned subsidiary of TTA, and Gulf Agency Company (Thailand) Ltd. ("GAC"), an associate company of TTA, of which TTA and Gulf Agency Company Limited (Liechtenstein), hold 51.0% and 49.0%, respectively.

ITA is marketed as part of the Inchcape Shipping Services global network, one of the world's largest ship agency groups. Gulf Agency Company is one of the world's leading providers of shipping, logistics, and marine services.

The third ship agency is Thoresen (Indochina) S.A. ("TI"), a joint venture company in which TTA owns 50.00% and the remaining 50.00% is owned by private investors. TI is one of the largest agency companies in the Ho Chi Minh City – Vung Tau area, specialising in project cargo handling, and is actively developing new logistics projects in Vietnam.

The fourth ship agency is PT Peruashaan Pelayaran Equinox ("Equinox"), acts as the primary marketing office for the liner services out of Indonesia. Equinox owned two dry bulk vessels, M.V. Thor Venture and M.V. Thor Sailor, in 2009 and offers clients domestic and international transportation services. It is actively involved in the provision of dry bulk shipping services and provides marine support services to the domestic oil and gas industry.

These four companies provide traditional ship agency services: port clearance, berthing, loading and discharging, cargo booking, supplying fuel, water, stores, vessel repairs, and crew changes. In addition, GAC specialises in a comprehensive range of supply chain and logistics solutions, which include air and sea freight, warehousing and distribution, door-to-door transportation, project logistics, international moving, and courier services.

Ship Brokerage

Fearnleys (Thailand) Ltd. ("FTL") is a subsidiary of TTA, of which TTA and Fearnleys A/S ("Fearnleys") of Norway, hold 51.00% and 49.00%, respectively. Fearnleys is one of the largest ship broking companies in the world with activities in dry cargo, sale & purchase, tanker, gas, offshore, and consultancy. FTL also has a 99.99% owned subsidiary, Fearnleys Shipbroking Private Limited, which provides dry cargo broking services in India, and a 100% owned subsidiary, Fearnleys Dry Cargo (Singapore) Pte. Ltd., which provides dry cargo broking services in Singapore.

In addition to the marketing of the Group's own fleet, FTL engages in a competitive ship broking business with different owners and cargo charterers in South-East Asia, as well as worldwide.

Middle East Operations

Thoresen Shipping FZE ("TSF"), a wholly-owned subsidiary of TTA, was established to act as the Group's regional office in the Middle East. TSF promotes the Group's liner services and provides cost effective cargo operations on vessels calling in the United Arab Emirates ("UAE") and other ports in the Middle East.

TSF attends to more than 100 vessels in the UAE per year and coordinates the operation of a similar number of vessels in other Arabian Gulf ports. TSF has developed a special expertise in customs and cargo clearance and has executed over 3,000 cargo delivery jobs to customers in the UAE, Oman, and other nearby destinations.

Energy Group

Offshore Services Business

Mermaid Maritime Public Company Limited ("Mermaid") commenced its operations in 1982. As of 30 September 2009, TTA owned 57.14% of Mermaid, comprising 35.40% held by TTA directly and 21.74% held by Soleado Holdings Pte. Ltd. Mermaid serves the offshore oil and gas industry in South-East Asia and recently expanded its subsea services to China, India, Middle East, Brazil, and the United Kingdom Continental Shelf ("UKCS"). Mermaid's operational base is in Chonburi, Thailand, and it has established shore base support functions in Kuala Lumpur in Malaysia, Jakarta in Indonesia, Singapore, and Qatar in the Middle East, to support its geographical expansion. On 16 October 2007, Mermaid was successfully listed on the SGX and raised SG$ 246 million from its initial public offering of shares. On 14 November 2009, Mermaid raised another gross proceeds of SG$ 156 million by way of a rights issue to its existing shareholders.

Mermaid was one of the first companies to offer offshore services in Thailand and has become one of only a few comprehensive providers of such services in Asia. Mermaid operates principally through two business segments: offshore drilling services and subsea engineering services.

Table 7 : Mermaid's Key Subsidiaries

- Mermaid Offshore Services Ltd. ("MOS"): operation of sub-sea vessels, together with diving and non-destructive testing services
- Mermaid Drilling Ltd. ("MDL"): operation of drilling rigs

Mermaid Drilling Ltd. ("MDL"), a 95.00%-owned subsidiary of Mermaid, operates two tender drilling rigs and provides drilling related-services in South-East Asia. MDL's tender drilling rigs are designed for use in water depths up to 100 metres and are capable of drilling twenty-four (24) hours per day up to depths of 6,100 meters for MTR-1 and 5,943 metres for MTR-2.

Subsea engineering services are provided through Mermaid Offshore Services Ltd. ("MOS"), a wholly-owned subsidiary of Mermaid, which owns and operates five subsea vessels and two further vessels on long-term charter. Services principally comprise diving and remote intervention by unmanned submersibles ("ROV"). MOS´ fleet includes dynamically positioned vessels with a 300-metre diving capability using saturation diving techniques. MOS' ROV fleet offers a wide range of capabilities with some systems able to operate to a depth of 2,000 metres. MOS provides varied subsea engineering services, including inspection, repair and maintenance, construction and installation support, and commissioning projects.

MOS' fleet continues to grow, with the Mermaid Challenger being the fifth and most recent vessel to be added to the fleet in 2008, and three (3) further vessels due for delivery in 2010. Mermaid plans to execute purchases of new build and second-hand tender drilling rigs and/or subsea vessels opportunistically and potentially as part of the expansion of the Group's offshore services operations. On 22 October 2007, Mermaid contracted a new build tender drilling rig, "KM-1", which will be delivered in 2010. On 6 December 2007, Mermaid indirectly acquired a 22.5% stake in Allied Marine & Equipment Sdn. Bhd., a subsea engineering company in Malaysia, by purchasing 25% of Worldclass Inspiration Sdn. Bhd. In early 2008, MOS also acquired an 80% stake in the Seascape Survey group of companies, a South-East Asia based provider of hydrographic and positioning services, complimenting the 'one stop shop' philosophy for MOS.

MOS is certified and approved by underwater inspection programmes by all major classification societies and is an active member of International Marine Contractors Association, the world-wide trade association for offshore service companies.

Revenues for the Group are derived from MDL's operation of the drilling segment for Mermaid and MOS's operation of the subsea engineering services segment for Mermaid.

Drilling Segment

MDL is an international provider of offshore contract drilling services for oil and gas wells. As of 30 September 2009, MDL owned or had majority ownership of three mobile offshore drilling units. MDL's primary business is to contract its drilling rigs, related equipment, and work crews primarily on a day rate basis to drill oil and gas wells. As of 30 September 2009, MDL's fleet was located in Southeast Asia.

Drilling Fleet

MDL principally operates tender assisted drilling rigs, which are suitable for production drilling. MDL's drilling rigs are mobile and can be moved to new locations in response to client demand. MDL's drilling rigs are designed for operations away from port for extended periods of time and most have living quarters for the crews, a helicopter landing deck, and storage space for pipe and drilling supplies.

Table 8 : Drilling Rig Fleet List

Rig Name	Year Built/Last Upgrade	Classification Society	Water Depth Rating (metres)	Drilling Depth Rating (metres)	Quarters or Accommodation
MTR-1	1978/1998	ABS	100	6,100	112 persons
MTR-2	1981/1997/2007	BV	100	5,943	115 persons
KM-1	2010 (expected delivery)	ABS	243	7,600	145 persons

Source : TTA

MDL's tender drilling rigs were acquired in April and July 2005, respectively, in the second-hand market. Both tender drilling rigs are registered in Thailand and each rig ("MTR-1" and "MTR-2") is owned by separate wholly-owned subsidiaries of MDL, namely MTR-1 Ltd. and MTR-2 Ltd. MTR-1, which was built in 1978 and upgraded in 1998 and 2006, has a maximum water depth rating of 100 metres, a drilling depth rating of 6,100 metres, and is able to accommodate up to 112 persons. MTR-2, which was built in 1981 and upgraded in 1997, has a maximum water depth rating of 100 metres, a drilling depth of 5,943 metres, and is able to accommodate up to 115 persons. Mermaid, through its majority owned subsidiary Mermaid Kencana Rig 1 Pte. Ltd. ("MKR-1"), has a third tender rig under construction in Malaysia, the "KM-1", which shall commence a five (5) year drilling contract with Petronas Carigali Sdn. Bhd. ("Petronas") in Malaysia upon delivery, expected to be in 2010.

The tender drilling rigs require classification from a recognised classification society, which classify them based on structural integrity and safety. The tender drilling rigs are classified by international bodies such as Det Norske Veritas ("DNV"), American Bureau of Shipping ("ABS"), or Bureau Veritas ("BV"). MTR-1 is classified by ABS, and MTR-2 is classified by BV. The classification authorities inspect the tender drilling rigs annually. The tender drilling rigs are dry docked every five years and subject to a special periodical survey by these classification societies.

Markets

MDL's operations are geographically dispersed in oil and gas exploration and development areas. Although the cost of moving a rig and the availability of rig moving vessels may cause the balance between supply and demand to vary between regions, significant variations do not tend to exist long term because of rig mobility. Consequently, MDL operates in a single, global offshore drilling market.

In recent years, there has been increased emphasis by oil companies on exploring hydrocarbons in deeper waters. This deepwater focus is due, in part, to technological developments that have made such exploration more feasible and cost effective. Therefore, water depth capability is a key component in determining rig suitability for a particular drilling project. MDL generally views the deepwater market sector as that which begins in water depths of approximately 4,500 feet and extends to the maximum water depths in which rigs are capable of drilling, which is currently 12,000 feet. MDL views the midwater market sector as that which covers water depths of about 300 feet to 4,500 feet.

The global jackup and tender assisted drilling market sector extends to water depths of 400 feet. This sector has been developed to a significantly greater degree than the deepwater market sector, because the shallower water depths have made it much more accessible than the deeper water market sectors.

Contract Drilling Services

MDL's contracts to provide offshore drilling services are individually negotiated and vary in their terms and provisions. MDL obtains most of its contracts through competitive bidding against other contractors. Drilling contracts generally provide for payment on a day rate basis, with higher rates while the drilling unit is operating and lower rates for periods of mobilisation or when drilling operations are interrupted or restricted by equipment breakdowns, adverse environmental conditions, or other conditions beyond MDL's control.

Drilling contracts are awarded through competitive bidding or on a negotiated basis. The contract terms vary depending on geographical area, geological formation to be drilled, the equipment and services supplied, on-site drilling conditions, and the anticipated duration of the work to be performed. A day rate drilling contract generally extends over a period of time covering either the drilling of a single well or group of wells or covering a stated term. Certain of MDL's contracts with clients may be cancellable at the option of the client upon payment of an early termination payment. Such payments may not, however, fully compensate MDL for the

loss of the contract. Contracts also customarily provide for either automatic termination or termination at the option of the client typically without payment of any termination fee under various circumstances, such as non-performance, in the event of downtime or impaired performance caused by equipment or operational issues, or sustained periods of downtime due to force majeure events. Many of these events are beyond MDL's control. The contract term may in some instances be extended by the client exercising options for the drilling of additional wells or for an additional term.

In some areas of the world, local customs and practice or governmental requirements necessitate the formation of joint ventures with local participation, which MDL may or may not control. MDL is an active participant in one joint venture drilling company in Malaysia, Kencana Mermaid Drilling Sdn Bhd. MDL owns a 75% interest in MKR-1, which owns the newbuild rig, KM-1.

Significant Clients

MDL engages in offshore drilling for the leading international oil companies and many government-controlled and independent oil companies. In 2009, MDL's most significant clients were Hess (Indonesia-Pangkah) Ltd., contributing 49% of MDL's revenues and Chevron Thailand Exploration and Production Ltd. and Chevron Indonesia Company, jointly contributing 51% of MDL's revenues. As of 30 September 2009, the "MTR-1"successfully completed its drilling contract with Hess (Indonesia-Pangkah) Ltd., and the "MTR-2" continued its drilling contract with Chevron Thailand Exploration and Production Ltd., which was subsequently assigned to Chevron Indonesia Company, with continuation of work until 2010.

Employees

MDL requires highly skilled personnel to operate its drilling rigs. As a result, MDL conducts extensive personnel recruiting, training and safety programmes. At 30 September 2009, MDL had approximately eighty (80) employees and also utilised approximately 300 persons through contract labour providers.

Competition

MDL' s primary competitors include global or regional offshore drilling companies, including SeaDrill Limited and Global Tender Barges. Price is often the primary factor in determining which contractor among those with suitable rigs is awarded a job. Other competitive factors include rig availability, safety performance record, reputation for quality, crew experience, and condition of equipment and efficiency. The following table summarises the ownership of all tender drilling rigs.

Table 9 : Tender Drilling Rig Market

Owner Name	Owned	Under Construction	Total
SeaDrill Ltd.	14	3	17
KCA Deutag	7	0	7
Mermaid Drilling Ltd.	2	1	3
Global Tender Barges	3	0	3
PDVSA	2	0	2
Others	0	3	3
Total	**28**	**7**	**35**

Source: Fearnleys

For 2009, MDL contributed 42.48% of Mermaid's consolidated revenues, excluding exchange losses.

Subsea Engineering Segment

As of 30 September 2009, MOS' fleet consists of five (5) subsea vessels, four (4) saturation diving systems (inclusive of those systems in the current newbuild programme), ten (10) offshore air diving systems, and fourteen (14) ROV systems including deepwater and ultra-deepwater heavy construction class systems. MOS has also chartered-in one construction support vessel and one ROV/air dive support vessel. Dive support vessels act as an operational base for divers, ROV's, and specialised equipment. MOS sub-contracts up to 400 specialist and marine personnel to work on its subsea engineering projects in addition to a permanent workforce.

MOS services include:

Exploration support. Pre-installation surveys; rig positioning and installation assistance, subsea equipment maintenance.

Development. Installation of subsea pipelines, flow lines, control umbilicals, manifolds, risers, pipe lay and burial, installation and tie-in of riser and manifold assembly; commissioning, testing, and inspection; and cable and umbilical lay and connection

Production. Inspection, maintenance, and repair of production structure, risers, pipelines, and subsea equipment Decommissioning.

Decommissioning and remediation services. Plugging and abandonment services; platform salvage and removal services; pipeline abandonment services; and site inspections.

All MOS vessels are classified by DNV or ABS, which are two of the leading classification societies. MOS vessels are subject to regular inspection by class surveyors, in addition to regular dry-docking and other planned maintenance. MOS vessels operate under a class-approved planned maintenance system.

The following table describes the vessels used in Mermaid's subsea engineering services:

Table 10 : Subsea Fleet List

Vessel Name	Description	Year Built	Flag State	Length (metres)	Berths
Mermaid Commander	Purpose-built diving support vessel with saturation systems	1987	Thailand	90	96
Mermaid Performer	Purpose-built survey and diving support vessel	1982	Thailand	49	30
Mermaid Responder	Purpose-built diving support vessel with air and mix gas diving systems	1983	Thailand	56	58
Mermaid Supporter	Inspection vessel with air and mix gas diving systems	1982	Panama	39	26
Mermaid Challenger	Multi purpose offshore vessel	2008	Thailand	61	38
Team Siam(1)	Construction support vessel with saturation systems	2002	Jamaica	90	142
Binh Minh(1)	ROV and air dive support vessel	2002	Vietnam	61	42
Subsea Fleet List which were delivered/will be delivered after 30 September 2009					
Mermaid Sapphire	ROV and air dive support vessel	2009 (delivery in November 2009)	Panama	63	60
Mermaid Asiana	Purpose-built diving support vessel with saturation systems	2010 (expected delivery)	Marshall Islands	99	100
Mermaid Endurer	Purpose-built diving support vessel with saturation systems	2010 (expected delivery)	Panama	95	86

Note: (1) On charter to MOS. MOS released the charter of Binh Minh in November 2009.
Source : TTA

Clients

MOS' clients include major and independent oil and gas producers and suppliers, pipeline transmission companies, and offshore engineering and construction firms. The level of services required by any particular client depends on the size of that client's capital expenditure budget in a particular year. Consequently, clients that account for a significant portion of revenues in one year may represent an immaterial portion of contract revenues in subsequent years. The top five (5) clients of the MOS and their contribution to total subsea revenues were as follows:

2009: Subtech Ltd., Global Industries Offshore LLC, CUEL Ltd., ARV Offshore Co. Ltd., and Chevron Thailand Exploration and Production Ltd., collectively representing 71% of subsea revenues.

2008: CUEL Ltd., PT Offshore Services Indonesia, China Offshore Oil Engineering Corporation Ltd., Chevron Thailand Exploration and Production Ltd., and Saipem Asia Sdn. Bhd., collectively representing 79% of subsea revenues.

MOS estimates that in 2009, it provided subsea services to twenty-two (22) clients. MOS' contracting service projects have historically been of short duration and are generally awarded shortly before mobilisation. Beginning in 2008, MOS entered into long-term contracts for certain of its vessels.

Competition

The marine contracting industry is highly competitive. While price is a factor, the ability to acquire specialised vessels, attract and retain skilled personnel, and demonstrated a good safety record is also important. MOS' competitors include Global GEO ASA, Hallin Marine Subsea International Plc, and Sarku Engineering Services Sdn. Bhd., as well as larger international companies based in Europe and the U.S., such as Subsea 7 Inc., Acergy S.A., and Helix Energy Solutions Group Inc. Most of these international companies are major Engineering, Procurement, Installation, and Commissioning ("EPIC") contractors.

Employees

MOS relies on the high quality of its workforce. As of 30 September 2009, MOS had approximately 337 employees, nearly 253 of which are salaried personnel.

For 2009, MOS contributed 57.52% of Mermaid's consolidated revenues, excluding exchange gains.

Coal Mining Business

In August 2009, Soleado Holdings Pte. Ltd. acquired a 21.18% stake in Merton Group (Cyprus) Limited ("Merton") to secure a share in a coal production venture named SKI Energy Resources Inc. ("SERI") and extend its investments to the Philippines. SERI holds 13,000 hectares under COC's granted by the Department of Energy in the Philippines. Currently, SERI owns two mine sites located in Naga, Cebu and Danao, Cebu.

Fleet Management, Safety, and Maintenance

The Group undertakes all of the commercial, technical, and strategic management of its fleet of dry bulk vessels, subsea vessels, and tender drilling rigs. As of 30 September 2009, the Group had a total of 1,091 shore-based personnel and 1,245 sea-based personnel.

The Group is responsible for:

• Commercial management services, which include obtaining employment for the vessels and rigs and managing relationships with clients

• Accounting and finance services

• Technical management services, which include managing day-to-day operations, ensuring regulatory and classification society compliance, arranging hire of qualified officers and crew, arranging insurance, and purchasing stores, supplies, spares, and new equipment.

The Group also relies on original equipment manufacturers´ service engineers to perform technical services with its staff. The Group actively manages the risks relating to safety and environmental compliance, which are inherent in the business through, amongst other things, its staff tracking and fleet renewal programmes and are committed to eliminating incidents that threaten the safety and integrity of its fleet and personnel. The Group operates our vessels and rigs in a manner to protect the safety and health of its employees, the general public, and the environment.

In order to maintain and operate its fleet until the usual scrapping age for vessels, the Group has to supply, maintain, and repair its fleet to a high standard throughout the lives of the vessels, which generally results in reduced machinery downtime. In some cases, the Group may, through its fleet maintenance programmes, successfully extend the useful lives of its vessels beyond that of their original useful lives.

The Group established key performance indicators to facilitate regular monitoring of operational performance. The Group sets targets on an annual basis to drive continuous improvement and review key performance indicators regularly to determine if remedial action is necessary to reach targets.

Regulations

The Group is subject to a broad range of foreign and domestic laws, regulations, and international agreements.

The Group is required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, and certifications for its fleet. Government regulation significantly affects the ownership and operation of the fleet. The Group is subject to international conventions and the applicable laws and regulations in the countries in which its fleet may operate. The Group is operating its fleet in substantial compliance with all government regulations and laws applicable to its fleet.

The Group's fleet is subjected to regular scheduled and unscheduled inspections by local port authorities (harbour master or equivalent), classification societies, and terminal operators. Certain of these entities require TTA, or the relevant Group company, to obtain permits, licenses, and certificates for the operation of its fleet. Failure to maintain necessary permits or approvals could require it to incur substantial costs or temporarily suspend the operation of one or more of its vessels or tender drilling rigs.

The increased level of environmental and quality concerns among insurance underwriters, regulators and charterers has led to more rigorous inspection and safety requirements on all vessels and tender drilling rigs and may accelerate the scrapping of older vessels and tender drilling rigs throughout the industry. Therefore, the Group's operating strategy emphasises operational safety, quality maintenance, continuous training of its officers and crews, and compliance with international regulations.

The International Maritime Organisation ("IMO") has negotiated international conventions that impose liability for oil pollution in international waters and a signatory's territorial waters. The IMO adopted Annex VI to the International Convention for the Prevention of Pollution from Ships ("MARPOL Convention") to address air pollution from vessels. The Group's fleet is in full compliance with the MARPOL Convention.

The operation of the Group's fleet is also affected by the requirements set forth in the IMO's Management Code for the Safe Operation of Ships and Pollution Prevention ("ISM Code"). The ISM Code requires owners and bareboat charterers to develop and maintain an extensive "Safety Management System" that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. As part of the ISM Code, the Group's safety management certificates are maintained through ongoing internal audits by its certified internal auditors and external audits performed by different classification societies. The Group's fleet is ISM Code-certified.

IMO regulations also include the International Convention for Safety of Life at Sea ("SOLAS"), including amendments to SOLAS implementing the International Security Code for Ports and Ships ("ISPS"). SOLAS provides rules for the construction of and equipment required for commercial vessels and includes regulations for safe operation. SOLAS and other IMO regulations concerning safety, life-saving equipment, etc. apply to the Group's operations. Non-compliance with IMO regulations may cause increased liabilities or penalties, including the denial of access or detention in some ports.

The Group's fleet may also be required to be dry-docked for survey and inspection, as part of the classification procedures by International Association of Classification Societies ("IACS"). In addition to the class inspections, clients may inspect the Group's vessels or tender drilling rigs prior to employment, and regular inspections are standard practice under long-term contracts as well. The Group's fleet is also regularly inspected by its crews, who perform much of the necessary routine maintenance. Shore-based and technical specialists also inspect its fleet at least twice a year. Upon completion of each inspection, action plans are developed to address any items requiring improvement.

Insurance

The operation of any vessel or tender drilling rig includes risks such as mechanical failure, collision, property loss, cargo loss or damage, and business interruption. In addition, there is always an inherent possibility of marine accidents, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade.

The Group carries hull and machinery insurance, war risks insurance and freight, demurrage, and defence cover to protect against most of the accident-related risks in its business. Hull and machinery insurance covers loss or damage due to marine perils, such as collisions, groundings, and weather with deductibles of US$ 100,000 per incident. The Group's fleet is insured with a panel of major underwriters with the majority being A-rated. The fleet is also covered by international P&I clubs (as defined below) for third-party liability up to US$ 3.0 billion, except for oil pollution for which the Group-owned fleet is covered up to US$ 1.00 billion. The Group's deductibles for these third party liabilities are US$ 10,000 per incident. For vessels chartered-in by the Group, the insurance cover is limited to US$ 350 million. The extent of hull and machinery insurance varies according to the policy of each vessel and ranges from US$ 5.0 million to US$ 60.0 million.

The Group also maintains protection and indemnity insurance, provided by mutual protection and indemnity associations ("P&I Clubs"), which insure third party liabilities. This includes third-party liability and other related expenses resulting from the injury or death of crew, passengers, and other third parties, the loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances and salvage, towing and other related costs, including wreck removal. The Group's fleet is insured with members of the International Group of thirteen (13) P&I Clubs.

The Group also carries insurance policies covering war risks, including piracy and terrorism. The Group does not carry insurance on its vessels covering the loss of revenues resulting from off-hire time based on its cost compared to its off-hire experience. The Group believes that its current insurance coverage is adequate to protect against most of the accident-related risks involved in the conduct of its business. The Group conducts a review of insured values on a six-monthly basis prior to policy renewal and may adjust insured values depending on current market estimates. This ensures an optimal level of insurance cover and premium expenses at all times.

Infrastructure Group

Ship Supplies, Logistics, Ship Stevedoring and Transportation

Chidlom Marine Services & Supplies Ltd. ("CMSS"), a wholly-owned subsidiary of TTA, provides ship supplies and logistics services, including supply of ship stores, cargo dunnage materials, cargo lashing and securing equipment, cargo handling equipment, tally and checker services, forklift rental/services, warehouses and storage spaces for rental, material procurement, management, and distribution. CMSS also provides ship stevedoring and transportation services, including cargo loading and unloading, cargo handling, and transportation.

In October 2006, TTA and Gulf Agency Company Limited, Liechtenstein ("GACL"), established GAC Thoresen Logistics Ltd. ("GTL"), as part of the Group's further expansion into the domestic logistics business. TTA owns 51.00% of GACL, and the remaining 29.00% and 20.00% are owned by GACL (for purposes of compliance with warehouse regulations) and Mr. Lars Safverstrom, the president of the Gulf Agency Company, respectively. GACTL has since completed a 10,000 square foot warehouse project in Amata Nakorn Industrial Estate, Chonburi, Thailand, through which it provides full-scale third party logistics.

Port Operations

Sharjah Ports Services LLC ("SPS") is an associate company of TTA, of which Sharjah Ports Authority in the UAE and TSF own 51.00% and 49.00%, respectively. SPS has a concession covering all stevedoring, cargo handling, cargo storage, cargo delivery, marketing, and accounting for all general cargo, roll-on, roll-off carriers, and reefer break bulk cargoes for Port Khalid, Hamriyah, and Sharjah Creek ports, for a period of ten (10) years, and shall thereafter be automatically renewed for another five (5) years.

SPS was incorporated in June 2002, as part of a port privatisation programme, whereby all existing employees and equipment of the port were transferred to SPS.

Port Khalid is the largest of the three ports covered by the concession and is located some sixteen (16) kilometres south of Dubai. As of 30 September 2009, the three ports together handled in excess of five (5) million tonnes per year.

Fertiliser Business

In July 2009, Soleado Holdings Pte. Ltd. acquired a 100% stake in EMC Gestion S.A.S., which is the sole shareholder of Baconco Co., Ltd. in Vietnam to develop fertiliser export and import activities. The Baconco fertiliser plant is located on a 56,000 sq. metres site in Phu My and is adjacent to Baria Serece Port. Besides fertiliser production, Baconco has a license to lease part of its warehouse, which will allow the development of a professional logistics business in the future.

Coal Logistics Business

In October 2009, Athene Holdings ("Athene") acquired a 48.46% stake in Unique Mining Services Public Company Limited ("UMS") from its two major shareholders and 5.55% of warrants from a major shareholder of UMS. In December 2009, Athene acquired another 41.09% of UMS outstanding shares and 91.64% of UMS outstanding warrants through the tender offer process, resulting in an 89.55% stake in UMS. UMS is a coal trading business, which offers "end to end" and "just in time" logistics services in Thailand. It owns two (2) coal blending facilities and warehouses, twelve (12) barges, and twenty-six (26) trucks to serve the increasing local coal demand of small and medium-sized industrial customers, which use coal-fired boilers.

PROACTIVE

Market Situation

The Dry Bulk Shipping Industry

Industry Overview

Seaborne transportation represents an essential part of international trade, as the most efficient and often the only means of transporting large volumes of basic commodities and finished products. Seaborne cargo can be classified into dry cargo and liquid cargo. Dry cargo includes dry bulk cargo, container cargo and non-container cargo. Dry bulk cargo is shipped in dry bulk carriers, and can be subdivided into five major dry bulks and minor dry bulks. The five major dry bulks are the principal categories of dry bulk commodities transported in bulk carriers, and comprise of iron ore, coal, grain, phosphates and bauxite. Minor dry bulks comprise of many other commodities that travel in shiploads, the most important being cement, gypsum, non-ferrous metal ores, sugar, salt sulphur, forest products, wood, and chemicals. Liquid cargo is transported in tank ships, with the main cargoes being crude oil, oil products, liquid and chemicals.

Table 11 : World Seaborne Trade: 2000 to 2008

(Million Tonnes)

Years	Iron Ore	Coal	Grain	Bauxite and Alumina	Phosphate	Crude Oil	Oil Products	Other Cargoes Estimate	Total Trade Estimate
2000	454	523	230	53	28	1,608	419	2,280	5,595
2001	452	565	234	51	29	1,592	425	2,305	5,653
2002	484	570	245	54	30	1,588	414	2,435	5,820
2003	524	619	240	63	29	1,673	440	2,545	6,133
2004	589	664	236	68	31	1,754	461	2,690	6,493
2005	652	710	307	73	30	1,720	495	2,617	6,604
2006	734	754	325	78	30	1,756	525	2,853	7,055
2007	787	806	341	83	31	1,775	553	3,052	7,428
2008	845	834	344	81	31	1,800	575	3,235	7,745

Source : Fearnleys

In 2008, approximately 7.7 billion tonnes of cargo were seaborne, compared with 5.6 billion tonnes in 2000. We have seen very high trade growth over the period as a result of strong global economic growth, and especially in Asian economies such as China and India, illustrated in the table below. Fearnleys expect 2009 in total to be a weaker year, with an expected decrease in total seaborne trade. Seaborne trade in dry bulk commodities is expected to decrease by about 5 percent.

Table 12 : Real GDP Growth : 2003 to 2008

(Percent Change Previous Period)

Years	2003	2004	2005	2006	2007	2008
Global Economy	3.6	4.9	4.5	5.1	5.2	3.0
USA	2.5	3.6	3.1	2.7	2.1	0.4
Europe	0.8	2.2	1.7	2.9	2.7	0.7
Japan	1.4	2.7	1.9	2.0	2.3	-0.7
China	10.0	10.1	10.4	11.6	13.0	9.0
India	6.9	7.9	9.2	9.8	9.4	7.3

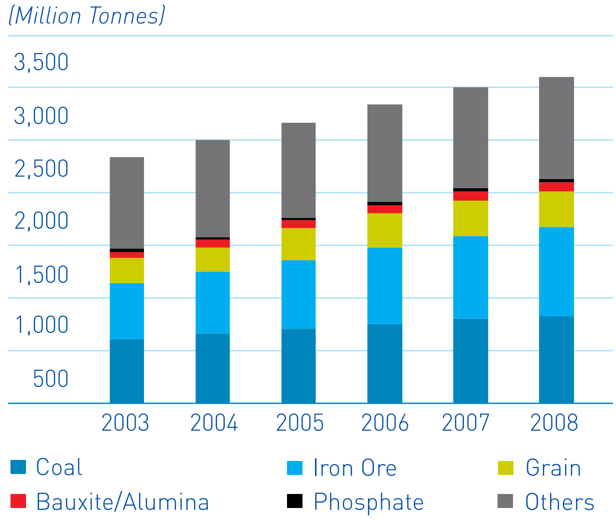
Source : Fearnleys

Dry Bulk Seaborne Trade

For dry bulk cargo, we have seen seaborne trade growth increase between 3 and 8 percent the last six years, generating significant additional demand for dry bulk carrier shipping.

The following chart and table illustrate total seaborne trade in the major and minor dry bulk segments for the period from 2003 to 2008. The major bulk cargos are separated into iron ore, coal, grain (including wheat, coarse grains, and soybeans), phosphates and bauxite/alumina while the minor bulks are included in the others category.

Chart 10 : Drybulk Trade Development



Source : Fearnleys

Table 13 : Dry Bulk Seaborne Trade : 2003 to 2008

(Million Tonnes)

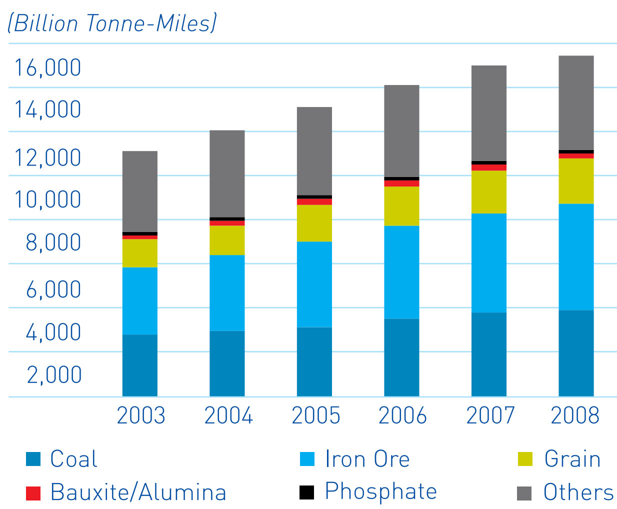
	2003	2004	2005	2006	2007	2008
Coal	619	664	710	754	806	834
Iron Ore	524	589	652	734	787	845
Grain	240	236	307	325	341	344
Bauxite/Alumina	63	68	73	78	83	81
Phosphate	29	31	30	30	31	31
Others	865	926	896	927	960	975
Total	**2,340**	**2,514**	**2,668**	**2,848**	**3,008**	**3,110**
YOY Change	**5.5%**	**7.4%**	**6.1%**	**6.7%**	**5.6%**	**3.4%**

Source : Fearnleys

Total seaborne trade in dry bulk commodities increased 34.7 percent in the period between 2003 and 2008. The major bulks accounted for an estimated 68.5 percent of total dry bulk seaborne trade in 2008.

Of the major bulks, iron ore grew the fastest, with an increase of 61 percent over the period 2003 to 2008. The development in tonne-mile demand has grown at an even faster rate over the last years due to structural changes in the pattern of trade, as indicated in the following chart:

Chart 11 : Dry Bulk Carrier Demand



Source : Fearnleys

Table 14 : Dry Bulk Carrier Demand : 2003 to 2008

(Billion Tonne-Miles)

	2003	2004	2005	2006	2007	2008
Coal	2,810	2,960	3,113	3,540	3,778	3,905
Iron Ore	3,035	3,444	3,918	4,192	4,544	4,849
Grain	1,273	1,350	1,686	1,822	1,927	2,029
Bauxite/Alumina	198	231	248	267	271	267
Phosphate	148	154	154	155	159	159
Others	3,680	3,940	4,021	4,180	4,340	4,290
Total	**11,144**	**12,079**	**13,140**	**14,156**	**15,019**	**15,499**
YOY Change	**6.7%**	**8.4%**	**8.8%**	**7.7%**	**6.1%**	**3.2%**

Source : Fearnleys

The last few years, China, and to a lesser extent India, have been the main drivers behind the recent increase in seaborne dry bulk trade. Chinese production and consumption of steel have created an enormous demand for seaborne trade of iron ore. Scarcity of domestic supply has generated increased imports from Australia and Brazil, creating longer distances.

Table 15 : World Crude Steel Production

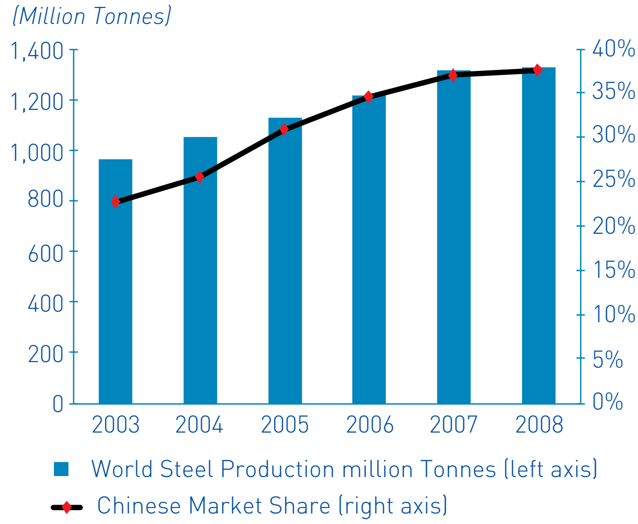
(Million Tonnes)

	EU 15	USA	Japan	China	South Korea	Taiwan	India	Others	Total
2003	159.5	90.9	110.5	219.3	46.3	19.1	31.8	285.9	963.3
2004	169.7	98.6	112.7	269.3	47.5	19.5	32.6	304.2	1,054.1
2005	164.2	93.8	112.5	349.3	47.7	18.5	38.1	305.1	1,129.2
2006	173.5	98.5	116.2	421.5	48.4	20.2	42.8	297.9	1,219.0
2007	175.5	97.2	120.2	487.3	51.2	20.6	49.5	315.5	1,317.0
2008	166.1	91.5	118.7	500.5	53.5	20.2	55.1	324.1	1,329.70
% Change from 2003 to 2008	**4.1**	**0.7**	**7.4**	**128.2**	**15.6**	**5.8**	**73.3**	**13.4**	**38.0**

Source : Fearnleys

From approximately 219 million tonnes of crude steel output in 2003, Chinese production surged to approximately 269 million tonnes in 2004 (up 23 percent year-on-year) and to approximately 349 million tonnes in 2005 (up 30 percent year-on-year). In 2006, production increased by a further 21 percent, taking total output to approximately 422 million tonnes. Production increased by 16 percent in 2007 year-on-year to 487 million tonnes. In 2008, production growth slowed, and increased by 2.7 percent. Chinese steel production has been almost single-handedly responsible for fuelling the dry bulk market boom the last few years. In 2009, global steel production is expected to reach about 1.2 billion tonnes, mainly driven by increased production in China which is expected to reach above 550 million tonnes.

Chart 12 : World Steel Production and Chinese Market Share

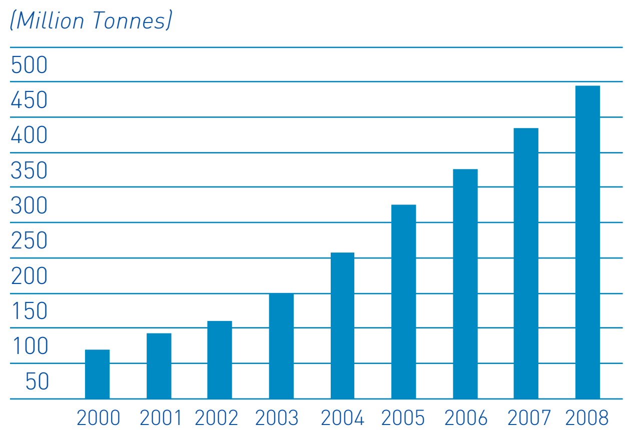


Source : Fearnleys

Over the last five years, steel production in China has grown at an average annual rate of 18 percent, compared with global production increasing by an average of 7 percent per annum. As a result of this growth in steel production, Chinese imports of iron ore have also increased substantially.

Chinese iron ore imports for 2008 increased 15.8 percent over 2007 imports to 444.1 million tonnes. Imports increased about 535 percent from 2000 to 2008, and the main suppliers are Australia, Brazil, India and South Africa. Imports from Brazil have increased over the last years and increased tonne miles and demand for the larger ships in the bulk fleet. Chinese iron ore imports are expected to reach a new peak in 2009 with about 600 million tonnes.

Chart 13 : Chinese Iron Ore Imports



Source : Fearnleys

Major Dry Bulk Seaborne Trade Routes

There are certain main trading routes for major dry bulk commodities. Coal is mainly shipped from Australia and Canada to the Far East and Europe, whereas iron ore is mainly shipped from Australia and Brazil to China, Japan, and Europe. Grain is mainly shipped from the US Gulf, Brazil, or Argentina to Europe and the Far East.

While there are some major dry bulk trade routes, seaborne trade evolves over time. For example, until quite recently, China was a major exporter of coal, but this has been changing, and Chinese imports of coal have been on the rise. New routes and new trading opportunities are becoming a permanent feature of the market.

Dry bulk carriers are one of the most versatile elements of the global shipping fleet in terms of employment alternatives. They seldom operate on round trip voyages, and the norm is often triangular or multi-leg voyages. Hence, trade distances assume greater importance in the demand equation, and increases in long haul shipments will have greater impact on overall vessel demand.

Demand for dry bulk carrier capacity is also affected by the operating efficiency of the global fleet. In recent years, the growth in trade has led to port congestion, with vessels at times being forced to wait outside port to either load or discharge due to limited supply of berths at major ports. This inefficiency has been a further factor contributing to tightness in the market, especially among the larger vessels.

Dry Bulk Carrier Supply

The bulk carrier was first developed to carry dry cargoes, which are shipped in large quantities and do not need to be carried in packaged form. The advantage of carrying such cargoes in bulk is that packaging costs may be greatly reduced and loading and unloading operations can be made more efficient. Today, the global dry bulk carrier fleet is divided into four categories based on a vessel's carrying capacity. These categories are:

- ***Capesize.*** Capesize vessels have carrying capacities of more than 100,000 dwt. These vessels generally operate along long haul iron ore and coal trade routes. Coal and iron ore constitute more than 95% of all commodities carried by Capesize bulkers. Only the largest ports around the world possess the infrastructure to accommodate vessels of this size.

- ***Panamax.*** Panamax vessels have a carrying capacity of between 60,000 and 100,000 dwt. These vessels are designed to meet the physical restrictions of the Panama Canal locks (hence their name "Panamax" - the largest vessels able to transit the Panama Canal), making them more versatile than Capesize vessels. These vessels carry coal, grains, and, to a lesser extent, minerals, such as bauxite/alumina and phosphate rock. When the availability of Capesize vessels has decreased, Panamax vessels are also used to haul iron ore cargoes. Coal, iron ore and grains constitute about 75% of all commodities carried by Panamax bulkers.

- ***Handymax / Supramax.*** Handymax vessels have a carrying capacity of between 40,000 and 60,000 dwt. These vessels operate on a large number of geographically dispersed global trade routes, carrying primarily grains, steel, logs, lumber, scrap, and other minor bulks. The standard vessel types are usually built with

25 to 30 tonne cargo gear, enabling them to discharge cargo where grabs are required (particularly industrial minerals), and to conduct cargo operations in countries and ports with limited infrastructure. These types of vessels offer good trading flexibility and can therefore be used in a wide variety of bulk and neobulk trades.

- ***Handysize.*** Handysize vessels have a carrying capacity of between 10,000 and 40,000 dwt. These vessels almost exclusively carry minor bulk cargo like steel, logs, lumber, and scrap. Increasingly, vessels of this type operate on regional trading routes, and may serve as trans-shipment feeders for larger vessels. Handysize vessels are well suited for small ports with length and draft restrictions. Their cargo gear enables them to service ports lacking the infrastructure for cargo loading and unloading.

In the beginning of December 2009, the world fleet of dry bulk carriers consisted of 7,234 vessels, totalling 451.5 million dwt in capacity. The following table presents the world dry bulk carrier fleet by size category as of beginning of December 2009. The average age of dry bulk carriers in service in December 2009 was 12.2 years.

Table 16 : Dry Bulk Carrier Fleet : December 2009

Size Category	Deadweight Tonnes	Number of Vessels	Total Capacity (million dwt)	% of Total Fleet (dwt)
Capesize	100,000+	934	165.5	36.6
Panamax	60,000 – 100,000	1,635	120.9	26.8
Supramax	50,000 – 60,000	800	45.4	10.1
Handymax	40,000 – 50,000	971	43.6	9.7
Handysize	10,000 – 40,000	2,851	76.1	16.9
Total		**7,234**	**451.5**	**100.0**

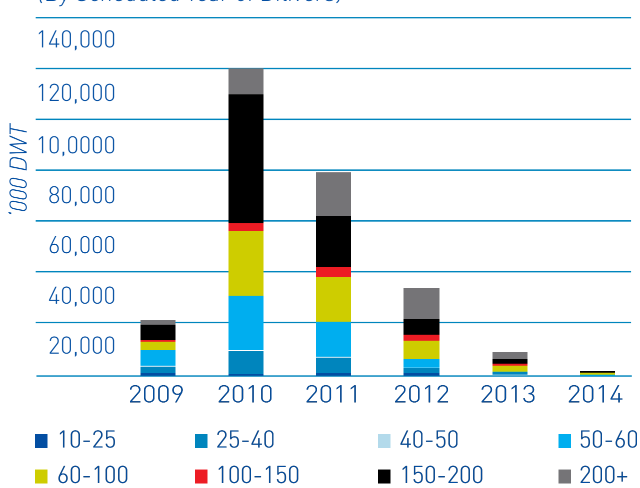
Source: Fearnleys

Although the global dry bulk carrier fleet has developed in size to meet the increases in seaborne trade and vessel demand, supply has been lagging behind the last years, and created the boom we have seen in 2007/2008. However, in 2009 newbuilding deliveries of the massive orderbook were starting to trade and worsening the tonnage balance.

Orders for new vessels have been placed on an almost continuous basis, and the relationship between the total orderbook and the existing fleet is a guide to future levels of supply. As of end November 2009, the global dry bulk orderbook amounted to 262.2 million dwt, or 58.1 percent of the existing dry bulk fleet. Deliveries from this orderbook extend in some cases to 2014.

Chart 14 : Dry Bulk Carrier Orderbook : December 2009

(By Scheduled Year of Dilivers)



Source : Fearnleys

Table 17 : Dry Bulk Carrier Orderbook : December 2009

Size Category	Deadweight Tonnes	Number of Vessels	Total Capacity (million dwt)	% of Total Fleet (dwt)
Capesize	100,000+	719	138.8	83.9
Panamax	60,000 – 100,000	688	55.4	45.9
Supramax	50,000 – 60,000	800	45.3	99.7
Handymax	40,000 – 50,000	18	0.8	1.9
Handysize	10,000 – 40,000	677	21.8	28.7
Total		**2,902**	**262.2**	**58.1**

Source: Fearnleys

Freight Market and Rates

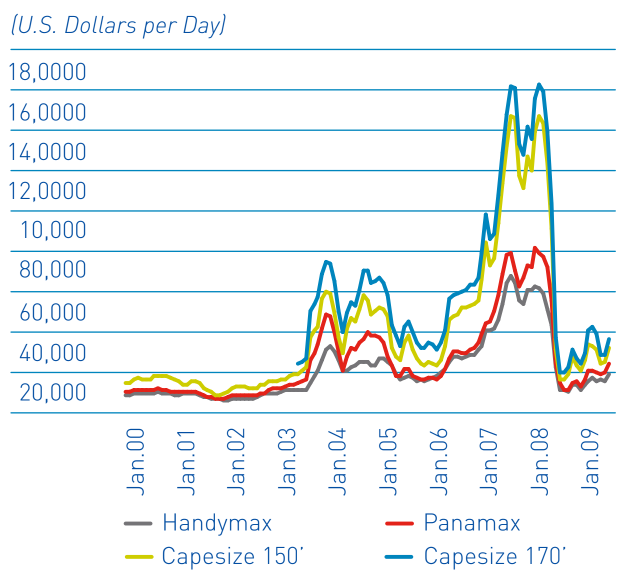
Freight rates in the dry bulk carrier sector are determined by the underlying balance between vessel supply and demand, although it is true to say that market sentiment can also play a part in setting the short-term trend in rates.

Freight rates also fluctuate by varying degrees with vessel size. For example, the volume and pattern of trade in a small number of commodities (major bulks) affect demand for larger vessels. Because demand for larger dry bulk vessels is affected by the volume and pattern of trade in a relatively small number of commodities, freight rates (and vessel values) of larger ships tend to be more volatile. Conversely, trade in a greater number of commodities (minor bulks) drives demand for smaller dry bulk carriers. Accordingly, charter rates and vessel values for those vessels are subject to less volatility.

In the time charter market, rates vary depending on the length of the charter period and on vessel specific factors such as age, speed, and fuel consumption. In the voyage charter market, rates are influenced by cargo size, commodity, port dues, and canal transit fees, as well as delivery and redelivery regions.

The main driver of the dramatic upsurge in dry bulk freight rates since 2004 has been the high level of vessel demand created by growing Chinese and other Asian imports of raw materials. We see the collapse in freight rates since mid 2008 as an effect of the global financial crisis coinciding with an oversupply of vessels and a weakening demand situation. Compared to the lows of December 2008, we have seen a strengthening freight market in 2009.

Chart 15 : One Year Time Charter Rates



Source : Fearnleys

Table 18 : Drybulk Vessels – One Year Time Charter Rates

(Period Averages - U.S. Dollars per Day)

Year	Handymax	Panamax	Capesize
2000	9,498	11,131	16,984
2001	8,379	9,210	13,077
2002	7,491	8,802	12,594
2003	12,579	17,794	23,834
2004	25,926	35,889	61,044
2005	21,032	26,329	49,635
2006	21,753	22,706	44,606
2007	45,080	52,650	104,454
2008	46,159	57,613	111,250
2009*	**14,899**	**17,807**	**31,819**

** Average of year to date (end November)*
Source: Fearnleys

The table above highlights the substantial increase in one year charter rates of vessels from the Handymax through to Capesize bulk carrriers we have seen up until in the end of 2008. Rates dropped heavily before increasing during 2009.

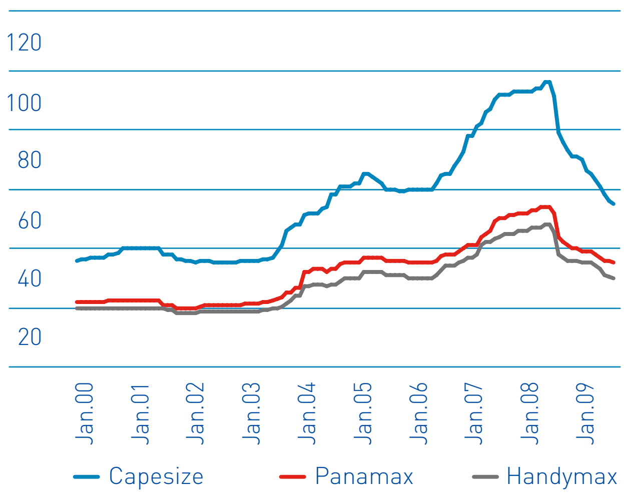
Vessel Prices

Newbuilding Prices

Dry bulk carrier newbuilding prices have increased significantly since 2003, due to tightness in shipyard capacity, high levels of new ordering, and stronger freight rates. In approximate terms, newbuilding prices for bulk carriers more than doubled between the beginning of 2002 and the end of 2008. Since the end of 2008, newbuilding prices have fallen throughout 2009 and are back at 2004 levels.

Chart 16 : Dry Bulk Carrier Newbuilding Prices : 2000 to 2009

(Millions of US Dollars)



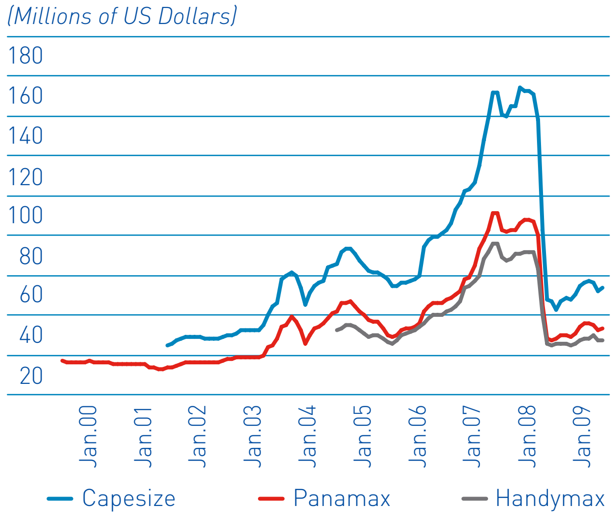
Source : Fearnleys

Second-hand Values

In the second-hand market, the steep increase in newbuilding prices and the strength of the freight market have also affected values, to the extent that prices rose sharply in 2004, before stagnating in the early part of 2006, only to rise once more as the year came to a close. In 2007, prices increased every month in line with a very strong freight market. Second-hand values remained high up until August 2008, before they dropped by about two thirds to the end of the year. In 2009, values have increased slightly as the freight market picked up during the year.

Chart 17 : Dry Bulk Carrier Secondhand Prices : 2000 to 2009

5 year old Ships (Period Averages)



Source : Fearnleys

OFFSHORE SERVICES INDUSTRY

Overview

The demand for drilling and sub-sea engineering services is driven primarily by investments and level of activity in exploration, development and production of crude oil and natural gas. The investment level depends on oil companies' cash flow, revenues and financing, areas available for exploration and development, and oil and gas prices.

Oil and gas companies have aggressively increased exploration and production spending after a period of little investment to increase oil and gas production when prices have been increasing. A number of field development projects have been started the last few years, resulting in very high drilling activity and demand for offshore services. Exploration and production budgets have seen double-digit growth from 2003 to 2008, which has led to exceptionally high levels of activity in the drilling and sub-sea engineering services markets. However, in 2009, exploration and production spending has slowed down due to a sharp decrease in oil prices in the beginning of the year, expensive financing, and general slowdown in the global economy. Exploration and production spending saw a small decrease in 2009 after many years of heavy investments. We expect to see growth again in 2010, however in a more modest pace than in the period up until 2008.

The Asian market for drilling and sub-sea engineering services still offers the potential for high utilisation and favourable day-rates as a result of: (i) stronger demand for oil and gas in the region; (ii) still strong growth in regional economies, especially in China and India; and (iii) new projects planned by exploration and production companies in Asia, according to Fearnleys.

The market for drilling services is both cyclical and volatile, ranging from the highly volatile exploration sector to the more stable oil and gas production services market. Tender rig drilling and sub-sea engineering services cater to the more stable niche of the oil and gas production market.

Oil and Gas Prices

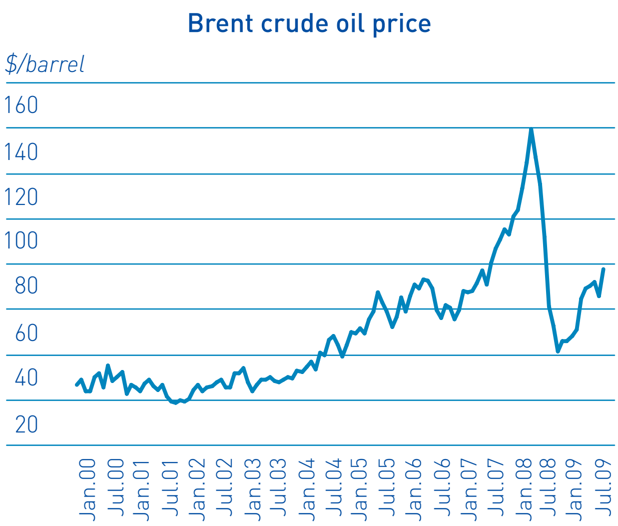
The oil prices have since the beginning of 2009 climbed from US$ 40 per barrel to high US$ 70's and has stayed above US$ 60 for six consecutive months. Oil and gas prices were up until late 2008 at the top end of their historical range and well above the hurdle rates that oil and gas companies have established for both their committed and uncommitted development projects to be economically viable. However, from the end of 2008 and the beginning of 2009, prices for both oil and gas decreased to a level where planned projects were no longer lucrative, combined with expensive and less accessible financing. But the increase in prices lately is gradually removing uncertainty and reinstating oil companies' confidence in higher oil prices short term.

Due to the financial crisis and the global economic slowdown, demand for oil and gas fell dramatically in the end of 2008, and consequently also prices. However, during 2009, confidence in the financial markets and global demand for oil has been increasing.

In 2008, the price of a barrel of Brent crude oil touched a high of above US$ 140 per barrel. Since that peak, the oil price declined by about US$ 100 at the beginning of 2009 before almost continuously increasing throughout in 2009 to around US$ 70-80 per barrel.

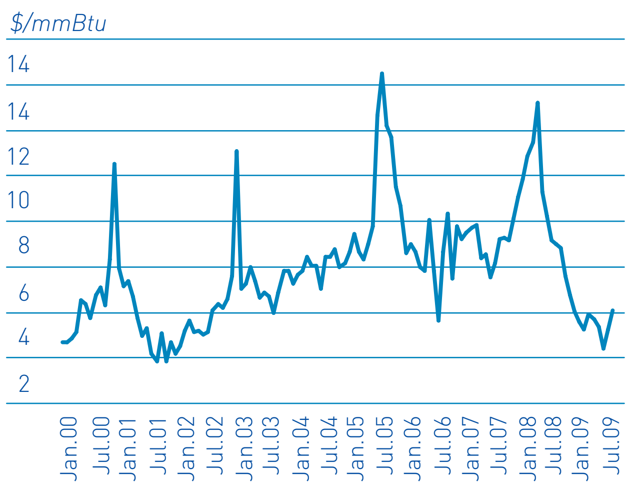
The charts below illustrate historical oil and gas prices.

Chart 18 : Historical Oil Price



Source: Fearnleys

Chart 19 : History Hub Natural Gas Price



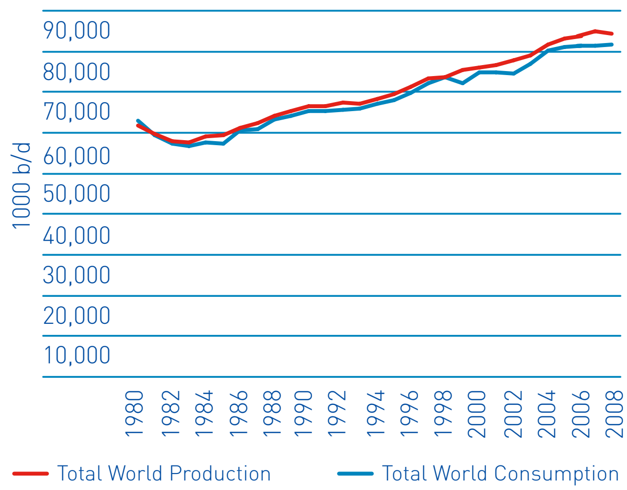
Source : Fearnleys

Oil and Gas Production and Consumption

From 1995 to 2008, consumption of oil increased from 69.610 to 84.455 million barrels per day, while production of oil increased from 68.102 to 81.820 million barrels per day. Similarly, from 1995 to 2008, consumption of gas increased from 2,132 to 3,019 billion cubic metres, while production of gas increased from 2,119 to 3,066 billion cubic metres.

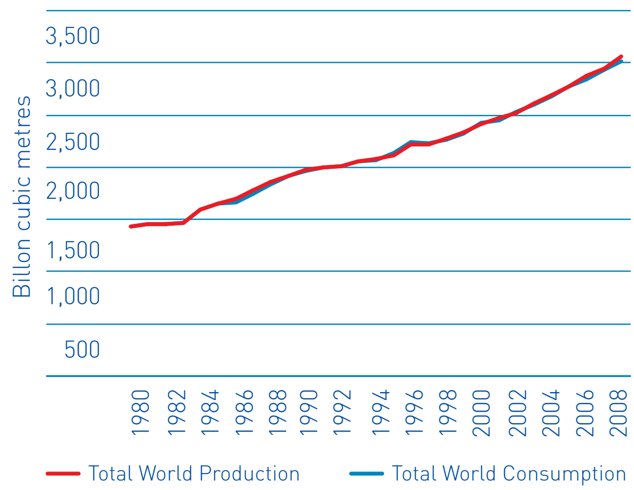
The next charts illustrate global oil and gas production and consumption for the periods indicated.

Chart 20 : Global Oil Production And Consumption (1980-2008)



Source : BP Statistical Review of World Energy June 2009

Chart 21 : World Gas Production And Consumption (1980-2008)



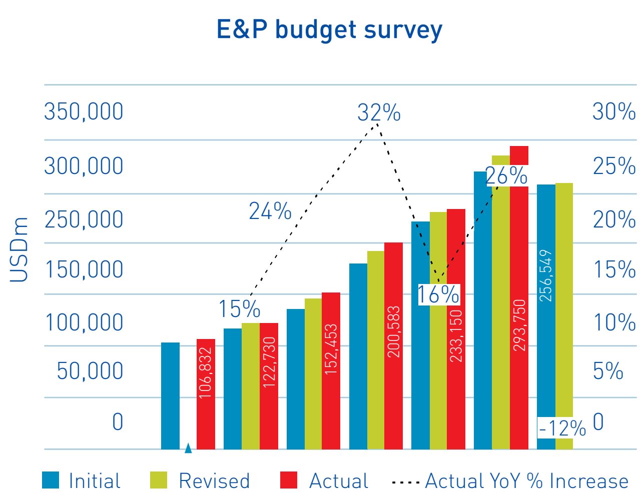
Source : BP Statistical Review of World Energy June 2009

The last few years, there has been a greater focus on offshore exploration and production to meet the rising global oil demand and as a result of depleting onshore reserves. Offshore oil production has been dominated by shallow water drilling and resources. Deepwater areas represent the new growth areas of offshore exploration and production. In recent years, there has been increased emphasis on exploration and production in deeper waters. This is due to both technological developments that have made exploration more feasible and cost effective, and the high oil and gas prices.

Exploration and Production Spending

Exploration and production spending is mainly driven by oil and gas prices. In turn, exploration and production spending is a driver of drilling and sub-sea engineering services. However as large investment decisions are difficult to reverse, declines in the oil prices can take one or more years before impacting E&P spending. Between 2003 and 2008, we have seen double-digit growth in E&P spending with an increasing oil price. In 2009, we have seen a reduction in how much oil companies have spent on exploration and development, as weaker GDP growth triggered lower oil demand growth and accordingly lower oil and gas prices. In addition, the credit crunch made it tougher for many oil companies to finance further expansion. The chart below illustrates global exploration and production spending.

Chart 22 : Exploration And Production Spending And Oil Price



Source : FearnleyFonds

Drilling Services Industry

The drilling services industry is highly competitive. Demand for drilling and related services is influenced by a number of factors, including the current and expected prices of oil and gas, as well as the level of activity in oil and gas exploration and production.

Drilling operations are geographically dispersed in oil and gas exploration and production areas throughout the world. Rigs can be moved from one region to another, but the cost of moving a rig and the availability of rig-moving vessels may cause the supply and demand balance to vary between regions. However, significant variations between regions generally do not exist in the long-term because of rig mobility.

Types of Drilling Units

Tender rigs

A tender rig is a barge moored alongside a platform and contains crew quarters, mud tanks, mud pumps, and power generation systems. The only equipment transferred to the platform for drilling operations is the drilling equipment set. A tender rig carries its own drilling equipment and has a crane capable of erecting the derrick on the platform, thereby eliminating the need for a separate derrick barge and related equipment.

The tender rig was developed for production from a central platform, which serves a number of smaller wellhead platforms. A tender rig moves from platform to platform using its own drilling equipment set. A typical tender barge has dimensions of 300 feet by 80 feet with a gross tonnage of about 4,500 tonnes. Typical water depths it can operate in are between 30 to 400 feet. Tender rigs can also be moored in up to 6,500 feet by use of a pre-laid mooring arrangement. Accommodation is in excess of 100 beds.

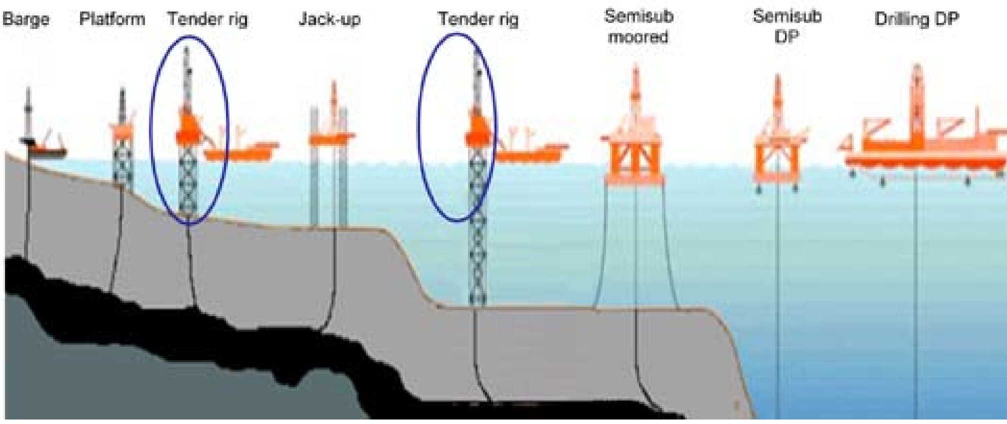
Jack-up rigs

A jack-up rig is a mobile self-elevating drilling platform equipped with legs that can be lowered to the ocean floor until a foundation is established to support the platform. Once a foundation is established, the drilling platform is then elevated up the legs so that it is above the highest expected waves. When the rig is relocating, the platform is lowered to sea level and towed by a supply vessel to its next location.

A modern jack-up rig will normally have the ability to move its drill floor aft of its own hull (cantilever), so that multiple wells can be drilled without re-positioning the rig. Ultra premium jack-up rigs have capabilities enabling them to work in water depths in excess of 300 feet.

Semi-submersible rigs

A semi-submersible rig is a floating vessel that can be submerged by a water ballast system such that the lower hulls are below the water surface during drilling operations. This reduces the rig's exposure to ocean conditions (waves, winds, and currents) and increases its stability. A semi-submersible rig is capable of maintaining its position over the well through the use of an anchoring system or a computer controlled dynamic positioning ("DP") thruster system. Some semi-submersible rigs are self-propelled and move between locations under their own power, although most rigs are relocated by supply vessels.



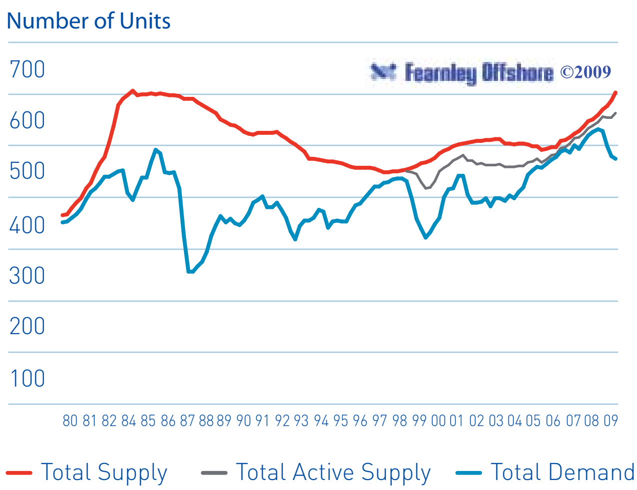
Drillships

Drillships are generally self-propelled and shaped like conventional vessels, and are the most mobile of the major rig types. Drilling operations are conducted through openings in the hull ("moon pools"). Drillships normally have a higher load capacity than semi-submersible rigs and are well suited to offshore drilling in remote areas due to their mobility and high load capacity. Like semi-submersible rigs, drillships can be equipped with conventional mooring systems or DP systems to maintain position over a well.

Global Mobile Offshore Drilling Market

The utilisation of mobile offshore drilling units ("MODUs") has fallen substantially from the historical high levels in 2008. In 2009, we have seen a decrease in employment as investment in exploration and development has gone down as oil companies postponed investments. Day-rates for MODUs have decreased for the better part of 2009 as a result of high rig availability and decreasing demand. Finding new employment when contracts expire has become tougher. The utilisation level of MODUs has been decreasing in 2009, although supported by the fact that oil and gas companies have secured MODUs for long-term periods of up to three (3) to five (5) years at earlier stages.

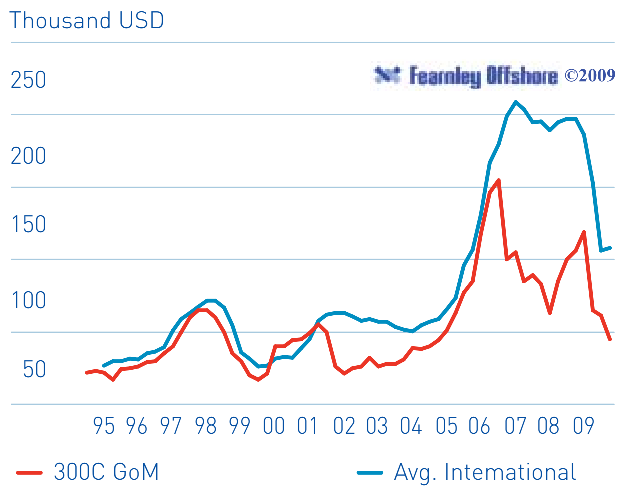
Chart 23 : Supply And Demand Worldwide Semisubmersibles, Jackups And Drillships



Source: Fearnley Offshore

Chart 24 : Historical Jack-Ups Day Rates

AVERAGE DAYRATES IN GIVEN MARKET SEGMENTS
300IC JACKUP DRILLING UNITS



International: SEA, ME, NS-standard, FE & WA
Source: Fearnley Offshore

Tender Rig Market

The majority of tender rigs operates in South-East Asia and has been contracted for one to three years by oil and gas companies in the region. The market for tender rigs is a niche market that generally goes through the same cycles as the market for other MODUs in general, and with jack-ups in particular.

However, tender rigs are normally preferred by oil and gas companies that have oil platforms which are able to accommodate both tender rigs and jack-up rigs. The use of tender rigs tend to reduce costs for oil and gas companies as tender rigs lighten the weight of the oil platform, shorten the construction period by reducing the complexity of the oil platform and, as a result, reduce construction risk.

While tender rigs have their own niche in water depths where jack-ups cannot be used, high jack-up day-rates create more opportunities for tender rigs that can perform the same tasks at lower day-rates. As such, as jack-up rig utilisation increases and day-rates rise, tender rig demand should also grow.

South-East Asia is the biggest market for tender rigs, followed by West Africa. The level of activity for tender rigs in South-East Asia has remained relatively high compared to other areas; however the total level of activity has decreased in 2009. At the end of 2008, the tender rigs in the market were operating at near full utilisation, but employment has decreased substantially during 2009, and consequently also rates.

Contracts for tender rigs can range between six (6) months to three (3) years. As a result, there is typically a large variance in contracted day-rates depending on when contracts were entered into. In addition, geographic location may also affect contracted day-rates.

Notwithstanding this, contracted day rates in the tender rig market generally track rates in the jack-up market, as both these market segments are driven by cycles in the oil and gas industry.

Subsea Engineering Service Industry

The subsea engineering industry with respect to oil and gas exploration covers a wide range of activities that encompass all offshore developments from 'cradle to grave'. Whilst there is currently a large focus on the buoyant exploration and production activity, this is only one element in the life of an offshore oil or gas field. Once installed, ongoing repair and maintenance, in addition to upgrades and planned inspection programmes, provide an ongoing requirement for subsea work for the life of a field, and eventual decommissioning (it is usual for oil and gas companies to be liable for the complete removal of all offshore facilities at end of life), provide regular and ongoing work programmes. Further, subsea engineering services also include emergency repair and call out services using a combination of air/saturation diving and ROV services. Typical work undertaken would include:

- inspection and non-destructive testing of submerged parts of offshore structures and vessels;
- inspection of oil and gas pipeline systems on the seabed;
- repair of any underwater subsea pipe system and structure;
- offshore tie-ins;
- salvage and underwater repairs; and
- cleaning and marine growth removal.

Subsea work in the oil and gas industry has a relatively short history with major developments dating back to the early development of the North Sea oil and gas fields in the 1960s.

Some of the key value drivers for the subsea market going forward are dependant on relatively robust oil and gas prices, development of new facilities in mid to deep water, expansion of existing installations, and increased maintenance activity on ageing offshore oil and gas fields.

Whilst data relating to volume and geographical location of exploration and production activities is available from various market sources, 'in-service', decommissioning and particularly repair costs, which are the main indicators of the size of the subsea engineering services market, are less readily available, although there is an obvious link between increased exploration and production and these activities.

With respect to the South-East Asia market (notably Thailand), it should also be noted that production of gas is far more predominant than oil production and therefore, far less exposed to dramatic price fluctuations such as those experienced in oil production. This is partly attributable to gas being less of a global commodity, being more difficult to transport over long distances than oil, with more localised consumption and less exposure to regional political volatility.

Charter rates for subsea engineering vessels have remained relatively strong for 2009. The long lead-time on these projects means that it may take one (1) to two (2) years before a slowdown in new projects is evident in earnings. Based on this, demand for subsea engineering services is expected to remain comparatively strong.

INTEGRITY

Corporate Social Responsibility Policy

TTA seeks to be a good corporate citizen in all aspects of its operations and activities. The business is managed with strong ethics and good corporate governance in accordance with the interests of society and the environment for sustainable development.

TTA pays attention to all stakeholders and issue that include quality, safety, human rights, community involvement/social development, and environmental protection.

TTA has been aware of the importance of social responsibility projects and encourages all employees to participate in such projects. In 2009, TTA joined the "CSR Day Workshop" organised by the Corporate Social Responsibility Institute ("CSRI"), Stock Exchange of Thailand ("SET"), and Thaipat Institute. The workshop's objective was to educate CSR principles and roles. TTA stresses that employees are able to work with good social responsibility towards themselves, clients, and the Company (or CSR-in process) and towards the community and society outside the Company (or CSR-after process). A strong corporate culture is a key factor to be accepted by society and should be allowed to grow sustainably.

Corporate Governance

TTA has a Corporate Governance Policy, under which clearly stated policies on rights of stakeholders, business ethics, and a code of conduct are established.

TTA is committed to its core business values of integrity, excellence, team spirit, and commitment. These values form the basis of optimum corporate governance. The Group is committed to comply with good corporate governance policies and to listen to and act in accordance with the wishes of its shareholders. For further information, please review the Corporate Governance Report on pages 191 to 216 in this annual report.

Human Rights and Employee Well-Being

TTA has realised the importance of employees and has attempted to retain employees for long-term employment, as it is vital to long-term growth. Thus, employee relations guidelines have been implemented as follows:

A. Fair Employment Practices

TTA recognises the value of its employees and has identified and assessed their long-term retention as key to the short-term and long-term viability of the Group. To this end, the Group aims to attract and retain skilled employees and enhance the life/work balance of each individual. The Group offers its full-time staff a range of benefits, including a provident fund scheme, life insurance, private health care, maternity leave, and a fair holiday allotment. Also available to employees are personal development and training programmes designed to enhance an employee's skill base. All such programmes shall relate directly to the specific role of the individual within the Group and are linked closely with his annual performance review.

B. Employee Well-Being and Welfare

The Group has established a Welfare Committee to provide advice and recommendations regarding the welfare of employees. Some of the key duties of the Welfare Committee are to provide advice and recommendations on welfare benefits, to check and oversee welfare benefits provided to employees, and to make comments and propose guidelines on additional or needed welfare arrangements.

Moreover, the Group has organised an employee survey periodically, with the last such survey done in December 2008, to determine the satisfaction of employees towards their working environment, the nature of work, management, communications, and relationships between employees and the Group. The survey results are considered and applied to improve the Group's performance.

C. Internal Communications

The Group emphasises interactive communications among employees. Events include the Town Hall meeting, which is held after the end of every financial quarter, to communicate TTA's performance, key drivers, and future business directions. The Town Hall meetings are transmitted to employees regionally and internationally to make sure that all local and overseas employees can receive the same information.

The Group has intranet and Internet systems for knowledge and information sharing. The employee webpage provides a variety of information such as news and useful tips for both personal and working lives. The Group has also organised "TTA Happy Everyday", which offers activities to help employees relax and be happier.

D. Other Activities

The Maritime Awards ceremony is an annual event, where the Group recognises the important contributions that our sea-based and shore-based employees have made through exemplary actions and efficient performances. We invite family members to attend this event, which allows our employees to be recognised in front of their families.

E. Workplace Health & Safety

The Group aims to provide each employee with a safe place to work. TTA has established a Safety Policy and an Occupational Health and Safe Working Environment Committee to monitor the Company's occupational health and safe working environment. All employees are informed of their duties and responsibilities for reporting any identified unsafe working environment and deficiencies to their supervisors or authorised persons, respecting and complying with the Group's occupational health and safe working environmental policy and submitting any suggestions (if any) to their supervisors or authorised persons.

Community Involvement/Society Development

TTA's community involvement and social development has two main components, charitable donations and support for a wide variety of local and national organisations. The Group is an active sponsor of several business groups and chambers of commerce, including the Thai Shipowners Association, on whose board a senior Group executive always sits. The Group also has a policy encouraging staff to donate their time to local causes and will accommodate reasonable requests for time away from the office to engage in community activities.

A. Charitable Donations

TTA has continuously sponsored scholarships to a number of students of the Merchant Marine Training Centre, Burapa University, and Kasetsart University, including children of our sea-based employees. We also provide educational materials and equipment as well as sports equipment for educational purposes to rural schools and colleges, such as Nakhon Si Thammarat Seaboard Industrial College.

B. Activities in the Community

TTA is a member of the Thai Shipowners Association and Bangkok Shipowners and Agents Association to foster the shipping industry's continual development.

TTA provides practical knowledge to various shipping-related institutions and universities, such as the Merchant Marine Training Centre, Burapa University, and Kasetsart University. In March 2008, we signed Memorandums of Understanding with Kasetsart University and Burapa University with the aim of developing quality personnel in international maritime business and alerting Thai students to understand the importance of the maritime business. We have also sponsored scholarships for students of these two universities.

We encourage our employees to be active in the community, such as being guest speakers of maritime courses of various universities and colleges (we had nine (9) employees lecture for more than 300 hours in 2009), seeking donations for children charitable organisations, organising activities for local children to visit

Group sites and organising fund raising activities for schools in poor rural areas. As an examle, Mermaid provided an opportunity for children in Croston House to visit its dive-training centre in Chonburi.

Environmental Protection

The Group understands that its activities affect the environment and the communities in which it operates. It has a responsibility to identify and manage these impacts as effectively as possible, and therefore is committed to continually improving environmental performance and moving towards best practices in corporate sustainability.

A. Environmental Policy

The Group aims to:

- Minimise the environmental impacts of its existing operations and ensure that the environmental impacts of new operations are fully assessed and minimised prior to their introduction.
- Reduce consumption of materials in all operations, where practicable, to re-use rather than dispose of materials where possible, and promote recycling and use of recycled materials.
- Seek to improve the energy efficiency of buildings and to manage energy wisely in all operations.
- Reduce, wherever practicable, the level of harmful emissions from office premises.
- Introduce programmes that aim to minimise waste.
- Dispose waste and effluents in a responsible manner.
- Work with suppliers to minimise the impact of their operations on the environment through a quality purchasing policy.

B. Environmental Risks Arrangement

As a company working in the transportation sector, there are major environmental risks associated with the Group. Important issues for the Group are the constant demand for energy and CO2 emissions resulting from the Group's operations. Furthermore, substantial quantities of paper are used in reports to corporate and individual clients, the preparation of research materials, and in the recordkeeping process. Energy used for heating, lighting, and cooling of offices and for office equipment is another critical element of the process. The Group looks into the following areas to ensure that systems are in place to lower any environment impact.

1) Lighting

TTA encourages the use of low energy lighting and where practicable, the use of segmented areas, which will allow lights to be switched off when not required.

2) Air conditioning

Air conditioning units are available in most of our office locations. To make more efficient use of cooling systems, we will ensure that the temperature is set for a comfortable working environment of approximately 25° Celsius.

3) Paper

The Group seeks to reduce the amount of paper used and to increase the amount of paper that is recycled. TTA strives to reduce the amount of paper purchased and will encourage employees to re-use or recycle paper. In addition, employees are encouraged to make use of electronic communications in the form of email and the scanning of documents into electronic records for storage.

4) Waste

General office waste is collected and removed each day by cleaners and taken to a compactor for removal by a waste contractor, or is collected weekly by the local authorities.

5) Our fleet

TTA is committed to being an active forward thinking contributor to the worldwide reduction of greenhouse gas emissions ("GHG"). This effort triggered by the Kyoto Protocol 1997, the UK Stern Review 2006 and the Intergovernmental Panel on Climate Change ("IPCC"), and Fourth Assessment Report ("AR4") 2007, has resulted in a target being set, for Annex I (developed) countries, to reduce GHG emissions by 20% of 1990 levels, by 2010.

For the international transportation industry (aviation and shipping), the IMO has been charged with developing emission caps, indexing systems and reduction strategies for all GHG's including CO2, NOx, SOx and particulate matter.

TTA's contributions to this industry and worldwide effort include:

1) Emissions awareness building, measurement, and verification of each vessel's emissions footprint.

2) Sustainable emissions reduction strategy for the existing fleet, which includes:

- Use low sulphur fuel of and fuel additives to provide a cleaner burn and lower consumption of fuel oil.
- Alpha lubricator retrofit to reduce cylinder oil consumption.
- Close monitoring of condition of hull and propeller and cleaning whenever necessary to ensure maximum performance.

- Full blasting and high slip paint system trial.
- Continuous maintenance scheme to ensure that all equipment is working at its full efficiency.
- Study of implementation of green passport certification on vessels.
- Sponsor research and development studies for development of further initiatives with objective of reducing the GHG from vessels.

To provide some perspective, the IMO study on 'Greenhouse Gas Emissions from Ships', June 2008, found that shipping's share of all GHG emissions is 2.7%.

However, TTA is committed to continue the effort to reduce those emissions still further.

In addition, the expectation of future emissions taxation for shipping has led TTA to investigate investments in clean development mechanism projects that not only provide offsetting possibilities but also support emissions reduction strategy to minimise climate change.

VISION

Management Discussion & Analysis

The discussion and analysis of TTA's operating results is based upon our consolidated financial statements, which have been prepared in accordance with Thai Generally Accepted Accounting Principles ("GAAP").
We use a variety of financial and operational terms and concepts to analyse our performance. These include the following:

- **Calendar-ship-days/Calendar-rig-days.** We define calendar-ship-days and calendar-rig-days as the total number of calendar days that our vessels, including dry bulk and subsea engineering vessels and drilling rigs, were in our possession during the financial year.

- **Available days.** We define available days as the number of calendar-ship-days or calendar-rig-days less the total number of days that our vessels and drilling rigs are off-hire due to scheduled repairs or repairs under guarantee, upgrades or special surveys, and the amount of time that we spend positioning our fleet. Available days represent the number of days during which our fleet is capable of generating revenues.

- **Operating days.** We define operating days as the number of available days less the total number of days that our fleet is off-hire due to any reason, including unforeseen circumstances. Operating days match up to the number of days during which our fleet actually generates revenues.

- **Fleet utilisation.** We calculate fleet utilisation by dividing the number of operating days by the number of available days. Fleet utilisation measures our efficiency in finding suitable employment for our vessels and drilling rigs and minimising the amount of days that they are off-hire for reasons other than scheduled repairs or repairs under guarantee, upgrades, special surveys, or positioning.

- **Revenues.** Revenues are generated from our dry bulk shipping business (liner services, voyage charters, time charters, and COA's), from our offshore services business (drilling and sub-sea engineering services), and from our shipping services businesses (sales, service income, and commissions). Hire rates and the number of operating days for our vessels and rigs affect our revenues. The mix between the different services (liner services, time charters, voyage charters, COA's, drilling, and sub-sea engineering) also affects revenues. Hire rates for spot charters are more volatile, since they are typically tied to prevailing market rates at the time of a voyage or project.

- **Voyage expenses.** Voyage expenses are all expenses related to a particular voyage, including any bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees, and commissions. Voyage expenses are typically paid by the client under time charters and by us under our liner services, voyage charters, and COA's. When we pay voyage expenses, we typically add them to our hire rates at an approximate cost. We expect that cargo loading and unloading and fuel expenses will represent a relatively large portion of our overall voyage expenses, because a large portion of our vessels is employed in our liner, voyage, and COA trades.

- **Net voyage revenues.** Net voyage revenues represent voyage revenues less voyage expenses. Because the amount of voyage expenses we incur for a particular charter differs, we use net voyage revenues to compare between revenues that are generated by different forms of charters.

- **Time charter equivalent rates.** Time charter equivalent ("TC") rates are calculated as our net voyage revenues divided by the number of calendar-ship-days. The TC rate is the main performance measure used to compare daily earnings generated on time charters with daily earnings generated on our liner services, voyage charters, and COA's, because charter rates for vessels on these services are generally not expressed in per day amounts, while charter rates for vessels on time charters generally are expressed in such amounts.

- **Vessel operating expenses.** Under all types of charters for our vessels, except for bareboat charters, we are responsible for vessel operating expenses, which include crewing, repairs and maintenance, insurance, stores, lube oils, tonnage taxes, communication expenses, etc. Our vessel operating expenses, which generally represent fixed costs, will increase as our fleet grows. There are a number of factors beyond our control that cause these expenses to rise. For example, insurance premiums may rise quickly if the number of global marine accidents increases above historical norms, or the cost of lubricants, which are made from crude oil, may rise when oil prices increase rapidly.

- **Dry-docking.** We must periodically dry-dock each of our vessels and drilling rigs for inspection, repairs and maintenance, and any modifications to comply with industry certification or government requirements. Generally, we dry-dock each of our vessels and rigs every two and a half to five years, depending on the type of vessel or rig and its age. A shipping society classification intermediate survey is performed on our dry bulk vessels and offshore support vessels between the second and third year of the five-year dry-docking period. We capitalise a substantial portion of the dry-docking costs and amortise them on a straight-line basis from the completion of a dry-docking to the estimated completion of the next dry-docking. We expense costs related to routine repairs and maintenance that do not improve or extend a vessel's or a drilling rig's useful life during the quarter in which the expenses are incurred.

- **Depreciation and amortisation.** Our depreciation and amortisation expenses typically consist of two components. First, there is a depreciation charge for the acquisition cost of our fleet less an estimated residual value. For example, the acquisition cost of a dry bulk vessel is depreciated on a straight-line basis over its expected useful life which is twenty-five years from the date of initial delivery from the shipyard to the original owner. Furthermore, we estimate the residual value of a dry bulk vessel to be US$ 140 to US$ 175 per lightweight ton. Our depreciation charges will decrease as our fleet shrinks. Second, there is an amortisation charge related to dry-docking expenses, which is reported in our total vessel operating expenses.

- **General and administrative expenses.** General and administrative expenses include our onshore fleet related expenses such as payroll, rent, legal and professional expenses, and other general expenses. We expect general and administrative expenses to increase due to the consolidation of our newly acquired subsidiaries.

The following table summarises our operating results from the dry bulk shipping business and Mermaid.

Table 19 : Operating Results From Key Business Groups

Unit: Baht in Millions

Operating Results	2009			
	Shipping Group	MOS	MDL	Total
Voyage revenues	13,842.17	-	-	13,842.17
Offshore service revenues	-	2,782.03	2,213.03	4,995.06
Vessel operating expenses	7,716.65	-	-	7,716.65
Offshore service expenses	-	1,705.35	1,102.79	2,808.14
Time charter hire expenses	3,273.65	466.34	-	3,739.99
Net operating/offshore revenues	**2,851.87**	**610.34**	**1,110.24**	**4,572.45**
Depreciation and amortisation charge	1,169.70	258.30	171.77	1,599.77
General and administrative expense	914.35	201.66	141.90	1,257.91
Write-down/(gain) on sale of vessels and equipment	- 30.30	- 0.56	- 16.49	- 47.35
Operating results	**798.12**	**150.94**	**813.06**	**1,762.12**

Dry Bulk Shipping Business

As of 30 September 2009, the dry bulk fleet consisted of thirty-six (36) owned vessels and three (3) long-term chartered-in vessels with a remaining maximum charter period of nineteen (19) months. Our owned fleet has a total cargo carrying capacity of 1,050,839 dwt, while the three (3) chartered-in vessels have a total cargo carrying capacity of 154,121 dwt.

In accordance with GAAP, we report gross voyage revenues in our income statements and include voyage expenses among our operating expenses. However, we base economic decisions regarding vessel employment upon anticipated TC rates.

The following table provides a summary of the change in fleet size, based on calendar-ship-days of our owned and chartered-in vessels.

Table 20 : Calendar-Ship-Days For Dry Bulk Vessels

Unit: Days

Calendar-Ship-Days	2009		2008	
	No. of days	% YoY	No. of days	% YoY
Owned Vessels	14,308	- 8.94%	15,713	- 4.20%
Chartered-In Vessels	5,023	- 30.95%	7,274	+ 127.38%
Total	**19,331**	**- 15.90%**	**22,987**	**+ 17.27%**
Average Number of Vessels	**52.96**		**62.81**	

The average size of our dry bulk fleet decreased 15.90%, as a result of a 30.95% reduction in the number of chartered-in vessel days, and the sale of eight vessels (a total of 192,434 dwt) over the course of 2009. We operated a full-year equivalent fleet of 52.96 vessels in 2009, as compared to 62.81 vessels in 2008. We chartered-in 5,023 vessel days (13.76 full-time equivalent vessels) in 2009, compared to 7,274 vessel days (19.93 full-time equivalent vessels) in 2008.

Net Voyage Revenues: Net voyage revenues fell 57.07% to Baht 5,742.68 million in 2009 from Baht 13,377.45 million in 2008. This sharp fall was due to the deteriorating freight rate and demand environment. Furthermore, more than 81.47% of net voyage revenues arose from the spot markets. In 2009, only 14.19% of the fleet's available capacity (versus 23.17% in 2008) was placed on period time charters at an average TC rate of US$ 13,918.

Table 21 : Cargo Volumes By Type Of Service

Unit: Tonnes

Type of Service	2009		2008	
	Quantity	% YoY	Quantity	% YoY
Liner Service	1,691,218	-53.68%	3,651,357	8.22%
Tramp – COA	2,737,919	-9.74%	3,033,503	90.03%
Tramp - Voyage Charter	2,934,011	0.84%	2,909,534	76.69%
Tramp - Time Charter	4,355,755	-42.70%	7,602,384	13.42%
Total	**11,718,903**	**-31.85%**	**17,196,778**	**29.11%**

Cargo volumes dropped 31.85% to 11.72 million revenue tonnes, a reflection of the global economic recession. Voyage expenses fell 46.28% to Baht 8,099.49 million in 2009 due to lower cargo expenses and bunker fuel costs. The margin between gross freight revenues and voyage expenses equalled 41.49% in 2009 and 47.01% in 2008. The decline in gross margins was mainly due to our inability to fully pass through voyage expenses to clients.

Table 22 : Owned Fleet Utilisation

Fleet Data	2009		2008	
	No. of Days	% YoY	No. of Days	% YoY
Calendar-Ship-Days	14,308	- 8.94%	15,713	- 4.20%
Planned Off-Hire Days	253	-60.59%	642	17.15%
Available Days	**14,055**	**-6.74%**	**15,071**	**- 4.94%**
Unplanned Off-Hire Days	328	37.24%	239	- 51.52%
Operating Days	**13,727**	**-7.45%**	**14,832**	**- 3.44%**
Fleet Utilisation	**97.67%**	**-0.76%**	**98.41%**	**1.57%**

Given the tough demand environment, we elected to scrap or sell vessels to better match supply and demand of our fleet. Despite a 0.76% deterioration in our owned fleet utilisation, we took the necessary steps to achieve a good supply and demand balance across the fleet.

The next table shows significantly lower TC rates in all services, a reflection of the difficult operating environment for the shipping industry. In 2009, the fleet average TC rate fell 56.63% to US$ 10,973 per day, compared to our average TC rate in 2008 of US$ 25,303 per day.

Table 23 : TC Rates By Type Of Service (TTA owned Fleet Only)

Unit: US$/Per Day

TC Rates	2009	2008	% YoY
Liner Service	5,645	20,230	-72.10%
Tramp – COA	23,073	17,150	34.54%
Tramp - Voyage Charter	6,945	29,503	-76.46%
Tramp - Spot Time Charter	10,412	37,647	-72.34%
Tramp - Period Time Charter	15,873	21,460	-26.03%

Table 24 : Average TC Rates

Unit: US$/Per Day

Average TC Rates	2009	2008	% YoY
Average TC Rates	10,973	25,303	-56.63%
TC Rate of Owned Fleet	10,808	23,541	-54.09%
TC Rate of Chartered-In	165	1,762	-90.64%

Vessel Operating Expenses (Owner Expenses): Vessel operating expenses increased 3.32% to Baht 2,890.82 million in 2009 from Baht 2,798.01 million in 2008. Vessel operating express rose from US$ 5,297 per calendar-ship-day in 2008 to US$ 5,563 per calendar-ship-day in 2009. The increase was primarily due to higher insurance premiums (+ 21.33%), additional amortisation of dry-docking cost (+ 18.66%), and higher crew and repair and maintenance expenses (+ 6.83%). In 2009, however, only twelve (12) vessels underwent dry-docking and special surveys, which was about half of those reported in 2008. In 2009, the dry-docking cost was approximately Baht 43.25 million per vessel, compared to Baht 30.70 million per vessel in 2008.

Our repair and maintenance costs equalled 55.71% of vessel operating expenses (owner expenses) this year. Each major component of vessel operating expenses (owner expenses), such as crew salaries, insurance premiums, spare parts orders, repairs that are not covered under insurance policies, and lubricants, is specific to a vessel.

Time Charter Hire Expense: Time charter hire expenses fell 57.99% to Baht 3,273.65 million in 2009 from Baht 7,792.18 million in 2008. The main reasons were a drop in chartered-in vessels and lower chartered-in rates. In 2009, we chartered-in 13.76 full-time equivalent vessels with 111 voyages on either a voyage or short-term basis to employ on our liner and COA services. In 2008, we chartered in 19.87 full-time equivalent vessels with 146 voyages for similar purposes. Furthermore, our average charter hire rate fell 46.98% to US$ 18,333 per day in 2009 from US$ 34,579 per day in 2008.

Depreciation and Amortisation: Depreciation and amortisation expenses decreased 9.29% to Baht 1,169.70 million in 2009 from Baht 1,289.47 million in 2008. Depreciation and amortisation expenses shrunk significantly due to the sale of eight vessels and three fully depreciated vessels during 2009.

Gain on Sale of Vessels: We recorded a net accounting gain of Baht 33.51 million in 2009 by scrapping and selling eight dry bulk vessels to third parties. The gain on sale of one vessel in 2008 was Baht 204.37 million.

Mermaid : Subsea Engineering & Drilling

The following table provides a summary of the changes in calendar-ship-days by owned and chartered-in vessels for our offshore service vessels.

Table 25 : Calendar-Ship-Days For Offshore Service Vessels

Unit: Days

Calendar-Ship-Days	2009		2008	
	No. of days	% YoY	No. of days	% YoY
Owned Vessels	1,825	15.29%	1,583	8.42%
Chartered-In Vessels	730	-0.27%	732	100.55%
Total	**2,555**	**10.37%**	**2,315**	**26.85%**

The average size of Mermaid's owned offshore service vessel fleet increased 15.29% in 2009, as a result of the delivery of the new build vessel, Mermaid Challenger, which was fully available for operation. Since it was delivered in June 2008, the Mermaid Challenger was only available for operation for four months in 2008.

Mermaid chartered both Binh Minh and Team Siam for the full year of 2009 and 2008.

Offshore Service Revenues – Subsea Engineering: Service revenues fell 29.16% to Baht 2,782.03 million in 2009, or US$ 31,361 per calendar-ship-day, from Baht 3,927.19 million, or US$ 51,202 per calendar-ship-day in 2008. Vessel utilisation days worsened from 1,884 days in 2008 to 1,318 days in 2009, resulting in a lower utilisation rate of 52.64%.

Utilisation levels bottomed out in January and February 2009 during the peak of the economic crisis and have picked up since then. Despite that, during the fourth quarter of 2009, the utilisation was significantly lower as the Mermaid Commander and the Team Siam, which account for a majority of subsea engineering revenues in the previous quarters, were severely under-utilised.

The Mermaid Commander underwent scheduled maintenance and repair, which put it off-hire for approximately twenty (20) days. The Mermaid Commander returned from its successful project in Brazil taking about thirty-eight (38) days sailing time to return to Thailand on a reduced demobilisation rate. On arrival in Thailand, twenty-one (21) days were further required to prepare the vessel for its current project with CUEL. The vessel continues to fulfil its commitment under this contract.

The Team Siam, which was mobilised to the Middle East in the second quarter of 2009, was off-hire for a period of approximately thirty (30) days as one of the projects for which it had been contracted experienced a delay. However, the vessel has since proceeded to work and continues to serve its existing contract with extension opportunities.

The poor utilisation reflects the planned off-hire and mobilisation of the two major revenue contributing vessels rather than the lack of demand for the subsea engineering services.

Table 26 : Fleet Utilisation For Offshore Service Vessels

Fleet Operation	2009		2008	
	No. of days	% YoY	No. of days	% YoY
Calendar-Vessel-Days	2,555	10.37%	2,315	26.85%
Planned Off-Hire Days	51	-59.52%	126	63.64%
Available Days	**2,504**	**14.39%**	**2,189**	**25.23%**
Operating Days	**1,318**	**-30.04%**	**1,884**	**39.66%**
Fleet Utilisation	**52.64%**	**-38.84%**	**86.07%**	**11.53%**

Cost of Services – Subsea Engineering: Cost of service consists of two major components, which are service expenses and charter hire expense, and depreciation.

Offshore Service Expenses and Charter Hire Expense – Subsea Engineering: Service expenses decreased 16.77% to Baht 2,171.69 million, or US$ 24,481 per calendar-vessel-day, in 2009 from Baht 2,609.36 million, or US$ 34,021 per calendar-vessel-day in 2008. The decrease in service expenses was due to lower utilisation rates.

Depreciation and Amortisation – Subsea Engineering: Depreciation and amortisation expenses increased 27.10% to Baht 258.30 million in 2009, from Baht 203.22 million in 2008. An increase of Baht 55.08 million is attributable to the partial year depreciation of the Mermaid Challenger and other additional assets in 2009.

The following table provides a summary of the changes in calendar-rig-days for Mermaid's drilling rigs.

Table 27 : Calendar-Rig-Days For Drilling Rigs

Calendar-Rig-Days	2009		2008	
	No. of days	% YoY	No. of days	% YoY
Owned Rigs	730	-0.27%	732	0.27%
Chartered-In Rigs	0	0.00%	0	0.00%
Total	**730**	**-0.27%**	**732**	**0.27%**

Table 28 : Fleet Utilisation For Drilling Rigs

Rig Operation	2009		2008	
	No. of Days	% YoY	No. of Days	% YoY
Calendar-Rig-Days	730	-0.27%	732	0.27%
Planned Off-Hire Days	0	0.00%	0	-100.00%
Available Days	**730**	**-0.27%**	**732**	**10.91%**
Unplanned Off-Hire Days	37	-83.63%	226	26.97%
Operating Days	**693**	**36.96%**	**506**	**4.98%**
Fleet Utilisation	**94.93%**	**37.32%**	**69.13%**	**-5.34%**

Offshore Service Revenues - Drilling: Service revenues rose 77.18% to Baht 2,213.03 million, or US$ 87,315 per calendar-rig-day in 2009, compared to Baht 1,249.04 million, or US$ 51,502 per calendar-rig-day in 2008. The hike was largely due to an improvement in the overall utilisation rate of 94.93% in 2009 versus a rate of 69.13% in 2008. The other contributing factor is the increase of day rate in MTR-1 from US$ 70,000 to US$ 98,000 in February 2009 until the completion of MTR-1's contract on 8 September 2009.

Offshore Service Expenses - Drilling: Service expenses soared 17.24% to Baht 1,102.79 million, or US$ 43,511 per calendar-rig-day in 2009, compared to Baht 940.59 million, or US$ 38,784 calendar-rig-day in 2008. The surge in expenses arose from higher personnel costs with the higher rig utilisation.

Depreciation and Amortisation - Drilling: Depreciation and amortisation expenses fell 31.26% to Baht 171.77 million in 2009, from Baht 249.90 million in 2008. This is a consequence of the full year effect from the changes of estimated useful lives and residual value of assets to be in line with market practice which commenced in the fourth quarter of 2008.

Other Operating Results

General and Administrative Expenses: General and administrative expenses increased 9.31% overall to Baht 2,101.82 million in 2009 from Baht 1,922.82 million in 2008. In 2009, the increase was mostly the result of losses on oil hedging contracts of Baht 198.43 million, Baht 103 million in consulting and professional fees, and Baht 58 million in provision for doubtful accounts receivable under the dry bulk shipping business. However, this was offset with a fall in the variable staff compensation reserve of Baht 289 million. In the mean time, the general and administrative expenses in Mermaid increased 36.56% to Baht 468.94 million in 2009. For the two months of consolidation, Baconco Co., Ltd. reported Baht 14.16 million of general and administrative expenses.

Interest Expenses: The burden of interest expenses eased substantially to Baht 378.05 million in 2009. During 2009, TTA was able to repurchase US$ 56.4 million of convertible bonds. Overall, our total debt, including the convertible bonds, fell 12.18% to US$ 207.34 million. Average interest rates, particularly US Dollar LIBOR, fell during 2009.

Interest and Dividend Income: Interest and dividend income fell 38.24% to Baht 129.99 million in 2009 from Baht 210.47 million in 2008. Although our average cash balance in 2009 was higher at Baht 11,123.35 million as compared to Baht 7,636.48 million in 2008, the yield was also lower than in 2008, as the funds were primarily deposited in normal bank accounts.

Equity Income from Associates and Joint Venture: Equity income from associates and joint venture dwindled from Baht 74.21 million in 2008 to Baht 29.88 million in 2009, primarily due to the Mermaid investment in Worldclass Inspiration Sdn. Bhd., which generated a loss of Baht 17.33 million in 2009 versus a profit of Baht 39.71 million in 2008. Nevertheless, the other affiliates, including Gulf Agency (Thailand) Limited, Sharjah Ports Services LLC, PT Usaha Putra Bersama, and Thoresen Indochina S.A., recorded a combined net gain of Baht 47.21 million in 2009.

Foreign Exchange Gains (Losses): Net foreign exchange losses of Baht 9.87 million were recorded in 2009, as a result of the weakening of the Thai Baht in 2009 relative to US Dollar. Most of our foreign exchange gains or losses are attributable to the revaluation of our US Dollar denominated term debt and cash and cash equivalents at the end of each financial reporting period.

As of 30 September 2009, 90.15% of our consolidated cash and cash equivalents are denominated in US Dollar while approximately 80% of our long-term liabilities are denominated in US Dollars (loans of US$ 51.13 million, and convertible bonds of US$ 113.40 million).

Convertible Bonds Cancellation Gains (Losses): During 2009, the Company repurchased and cancelled a portion of the outstanding convertible bonds amounting to US$ 56.4 million, or Baht 1,927.5 million. This represented 33.2% of the outstanding principal amount of the bonds. Gains on convertible bonds cancellation of Baht 676.3 million are recognised in the consolidated and company financial statements for 2009.

Negative Goodwill: On 23 July 2009, Soleado Holdings Pte. Ltd., acquired a 100% interest in EMCG, which is the 100% shareholder of Baconco, at the total purchase price of Euro 7.8 million, or equivalent to Baht 374.1 million. There was negative goodwill arising from the acquisition of EMCG amounting to Baht 287.2 million, as our price was below its book value. The acquired business contributed revenues of Baht 365.9 million and net profit of Baht 17.6 million to TTA for the period from the acquisition date to 30 September 2009.

Other Income (Loss): Other income decreased 56.79% to Baht 194.10 million in 2009. The major difference came from the gain on the sale of fixed assets of Baht 203.60 million, which included Baht 187.68 million from the sale of M.V. Thor Triumph in 2008. The net gain on sales of fixed assets reported in 2009 was only Baht 52.42 million. The other discrepancy came from smaller insurance claims received of Baht 22.73 million in 2009 versus Baht 98.12 million in 2008.

As a result of the discussed factors and the elimination of various inter-company transactions, our net profit decreased to Baht 1,813.71 million in 2009 versus Baht 8,776.44 million in 2008.

Liquidity and Capital Resources

The following table sets forth our consolidated capitalisation for the previous financial year.

Table 29 : Total Capitalisation

Unit: Baht

Capital Structure	As of 30 September	
	2009	2008
Debt		
Bank overdrafts	-	-
Short-term debt	110,100,000	9,200,000
Current portion, convertible bonds	1,334,358,919	-
Current portion, long-term debt	559,493,870	470,165,052
Convertible bonds	2,668,717,839	5,857,962,616
Long-term debt	2,314,114,651	1,731,218,971
Total Debt	**6,986,785,279**	**8,068,546,639**
Shareholders' Equity		
2008 Ordinary shares, Baht 1 par value, 643,684,422 shares paid up	-	643,684,422
2009 Ordinary shares, Baht 1 par value, 708,004,413 shares paid up	708,004,413	-
Additional paid-in capital	1,540,410,208	1,540,410,208
Retained earnings	21,565,978,442	20,298,992,713
Others	7,277,047,050	6,732,007,943
Total Shareholders' Equity	**31,091,440,113**	**29,215,095,286**
Total Capitalisation	**38,078,225,392**	**37,283,641,925**
Total Debt to Total Capitalisation	**0.18**	**0.22**
Net Debt to Total Net Capitalisation	**- 0.18**	**- 0.16**

Cash Flows

The following table summarises our cash and cash equivalents provided by or used for operating, financing, and investing activities for the years presented:

Table 30 : Summary Cash Flows

Unit: Baht

Cash Flows	2009	2008
Net Operating Cash Flows	5,000,685,420	11,340,021,129
Net Investing Cash Flows	- 4,757,436,249	- 6,281,035,611
Net Financing Cash Flows	- 1,111,252,521	2,612,650,400

Net cash flows from operating activities fell to Baht 5,000.69 million in 2009 from Baht 11,340.02 million in 2008, which mainly reflects a decrease operating cash flows of the dry bulk shipping business. The net operating cash flows of Mermaid increased 133.98% from 2008 to Baht 1,858.99 million.

Net cash flows used in investing activities equalled Baht 4,757.44 million and Baht 6,281.04 million in 2009 and 2008, respectively. During this financial year, investing activities originated mainly in Mermaid and included instalments of Baht 979 million on tender rig construction, Baht 1,050 million for ROV's and ROV support vessel construction, and Baht 396 million for saturation diving system construction. The remaining capital expenditures are related to the accumulated dry-docking payments for both TTA and Mermaid.

Net cash flows used in financing activities equalled Baht 1,111.25 million in 2009. During 2009, our proceeds from long-term debt were Baht 1,480.90 million. We used a majority of the funds to finance capital expenditures for vessels, rig, and equipment as described above. We used Baht 1,341.83 million to repurchase our convertible bonds. Dividends paid in cash in 2009 were Baht 482.40 million.

Our primary sources of liquidity are cash and cash equivalents, which are provided by our operations and our undrawn credit facilities. Our short-term liquidity requirements are for the payment of operating expenses, debt servicing costs, scheduled long-term debt repayments, dividends, and funding our working capital requirements.

As of 30 September 2009, our total cash and cash equivalents equalled Baht 10,718.89 million, compared to Baht 11,527.80 million at 30 September 2008. Our total liquidity, including cash, cash equivalents, and undrawn borrowings, was Baht 31,205.11 million as of 30 September 2009, up from Baht 27,746.52 million as of 30 September 2008. The increase in total liquidity was mainly the result of loan facilities in subsidiaries.

As of 30 September 2009, we had Baht 2,003.95 million of scheduled debt repayments coming due in the next twelve (12) months. Our operations are capital intensive. We finance the purchase of vessels and rigs through borrowings from commercial banks, issuance of equity securities, and cash generated from operations. We will continue to pursue strategic opportunities, including the acquisition of other companies. We intend to finance any future acquisitions through various sources of capital, including cash generated from operations, additional debt facilities, and the issuance of new debt or equity securities, or some combination thereof.

The total debt to total capitalisation ratio was 0.18 x as of 30 September 2009 versus 0.22 x as of 30 September 2008. Similarly, the net debt to total net capitalisation ratio was -0.18 x and -0.16 x, respectively, and the debt to equity ratio was 0.25 x and 0.38 x, respectively, on the same dates.

As of 30 September 2009, TTA had total long-term debt of US$ 197.54 million, compared to US$ 232.55 million as of 30 September 2008. In addition, we also have revolving credit facilities up to US$ 25.50 million provided by foreign syndicated banks. As of 30 September 2009, long-term debt of US$ 42.96 million or Baht 1,480.90 million was drawn down. The credit facilities are secured by mortgages over certain vessels, land and buildings.

The typical credit facility used to finance our vessel acquisitions will be secured by a first priority mortgage on one or more vessels in our fleet, a first assignment of all earnings, insurances, and requisition compensation. Our credit facilities will also limit our ability to create liens on our assets in favour of other parties.

Our long-term debt agreements generally provide for the maintenance of certain market value to loan ratios and minimum consolidated financial covenants and prepayment privileges (with penalties). Certain loan agreements require that we maintain a certain minimum level of free cash, i.e. at least 5 per cent of total assets. As of 30 September 2009, we have complied with the requirement of a minimum level of free cash.

Our treasury activities follow a clear policy to minimise borrowing costs and to maximise investment returns, but we must maintain the safety of the funds and appropriate levels of liquidity to conduct our business. We hold the majority of our cash and cash equivalents in US Dollars with the remaining balances in Thai Baht.

Capital Expenditures

In 2009, we paid the third instalment for one newbuild vessel equalling US$ 3.48 million. The instalment for the newbuild vessel was funded by loans. During 2009, twelve (12) vessels underwent dry-docking, which cost Baht 519.71 million in total.

During 2009, Mermaid had ongoing payments on one new build tender rig and two new build subsea vessels and equipment, whose total cost was Baht 3,363.11 million. As of 30 September 2009, the remaining cost for the new build assets was Baht 4,273.81 million, all of which is scheduled to be paid in 2010 by secured long-term loans. In addition to acquisitions that Mermaid may undertake in future periods, it will incur additional capital expenditures in 2010, when the MTR-1 undergoes its special periodic survey.

Over the next three (3) financial years, sixteen (16) of our dry bulk vessels will reach the age of twenty-five (25) years, which could result in immediate selling or scrapping.

Table 31 : Vessels Reaching 25 Years

Vessel Reaching 25 Years Old	2010	2011	2012
Number of Vessels	3	9	4
DWT	93,482	225,238	75,835

Given the current tough operating environment in the dry bulk shipping business, we are not likely to expand the fleet in the near to medium term but surely will need to replace these older vessels. The objective of our gradual fleet renewal plan is to ensure that newer vessels, either new build or second-hand ones, will arrive in time to replace possible sale or scrapping candidates. Any future expenditure is subject to the prices at which we can acquire vessels.

Our shipping services business invested a total amount of Baht 14.10 million during 2009 versus Baht 40.98 million in 2008, primarily on expanding operating assets.

Qualitative and Quantitative Market Risk

The principal financial risks faced by TTA are foreign exchange risk, interest rate risk, and credit risk. We use forward foreign exchange contracts, cross currency interest rate swaps, and bunker fuel swap contracts to manage our key financial risks. Our objective in using financial instruments is to reduce the uncertainty over future cash flows arising from movements in exchange rates, and to manage the liquidity of the cash resources. We do not intend to enter into any foreign exchange, interest rate, or bunker fuel derivative transactions for speculative purposes.

Foreign Exchange Rate and Interest Rate Risks

The international maritime industry utilises the US Dollar as its functional currency. Consequently, virtually all of our revenues and most of our operating costs are in US Dollars. We incur certain voyage expenses, vessel operating expenses, dry-docking and overhead costs in other foreign currencies, the most significant of which are the Euro and Singapore Dollar. During 2009, approximately 27.90% of vessel and voyage costs, overhead, and dry-dock expenditures were denominated in other currencies besides Thai Baht and the US Dollar.

As of 30 September 2009, Mermaid had a Baht 262.7 million, or US$ 7.5 million, outstanding loan balance and a Baht 786.2 million, or US$ 22.5 million, long-term loan facility that are hedged through cross currency and interest rate swap contracts with a local bank. We realise foreign exchange gains or losses from this hedge on the settlement date of each forward contract. As of 30 September 2009, the net fair values of the cross currency and interest rate swap contracts were Baht 21.85 million.

During 2007, we entered into currency collar contracts to limit the foreign currency exchange rate fluctuation relating to two Japanese yen-denominated ship building contracts totalling YEN 7,353 million. Such contracts specify the range of minimum and maximum exchange rates between YEN 105 to 120 per US$ 1. The contracts are effective from 12 December 2006 to 12 September 2011 for the first contract and from 27 December 2006 to 28 December 2009 for the second contract. As of 30 September 2009, the net fair values of this contract were estimated at Baht 352.44 million.

Interest Rate Risk

We are subject to market risks relating to changes in US Dollar interest rates, because almost all of our loans are denominated in US Dollars and set against LIBOR. We pay interest on debt incurred under our existing credit facilities at a rate of LIBOR plus certain margins. The convertible bonds have a fixed annual interest rate of 2.50%. We also have entered into interest rate cap contracts amounting to US$ 200 million to manage the impact of interest rate changes on our earnings and cash flows. Such contracts specify the interest rate cap from a period between February 2005 to February 2010. As of 30 September 2009, the outstanding notional amount of the caps was US$ 200 million.

The table below provides information about our long-term debt maturity and interest rate caps as of 30 September 2009.

Table 32 : Debt Maturity, Additional Capital Commitments, And Interest Rate Cap Profile

Unit: US$ Millions

	2010	2011	2012 - 2014	Thereafter	Total
Long Term Debt					
Fixed Rate US Dollar Denominated Debt	37.80	37.80	37.80	-	113.40
Variable Rate U.S. Dollar Denominated Debt	9.13	15.97	24.68	1.35	51.13
Variable Rate Thai Baht Denominated Debt	6.72	8.57	15.58	2.14	33.01
Additional Capital Commitments					
New Building Instalments	168.20	78.05	41.58	-	287.83
Chartered-In Vessels	35.68	2.84	-	-	38.52
Interest Rate Cap					
Contract Amount	200.00	-	-	-	-
Average Cap. Rate	6.65%	-	-	-	-

Fuel Oil Price Fluctuation Risk

We entered into a swap agreement effective from 3 November 2008 to 30 October 2009, under which the price of fuel oil was fixed for 1,000 metric tonnes per month. The net fair value of the target redemption swap agreement was Baht 5.28 million as of 30 September 2009.

Credit Risk

Given that most of our freight income, is normally paid by clients in advance, or prior to the corresponding cargoes being released to them, we do not believe that the credit risk is significant, and that the cost hedging will outweigh the possible benefit. We therefore have not entered into any derivative contracts relating to this risk.

Statement of the Board of Directors

Responsibilities for the Financial Statements

27 November 2009

To the Shareholders of Thoresen Thai Agencies Public Company Limited

The Board of Directors realises the significance of its duties and responsibilities in supervising TTA's business to ensure good management with integrity and prudence in accordance with laws, detailed objectives, Articles of Association, and resolutions of the shareholders meetings. The Board of Directors protects the benefits of the company and its stakeholders by ensuring that TTA's financial report contains accurate and full accounting records that reflect its actual financial status and operational results.

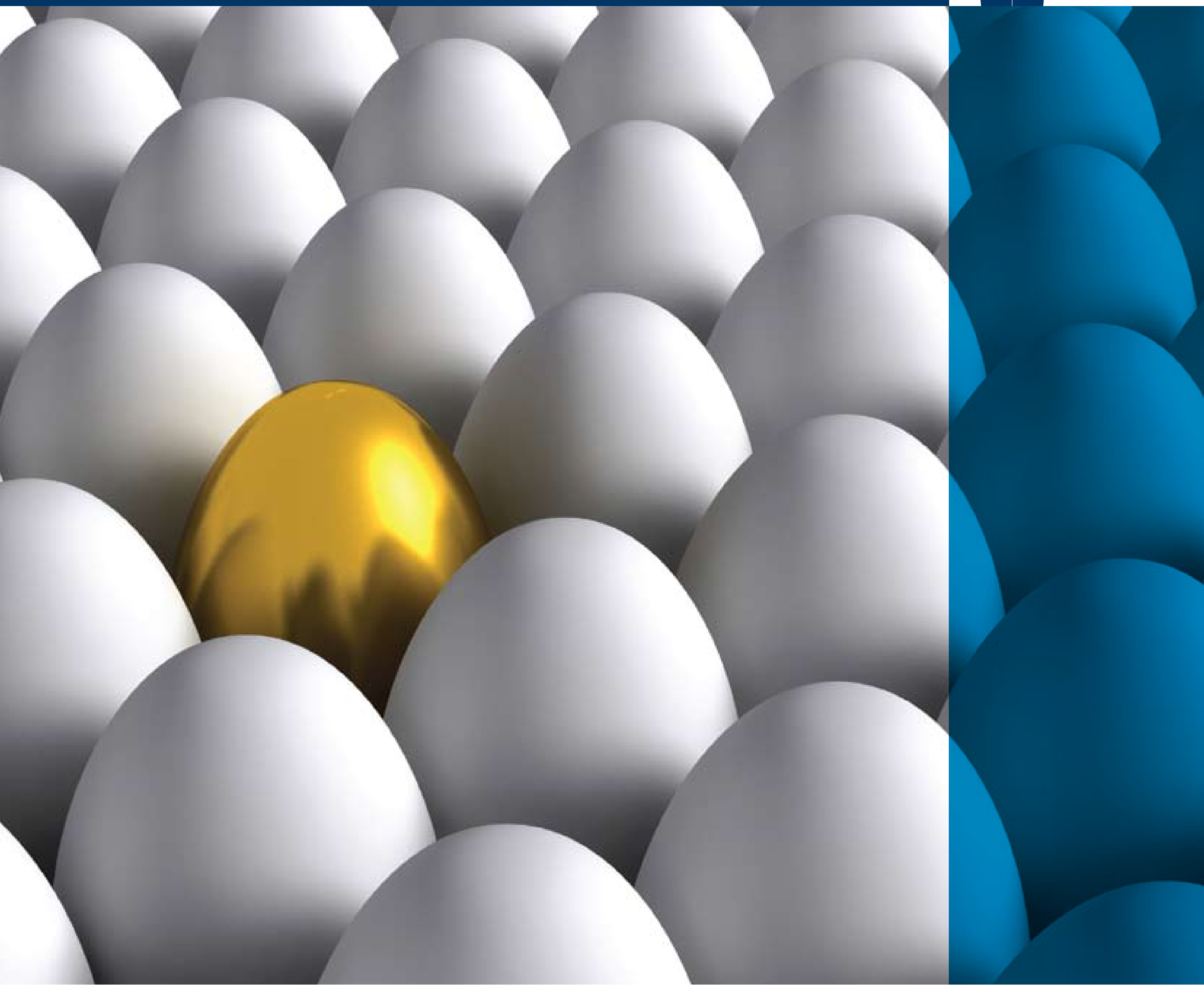
The Board of Directors has established the Audit Committee comprising independent directors fully qualified in accordance with the requirements of the Stock Exchange of Thailand to review and ensure accuracy and sufficiency of the financial report, to review the internal control systems including compliance with securities law, regulations of the Stock Exchange of Thailand or laws relating to the business of the company. In this regard, the Audit Committee has already reported its performance to the Board of Directors.

The Board of Directors is of the opinion that the financial statements for the year 2009 of TTA and its subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management, and audited by TTA's auditor, accurately reflect the financial status and operational results in all material aspects in accordance with generally accepted accounting standards.

M.R. Chandram S. Chandratat
Chairman of the Board of Directors

M.L. Chandchutha Chandratat
President & Chief Executive Officer

VALUES



Auditor's Report

To the Shareholders and the Board of Directors of Thoresen Thai Agencies Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 30 September 2009 and 2008, and the related consolidated and company statements of income, changes in shareholders' equity, and cash flows for the years then ended of Thoresen Thai Agencies Public Company Limited and its subsidiaries, and of Thoresen Thai Agencies Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. 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 consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial positions as at 30 September 2009 and 2008, and the consolidated and the company results of operations and cash flows for the years then ended of Thoresen Thai Agencies Public Company Limited and its subsidiaries, and of Thoresen Thai Agencies Public Company Limited, respectively, in accordance with generally accepted accounting principles.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
PricewaterhouseCoopers ABAS Limited

Bangkok
27 November 2009

Balance Sheets

Thoresen Thai Agencies Public Company Limited

As at 30 September 2009 and 2008

		Consolidated		Company	
	Notes	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Assets					
Current assets					
Cash and cash equivalents	5	10,718,892,581	11,527,798,624	5,094,123,584	5,829,519,739
Short-term investments	6	1,103,667,980	462,762,549	316,817,533	277,762,549
Trade accounts receivable, net	7	1,783,838,080	3,058,505,633	-	-
Amounts due from related parties	32.2	5,392,478	14,717,027	8,563,895	106,022,888
Short-term loans to related parties	32.4	-	1,147,988,712	1,707,130,195	1,702,193,484
Current portion of long-term loans to related parties	32.4	4,000,000	4,000,000	149,727,681	198,997,887
Inventories	8	306,187,301	-	-	-
Vessel supplies and spareparts		706,867,322	981,489,390	-	-
Prepayments		167,242,415	218,447,762	4,535,740	6,286,597
Other current assets, net	9	782,596,192	1,064,174,845	8,514,854	23,739,615
Total current assets		15,578,684,349	18,479,884,542	7,289,413,482	8,144,522,759
Non-current assets					
Long-term loans to related parties	32.4	7,323,000	11,323,000	432,582,833	1,856,487,817
Investments in subsidiaries	10	-	-	14,529,626,502	11,496,655,250
Investments in associates	11	486,726,424	481,587,918	11,213,000	11,213,000
Investment in joint venture	12	42,606,698	31,374,027	8,771,110	8,771,110
Long-term general investments		247,152,342	-	-	-
Property, plant, and equipment, net	14	22,969,337,348	20,953,954,507	270,007,235	298,263,352
Goodwill	13	933,374,740	847,962,555	-	-
Intangible assets, net	15	165,958,339	135,256,050	61,378,755	60,705,914
Other assets, net	16	1,209,666,406	1,201,768,428	1,923,828	1,764,576
Total non-current assets		26,062,145,297	23,663,226,485	15,315,503,263	13,733,861,019
Total assets		41,640,829,646	42,143,111,027	22,604,916,745	21,878,383,778

The accompanying notes are an integral part of these consolidated and company financial statements.

Balance Sheets (Continued)

Thoresen Thai Agencies Public Company Limited

As at 30 September 2009 and 2008

		Consolidated		Company	
	Notes	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans	18	102,600,000	9,200,000	-	-
Trade accounts payable - others		1,054,706,557	1,835,377,534	16,241,025	20,620,842
Amounts due to related parties	32.3	19,211,283	52,722,896	3,094,432	5,046,695
Other accounts payable		901,269,395	1,029,874,888	187,843	2,622,570
Advances from customers		305,433,527	464,668,754	-	-
Short-term loans from related parties	32.4	7,500,000	-	3,007,220,588	3,047,605,423
Current portion of convertible bonds	22	1,334,358,919	-	1,334,358,919	-
Current portion of long-term loans	19	534,136,658	444,910,157	-	-
Current portion of finance lease liabilities	20	25,357,212	25,254,895	3,945,610	4,950,789
Current portion of employee benefit obligations	21	115,559,424	-	-	-
Accrued income taxes		106,025,455	113,305,061	-	-
Accrued expenses		743,951,342	1,065,044,324	31,505,149	71,204,999
Other current liabilities		215,543,017	243,274,433	15,163,178	14,139,156
Total current liabilities		5,465,652,789	5,283,632,942	4,411,716,744	3,166,190,474
Non-current liabilities					
Convertible bonds	22	2,668,717,839	5,857,962,616	2,668,717,839	5,857,962,616
Long-term loans	19	2,301,392,647	1,700,410,762	-	-
Finance lease liabilities	20	12,722,004	30,808,209	-	3,945,610
Employee benefit obligations	21	100,904,254	55,201,212	1,744,722	1,250,174
Total non-current liabilities		5,083,736,744	7,644,382,799	2,670,462,561	5,863,158,400
Total liabilities		10,549,389,533	12,928,015,741	7,082,179,305	9,029,348,874

The accompanying notes are an integral part of these consolidated and company financial statements.

Balance Sheets (Continued)

Thoresen Thai Agencies Public Company Limited

As at 30 September 2009 and 2008

		Consolidated		Company	
	Notes	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Liabilities and shareholders' equity (Continued)					
Shareholders' equity					
Share capital	23				
Registered share capital					
- ordinary shares		933,052,865	868,684,422	933,052,865	868,684,422
Issued and paid-up share capital					
- ordinary shares		708,004,413	643,684,422	708,004,413	643,684,422
Premium on ordinary shares	23	1,540,410,208	1,540,410,208	1,540,410,208	1,540,410,208
Capital reserves - adjustment arising					
under pooling of interest		(50,029,892)	(50,029,892)	-	-
Excess of carrying value over purchase					
consideration of acquisition					
under common control		-	-	124,542,422	124,542,422
Premium on ordinary shares					
in subsidiary	10	2,611,057,091	2,611,057,091	-	-
Translation adjustments for investments					
in overseas subsidiaries		(38,150,433)	15,473,090	-	-
Fair value reserve	6	25,630,124	(37,882,086)	6,387,091	(37,882,086)
Retained earnings					
Appropriated - legal reserves	29	93,500,000	87,000,000	93,500,000	87,000,000
Unappropriated		21,472,478,442	20,211,992,713	13,049,893,306	10,491,279,938
Total parent's shareholders' equity		26,362,899,953	25,021,705,546	15,522,737,440	12,849,034,904
Minority interests		4,728,540,160	4,193,389,740	-	-
Total shareholders' equity		31,091,440,113	29,215,095,286	15,522,737,440	12,849,034,904
Total liabilities and shareholders' equity		41,640,829,646	42,143,111,027	22,604,916,745	21,878,383,778

The accompanying notes are an integral part of these consolidated and company financial statements.

Statements of Income

Thoresen Thai Agencies Public Company Limited

For the years that ended on 30 September 2009 and 2008

		Consolidated		Company	
	Notes	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Revenues					
Freight charges		13,842,172,684	28,453,607,514	-	-
Offshore service income		5,173,923,532	5,258,483,440	-	-
Other services and commission income		578,027,362	700,137,274	1,553,655	71,428,879
Sales		365,800,359	-	-	-
Dividend income		4,560,800	5,761,400	2,815,096,480	6,397,455,940
Interest income		125,432,815	204,707,576	146,308,972	248,057,871
Gains on exchange rates		-	236,320,849	15,631,516	104,266,373
Gains on convertible bonds cancellation	22	676,326,369	-	676,326,369	-
Negative goodwill	25	287,211,220	-	-	-
Other income	31	194,097,487	449,238,737	53,257,107	21,367,799
Total revenues		21,247,552,628	35,308,256,790	3,708,174,099	6,842,576,862
Expenses					
Vessel operating expenses		10,990,304,827	17,874,164,100	-	-
Offshore service expenses		3,310,881,339	3,562,394,003	-	-
Depreciation and amortisation charges	14, 15	1,778,928,722	2,050,620,572	41,174,719	21,327,035
Costs of sales		320,264,560	-	-	-
Service, selling and administrative expenses		2,093,666,559	1,893,524,402	224,988,334	191,686,529
Losses on exchange rates		9,868,366	-	-	-
Directors' fees		8,151,707	29,292,942	8,151,707	29,292,942
Total expenses		18,512,066,080	25,409,996,019	274,314,760	242,306,506
Profits from operations		2,735,486,548	9,898,260,771	3,433,859,339	6,600,270,356
Share of profits in associates and a joint venture	11, 12	29,877,456	74,213,197	-	-
Profits before financial costs and taxes	26	2,765,364,004	9,972,473,968	3,433,859,339	6,600,270,356
Financial cost-interest expenses		(378,045,390)	(535,682,398)	(322,025,612)	(456,408,817)
Profits before taxes		2,387,318,614	9,436,791,570	3,111,833,727	6,143,861,539
Income taxes	27	(211,257,100)	(245,313,648)	-	-
Net profits for the year		2,176,061,514	9,191,477,922	3,111,833,727	6,143,861,539
Net profits for the year attributable to:					
Shareholders of the parent		1,813,706,088	8,776,439,970	3,111,833,727	6,143,861,539
Minority interests		362,355,426	415,037,952	-	-
		2,176,061,514	9,191,477,922	3,111,833,727	6,143,861,539
Basic earnings per share for profit attributable to the shareholders of the parent					
Basic earnings per share	28	2.56	12.40	4.40	8.68

The accompanying notes are an integral part of these consolidated and company financial statements.

Statements of Changes in Shareholders' Equity

Thoresen Thai Agencies Public Company Limited

For the years that ended on 30 September 2009 and 2008

		Consolidated 2009									
								Retained earnings			
	Notes	Issued and paid-up share capital Baht	Premium on ordinary shares Baht	Capital reserves - adjustment arising under pooling of interest Baht	Premium on ordinary shares in subsidiary Baht	Translation adjustments for investments in overseas subsidiaries Baht	Fair value reserves Baht	Legal reserves Baht	Unappropriated Baht	Minority interests Baht	Total Baht
Beginning balance 1 October 2008		643,684,422	1,540,410,208	(50,029,892)	2,611,057,091	15,473,090	(37,882,086)	87,000,000	20,211,992,713	4,193,389,740	29,215,095,286
Stock dividend issuance	23, 30	64,319,991	-	-	-	-	-	-	(64,319,991)	-	-
Translation adjustments for investments											
in overseas subsidiaries		-	-	-	-	(53,623,523)	-	-	-	(2,901,451)	(56,524,974)
Increase in investments in subsidiary		-	-	-	-	-	-	-	-	241,730,465	241,730,465
Fair value reserves	6	-	-	-	-	-	63,512,210	-	-	-	63,512,210
Net profits for the year		-	-	-	-	-	-	-	1,813,706,088	362,355,426	2,176,061,514
Dividends paid - cash dividends	30	-	-	-	-	-	-	-	(482,400,368)	(66,034,020)	(548,434,388)
Legal reserve	29	-	-	-	-	-	-	6,500,000	(6,500,000)	-	-
Ending balance 30 September 2009		708,004,413	1,540,410,208	(50,029,892)	2,611,057,091	(38,150,433)	25,630,124	93,500,000	21,472,478,442	4,728,540,160	31,091,440,113

The accompanying notes are an integral part of these consolidated and company financial statements.

Statements of Changes in Shareholders' Equity (Continued)

Thoresen Thai Agencies Public Company Limited

For the years that ended on 30 September 2009 and 2008

		Consolidated 2008									
								Retained earnings			
	Notes	Issued and paid-up share capital Baht	Premium on ordinary shares Baht	Capital reserves - adjustment arising under pooling of interest Baht	Premium on ordinary shares in subsidiary Baht	Translation adjustments for investments in overseas subsidiaries Baht	Fair value reserves Baht	Legal reserves Baht	Unappropriated Baht	Minority interests Baht	Total Baht
Beginning balance 1 October 2007		643,684,422	1,540,410,208	(50,029,892)	-	(106,517,385)	21,544,954	87,000,000	13,016,766,043	901,674,935	16,054,533,285
Retrospective adjustments	2.4	-	-	-	-	-	-	-	(36,408,727)	(1,049,453)	(37,458,180)
Beginning balance after retrospective adjustment		643,684,422	1,540,410,208	(50,029,892)	-	(106,517,385)	21,544,954	87,000,000	12,980,357,316	900,625,482	16,017,075,105
Translation adjustments for investments in overseas subsidiaries		-	-	-	-	121,990,475	-	-	-	(19,299,283)	102,691,192
Increase in investments in subsidiary		-	-	-	-	-	-	-	-	2,741,994,365	2,741,994,365
Premium on ordinary shares in subsidiary	10	-	-	-	2,611,057,091	-	-	-	-	288,592,814	2,899,649,905
Return of capital investments from subsidiaries		-	-	-	-	-	-	-	-	(90,561,350)	(90,561,350)
Fair value reserves	6	-	-	-	-	-	(59,427,040)	-	-	-	(59,427,040)
Net profits for the year		-	-	-	-	-	-	-	8,776,439,970	415,037,952	9,191,477,922
Dividends paid - cash dividends	30	-	-	-	-	-	-	-	(1,544,804,573)	(43,000,240)	(1,587,804,813)
Ending balance 30 September 2008		643,684,422	1,540,410,208	(50,029,892)	2,611,057,091	15,473,090	(37,882,086)	87,000,000	20,211,992,713	4,193,389,740	29,215,095,286

The accompanying notes are an integral part of these consolidated and company financial statements.

Statements of Changes in Shareholders' Equity (Continued)

Thoresen Thai Agencies Public Company Limited

For the years that ended on 30 September 2009 and 2008

		Company 2009						
						Retained earnings		
	Notes	Issued and paid-up share capital Baht	Premium on ordinary shares Baht	Excess of carrying value over purchase consideration of acquisition under common control Baht	Fair value reserves Baht	Legal reserves Baht	Unappropriated Baht	Total Baht
Beginning balance 1 October 2008		643,684,422	1,540,410,208	124,542,422	(37,882,086)	87,000,000	10,491,279,938	12,849,034,904
Stock dividend issuance	23, 30	64,319,991	-	-	-	-	(64,319,991)	-
Fair value reserves	6	-	-	-	44,269,177	-	-	44,269,177
Net profits for the year		-	-	-	-	-	3,111,833,727	3,111,833,727
Dividends paid - cash dividends	30	-	-	-	-	-	(482,400,368)	(482,400,368)
Legal reserve	29	-	-	-	-	6,500,000	(6,500,000)	-
Ending balance 30 September 2009		708,004,413	1,540,410,208	124,542,422	6,387,091	93,500,000	13,049,893,306	15,522,737,440

The accompanying notes are an integral part of these consolidated and company financial statements.

Statements of Changes in Shareholders' Equity (Continued)

Thoresen Thai Agencies Public Company Limited

For the years that ended on 30 September 2009 and 2008

		Company 2008							
							Retained earnings		
	Notes	Issued and paid-up share capital Baht	Premium on ordinary shares Baht	Excess of carrying value over purchase consideration of acquisition under common control Baht	Translation adjustments for investments in overseas subsidiaries Baht	Fair value reserves Baht	Legal reserves Baht	Unappropriated Baht	Total Baht
Beginning balance 1 October 2007		643,684,422	1,540,410,208	124,542,422	(106,517,385)	21,544,954	87,000,000	13,016,766,043	15,327,430,664
Retrospective adjustments	2.3	-	-	-	106,517,385	-	-	(7,123,664,122)	(7,017,146,737)
Retrospective adjustments	2.4	-	-	-	-	-	-	(878,949)	(878,949)
Beginning balance after retrospective adjustments		643,684,422	1,540,410,208	124,542,422	-	21,544,954	87,000,000	5,892,222,972	8,309,404,978
Fair value reserves	6	-	-	-	-	(59,427,040)	-	-	(59,427,040)
Net profits for the year		-	-	-	-	-	-	6,143,861,539	6,143,861,539
Dividends paid - cash dividends	30	-	-	-	-	-	-	(1,544,804,573)	(1,544,804,573)
Ending balance 30 September 2008		643,684,422	1,540,410,208	124,542,422	-	(37,882,086)	87,000,000	10,491,279,938	12,849,034,904

The accompanying notes are an integral part of these consolidated and company financial statements.

Statements of Cash Flows

Thoresen Thai Agencies Public Company Limited

For the years that ended on 30 September 2009 and 2008

		Consolidated		Company	
	Notes	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Net cash receipts (payments) from operating activities	24	5,000,685,420	11,340,021,129	(72,614,655)	(62,274,505)
Cash flows from investing activities					
Purchases of property, plant, and equipment and intangible assets		(4,726,323,664)	(3,756,579,597)	(28,398,807)	(91,418,143)
Payments for dry-docking		(553,309,568)	(1,082,341,874)	-	-
Payments for purchase of short-term investments		(4,275,955,045)	(8,575,052,990)	(1,019,488,949)	(5,095,825,990)
Payments for short-term loans to related parties	32.4	-	(1,147,988,712)	(5,671,079,787)	(7,035,138,395)
Payments for long-term loans to related parties	32.4	-	-	-	(114,092,000)
Payments for investments in subsidiaries		(461,365,447)	(202,784,067)	(3,091,811,274)	(1,444,073,671)
Payments for investments in associates		-	(373,199,578)	-	-
Payments for long-term general investments		(247,152,342)	-	-	-
Proceeds from sales of property, plant, and equipment and intangible assets		665,414,522	475,757,897	1,813,642	601,192
Proceeds from disposal of short-term investments		3,669,330,700	8,354,894,263	1,000,330,700	4,915,667,263
Proceeds from returns of capital from subsidiaries and disposal of investments in subsidiaries		-	-	68,877,676	-
Proceeds from settlement of short-term loans to related parties	32.4	1,140,393,570	-	5,661,397,465	7,365,323,230
Proceeds from settlement of long-term loans to related parties	32.4	4,000,000	4,000,000	1,491,321,458	2,167,276,902
Dividends received from short-term investments		4,560,800	5,761,400	4,560,800	5,761,400
Dividends received from subsidiaries	10	-	-	2,803,164,980	6,391,694,540
Dividends received from associates	11	15,599,525	9,459,765	-	-
Dividends received from joint venture	12	7,370,700	7,037,882	7,370,700	-
Net cash receipts (payments) from investing activities		(4,757,436,249)	(6,281,035,611)	1,228,058,604	7,065,776,328
Cash flows from financing activities					
Net payments for bank overdrafts		-	(20,274,164)	-	-
Proceeds from short-term loans	18	-	41,514,053	-	-
Proceeds from short-term loans from related parties		7,500,000	-	7,526,838,391	9,730,124,507
Proceeds from long-term loans	19	1,480,900,070	283,177,975	-	4,618,319
Proceeds from minorities for issuance of new shares in subsidiaries		241,730,491	5,739,470,453	-	-
Repayments of short-term loans	18	(138,400,000)	(243,091,805)	-	-
Repayments of short-term loans from related parties		-	-	(7,567,223,226)	(10,081,709,595)
Repayments of long-term loans and finance lease liabilities		(812,721,114)	(1,227,110,716)	(4,950,789)	(4,618,319)
Payments for convertible bond issuance costs		-	(42,393,241)	-	(42,393,241)
Payments for convertible bond cancellation	22	(1,341,827,581)	-	(1,341,827,581)	-
Acquisition of investment from minorities	10	-	(240,275,992)	-	-
Return of capital to minorities		-	(90,561,350)	-	-
Dividends paid from subsidiaries to minority interests		(66,034,020)	(43,000,240)	-	-
Dividends paid to shareholders	30	(482,400,367)	(1,544,804,573)	(482,400,368)	(1,544,804,573)
Net cash receipts (payments) from financing activities		(1,111,252,521)	2,612,650,400	(1,869,563,573)	(1,938,782,902)

The accompanying notes are an integral part of these consolidated and company financial statements.

Statements of Cash Flows (Continued)

Thoresen Thai Agencies Public Company Limited

For the years that ended on 30 September 2009 and 2008

		Consolidated		Company	
	Notes	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Net increase (decrease) in cash and cash equivalents		(868,003,350)	7,671,635,918	(714,119,624)	5,064,718,921
Beginning balance		11,527,798,624	3,745,160,727	5,829,519,739	751,667,050
		10,659,795,274	11,416,796,645	5,115,400,115	5,816,385,971
Increase in cash from investment in new subsidiary		140,355,563	16,707,505	-	-
Effect of exchange rate changes		(81,258,256)	94,294,474	(21,276,531)	13,133,768
Ending balance		10,718,892,581	11,527,798,624	5,094,123,584	5,829,519,739

Non-cash transactions

Significant non-cash transactions during the years that ended on 30 September 2009 and 2008 are as follows:

		Consolidated		Company	
	Notes	2009 Baht	2008 Baht	2009 Baht	2008 Baht
Unpaid liabilities from dry-docking		44,406,676	72,336,245	-	-
Unpaid liabilities from purchase of fixed assets and intangible assets		183,136,212	939,231,336	5,475,463	5,667,393
Unpaid liabilities from hire purchase agreements		6,820,628	34,453,445	-	-
Stock dividends issuance (Note 30)		64,319,991	-	64,319,991	-

The accompanying notes are an integral part of these consolidated and company financial statements.

Thoresen Thai Agencies Public Company Limited

For the years that ended on 30 September 2009 and 2008

1 General information

Thoresen Thai Agencies Public Company Limited (the "Company") is a public limited company and is incorporated in Thailand. The address of its registered office is as follows:

26/26-27 Orakarn Building, 8th Floor
Soi Chidlom, Ploenchit Road
Lumpinee, Pathumwan
Bangkok 10330

The Company's ordinary shares and convertible bonds are listed on the Stock Exchange of Thailand and the Singapore Exchange Securities Trading Limited (SGX-ST), respectively. For reporting purposes, the Company and its subsidiaries, associates, and a joint venture are referred to as the "Group".

The principal business operations of the Group involve the entire spectrum of shipping services, offshore oil and gas services, and fertilisers. The Group's activities can be separated into three main categories, namely dry bulk shipping operations, shipping related services, and offshore services.

These consolidated and company financial statements are authorised for issue by the Board of Directors on 27 November 2009.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below.

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The consolidated and company financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

An English version of the consolidated and company financial statements has been prepared from the statutory financial statements that are issued in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies (Continued)

2.2 New standard, new financial reporting standards and amendments to accounting standards

- The revised standards which are effective for the accounting period beginning on or after 1 January 2009 and revised accounting framework are as follows:

TAS 36 (revised 2007)	"Impairment of Assets"
Thai Financial Reporting Standard No. 5 (revised 2007)	"Non-Current Assets Held for Sale and Discontinued Operations" (formerly TAS 54)
Accounting Framework (revised 2007) (effective 26 June 2009)	

  These two standards and accounting framework are not expected to have a material impact on the financial statements being presented.

- The revised accounting standard and new accounting standards which are effective for the accounting period beginning on or after 1 January 2011 and 1 January 2012 and which will be not early adopted by the Company and its subsidiaries (the "Group") are as follows:

  Effective for the period beginning on or after 1 January 2011
  TAS 24 (revised 2007) "Related Party Disclosure" (formerly TAS 47)
  TAS 40 "Investment Property"

  Effective for the period beginning on or after 1 January 2012
  TAS 20 "Accounting for Government Grants and Disclosure for Government Assistance"

  The Group's management has determined that the revised standard and the new standards will not significantly impact the financial statements being presented.

  Thai Accounting Standards were renumbered with effect on 26 June 2009 following an announcement by the Federation of Accounting Professions in order to conform with the number used in the International Accounting Standards.

- The following standards are revised and newly issued, and are mandatory for the accounting period beginning on or after 1 January 2008.

  Revised standards
  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"

  New standard
  TAS 51 "Intangible Assets"

  The amendments to accounting standards and the new accounting standard were effective for the accounting period beginning on or after 1 January 2008 except TAS no. 29 which was effective for any lease contract that started on or after 1 January 2008.

  At that time, the Group's management has assessed and determined that there is no significant impact to the Group related to the revised and new standards, except TAS no. 43 "Business Combinations" and TAS no. 51 "Intangible Assets", which were early adopted for the accounting period beginning on 1 October 2007 as described in Note 2.4.

2 Accounting policies (Continued)

2.3 Changes in accounting standards

Commencing 1 October 2007, the Company has applied the cost method for investments in subsidiaries, associates, and for interests in joint ventures and presented them in the Company's separate financial statements in accordance with the notifications of Federation of Accounting Professions No. 26/2549 dated 11 October 2006 and No. 32/2549 dated 3 November 2006 relating to amendments of TAS no. 44 "Consolidated Financial Statements and Accounting for Investment in Subsidiaries" and TAS no. 45 "Accounting for Investments in Associates". The notifications are mandatory from 1 January 2007. The changes in the accounting policies have an impact on the Company's separate financial statements only and do not impact the consolidated financial statements.

The Company has accounted for the cost method of accounting retrospectively. The effects of the change to the Company shareholders' equity as at 30 September 2007 were as follows:

	Baht'000
Balance sheet as at 30 September 2007	
Decrease in ending balance of unappropriated retained earnings	(7,123,664)
Increase in ending balance of translation adjustment for investments in overseas subsidiaries	106,517

2.4 Early adoption of new accounting standards

During the accounting year 2008, the Group's management chose to early adopt new accounting standards set out below:

TAS 43 (revised 2007)	"Business Combination"
TAS 51	"Intangible Assets"
Draft TAS	"Employee Benefits"

2.4.1 Intangible assets and business combination

Goodwill arising from business combinations previously amortised over a period of 10 years is now classified as an indefinite life intangible asset. Under the new accounting standards, the indefinite life intangible asset will not be amortised and may be reduced from time to time, if any indication of impairment occurs. If the carrying value of the intangible asset is less than its recoverable amount, an impairment loss will be charged to the statements of income.

2.4.2 Employee benefits

Under the draft TAS "Employee Benefits", provident funds are accounted for as defined contribution plans and contributions to provident funds are charged to the statements of income when incurred. Obligations relating to post-retirement benefits are accounted for by using the projected unit credit method. The benefit obligation is discounted using interest rates of government bonds that are denominated in the currency in which the benefits will be paid. The referred government bonds should have terms to maturity approximately equal to the terms of the related provident fund payments. Previously, the Group recorded the obligations for post-retirement benefits as incurred. Commencing in 2008, the benefit obligation liabilities are accounted based on the above mentioned method. The 2007 financial statements have been restated accordingly in compliance with the accounting standard.

2 Accounting policies (Continued)

2.4 Early adoption of new accounting standards (Continued)

2.4.2 Employee benefits (Continued)

The impacts to the consolidated and company shareholders' equity as at 30 September 2007 relating to the adoption of the new accounting policies are as follows:

	Consolidated Baht'000	Company Baht'000
Balance sheet as at 30 September 2007		
Decrease in ending balance of unappropriated retained earnings	(36,409)	(879)
Decrease in ending balance of minority interests	(1,049)	-

2.5 Group accounting - investments in subsidiaries, associates, and joint ventures

Investments in subsidiaries

Subsidiaries, which are those entities (including special purpose entities) in which the Group has power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. If cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is considered negative goodwill and recognised directly in the statements of income. Intercompany transactions, balances, and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless costs cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

According to an amendment to TAS no. 44 as mentioned in Note 2.3, investments in subsidiaries are reported by using the cost method of accounting in the Company's separate financial statements.

Business combination under common control is accounted for using the carrying value of the acquiree, and the excess of carrying value over the purchase consideration of an acquisition under common control is shown in shareholders' equity on the balance sheet.

A list of the Group's principal subsidiaries and the financial effects of the acquisitions and disposals of subsidiaries are shown in Note 10.

2 Accounting policies (Continued)

2.5 Group accounting - investments in subsidiaries, associates, and joint ventures (Continued)

Investments in associates

An investment in an associate is an investment in a company in which the Group exercises significant influence but not control. The equity method of accounting for associated enterprises is adopted in the consolidated financial statements. In applying the equity method, account is taken of the Group's share of accumulated retained earnings and movements in reserves from the effective date on which the enterprise became an associate and up to the effective date of disposal.

Goodwill arising on the acquisition of associates is included in the carrying amount of the investment in associates and is treated in accordance with the Group's accounting policy for goodwill. The share of associated retained earnings and reserves is generally determined from the associate's latest annual financial statements or interim financial statements when appropriate. Dividends received from associates are deducted from the carrying value of the investment. Where the Group's share of losses of an associate exceeds the carrying amount of the associate, the associate is carried at zero value. Additional losses are only recognised to the extent that the Group has incurred obligations or made payments on behalf of the associates.

According to an amendment to TAS no. 45 as mentioned in Note 2.3, investments in associates are reported by using the cost method of accounting in the Company's separate financial statements.

A list of the Group's principal associates and the financial effects of acquisitions and disposals of associates are shown in Note 11.

Investments in joint ventures

The Group and the Company have accounted for the investment in a joint venture by using the equity method in the consolidated financial statements.

According to an amendment to TAS no. 46 as mentioned in Note 2.3, investments in joint ventures are reported by using the cost method of accounting in the Company's separate financial statements.

The excess of the cost of the acquisition over the fair value of the Company's share of the net assets of the acquired joint controlled entity represents goodwill, which is included in the investment amount.

A list of the Group's principal joint ventures and the financial effects of acquisitions and disposals of the joint ventures are shown in Note 12.

2.6 Critical accounting estimates, assumptions, and judgements

Estimates, assumptions, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.6.1 Property, plant and equipment and intangible assets

Management determines the carrying value of tender rigs and vessels based on estimates, assumptions, and judgments in respect of remaining useful lives and residual values of these assets. These estimates, assumptions, and judgments reflect both historical experience and expectations regarding future operations, utilisation, and performance.

2.6.2 Employee benefits

The Group has a commitment to pay benefits to employees on retirement. The present value of employee benefit liabilities recognised in the balance sheet is determined on an actuarial basis utilising various assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary inflation, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Group determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid.

2.6.3 Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.15. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates by management.

2.7 Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using the reporting currency of each entity's country of incorporation. The consolidated financial statements are presented in Thai Baht.

Transactions denominated in foreign currencies are translated into the entity's reporting currency at the rates of exchange prevailing on the transaction dates. Realised gains and losses on foreign exchange transactions are recognised in the statements of income as incurred. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Baht at the rate prevailing on that date. Unrealised gains and losses on foreign exchange are recognised in the statements of income as incurred.

Statements of income and cash flows of foreign entities are translated into the Group's reporting currency at the average exchange rates for the year, and balance sheets are translated at the exchange rates prevailing on the balance sheet date. Currency translation differences arising from the retranslation of the net investment in foreign entities are part of shareholders' equity. On disposal of a foreign entity, accumulated exchange differences are recognised in the statements of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

2.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition.

2.9 Short-term investments

Short-term investments are classified as available-for-sale investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Available-for-sale investments represent investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs. Available-for-sale investments are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will be needed to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

2 Accounting policies (Continued)

2.9 Short-term investments (Continued)

Investments in marketable equity securities which are classified as available-for-sale securities are fair valued annually at the balance sheet date. Fair value is determined by reference to the Stock Exchange of Thailand's quoted bid price. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying net assets. The unrealised gains and losses of available-for-sale investments are recognised in equity.

When disposing part of the Group's holding of a particular investment in equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

Investments in non-marketable equity securities are classified as general investments and carried at cost. A test for impairment is carried out when there is a factor indicating that such investments might be impaired. If its recoverable amount is less than the carrying value of the investment, an impairment loss is charged to the statements of income.

2.10 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured as the remaining amount less an allowance for doubtful receivables based on a review of all outstanding amounts at year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collected. Bad debts are written off in the statements of income within service and administrative expenses.

2.11 Inventories

Inventories mainly represent materials, goods and supplies relating to fertilizer and pesticide products which stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances, or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs, and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow moving, and defective inventories.

2.12 Vessel supplies and spare parts

Vessel supplies and spare parts mainly comprise bunker and vessel supplies and spare parts. Bunker supplies are stated at cost, determined on the first-in, first-out basis. Vessel supplies, rig supplies, and spare parts are stated at historical cost, determined on the specific identification basis. The vessel supplies and spare parts purchased to replace those used during the year are reported as vessel costs of service in the statements of income.

2.13 Long-term investments

Long-term investments which are classified as general investments are carried at cost, less impairment.

Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

A test for impairment by the Group is carried out when there is a factor indicating that such investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, an impairment loss is charged to the statements of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statements of income.

When disposing of part of the Group's holding of a particular investment in equity securities, the carrying amount of the disposed part is determined from the weighted average carrying amount of the total holding of the investment.

If an investment with fair value adjustments in equity is sold or impaired, accumulated fair value adjustments are included in the statements of income.

2.14 Property, plant, and equipment

The Group accounting policy with respect to property, plant, equipment, and depreciation is as follows:

Property, plant, and equipment are recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. Property, plant, and equipment, except land, are presented in the balance sheet at cost less accumulated depreciation.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Buildings and factories	20 years
Building improvements	5 - 20 years
Ocean vessels (second-hand and new)	5 - 23 years
Second-hand support and supply vessels	5 - 16 years
Second-hand tender rigs	1 - 20 years
Machinery and equipment	8 - 15 years
Furniture, fixtures, and equipment	3 - 10 years
Motor vehicles	5 - 6 years
Motor launches	5, 10 years

The estimated useful lives of ocean vessels, support & supply vessels, and tender rigs are based on the remaining useful lives at the acquisition date. Depreciation is calculated on the cost of the vessels, support and supply vessels, or tender rigs less their estimated scrap values.

The Group records depreciation as an expense for the period. When a long-term asset is retired, the Group will write-off both the asset and the related accumulated depreciation from the accounts and recognise any gain or loss from retirement of the asset in the statements of income.

2.14 Property, plant, and equipment (Continued)

Expenditures for additions, renewals, and improvements, which result in a substantial increase in an asset's current replacement value, are capitalised. Repair and maintenance costs are recognised as an expense when incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the statements of income.

The borrowing costs to finance the construction of property, plant, and equipment are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use.

2.15 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated balance sheet as an intangible asset. Goodwill on acquisitions of associates is included in investments in associates and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

2.16 Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated using the straight-line method to allocate the cost of computer software over their estimated useful lives (3, 5, and 7 years).

Other intangible assets

Trademarks and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over estimated or expected their useful lives (5 - 20 years).

2.17 Other assets

Other assets mainly comprise deferred dry-docking expenses and prepaid long-term leases of land use rights which are amortised to the statements of income on a straight line basis over a period of 2 - 5 years and 11 - 20 years, respectively.

Dry-docking is an expenditure incurred during inspections and major repairs of the vessels. Dry-docking is recognised in the carrying amount of other assets and is amortised over the period until the next scheduled dry-docking, up to a maximum of 5 years. When significant specific dry-docking costs are incurred prior to the expiry of the amortisation periods, the remaining costs of the previous dry-docking are written off immediately.

2.18 Accounting for leases

Where the Group is the lessee

Leases of assets, which substantially transfer all the risks, and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in long-term payables. The interest element of the finance cost is charged to the statements of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease period.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Lease expenses (net of any incentive received from the lessor), which are primarily rental and interest expenses, are charged to the statements of income on a straight-line basis over the lease period.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Where the Group is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.19 Convertible bonds

Convertible bonds with settlement options by the Company are classified purely as financial liabilities. Convertible bonds are recognised initially at the proceeds amount, net of transaction costs incurred, and are subsequently stated at their amortised cost.

2 Accounting policies (Continued)

2.20 Provisions

Provisions, which exclude the provisions relating to employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

Rendering of services

Freight charges of each voyage are generally recognised as revenues at the completion of the voyage. Where a voyage is incomplete as of the balance sheet date, freight charges are recognised as revenue in proportion to the lapsed time of the voyage. Freight charges shown in the income statement represent the net freight charges after deduction of related commissions.

Offshore service income is recognised as services are performed based upon (a) contracted day-rates and the number of operating days during the period or (b) agreed service charges. When the arrangement contains a lease, revenues are evenly recognised over the contract period.

Activities to mobilise a rig from one geographic area to another and linked to the underlying contracts are classified as mobilisation activities. Certain contracts include mobilisation fees paid at the start of the contracts. Where the mobilisation fee covers a general or specific upgrade of a rig or equipment, the fee is recognised as revenue over the contract period. In cases where the fee covers specific operating expenses at the start up of the contract, the fee is recognised in the same period as the expenses.

Commissions for services rendered to vessels and service income are generally recognised as revenues when services are completed and billed.

Sales of goods

Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity, when it is determined that such income will be accrued to the Group.

Rental income

Rental income is recognised as revenue on an accrual basis at the amount as specified under each lease agreement.

2.21 Revenue recognition (Continued)

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.22 Dividend distribution

Dividend to the Company's shareholders is recognised as a liability in the consolidated and company financial statements in the period in which the interim dividends are approved by the Board of Directors and the annual dividends are approved by the Company's shareholders.

2.23 Employee benefits

(a) Provident fund

The Group operates a provident fund, being a defined contribution plan, the asset for which is held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the Group.

The Group's contributions to the provident fund are charged to the statements of income in the year to which they relate.

(b) Retirement benefits

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labour Law depending on age and years of service.

The liability of retirement benefits is recognised in the consolidated and company balance sheet using the present value of the obligations at the balance sheet date and past service costs. The retirement benefit is calculated annually by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statements of income.

(c) Retention incentives

The subsidiaries, drilling companies, provide retention incentives to certain employees. The entitlement to these incentives is conditional on the staff remaining in service up to the completion of the minimum entitlement service periods. The expected costs of these incentives are accrued over the period of the entitlement service periods without discount to their present value as there is no significant impact from a discounted value calculation approach.

2.24 Income taxes

The Group does not recognise income taxes payable or receivable in future periods in respect of temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on property, plant, and equipment and tax losses carried forward.

2 Accounting policies (Continued)

2.25 Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments.

2.26 Financial instruments

The Group's financial assets carried on the balance sheet include cash and cash equivalents, short-term investments, trade accounts receivable, and loans to related parties. The Group's financial liabilities carried on the balance sheet include bank overdrafts and short-term loans, trade accounts payable, loans from related parties, and long-term loans. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group is a party to financial instruments that reduce its exposure to fluctuations in interest rates, foreign exchange, and fuel oil prices. These instruments, which are interest rate cap contracts, cross currency and interest rate swap contracts, foreign currency forward contracts, foreign currency collar contracts, and target redemption swap agreements, respectively, are not recognised in the financial statements on inception.

Interest rate cap contracts are entered into to protect against higher interest rates. Any payment to be received from the contracts will be recognised in the statements of income on the settlement date. The premium paid for the interest rate cap is amortised on a straight line method over the period of the contract.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset and liability will be settled. Gains or losses from the foreign currency forward contracts will be recognised in the statements of income on the settlement date.

Foreign currency collar contracts are entered into to protect the Group from movements in exchange rates by limiting the rate at which a foreign currency liability will be settled. Any payment to be received from the contracts will be recognised in the statements of income on the settlement date.

Target redemption swap agreements with a financial institution are entered into to partially protect the Group from movements in fuel oil prices by limiting the price. Gains or losses from the target redemption swap agreements will be recognised in the statements of income on the settlement date.

3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, and issue new shares or convertible bonds.

4 Business segment information

Segment information of the Group's business activities is as follows:

	Consolidated						
	For the year that ended on 30 September 2009						
	Shipping Baht'000	Shipping related services Baht'000	Subsea services Baht'000	Drilling services Baht'000	Fertiliser production Baht'000	Elimination of inter-segment transactions Baht'000	Total Baht'000
Service income							
Gross segment service income	17,203,926	720,790	3,352,966	2,213,027	365,800	(3,896,585)	19,959,924
Inter-segment service income	(3,361,753)	(178,708)	(356,124)	-	-	3,896,585	-
From outside customers	13,842,173	542,082	2,996,842	2,213,027	365,800	-	19,959,924
Operating profits	897,280	52,639	235,273	812,263	18,786	-	2,016,241
Unallocated income, net							593,812
Interest income							125,433
Share of profits in associates and a joint venture							29,877
Interest expenses							(378,045)
Minority interests							(362,355)
Income taxes							(211,257)
Net profits attributable to shareholders of the parent							1,813,706
Property, plant, equipment, and intangible assets as at 30 September 2009	11,900,840	407,365	4,835,395	5,025,150	430,752	-	22,599,502
Unallocated							535,794
Total							23,135,296
Total assets as at 30 September 2009							41,640,830

	Consolidated						
	For the year that ended on 30 September 2008						
	Shipping Baht'000	Shipping related services Baht'000	Subsea services Baht'000	Drilling services Baht'000	Fertiliser production Baht'000	Elimination of inter-segment transactions Baht'000	Total Baht'000
Service income							
Gross segment service income	36,411,729	1,014,070	4,088,281	1,249,044	-	(8,350,895)	34,412,229
Inter-segment service income	(7,958,121)	(340,892)	(51,882)	-	-	8,350,895	-
From outside customers	28,453,608	673,178	4,036,399	1,249,044	-	-	34,412,229
Operating profits	8,833,318	53,290	977,448	22,825	-	-	9,886,881
Unallocated costs, net							(193,328)
Interest income							204,708
Share of profits in associates and a joint venture							74,213
Interest expenses							(535,682)
Minority interests							(415,038)
Income taxes							(245,314)
Net profits attributable to shareholders of the parent							8,776,440
Property, plant, equipment, and intangible assets as at 30 September 2008	13,094,358	446,036	3,750,047	3,204,953	-	-	20,495,394
Unallocated							593,817
Total							21,089,211
Total assets as at 30 September 2008							42,143,111

5 Cash and cash equivalents

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Cash on hand	9,072	3,431	50	50
Deposits held at call with banks	10,709,821	11,524,368	5,094,074	5,829,470
Cash and cash equivalents	10,718,893	11,527,799	5,094,124	5,829,520

As at 30 September 2009, deposits held at call with banks bear interest at the rates between 0.10% to 5.80% per annum (2008 : 0.30% to 4.70% per annum).

6 Short-term investments

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Equity securities	449,615	198,285	114,181	198,285
Debt securities	275,200	285,000	177,243	100,000
Fixed deposit	334,217	-	-	-
Other investments	19,006	17,359	19,007	17,359
	1,078,038	500,644	310,431	315,644
Add Change in fair value	25,630	(37,882)	6,387	(37,882)
Short-term investments	1,103,668	462,762	316,818	277,762

7 Trade accounts receivable, net

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Trade accounts receivable, gross	1,758,259	2,227,384	-	-
Accrued income	116,759	857,312	-	-
	1,875,018	3,084,696	-	-
Less Allowance for doubtful accounts	(91,180)	(26,191)	-	-
Trade accounts receivable, net	1,783,838	3,058,505	-	-

7 Trade accounts receivable, net (Continued)

Trade accounts receivable as at 30 September can be analysed as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Current	741,892	1,636,553	-	-
Overdue below 3 months	753,395	489,469	-	-
Overdue 3 - 6 months	114,506	30,134	-	-
Overdue 6 - 12 months	104,029	19,722	-	-
Overdue more than 12 months	44,437	51,506	-	-
Total	1,758,259	2,227,384	-	-
Less Allowance for doubtful accounts	(91,180)	(26,191)	-	-
	1,667,079	2,201,193	-	-

Full provision has been made for all trade accounts receivable which are classified as non-collectible.

8 Inventories

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Raw materials	188,232	-	-	-
Finished goods	63,157	-	-	
Semi-finished goods	27,845	-	-	-
Semi-finished goods in transit	3,529	-	-	-
Tools and supplies	23,424	-	-	-
	306,187	-	-	- -

A subsidiary mortgaged inventories including materials for manufacturing of fertilisers and finished goods for a bank to secure its loans for a total value of Vietnamese Dong 134,194.7 million as mentioned in Note 18.

9 Other current assets, net

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Insurance claims	434,654	270,696	-	-
Advances for business expenses	128,705	458,758	-	-
Value added tax refundable	70,543	124,696	5,752	6,786
Advances to employees	36,322	56,283	30	159
Accrued interest income	11,198	23,293	2,419	13,275
Other current assets	159,808	192,182	314	3,519
	841,230	1,125,908	8,515	23,739
Less Allowance for impairment	(58,634)	(61,733)	-	-
Other current assets, net	782,596	1,064,175	8,515	23,739

10 Investments in subsidiaries

The movement of investments in subsidiaries during the years that ended on 30 September is as follows:

	Company	
	2009 Baht'000	2008 Baht'000
Opening balance - as previously reported	11,496,655	17,055,003
Retrospective adjustments	-	(7,002,421)
Opening balance - restated	11,496,655	10,052,582
Additional investments	3,091,811	1,444,073
Disposals	(876)	-
Returns of capital investments	(57,964)	-
Closing balance	14,529,626	11,496,655

Additional investments during the year that ended on 30 September 2009

The Company

- On 22 January 2009, the Company made an investment in a newly established subsidiary, Soleado Holdings Pte. Ltd., incorporated in Singapore. The new subsidiary has a registered and paid-up share capital of SGD 100,000, which is divided into 100,000 shares at a par value of SGD 1 per share.

Subsidiaries

- On 26 February 2009, Soleado Holdings Pte. Ltd., invested in 1 ordinary share for SGD 1 in a newly established subsidiary namely, Atlantis Offshore Construction Pte. Ltd., incorporated in Singapore. The new subsidiary has a registered and paid-up share capital of SGD 1, which is divided into 1 share at a par value of SGD 1 per share.

- On 17 July 2009 and 14 August 2009, Soleado Holdings Pte. Ltd., a wholly owned subsidiary, increased its share capital from SGD 0.1 million to SGD 31 million and then from SGD 31 million to SGD 130 million, respectively.

10 Investments in subsidiaries (Continued)

Additional investments during the year that ended on 30 September 2009 (Continued)

Subsidiaries (Continued)

- On 23 July 2009, Soleado Holdings Pte. Ltd., acquired 100% interest in EMC Gestion S.A.S. ("EMCG") which is the 100% shareholder of Baconco Co., Ltd. incorporated in Vietnam, at the total purchase price of Euro 7.8 million or equivalent to Baht 374.1 million. There was a negative goodwill arisen in respect of the acquisition in EMCG amounting to Baht 287.2 million.

  The acquired business contributed revenues of Baht 365.9 million and net profit of Baht 17.6 million to the Group for the period from acquisition date to 30 September 2009.

  Details of net assets (100%) acquired and goodwill arisen are as follows:

	Baht'000
Purchase consideration:	
Cash paid	374,070
Fair value of net assets acquired	661,281
Negative goodwill (Note 25)	(287,211)
Total purchase consideration	374,070

  The identifiable liabilities and contingent liabilities of EMCG have been identified and recognised based on the fair value assessment. The assets and liabilities acquired from the acquisition are as follows:

	Baht'000	
	Fair value	Acquiree's carrying amount
Cash and cash equivalents	140,356	140,356
Receivables	37,484	37,484
Inventories (Note 8)	365,850	352,864
Other current assets and other assets	47,908	38,190
Intangible assets (Note 15)	32,291	1,899
Property, plant, and equipment (Note 14)	408,812	217,929
Payables	37,018	37,018
Other current liabilities	93,786	58,120
Retirement obligations	8,816	2,610
Borrowings (Note 18)	231,800	231,800
Fair value of net assets	661,281	459,174
Negative goodwill (Note 25)	(287,211)	(85,104)
Total purchase consideration	374,070	374,070
Less Cash and cash equivalents in subsidiary acquired	(140,356)	(140,356)
Cash outflow on acquisition	233,714	233,714

10 Investments in subsidiaries (Continued)

Additional investments during the year that ended on 30 September 2009 (Continued)

Subsidiaries - Mermaid Maritime Public Company Limited ("MMPLC")

- On 29 December 2008, MMPLC subscribed for shares of Mermaid Drilling (Singapore) Pte. Ltd., a subsidiary, totalling Baht 797.7 million (or USD 24 million) for Mermaid Drilling (Singapore) Pte. Ltd. to invest further in Mermaid Kencana Rig 1 Pte. Ltd. On 30 December 2008, Mermaid Kencana Rig 1 Pte. Ltd. increased its paid-up capital by Baht 1,063.6 million (or USD 32 million). USD 24 million and USD 8 million of capital were subscribed by Mermaid Drilling (Singapore) Pte. Ltd. and Kencana Petroleum Ventures Sdn. Bhd., respectively, reflecting their proportion of shareholding.

  The share subscription in Mermaid Drilling (Singapore) Pte. Ltd. on 29 December 2008 consists of the following:

	Baht Million
Share subscription paid in advance on 1 October 2008	115.8
Additional investment	681.9
Total share subscription on 29 December 2008	797.7

  Subsequently on 31 March 2009, MMPLC subscribed for additional shares of Mermaid Drilling (Singapore) Pte. Ltd., totalling Baht 99.3 million (or USD 3 million) for Mermaid Drilling (Singapore) Pte. Ltd. to invest further in Mermaid Kencana Rig 1 Pte. Ltd. On the same date, Mermaid Kencana Rig 1 Pte. Ltd. increased its paid-up capital by Baht 132.4 million (or USD 4 million). USD 3 million and USD 1 million were received from Mermaid Drilling (Singapore) Pte. Ltd. and Kencana Petroleum Ventures Sdn. Bhd., respectively, reflecting their proportion of shareholding.

- On 3 February 2009, Seascape Surveys Pte. Ltd., an indirect subsidiary of MMPLC, made a payment to invest in PT Seascape Surveys Indonesia amounting to Baht 1.8 million (or USD 50,000).

- On 16 February 2009, Mermaid Drilling Ltd., a subsidiary of MMPLC, made a payment to invest in Mermaid Drilling (Malaysia) Sdn. Bhd. amounting to Baht 2.3 million (or RM 250,000).

- On 19 March 2009, Mermaid Offshore Services Ltd., a subsidiary of MMPLC, made the second installment payment of Baht 83.5 million (or USD 2.3 million) in respect of the acquisition of its 80% shareholding in Seascape Surveys Pte. Ltd. which was transacted in March 2008.

  Subsequently on 24 April 2009, Mermaid Offshore Services Ltd., made the final installment payment of Baht 3.8 million (or USD 0.1 million) in respect of the acquisition of its 80% shareholding of Seascape Surveys Pte. Ltd. which was transacted in March 2008.

  Details of the goodwill arisen from acquisition is as follows:

	Consolidated	
	2009 Baht'000	2008 Baht'000
Beginning balance	180,898	-
Total cash paid for purchase consideration	87,296	224,073
Fair value of net assets acquired	-	(43,175)
Write-off	(1,884)	-
Ending balance	266,310	180,898

10 Investments in subsidiaries (Continued)

Additional investments during the year that ended on 30 September 2009 (Continued)

Subsidiaries - Mermaid Maritime Public Company Limited ("MMPLC") (Continued)

- On 11 May 2009, Mermaid Drilling (Singapore) Pte. Ltd., a subsidiary of MMPLC, subscribed for shares of Mermaid Kencana Rigs (Labuan) Pte. Ltd., totalling USD 3. On the same date, Mermaid Kencana Rigs (Labuan) Pte. Ltd. increased its paid-up capital by USD 4 which were received from Mermaid Drilling (Singapore) Pte. Ltd. of USD 3 and Kencana Petroleum Ventures Sdn. Bhd. of USD 1, reflecting their proportion of shareholding.

- On 30 September 2009, Mermaid Offshore Services Ltd., a subsidiary of MMPLC, increased its share capital from Baht 2,003 million to Baht 2,930 million by issuing 92.7 million new ordinary shares at a par value of Baht 10 per share. MMPLC invested Baht 927 million to subscribe for the issued shares, which is equivalent to Baht 10 per share.

- As at 30 September 2009, Seascape Inspection Services Pte. Ltd., an indirect subsidiary of MMPLC, is in the process of dissolution.

Returns of capital investments

During the year, the Company received returns of capital investments of Baht 57.9 million from three subsidiaries which registered its dissolution with the Ministry of Commence since in September 2008. As at 30 September 2009, two subsidiaries were under the process of liquidation, and another subsidiary completed its liquidation.

Dividend income

During the year, the Company received dividend income from subsidiaries amounting to Baht 2,803.1 million (2008: Baht 6,391.7 million).

Mermaid Maritime Public Company Limited ("MMPLC")

On 11 October 2007, MMPLC successfully placed and priced its Initial Public Offering ("IPO") amounting to 158 million new ordinary shares with an offering price of SGD 1.56 per share totalling SGD 246.5 million on the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 16 October 2007, the new ordinary shares of MMPLC were traded on the main board of the SGX-ST. MMPLC registered such increased share capital with the Ministry of Commerce on 15 October 2007 for 140 million shares and on 26 October 2007 for 18 million shares at a par value of Baht 1 each. There remains another 133,332,053 unissued ordinary shares. The Company did not make additional investments in the increased share capital. Consequently, the Company's ownership interest in MMPLC decreased from 78.09% to 55.29% resulting in a loss from dilution amounting to Baht 288,592,814. Upon consolidation of MMPLC's financial statements, a premium on share capital amounting to Baht 2,899,649,905 from the IPO proceeds was recognised in the consolidated financial statements. The balance of Baht 2,611,057,091 representing the net amount of share premium and the loss from dilution, is presented as "Premium on ordinary shares in subsidiary" under shareholders' equity.

10 Investments in subsidiaries (Continued)

Investments in subsidiaries as at 30 September comprise investments in the following companies:

Name of subsidiaries	Nature of business	Country of incorporation	% Ownership interest 30 September 2009	30 September 2008
Shipping group				
- Thoresen & Company (Bangkok) Limited	Ship management	Thailand	99.9	99.9
- Thor Orchid Shipping Co., Ltd.	International maritime transportation	Thailand	99.9	99.9
- Thor Mercury Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Mariner Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Merchant Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Navigator Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Captain Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Hermes Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Pilot Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Master Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Commander Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Transporter Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Nereus Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Herakles Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Heron Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Nectar Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Hermelin Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Jasmine Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Champion Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Star Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Skipper Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Sailor Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Sun Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Sky Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Spirit Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Sea Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thoresen Chartering (HK) Ltd.	"	Hong Kong	99.9	99.9
- Thor Lotus Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Trader Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Traveller Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Venture Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Triumph Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Guardian Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Confidence Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Nautica Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Neptune Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Nexus Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Tribute Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Jupiter Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Alliance Shipping Co., Ltd.*	"	Thailand	99.9	99.9
- Thor Nautilus Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Wind Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Wave Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Dynamic Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Enterprise Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Harmony Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Integrity Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Transit Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Endeavour Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thor Energy Shipping Co., Ltd.	"	Thailand	99.9	99.9
- Thoresen Shipping Germany GmbH	"	Germany	100.0	100.0
- Thoresen Shipping Singapore Pte. Ltd.	"	Singapore	100.0	100.0
With subsidiaries as follows:				
- Thor Friendship Shipping Pte. Ltd.	"	Singapore		
- Thor Fortune Shipping Pte. Ltd.	"	Singapore		
- Thor Horizon Shipping Pte. Ltd.	"	Singapore		
- PT Perusahaan Pelayaran Equinox	Maritime transportation services	Indonesia	49.0	49.0
With associate as follows:				
- PT Usaha Putra Bersama	Land transportation	Indonesia		

10 Investments in subsidiaries (Continued)

Name of subsidiaries	Nature of business	Country of Incorporation	% Ownership Interest 30 September 2009	30 September 2008
Shipping related service group				
- ISS Thoresen Agencies Ltd.	Ship agency	Thailand	99.9	99.9
- Chidlom Transport & Services Co., Ltd.	Stevedoring	Thailand	-	99.9
- Fearnleys (Thailand) Ltd.	Ship brokerage	Thailand	51.0	51.0
With subsidiaries as follows:				
- PT. Fearnleys Indonesia*	"	Indonesia		
- Fearnleys Shipbroking Private Limited	"	India		
- Fearnleys Dry Cargo (Singapore) Pte. Ltd.	"	Singapore		
- Thoresen Chartering (PTE) Ltd.	"	Singapore	100.0	100.0
- Thai P&I Services International Ltd.	Claims handling	Thailand	-	90.0
- T.S.C. Maritime Ltd.*	Ship spareparts and equipment repair and maintenance	Thailand	99.9	99.9
- Chidlom Marine Services & Supplies Ltd.	Supply cargo lashing materials	Thailand	99.9	99.9
- Asia Coating Services Ltd.*	Coating services	Thailand	99.9	99.9
- GAC Thoresen Logistics Ltd.	Warehousing	Thailand	51.0	51.0
- Thoresen Shipping FZE	Ship agency	UAE	100.0	100.0
With associate as follows:				
- Sharjah Ports Services LLC	Port operations	UAE		
- Soleado Holdings Pte. Ltd.	Holding company	Singapore	100.0	-
With subsidiaries as follows:				
- Atlantis Offshore Construction Pte. Ltd.	"	Singapore		
- EMC Gestion S.A.S.	"	France		
With subsidiary as follows:				
- Baconco Co., Ltd.	Fertiliser production	Vietnam		
Offshore services group				
Mermaid Maritime Public Company Limited	Offshore services investments	Thailand	57.1	57.1
With subsidiaries as follows:				
- Darium Thai Offshore Ltd.*	Owning and operating multipurpose offshore service vessels	Thailand		
- Mermaid Offshore Services Ltd.	Turn-key diving ROV and NDT services to offshore industries	Thailand		
With subsidiaries as follows:				
- Seascape Surveys (Thailand) Ltd.	Test and explore environmental impact of petroleum exploration and telecommunication	Thailand		
- Seascape Surveys Pte. Ltd.	"	Singapore		
With subsidiaries as follows:				
- PT Seascape Surveys Indonesia	"	Indonesia		
- Seascape Inspection Services Pte. Ltd.	"	Singapore		
With associate as follows:				
- Worldclass Inspiration Sdn. Bhd.	"	Malaysia		
- Mermaid Drilling Ltd.	Production and exploration drilling services and support to offshore industries	Thailand		
With subsidiaries as follows:				
- MTR-1 Ltd.	Drilling services	Thailand		
- MTR-2 Ltd.	"	Thailand		
- Mermaid Drilling (Malaysia) Sdn. Bhd.	"	Malaysia		
- Mermaid Drilling (Singapore) Pte. Ltd.	Drilling services investments	Singapore		
With subsidiaries as follows:				
- MTR-1 (Singapore) Ltd.	Drilling services	Singapore		
- MTR-2 (Singapore) Ltd.	"	Singapore		
- Mermaid Kencana Rig 1 Pte. Ltd.	"	Singapore		
- Mermaid Kencana Rig 2 Pte. Ltd.	"	Singapore		
With associate as follows:				
- Kencana Mermaid Drilling Sdn. Bhd.	"	Malaysia		
- Mermaid Kencana Rigs (Labuan) Pte. Ltd	"	Malaysia		
- Mermaid Training and Technical Services Ltd.	Sub-sea engineerin training and examination service	Thailand		

* Ceased the operations as of 30 September 2009.

11 Investments in associates

The movement of investments in associates during the years that ended on 30 September is as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Opening balance				
- as previously reported	481,588	57,925	11,213	28,737
Retrospective adjustments	-	-	-	(17,524)
Opening balance - restated	481,588	57,925	11,213	11,213
Additional investments	9,463	373,545	-	-
Share of profits after tax	11,274	59,578	-	-
Dividends received	(15,599)	(9,460)	-	-
Closing balance	486,726	81,588	11,213	11,213

Investments in associates as at 30 September in the consolidated and company financial statements comprise investments in the following companies:

Name of associates	Nature of business	Country of incorporation	% Ownership Interest 30 September 2009	% Ownership Interest 30 September 2008
Company financial statements				
Shipping related services group				
- Gulf Agency Company (Thailand) Ltd.	Ship agency	Thailand	51.0*	51.0*
Consolidated financial statements				
Shipping group				
- PT Usaha Putra Bersama (invested by PT Perusahaan Pelayaran Equinox)	Land transportation	Indonesia	25.6	25.6
Offshore services group				
- Worldclass Inspiration Sdn. Bhd. (invested by Mermaid Offshore Services Ltd.)	Sub-sea services to offshore industries	Malaysia	25.0	25.0
- Kencana Mermaid Drilling Sdn. Bhd. (invested by Mermaid Drilling (Singapore) Pte. Ltd.)	Drilling services	Malaysia	40.0	40.0
- Allied Marine & Equipment Sdn. Bhd.	Sub-sea engineering	Malaysia	22.5	22.5
Shipping related service group				
- Sharjah Ports Services LLC (invested by Thoresen Shipping FZE)	Port operations	UAE	49.0	49.0

* Investment in Gulf Agency Company (Thailand) Ltd. is classified as associated company because the Company does not have control over this company although the Company holds equity interest of 51 percent. The equity method of accounting is applied to this investment in the consolidated financial statements.

11 Investments in associates (Continued)

The Group's share of the result of its principal associates, all of which are unlisted, and its share of the assets including goodwill and liabilities are as follows:

	2009					
Name	Assets Baht'000	Liabilities Baht'000	Revenues Baht'000	Profit (loss) Baht'000	% Interest held	Profit (loss) sharing Baht'000
Gulf Agency Company (Thailand) Ltd.	233,256	197,737	1,013,647	(5,586)	51	(2,849)
Worldclass Inspiration Sdn. Bhd.	603,595	2,323	8,145	(658)	25 (indirect)	(165)
Allied Marine & Equipment Sdn. Bhd.	2,104,217	1,487,532	576,733	5,033	22.5 (indirect)	1,133
						(1,881)
Add Minor indirect investments						31,452
Less Amortisation of intangible assets						(18,297)
						11,274

	2008					
Name	Assets Baht'000	Liabilities Baht'000	Revenues Baht'000	Profit (loss) Baht'000	% Interest held	Profit (loss) sharing Baht'000
Gulf Agency Company (Thailand) Ltd.	275,990	234,079	1,011,876	6,000	51	3,060
Worldclass Inspiration Sdn. Bhd.	1,814,703	1,197,496	14,755	(11,171)	25 (indirect)	(2,793)
Allied Marine & Equipment Sdn. Bhd.	2,039,854	1,413,798	741,739	176,499	22.5 (indirect)	39,712
						39,979
Add Minor indirect investments						23,977
Less Amortisation of intangible assets						(4,378)
						59,578

12 Investment in joint venture

The movement of investments in joint venture during the years that ended on 30 September is as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Opening balance				
- as previously reported	31,374	23,777	8,771	23,777
Retrospective adjustments	-	-	-	(15,006)
Opening balance - restated	31,374	23,777	8,771	8,771
Share of profits after tax	18,603	14,635	-	-
Dividends received	(7,371)	(7,038)	-	-
Closing balance	42,606	31,374	8,771	8,771

The investment in joint venture in the consolidated and company financial statements includes a net goodwill amounting to Baht 3.8 million (2008: Baht 3.8 million) in respect of the acquisition of the joint venture.

12 Investment in joint venture (Continued)

The joint venture entity is:

Name	Business	Country of Incorporation	% Ownership interest 2009	% Ownership interest 2008
Thoresen (Indochina) S.A	Ship agency and related services in Vietnam	Panama	50	50

The Group has a 50% interest in a joint venture, which engages in the business of shipping agency and related services operating in Vietnam. The following share of assets and liabilities and revenues and results of the joint venture are undertaken by the Group and included in the balance sheets and statements of income.

	Consolidated and Company 2009 Baht'000	Consolidated and Company 2008 Baht'000
Current assets	38,564	44,461
Non-current assets	1,349	1,807
Total assets	39,913	46,268
Current liabilities	1,628	21,747
Total liabilities	1,628	21,747
Net assets	38,285	24,521
Revenues	198,353	44,362
Profits before taxes	18,603	14,635
Income taxes	-	-
Net profits after taxes	18,603	14,635

13 Goodwill

The movements of goodwill during the years that ended on 30 September are as follows:

	Consolidated 2009 Baht'000	Consolidated 2008 Baht'000
Opening net book value	847,962	594,666
Additions	87,296	253,296
Write-off	(1,884)	-
Closing net book value	933,374	847,962

The additional goodwill in 2009 has arisen in connection with the acquisition of shares in Seascape Surveys Pte. Ltd.

In 2008, goodwill arose in connection with the acquisition of shares in MMPLC and Seascape Surveys Pte. Ltd.

There are no significant impairment losses required for goodwill as at 30 September 2009 and 2008.

14 Property, plant, and equipment, net

	Consolidated								
	Land Baht'000	Buildings and factories Baht'000	Building improvements Baht'000	Ocean vessels, support vessels, supply vessels, and tender rigs Baht'000	Furniture, fixtures, and equipment Baht'000	Motor vehicles Baht'000	Motor launches Baht'000	Construction in progress Baht'000	Total Baht'000
At 30 September 2008									
Cost	243,518	653,791	109,529	20,849,109	1,983,546	109,602	5,599	4,998,217	28,952,911
Less Accumulated depreciation	-	(141,436)	(50,896)	(7,217,169)	(525,782)	(58,714)	(4,959)	-	(7,998,956)
Net book value	243,518	512,355	58,633	13,631,940	1,457,764	50,888	640	4,998,217	20,953,955
For the year that ended on 30 September 2009									
Opening net book value	243,518	512,355	58,633	13,631,940	1,457,764	50,888	640	4,998,217	20,953,955
Additions	510	-	10,935	12,548	207,781	3,732	47	3,694,783	3,930,336
Additions from investments in subsidiaries	-	234,458	2,947	-	162,342	9,126	-	-	408,873
Transfer-in (out)	-	-	-	-	195,060	-	-	(195,060)	-
Disposals, net	(219)	(141)	(1,072)	(446,025)	(52,266)	(3,280)	-	(328)	(503,331)
Depreciation charge	-	(37,107)	(13,721)	(1,415,892)	(258,054)	(17,326)	(202)	-	(1,742,302)
Translation adjustments	-	(43)	67	(23,118)	(117)	(102)	-	(54,881)	(78,194)
Closing net book value	243,809	709,522	57,789	11,759,453	1,712,510	43,038	485	8,442,731	22,969,337
At 30 September 2009									
Cost	243,809	973,455	120,063	19,579,972	2,686,522	95,725	3,868	8,442,731	32,146,145
Less Accumulated depreciation	-	(263,933)	(62,274)	(7,820,519)	(974,012)	(52,687)	(3,383)	-	(9,176,808)
Net book value	243,809	709,522	57,789	11,759,453	1,712,510	43,038	485	8,442,731	22,969,337

14 Property, plant, and equipment, net (Continued)

	Company						
	Land Baht'000	Building Baht'000	Building Baht'000	Furniture, fixtures, and Baht'000	Motor Baht'000	Assets under Baht'000	Baht'000
At 30 September 2008							
Cost	82,847	201,846	75,347	12,061	8,236	49,846	430,183
Less Accumulated depreciation	-	(80,479)	(37,170)	(9,103)	(5,168)	-	(131,920)
Net book value	82,847	121,367	38,177	2,958	3,068	49,846	298,263
For the year that ended on 30 September 2009							
Opening net book value	82,847	121,367	38,177	2,958	3,068	49,846	298,263
Additions	-	-	1,578	2,011	-	5,920	9,509
Transfers-in (out)	-	-	-	49,846	-	(49,846)	-
Disposals, net	-	-	(1,071)	(8,989)	(208)	-	(10,268)
Depreciation charge	-	(10,092)	(6,705)	(9,750)	(950)	-	(27,497)
Closing net book value	82,847	111,275	31,979	36,076	1,910	5,920	270,007
At 30 September 2009							
Cost	82,847	201,846	73,427	54,671	2,906	5,920	421,617
Less Accumulated depreciation	-	(90,571)	(41,448)	(18,595)	(996)	-	(151,610)
Net book value	82,847	111,275	31,979	36,076	1,910	5,920	270,007

14 Property, plant, and equipment, net (Continued)

The depreciation charges during the years that ended on 30 September are classified by function as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Depreciation charges				
- vessel operations	1,191,514	1,226,524	-	-
- offshore services	434,439	656,463	-	-
- service and administration	105,578	149,379	27,497	20,078
- costs of sales	10,771	-	-	-
	1,742,302	2,032,366	27,497	20,078

Property, plant, and equipment as of 30 September used as collateral for loan facilities can be summarised as follows:

- Two ocean vessels have been mortgaged with financial institutions as collateral for loan facilities for a total value of USD 385.5 million (2008: USD 391.5 million).
- A remotely operated vehicle vessel, saturation diving system, two tender rigs, and vessel equipment are mortgaged with various banks as collateral for loan facilities for a total value of Baht 2,375.8 million and USD 4.1 million (2008: Baht 2,292.2 million and USD 15.0 million).
- All factories and certain machineries have been mortgaged with a bank as collateral for loans of a subsidiary for a total value of Vietnamese Dong 127,975.0 million as mentioned in Note 18 (2008: Nil).
- Certain land and buildings of the Group have been mortgaged with various banks as collateral for loan facilities, bank overdraft facilities, and letters of guarantee for a total value of Baht 530.4 million (2008: Baht 665.4 million).

15 Intangible assets, net

	Consolidated			
	Other intangible assets Baht'000	Computer software Baht'000	Computer software under installation Baht'000	Total Baht'000
At 30 September 2008				
Cost	26,951	87,507	53,947	168,405
Less Accumulated amortisation	(4,255)	(28,894)	-	(33,149)
Net book value	22,696	58,613	53,947	135,256
For the year that ended on 30 September 2009				
Opening net book value	22,696	58,613	53,947	135,256
Additions	-	47,596	2,293	49,889
Addition from investment in subsidiary (Note 10)	30,292	1,999	-	32,291
Transfer in (out)	-	53,947	(53,947)	-
Disposals, net	-	(1,699)	-	(1,699)
Impairment charge	-	(13,104)	-	(13,104)
Amortisation charge	(9,408)	(27,219)	-	(36,627)
Translation adjustments	-	(48)	-	(48)
Closing net book value	43,580	120,085	2,293	165,958
At 30 September 2009				
Cost	57,243	173,957	2,293	233,493
Less Accumulated amortisation	(13,663)	(53,872)	-	(67,535)
Net book value	43,580	120,085	2,293	165,958

Other intangible assets include trademarks and customer relationships acquired with the new subsidiary as detailed in Note 10.

15 Intangible assets, net (Continued)

	Company		
	Computer software Baht'000	Computer software under installation Baht'000	Total Baht'000
At 30 September 2008			
Cost	8,427	53,947	62,374
Less Accumulated amortisation	(1,668)	-	(1,668)
Net book value	6,759	53,947	60,706
For the year that ended on 30 September 2009			
Opening net book value	6,759	53,947	60,706
Additions	25,716	1,739	27,455
Transfers-in (out)	53,947	(53,947)	-
Impairment charge	(13,104)	-	(13,104)
Amortisation charge	(13,678)	-	(13,678)
Closing net book value	59,640	1,739	61,379
At 30 September 2009			
Cost	72,856	1,739	74,595
Less Accumulated amortisation	(13,216)	-	(13,216)
Net book value	59,640	1,739	61,379

16 Other assets, net

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Deferred dry docking expenses	1,865,060	2,896,475	-	-
Less Accumulated amortisation	(916,368)	(1,727,327)	-	-
Deferred dry docking expenses, net	948,692	1,169,148	-	-
Prepaid long-term leases - land use rights, net	25,468	-	-	-
Long-term portion of fee for interest rate cap	-	3,155	-	-
Other assets	235,506	29,465	1,924	1,765
Total other assets	1,209,666	1,201,768	1,924	1,765

Land use rights have been mortgaged to a bank to secure a subsidiary's loans as mentioned in Note 18.

17 Bank overdrafts

Bank overdraft facilities of the Group amounting to Baht 340 million (2008: Baht 401.3 million) are guaranteed by the Company and subsidiaries, and a mortgage of the Group's land and buildings. As at 30 September 2009, the Group has unused bank overdraft facilities amounting to Baht 340 million (2008: Baht 401.3 million).

18 Short-term loans

The movements of short-term loans during the years that ended on 30 September are as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Beginning balance	9,200	210,778	-	-
Additional from investment in a new subsidiary (Note 10)	231,800	-	-	-
Additions	-	41,514	-	-
Repayments	(138,400)	(243,092)	-	-
Ending balance	102,600	9,200	-	-

As at 30 September 2009, Baconco Co., Ltd., a new subsidiary, acquired short-term loans from a local financial institution amounting to Vietnamese Dong 54,000 million for the purposes of working capital. The loans bear interest at the fixed rate with a repayment term within 1 year. These loans are secured by mortgages of land use rights (Note 16), factories, and machineries (Note 14). Baconco Co., Ltd. committed to maintain sufficient level of inventories being materials and finished goods on hand (Note 8) to secure the loans balance and ensure that at any time, the loans balance shall be at 60% of the inventories on hand.

As at 30 September 2008, GAC Thoresen Logistics Limited, a subsidiary, acquired short-term loans in form of promissory notes from a local financial institution amounting to Baht 9.2 million for the purposes of working capital. The loans bear interest at the rate of MLR. The loans were repaid in full during the year.

19 Long-term loans, net

The movements of long-term loans during the years that ended on 30 September are as follows:

	Consolidated	
	2009 Baht'000	2008 Baht'000
Beginning balance	2,145,320	3,149,006
Additions during the year	1,480,900	229,093
Repayments during the year	(784,717)	(1,204,414)
Realised (gains) losses on exchange rate	13,381	(22,816)
Unrealised gains on exchange rate	(19,355)	(5,548)
Ending balance	2,835,529	2,145,321

19 Long-term loans, net (Continued)

Maturity of long-term loans is as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Within 1 year	534,137	444,910	-	-
Between 1 year and 5 years	2,183,785	1,446,812	-	-
After 5 years	117,607	253,599	-	-
Long-term portion	2,301,392	1,700,411	-	-
	2,835,529	2,145,321	-	-

Long-term loans comprise the following:

a) Loans for the purchases of vessels, tender rigs, and vessel equipment

- In 2009, a subsidiary drewdown the loan with a foreign financial institution in the amount of USD 3.5 million for the installment of its newbuild vessel. This loan bears interest at both fixed rates and BBA-LIBOR plus a certain margin. The loan has a repayment term within 12 years from the vessel delivery date and is secured by a mortgage of the vessel and a corporate guarantee given by the Company.

- Loans for the purchase of support vessels and equipment are granted by local commercial banks, and are denominated in Thai Baht and US Dollars, having a total outstanding balance of Baht 873.5 million and USD 24.6 million as at 30 September 2009 (30 September 2008: Baht 155.5 million and USD 21.9 million) with repayment terms within 5 - 10 years. As at 30 September 2009, interest rates on the Thai Baht loans and US Dollar loans are as follows:

  - The loans balance of Baht 873.5 million (30 September 2008: Baht 155.5 million): MLR and fixed rates plus a certain margin.

  - The loan balance of USD 24.6 million (30 September 2008: USD 21.9 million): USD-LIBOR plus a certain margin.

  These loans are currently secured by mortgages of vessel equipment as mentioned in Note 14 and are guaranteed by a subsidiary.

- Loans for the purchases of tender rigs are granted by a local commercial bank and are denominated in US Dollars with a total outstanding balance of USD 23.1 million as at 30 September 2009 (2008: USD 27.7 million) with repayment terms within 9 years. These loans bear interest at the rate of USD-LIBOR plus a certain margin, are secured by mortgages of the tender rigs as mentioned in Note 14, and guaranteed by the three subsidiaries.

According to the condition of the loan agreements, the Company and its subsidiaries are not allowed to create any encumbrance on the assets which are used as collateral, except obtaining prior consent of the banks and permitted liens. The Company and its subsidiaries must comply with other conditions and restrictions stated in the term loan agreements.

19 Long-term loans, net (Continued)

b) Loans for the construction of a building and warehouse are granted by a local commercial bank and are denominated in Thai Baht with a total outstanding balance of Baht 178.2 million as at 30 September 2009 (2008: Baht 206.6 million) and repayment terms within 6.5 - 8 years. As at 30 September 2009, interest rates and the detail of mortgages are as follows:

- The loan balance of Baht 127.8 million (2008: Baht 143.4 million): MLR minus a certain margin. The loans are secured by mortgages of the subsidiary's land & buildings and guaranteed by the Company.
- The loan balance of Baht 50.4 million (2008: Baht 63.2 million): the 1 - year fixed deposit rate for personal account plus a certain margin. The loans are secured by mortgages of the subsidiary's land & buildings and guaranteed by the Company.

c) Loan for the purchase of land and construction of a building is granted by a local commercial bank and is denominated in Thai Baht with a total outstanding balance of Baht 60.8 million as at 30 September 2009 (2008: Baht 85.6 million) and a repayment term of 6.5 years. The loan is secured by mortgages of the subsidiary's land and building as mentioned in Note 14. This loan bears interest at the rate of fixed rate plus a certain margin.

The carrying amounts of the long-term loans are denominated in the following currencies:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Currency				
- USD	1,332,506	1,697,596	-	-
- Baht	1,503,023	447,725	-	-
	2,835,529	2,145,321	-	-

The interest rate risk of the long-term loans of the Group is as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
At fixed rates	58,446	-	-	-
At floating rates	2,777,083	2,145,321	-	-
Total loans	2,835,529	2,145,321	-	-

Credit facilities

As at 30 September 2009, the available credit facilities from financial institutions are USD 567.2 million and Yen 1,225.5 million, which will mainly be used for acquisitions of ocean vessels (30 September 2008: USD 583.2 million and Yen 2,042.5 million).

20 Finance lease liabilities

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Finance lease liabilities	41,284	62,263	4,345	10,139
Less Deferred interest expenses	(3,205)	(6,200)	(399)	(1,242)
Total finance lease liabilities	38,079	56,063	3,946	8,897
Maturities of finance lease liabilities are as follows:				
Current portion of finance lease liabilities	25,357	25,255	3,946	4,951
Long-term portion of finance lease liabilities	12,722	30,808	-	3,946
	38,079	56,063	3,946	8,897

As at 30 September 2009, finance lease liabilities arisen for purchases of motor vehicles, computer equipment, and warehouse equipment carry fixed interest rates (2008: fixed interest rates). The leases have repayment terms within 3 to 5 years without guarantee.

21 Employee benefit obligations

Maturities of employee benefit obligations are as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Current portion of employee benefit obligations	115,559	-	-	-
Long-term portion of employee benefit obligations	100,904	55,201	1,745	1,250
Employee benefit obligations	216,463	55,201	1,745	1,250
Income statement charge	156,081	13,823	518	394

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Balance sheet obligations for:				
Retirement benefits	78,769	55,201	1,745	1,250
Retention incentives	137,694	-	-	-
	216,463	55,201	1,745	1,250

21 Retirement benefit obligations (Continued)

a) Retirement benefits

The amounts recognised in the balance sheets are determined as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Present value of obligations	79,402	55,840	1,745	1,250
Unrecognised actuarial gains	(633)	(639)	-	-
Liability in the balance sheets	78,769	55,201	1,745	1,250

The movement in the defined benefit obligations over the year is as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Beginning balance	55,840	39,588	1,250	879
Additional from investments in a new subsidiary	8,863	7,866	-	-
Current service costs	12,100	9,553	258	209
Interest costs	3,328	2,331	82	59
Actuarial losses	2,953	2,677	178	126
Benefits paid	(3,283)	(6,175)	(23)	(23)
Translation adjustment	(399)	-	-	-
Ending balance	79,402	55,840	1,745	1,250

The amounts recognised in the statements of income are as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Current service costs	12,100	8,782	258	209
Interest costs	3,328	2,331	82	59
Amortisation of actuarial losses	2,953	2,710	178	126
Total (included in staff costs)	18,381	13,823	518	394

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2009	2008	2009	2008
Discount rate	5.5% - 13%	5.5% - 13%	5.5%	5.5%
Future salary increases	6% - 15%	6% - 10%	6%	6%
Mortality rate	0.11% - 1.48%	0.11% - 1.48%	0.11% - 1.48%	0.11% - 1.48%
Resignation rate	0% - 30%	0% - 30%	0% - 15%	0% - 15%

21 Retirement benefit obligations (Continued)

b) *Retention incentives*

The amounts recognised in the balance sheet are determined as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Present value of obligations	137,694	-	-	-

The movement in the retention incentive obligations during the year is as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Beginning of the year	-	-	-	-
Current service cost	111,311	-	-	-
Capitalisation to equipment	26,383	-	-	-
Ending of the year	137,694	-	-	-

The amounts recognised in the statements of income are as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Current service cost	111,311	-	-	-

These amounts are included in service, selling and administrative expenses.

22 Convertible bonds

Initial convertible bonds comprise the following:

	Consolidated and Company Baht'000
Convertible bonds	5,808,858
Less Issuing costs	(179,314)
Convertible bonds, net	5,629,544

On 24 September 2007, the Company issued unsecured convertible bonds of USD 169.80 million. The convertible bonds were listed for trading on the SGX-ST on 25 September 2007. The convertible bonds were offered to non-US persons outside the United States in reliance of Regulation S under the Securities Act of Singapore.

22 Convertible bonds (Continued)

The convertible bonds were issued at par with a face value of USD 300,000 per bond. Interest is payable semi-annually in arrears at an annual interest rate of 2.50%. Each bond is convertible at any time up to maturity at an initial conversion ratio at 171,535.8932 shares per bond (a fixed exchange rate of 34.25 Baht per 1 USD and initial conversion price of 59.90 Baht). The conversion period is from 30 October 2007 onwards. The Company may, at its option, elect to make the cash settlement amount to the relevant bondholder in lieu of delivering shares of a converting bondholder.

The nominal value of the bond will be amortised as follows:

	Date	Redemption amount
1st Redemption Amount	24 September 2010	USD 109,640
2nd Redemption Amount	24 September 2011	USD 113,220
3rd Redemption Amount	24 September 2012	USD 117,000

The Company has an option, at redemption, to settle the redemption amount in form of ordinary shares or in cash.

The movement of convertible bonds during the years that ended on 30 September in the consolidated and the Company financial statements is as follows:

	2009 Baht'000	2008 Baht'000
Opening balance	5,857,963	5,665,203
Issuing costs/amortisation	-	4,047
Convertible bonds cancellation	(1,990,053)	-
Reversal on interest expense accruals and issuing costs	(28,101)	-
Interest expenses	278,632	387,715
Interest payments	(122,175)	(153,792)
Withholding taxes payable	4,484	(13,139)
Realised (gains) losses on exchange rates	62,818	(1,945)
Unrealised gains on exchange rates	(60,491)	(30,126)
Closing balance	4,003,077	5,857,963
Convertible bonds are due for redemption as follows:		
Redemption within one year	1,334,359	-
Redemption after one year	2,668,718	5,857,963
	4,003,077	5,857,963

Interest expenses on the convertible bonds are calculated using the effective interest method by applying the effective interest rate of 6.3%, inclusive of bond issuing costs.

During the year that ended on 30 September 2009, the Company repurchased and cancelled a portion of the outstanding bonds amounting to USD 56.4 million, representing 33.2% of the outstanding principal amount of the bonds. Gains on convertible bonds cancellation of Baht 676.3 million are recognised in the consolidated and company financial statements for the year that ended on 30 September 2009.

23 Share capital and premium on share capital

	Registered shares (Number of share)	Issued and paid-up shares (Baht'000)	Share premium (Baht'000)	Total (Baht'000)
At 1 October 2007	868,684,422	643,684	1,540,410	2,184,095
Issue of shares	-	-	-	-
At 30 September 2008	868,684,422	643,684	1,540,410	2,184,095
Reduction of registered shares	(50,000,000)	-	-	-
Increase of registered shares	114,368,443	-	-	-
Issues of shares	-	64,320	-	64,320
At 30 September 2009	933,052,865	708,004	1,540,410	2,248,415

At the Annual General Meeting of Shareholders held on 30 January 2009, the shareholders approved the following significant matters:

- A reduction of registered share capital by cancelling 50,000,000 authorised but un-issued shares from the existing registered capital of Baht 868,684,422 to be the new registered capital of Baht 818,684,422.
- An increase of registered share capital from the registered capital of Baht 818,684,422 to the new registered capital of Baht 933,052,865.
- An allocation of 64,368,443 ordinary shares at par value of Baht 1 to be reserved for stock dividends.
- An allocation of 50,000,000 ordinary shares to be reserved for private placement.

The share capital changes were registered with the Business Development Department, Ministry of Commerce on 11 February 2009 and 24 February 2009, respectively.

As at 30 September 2009, the total authorised number of ordinary shares 933,052,865 shares (2008: 868,684,422 shares) with a par value of Baht 1 per share (2008: Baht 1 per share). Ordinary shares of 708,004,413 shares are issued and fully paid-up (2008: 643,684,422 shares).

24 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities is as follows:

		For the years that ended on 30 September			
		Consolidated		Company	
	Notes	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Net profits before taxes		2,387,319	9,436,792	3,111,834	6,143,862
Adjustments for:					
Depreciation charges	14	1,742,302	2,032,365	27,497	20,078
Amortisation on intangible assets	15	36,627	18,256	13,678	1,249
Amortisation on deferred dry-docking expenses		703,022	592,490	-	-
Amortisation on prepayments		9,364	8,217	-	-
Additional allowance for (reversal of) doubtful accounts and provision for unrecoverable value added tax		61,890	(16,734)	-	-
Impairment intangible assets		13,104	-	13,104	-
Write-off of goodwill		1,884	-	-	-
Convertible bond interest expenses		278,632	387,715	278,632	387,715
Interest expenses		99,414	147,968	43,394	68,694
Losses from write-off of property, plant, and equipment		9,018	9,581	-	-
Net gains from sales of property, plant, and equipment and intangible assets		(52,418)	(203,598)	(503)	(596)
Dividend income from short-term investments		(4,561)	(5,761)	(4,561)	(5,761)
Dividends received from subsidiaries and joint venture		-	-	(2,810,536)	(6,391,695)
Other income - negative goodwill	25	(287,211)	-	-	-
Gains from convertible bonds cancellation	26	(676,326)	-	(676,326)	-
Net gains from sales of investments in subsidiaries and gains from returns of capital from subsidiaries		-	-	(10,038)	-
Net (gains) losses from sales of short-term investments		21,981	(2,146)	21,981	(2,146)
Share of profits of associates and a joint venture	11, 12	(29,877)	(74,213)	-	-
Unrealised (gains) losses on exchange rates from cash, short-term investments, loans, and convertible bonds		8,627	(129,969)	(34,178)	(40,323)
Realised (gains) losses on exchange rates from loans, and convertible bonds		83,847	(24,051)	46,772	(1,945)
Exchange difference from conversion of overseas companies		30,777	151,855	-	-
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)					
- Trade accounts receivable		1,247,162	(867,203)	-	-
- Amounts due from related parties		9,324	(14,421)	97,459	(51,972)
- Inventories		59,663	-	-	-
- Vessel supplies and spare parts		222,066	(282,929)	-	-
- Prepayments		12,464	(88,899)	1,751	(4,193)
- Other current assets		305,258	(159,217)	18,083	(2,778)
- Other assets		(202,886)	60,336	(159)	172
- Trade accounts payable		(817,689)	373,729	(4,380)	17,085
- Amounts due to related parties		(33,512)	52,705	(1,952)	(6,187)
- Other accounts payable		658,071	(8,922)	609	(4,389)
- Advances from customers		(183,743)	(52,152)	-	-
- Accrued income taxes		14,449	60,344	-	-
- Accrued expenses		(331,101)	441,387	(40,356)	39,489
- Other current liabilities		(95,543)	23,860	5,508	215
- Employee benefit obligations		152,446	17,743	495	371
Cash generated from operations		5,453,844	11,885,128	97,808	166,945
- Interest paid		(220,173)	(314,446)	(167,564)	(223,943)
- Income taxes paid		(232,986)	(230,661)	(2,859)	(5,277)
Net cash receipts (payments) from operating activities		5,000,685	11,340,021	(72,615)	(62,275)

25 Negative goodwill

As described in Note 10, the Group has acquired 100% interest in EMCG, which wholly owns Baconco Co., Ltd. The Group has recognised the negative goodwill arisen from the excess of the fair value of the net assets acquired over the cost of acquisition of Baht 287.2 million as income for the year that ended on 30 September 2009.

The significant excess amount was due to the followings justification:

- The seller of a business wished to exit from the business and accepted less than its fair value as consideration;
- The fair value of construction costs of buildings and machinery based on the replacement cost method is higher than book value;
- The estimated useful lives of fixed assets are expected to be longer than those applied in the acquiree's accounting policies.

The Group's management has performed assessments and believes that the fair value reasonably reflects the value of the acquiree's identifiable assets, liabilities including contingent liabilities, if any, in the current situation and condition and also reflects the acquiree's current business performance.

26 Operating profits

The following significant expenses, classified by nature, other than those already disclosed in the statements of income were charged to arrive at operating profits (losses):

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Expenses included in vessel operating expenses				
Vessel supplies and spareparts expenses and repair and maintenance expenses	1,610,568	1,641,300	-	-
Crew and staff costs	948,782	888,138	-	-
Charter hire	3,273,650	7,792,179	-	-
Expenses included in offshore service expenses				
Vessel supplies and spareparts expenses and repair and maintenance expenses	750,419	832,712	-	-
Crew, staff costs, and subcontractor costs	1,746,534	1,764,015	-	-
Charter hire and equipment rental	490,969	503,721	-	-
Expenses included in costs of sales				
Cost of raw materials and production	300,338	-	-	-
Supplies and spare parts expenses and repair and maintenance expenses	5,670	-	-	-
Staff costs	12,728	-	-	-
Expenses included in service, selling, and administrative expenses				
Staff costs	851,771	1,165,288	98,332	81,032

27 Corporate income tax

Income taxes as shown in the consolidated and company statements of income are calculated based on net taxable income from non-BOI activities using a principal tax rate for operations in Thailand and specific tax rates applicable to each respective country for overseas operations. Non-BOI activities comprise shipping related services such as agency, drilling services outside Thailand, other offshore related services, and fertiliser production.

28 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares issued during the year.

	Consolidated		Company	
	2009	2008 Restated	2009	2008 Restated
Net profit attributable to shareholders (Baht)	1,813,706,088	8,776,439,970	3,111,833,727	6,143,861,539
Weighted average number of ordinary share in issue (Share)	708,004,413	708,004,413	708,004,413	708,004,413
Basic earnings per share (Baht)	2.56	12.40	4.40	8.68

Earnings per share for the year that ended on 30 September 2008 are presented after the restatement to reflect the stock dividends distributed during this year as mentioned in Note 30.

There was no potential dilution in earnings per share from the convertible bonds, because the average share price during this year was lower than the exercise price.

29 Legal reserves

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Opening balance	87,000	87,000	87,000	87,000
Appropriation during the year	6,500	-	6,500	-
Closing balance	93,500	87,000	93,500	87,000

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as legal reserve at least 5% of its annual net profit after accumulated deficits brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

30 Dividends paid

The Company's dividend policy is to distribute dividends to shareholders of at least 25% of the consolidated net profits after taxes but excluding unrealised foreign exchange gains or losses, subject to the Company's investment plans, and other relevant factors. The Board may review and revise the dividend policy from time to time to reflect the Company's future business plans, the needs for investment, and other factors, as the Board deems appropriate. However, dividend distributions may not exceed the retained earnings reported in the financial statements of the Company only.

For the year that ended on 30 September 2009

At the Annual General Meeting of Shareholders held on 30 January 2009, the shareholders approved the annual dividend payment from net income of the Company for the year that ended on 30 September 2008. The dividend was paid in the following combination of cash and shares in an amount of Baht 2.35 per share:

- Cash dividend of Baht 2.25 per share. Since the Company paid an interim dividend on 13 June 2008 to shareholders of Baht 1.50 per share, a remaining cash amount of Baht 0.75 per share was paid to shareholders on 24 February 2009. However, dividends of Baht 411,400 were not paid to certain shareholders due to disqualification.

- Stock dividend at the ratio of ten existing shares to one stock dividend share with a par value of Baht 1 per share, equivalent to Baht 0.1 per share, based on the par value of Baht 1 per share. Any fraction less than one stock dividend shall be paid in cash of Baht 0.1 per share.

As a result of the stock dividend payment, the conversion price of convertible bonds was adjusted to Baht 56.57 per share (previously Baht 57.94 per share). The adjusted conversion price was effective on 6 February 2009. The Company further adjusted the conversion price of the Company's convertible bonds to Baht 51.43 per share due to the issuance of the stock dividend payment. This conversion price was effective on 24 February 2009.

For the year that ended on 30 September 2008

At the Board of Directors' meeting held on 15 May 2008, the Board resolved that an interim dividend of Baht 1.50 per share be paid to the 643,684,422 outstanding shares, amounting to Baht 965,526,633. However, dividends of Baht 13,650 were not paid to certain shareholders due to disqualification. The remaining dividends of Baht 965,512,983 were paid on 13 June 2008. As a result of the interim dividend payment, the conversion price on TTA's convertible bonds was adjusted as per the bonds' terms and conditions.

At the Annual General Meeting of Shareholders held on 31 January 2008, the shareholders approved the annual dividend payment from net income of the Company for the year that ended on 30 September 2007 of Baht 1.65 per share. Since the Board of Directors had declared and paid an interim dividend payment of Baht 0.75 per share, the remaining balance of Baht 0.90 per share was approved to be paid for the 643,684,422 outstanding shares, amounting to Baht 579,315,980 by the end of February 2008. However, dividends of Baht 24,390 were not paid to certain shareholders due to disqualification. The remaining dividends of Baht 579,291,590 were paid during the year.

31 Other income

	For the years that ended on 30 September			
	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Gains on sales of fixed assets	52,418	203,598	503	596
Insurance claims received	22,733	98,118	-	-
IT service and office and office equipment rental income	804	37	42,856	18,601
Gain on sale of investment in a subsidiary	-	-	9,519	-
Gains on sales of marketable securities	-	2,146	-	2,146
Miscellaneous income	118,142	145,340	379	25
Total other income	194,097	449,239	53,257	21,368

32 Related parties

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

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

32.1 Related party transactions

Significant related party transactions between the Company and its subsidiaries and associates are as follows:

a) Transactions with subsidiaries during the years that ended on 30 September are as follows:

	Company	
	2009 Baht'000	2008 Baht'000
Service income	1,549	71,404
IT service and office and office equipment rental income	42,112	18,565
Interest income	101,896	189,706
Interest expenses	42,930	70,744

32 Related parties (Continued)

32.1 Related party transactions (Continued)

Significant related party transactions between the Company and its subsidiaries and associates are as follows: (Continued)

b) Transactions with associates during the years that ended on 30 September are as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Service income	7,954	2,145	-	22
Interest income	9,282	15,721	996	1,405
Offshore service expenses	43,311	24,111	-	-

The Group's policy for related party transactions is as follows:

- Service income is transacted at prices normally charged to a third party.
- Office and office equipment rental income is transacted at prices normally charged by a third party.
- The interest rates charged on short-term borrowings are at 1.25% per annum (2008: 2.50% per annum). The interest rates charged on long-term loans are based on approximate the borrowing costs of the lender.

32.2 Amounts due from related parties

Amounts due from related parties as at 30 September in the consolidated and company financial statements comprise the following:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Associate and a joint venture	5,392	14,717	68	109
Subsidiaries	-	-	8,496	105,914
	5,392	14,717	8,564	106,023

32.3 Amounts due to related parties

Amounts due to related parties as at 30 September in the consolidated and company financial statements comprise the following:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Associates and a joint venture	19,211	52,723	-	-
Subsidiaries	-	-	3,094	5,047
	19,211	52,723	3,094	5,047

32 Related parties (Continued)

32.4 Loans to/from related parties

a) Loans to related parties as at 30 September in the consolidated and company financial statements comprise the following:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Short-term loans				
Subsidiaries	-	-	1,707,130	1,702,193
Associate	-	1,147,989	-	-
	-	1,147,989	1,707,130	1,702,193

Short-term loans to subsidiaries can be called at any time and are unsecured. The loans mainly bear interest at 1.25% per annum (30 September 2008: 2.50% per annum).

As at 30 September 2008, MMPLC provided a short-term loan to its associate company, Worldclass Inspiration Sdn. Bhd., which has an outstanding balance in Singapore Dollars equivalent to Baht 1,117.1 million carrying interest at 8.50% per annum and a short-term loan in Malaysia Ringgit equivalent to Baht 30.8 million carrying interest at LIBOR plus 3.50% per annum. The loans are unsecured and have repayment terms at call.

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Long-term loans				
Subsidiaries	-	-	570,988	2,040,163
Associate	11,323	15,323	11,323	15,323
	11,323	15,323	582,311	2,055,486

Maturity of long-term loans to related parties is as follows:

Within 1 year	4,000	4,000	149,728	198,998
Between 1 year and 5 years	7,323	11,323	432,583	1,296,927
Greater than 5 years	-	-	-	559,561
	11,323	15,323	582,311	2,055,486

As at 30 September 2009, the Company granted unsecured loans in USD and Baht currency to subsidiaries totalling Baht 571.0 million (30 September 2008: Baht 2,040.2 million), which mainly carry interest at 6.50% per annum (30 September 2008: 6.50% per annum) and are repayable every quarter after a one year grace period and will be settled fully within 2014. In addition, the Company granted unsecured long-term loans to an associate amounting to Baht 11.3 million (30 September 2008: Baht 15.3 million) which carry interest at MOR plus 1.00% per annum (30 September 2008: MOR plus 1.00% per annum).

32 Related parties (Continued)

32.4 Loans to/from related parties (Continued)

a) Loans to related parties as at 30 September in the consolidated and company financial statements comprise the following: (Continued)

Movements on short-term loans and long-term loans to related parties during the years that ended on 30 September are as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Short-term loans				
Beginning balance	1,147,989	-	1,702,193	2,029,843
Additions	-	1,147,989	5,671,080	7,035,138
Repayments	(1,140,394)	-	(5,661,397)	(7,365,323)
Realised losses on exchange rate	(7,595)	-	-	-
Unrealised gains (losses) on exchange rate	-	-	(4,746)	2,535
Ending balance	-	1,147,989	1,707,130	1,702,193

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Long-term loans				
Beginning balance	15,323	19,323	2,055,486	4,113,431
Additions	-	-	-	114,092
Repayments	(4,000)	(4,000)	(1,491,321)	(2,167,277)
Realised losses on exchange rate	-	-	(883)	-
Unrealised gains (losses) on exchange rates	-	-	19,029	(4,760)
Ending balance	11,323	15,323	582,311	2,055,486

32 Related party transactions (Continued)

32.4 Loans to/from related parties (Continued)

b) Loans from related parties as at 30 September in the consolidated and company financial statements comprise the following:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Short-term loans				
Subsidiaries	-	-	3,007,221	3,047,605
Associate	7,500	-	-	-
	7,500	-	3,007,221	3,047,605

The short-term loans from subsidiaries can be called at any time and are unsecured. The loans bear interest at 1.25% per annum (30 September 2008: 2.50% per annum).

As at 30 September 2009, a subsidiary was granted a Thai Baht loan from the Company's associate, Gulf Agency Company (Thailand) Ltd. The loan carries interest at MLR plus 1.00% per annum, is unsecured and has repayment terms at call.

Movements on short-term loans from related parties during the years that ended on 30 September are as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Short-term loans				
Beginning balance	-	-	3,047,605	3,399,190
Additions	7,500	-	7,526,838	9,730,125
Repayments	-	-	(7,567,222)	(10,081,710)
Ending balance	7,500	-	3,007,221	3,047,605

33 Promotional privileges

As at 30 September 2009, twenty-five (25) shipping and offshore subsidiaries received promotional privileges from the Board of Investment ("BOI") under services of domestic and international shipping, service of submerged structure inspection, service of underwater equipment, service of inspection of marine pollution, and drilling services. The main privileges include exemption from payment of import duty on machinery and exemption from corporate income taxes for the promoted activities for a period of 8 years from the date when income is first derived, or when approval is given by the BOI.

To be entitled to the privileges, the Group must comply with the conditions and restrictions provided in the promotional certificates.

34 Financial instruments

The principal financial risks faced by the Group are foreign exchange rate risk, interest rate risk, and credit risk. The objective in using financial instrument are to reduce the uncertainty over future cash flows arising from movements in exchange rates, and to manage the liquidity of the cash resources.

Foreign exchange rate and interest rate risks

The exchange rate risk is the principal risk faced by the Group as certain purchases and services are entered into in foreign currencies and also interest rate risk which is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group manages these risks as follows:

a) Cross currency and interest rate swap contracts

On 29 December 2008, Mermaid Offshore Services Ltd., a subsidiary of MMPLC, entered into a cross currency and interest rate swap contract with a local commercial bank for a long-term loan in Thai Baht currency. As of 30 September 2009, the outstanding loan balance is Baht 262.7 million and the loan has a notional amount of USD 7.5 million with a maturity date of 31 August 2012.

On 6 February 2009, Mermaid Offshore Services Ltd. entered into another cross currency and interest rate swap contract with a local commercial bank for a long-term loan facility in Thai Baht currency of Baht 786.2 million. The loan has a notional amount of USD 22.5 million and a maturity date of December 2016. As at 30 September 2009, the loan has not been fully drawn down.

The net fair values of the cross currency and interest rate swap contracts at the balance sheet date are as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Favourable	21,847	-	-	-

The fair values of cross currency and interest rate swap contracts have been calculated (using rates quoted by the counterparty to the contracts) as if the contracts were terminated at the balance sheet date.

34 Financial instruments (Continued)

Foreign exchange rate and interest rate risks (Continued)

b) Foreign currency collar contracts

During 2007, two subsidiaries entered into foreign currency collar contracts to limit the foreign currency exchange rate fluctuation relating to two ship building contracts in YEN currency totalling YEN 7,353 million. Such contracts specify the range of minimum and maximum exchange rates between YEN 105 to 120 per USD 1. The contracts are effective from 12 December 2006 to 12 September 2011 for the first contract and from 27 December 2006 to 28 December 2009 for the second contract.

The net fair values of the foreign currency collar contracts at the balance sheet date are as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Favourable	352,440	98,151	-	-

c) Target redemption swap

On 6 October 2008, a subsidiary entered into swap agreement effective from 3 November 2008 to 30 October 2009 under which the price of fuel oil was fixed for 1,000 metric tonnes per month.

The net fair values of a target redemption swap agreement at the balance sheet date are as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Unfavourable	5,278	11,278	-	-

d) Interest rate cap contracts

Long-term loans of the Group are mainly denominated in U.S. Dollars with floating interest rates. A subsidiary has entered into interest rate cap contracts amounting to USD 200 million to limit the interest rate fluctuation. Such contracts specify the interest rate cap from a period between February 2005 to February 2010. These contracts enable the Group to forecast the highest interest expenses in their specified periods. As at 30 September 2009, the outstanding notional amount of the caps is USD 200 million.

34 Financial instruments (Continued)

Credit risk

Most of the Group's income, being freight income, is normally paid by clients in advance, or prior to the corresponding cargoes being released to them. Management is therefore of the opinion that credit risk is not significant, and that the cost of hedging will outweigh the possible benefit. The Group has not entered into any derivative contracts relating to credit risk.

Fair value

Financial assets carried on the balance sheet include cash and cash equivalents, short-term investments, trade accounts receivable, and loans to related parties. Financial liabilities carried on the balance sheet include bank overdraft, short-term loans, trade accounts payable, short-term loans from related parties, and long-term loans.

The carrying amounts of the financial assets and financial liabilities approximate their fair value.

35 Provident fund

The Group established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. The registered provident fund was approved by the Ministry of Finance.

Under the plan, employees may contribute up to 7 percent of their basic salary (2008: up to 7 percent), with the Group matching the employees' contribution. The Company appointed an authorised fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

36 Commitments and contingent liabilities

36.1 Capital commitments

The Group has capital commitments in respect of ship building, rig buildings, and vessel equipment contracts but not yet recognised as liabilities as at 30 September as follows:

	Consolidated		Company	
	2009 Million	2008 Million	2009 Million	2008 Million
- USD	159.6	177.9	-	-
- EURO	7.8	-	-	-
- YEN	6,536.0	6,944.5	-	-
- SGD	0.9	1.6	-	-
- GBP	-	2.8	-	-
- NOK	312.7	1.6	-	-

The Group entered into ship and rig building contracts for a total of 5 new dry bulk vessels, 2 dive support vessels, and 1 tender rig. The expected delivery dates of these vessels and rig are within December 2009 to September 2011.

36 Commitments and contingent liabilities (Continued)

36.2 Operating lease commitments - group company as lessee

The future aggregate minimum lease payments under non-cancellable operating leases of vessels are as follows:

	Consolidated		Company	
	2009 Baht'000	2008 Baht'000	2009 Baht'000	2008 Baht'000
Not later than 1 year	1,202,262	1,716,845	-	-
Later than 1 year but not later than 5 years	95,640	1,289,992	-	-

36.3 Significant agreements

a) Vessel and rig charter contracts

	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
Long-term charter-out contracts:				
Number of vessels and rigs	7	8	-	-
Period (months)	5 - 57	0.7 - 22	-	-
Long-term charter-in contracts:				
Number of vessels	5	7	-	-
Period (months)	8 - 16	1 - 28	-	-

b) Royalty contracts

According to a contract between Baconco Co., Ltd., a subsidiary, and Proconco Co., Ltd., Baconco Co., Ltd. is allowed to use the "Con Co" logo and must pay a royalty fee at a rate of 0.10% of revenue on the products using "Con Co" logo. Contract will expire on 27 April 2045.

According to trademark "Furadan" license agreement between Baconco Co., Ltd. and FMC Corporation, a royalty payment of USD 0.03 per kg is made on products sold by Baconco Co., Ltd., under that trademark.

36.3 Significant agreements (Continued)

c) Long-term loans agreements

On 9 November 2007, Thoresen Shipping Singapore Pte. Ltd., a subsidiary, entered into senior secured credit facilities with foreign syndicated banks to provide finance for newbuild and second-hand vessels to be acquired by the Group. As at 30 September 2009, these facilities were not yet drawn down.

The facilities comprise:

(i) A revolving credit facility of up to USD 36 million for general corporate purposes, which has repayment terms within 6 years;
(ii) A term loan facility and guarantee facility of up to USD 360 million to issue of letters of guarantee and to finance the purchase of newbuild and second-hand vessels, which has repayment terms of 10 years.

As at 30 September 2009, the USD 36 million revolving credit facility as per (i) was reduced to USD 25.5 million, as it shall be reduced by USD 1.5 million over 24 consecutive quarterly periods.

The facilities are secured by mortgages of two of the Group's ocean vessels and subsequently by the newbuild or second-hand vessels that have been acquired, assignment of insurance for the collateral vessels, pledge or charge over bank accounts, and a corporate guarantee by the Company. The loans bear interest at the rate of LIBOR plus a certain margin.

On 31 October 2007, two subsidiaries of Thoresen Shipping Singapore Pte. Ltd. entered into separate loan agreements with syndicated banks for USD 27.9 million each to finance their vessels. Loan repayments will begin three months after the delivery dates of the vessels which are expected to be in 2009 and 2011 and to be repaid within 12 years from the delivery date. The facilities are secured by mortgages of these vessels and corporate guarantees by the Company.

36 Commitments and contingent liabilities (Continued)

36.4 Contingent liabilities

The Company and the Group have given the following guarantees in the normal course of business:

	30 September 2009					
	Consolidated			Company		
	Baht million	USD million	Yen million	Baht million	USD million	Yen million
Letter of guarantees issued by bank on behalf of the Group	44.3	0.5	-	-	-	-
Guarantee given by the Group to financial institutions to guarantee credit facilities	1,991.6	539.4	1,225.5	329.2	489.7	1,225.5

	30 September 2008					
	Consolidated			Company		
	Baht million	USD million	Yen million	Baht million	USD million	Yen million
Letter of guarantees issued by bank on behalf of the Group	155.4	2.1	-	-	-	-
Guarantee given by the Group to financial institutions to guarantee credit facilities	871.7	513.4	2,042.5	349.2	461.7	2,042.5

37 Subsequent events

The Company

- At the Board of Directors' meeting held on 27 November 2009, the Board resolved the following significant matters:
  - Annual dividend payment from the net income of the Company for the year that ended on 30 September 2009 of Baht 0.54 per share.
  - Reduction of registered share capital from Baht 933,052,865 to Baht 883,004,413 by cancelling the 50,000,000 unissued shares reserved for private placement shares and 48,452 unallocated stock dividends shares and an amendment to Clause 4 of the Memorandum of Association.
  - An increase of registered share capital from Baht 883,004,413 to Baht 933,004,413, an increase of 50,000,000 shares, to be reserved for private placement shares and an amendment to Clause 4 of the Memorandum of Association.
  - Allocation of new 50,000,000 ordinary shares to be reserved for private placement
- On 10 November 2009, the Company entered into a USD 200 million syndicated loan with financial institutions to finance mergers and acquisitions.

37 Subsequent events (Continued)

The Company (Continued)

- The Company and Soleado Holdings Pte. Ltd., a subsidiary, had jointly entered into ISDA agreements with Nordea Bank Plc, Singapore Branch in which the Company supports the USD/SGD 1.4005 forward contract (notional amount SGD 33,882,796.80) with Soleado Holdings Pte. Ltd. for settlement on 10 November 2009. The transaction is for the payment of MMPLC's rights shares issue by Soleado Holdings Pte. Ltd.

- On 13 November 2009, the Company and Soleado Holdings Pte. Ltd. subscribed for 86,221,201 ordinary shares and 52,941,870 ordinary shares of MMPLC provisionally allotted to them pursuant to their entitled portion of MMPLC's rights shares issue. The payment of shares allotment was made in the same month.

Subsidiaries

- At the Extraordinary General Meeting of Shareholders No.1/2009 held on 14 October 2009 of MMPLC, there are significant matters approved by the shareholders as follows:

  - A reduction in the registered share capital of MMPLC from Baht 544,903,340 to Baht 541,903,340 by means of the cancellation of 3,000,000 ordinary shares with a par value of Baht 1 each that have remained unissued or unallocated under the ESOP 2009. The reduction in the registered share capital is registered with the Ministry of Commerce on 15 October 2009.
  - An increase in the registered share capital of MMPLC from Baht 541,903,340 to Baht 788,797,743 by means of issuance of 246,894,403 new ordinary shares with a par value of Baht 1 each. The increase in the registered share capital is registered with the Ministry of Commerce on 16 October 2009.
  - The allocation of 243,542,403 rights shares from the increase in registered share capital for offering to registered shareholders. The rights shares issue will be offered at an issue price of SGD 0.64 for each rights share on the basis of nine new ordinary shares for every 20 existing ordinary shares with a par value of Baht 1 each in the capital of MMPLC.
  - The allocation of 352,000 new shares from the increase in registered share capital to provide for the adjustments of the options under the ESOP 2008 and the allocation of 3,000,000 new shares from the increase in registered share capital for distribution under the ESOP 2009.

- On 14 October 2009, MMPLC entered into a forward contract for selling SGD and buying US Dollar with a financial institution for expected net cash inflows from the rights issue of SGD 150 million.

- On 26 October 2009, Mermaid Offshore Services Ltd. ("MOS"), a subsidiary of MMPLC, entered into Sale and Purchase Agreements with the shareholders of Nemo Subsea IS and Nemo Subsea AS for the purchase of the shares as follows:

  - Purchase of 76.5 shares representing 76.50% of the total shares in Nemo Subsea IS. The total purchase value is Baht 362.4 million (or USD 10.8 million);

  - Purchase of 10,000.0 shares representing 100.00% of the total shares in Nemo Subsea AS which owns 3 shares representing 3.00% of the total shares in Nemo Subsea IS. The total purchase value is Baht 14.2 million (or USD 0.4 million).

  The Group is in the process of calculating net asset fair value of Nemo Subsea IS and Nemo Subsea AS. The difference between the net fair value and purchase consideration price will be considered as goodwill.

37 Subsequent events (Continued)

Subsidiaries (Continued)

- A subsidiary entered into the sale agreement to sell an ocean vessel with a selling price of USD 5.2 million. The ocean vessel was delivered to the buyer on 23 October 2009.

- On 26 October 2009, Athene Holdings Ltd. (formerly "Hermelin Shipping Co., Ltd."), a wholly owned subsidiary, acquired 73,649,166 ordinary shares, representing 48.46% of paid-up capital of Unique Mining Services Public Company Limited ("UMS"), a company listed in Market for Alternative Investment ("mai"), from two major shareholders at Baht 23 per share. The subsidiary also acquired UMS's 3,222,100 units of warrants, representing 5.55% of total remaining warrants at Baht 14.6579 per unit. This acquisition requires Athene to make a mandatory tender offering to all shares holding by remaining shareholders and all warrants holding by remaining warrant holders.

- Soleado Holdings Pte. Ltd. entered into Sub-Underwriting Agreement with Merrill Lynch (Singapore) Pte. Ltd. to underwrite MMPLC's rights shares issue. MMPLC will pay the underwriting commission to Merrill Lynch (Singapore) Pte. Ltd. of (i) 1.5% of the issue price multiplied by the rights shares represented by the rights of the Company and Soleado Holdings Pte. Ltd. based on the pro rata shares and (ii) 2.25% of the issue price multiplied by the number of balance rights shares. Soleado Holdings Pte. Ltd. will receive the same rate of commission from Merrill Lynch (Singapore) Pte. Ltd. which is expected to be paid in November 2009.

- On 16 November 2009, the Remuneration Committee of MMPLC passed a resolution to approve the allocation of warrants under the approved Employee Stock Option Scheme for 2009 ("ESOP 2009") for employees totalling 891,000 warrants. One warrant can be exercised for one share. The warrant's exercise price shall be calculated based on the weighted average closing price of MMPLC's shares traded on the SGX-ST for the 15 consecutive trading days prior to the issue date of the warrants. The warrantholders can exercise the warrants every six months after the third anniversary of the issue date but not later than five years from the issue date.

- On 16 November 2009, the Remuneration Committee of MMPLC passed a resolution to approve the additional allocation of warrants under the approved ESOP 2008 for employees totalling 300,600 warrants according to the rights issue as aforementioned.

- On 19 November 2009, MMPLC received the rights issue fund of Baht 3,696.1 million from the shareholders. The fund is split to an increase in share capital of Baht 243.5 million and share premium of Baht 3,452.6 million before deducting expenses relating to the rights issue as aforementioned. The additional paid-up share capital was registered with the Ministry of Commerce on 23 November 2009.

Income Structure

(Baht Millions)

Income	Business Segment	2007		2008		2009	
		Income	Percentage	Income	Percentage	Income	Percentage
1. Freight Charges	Shipping Operations	15,865.29	74.42	28,453.61	80.42	13,842.17	65.06
2. Service Income	Shipping Services	259.48	1.22	383.85	1.08	379.89	1.78
3. Offshore Service Income	Offshore Services	4,025.55	18.88	5,258.48	14.86	5,173.92	24.32
4. Commission Income	Shipping Services	205.74	0.97	297.45	0.84	198.14	0.93
5. Sale Income	Fertiliser Production	-	-	-	-	365.80	1.72
6. Share of Profit from Associates and Joint Venture		9.39	0.04	74.21	0.21	29.88	0.14
7. Others		953.14	4.47	914.87	2.59	1,287.63	6.05
Total		21,318.59	100	35,382.47	100	21,277.43	100

Audit Fees

1. Audit fees

The Company and its subsidiaries paid audit fees to audit firms for the latest financial year amounting to Baht 18,478,438.

2. Non-audit fees

The company and its subsidiaries paid non-audit fees to audit firms for the latest financial year amounting to Baht 6,404,995 primarily relating to implementing enterprise risk management, reviewing purchase price allocation of new investment, and auditing the subsidiaries' compliance to the conditions in the BOI's certificates.

Risk Factors

TTA is subject to a number of risks that could materially affect its business, financial condition, and results of operations, and those of the Group.

Risks Relating to the Group's Dry Bulk Shipping Business

The volatility of charter rates could adversely affect the Group's revenues and earnings.

Charter rates paid for dry bulk vessels are primarily a function of the underlying balance between vessel supply and demand and the services provided by the vessels. Additional factors, including but not limited to, the demand for and production of dry bulk commodities, the distance dry bulk is to be moved by sea, changes in seaborne and other transportation patterns, the number of newbuild deliveries, the scrapping of older vessels, global economic conditions, developments in international trade, competition from other means of transport, port and canal congestion, and the number of vessels that are out of service may also significantly influence charter rates. If charter rates decrease, the Group's financial performance, prospects, and future profitability may be materially and adversely affected. Fluctuations in charter rates may result in volatility in the Group's revenues and earnings.

To limit this volatility, the Group's objective is a diversified and balanced fleet employment. The Group employs a certain percentage of the fleet on period time charters, which are supplemented by contracts of affreightment and tramp services. The Group also diversifies its cargo types and prefers not to specialise in any one cargo type.

The market value of the Group's vessels may fluctuate significantly and thereby adversely affect its financial performance and its ability to obtain additional funding.

The Group operates in a capital intensive industry that requires substantial amounts of capital and other long-term expenditures. The market value of dry bulk vessels fluctuates depending on general economic and market conditions affecting the industry, demand for shipping capacity, the number, types, ages and sizes of vessels in the world's fleet, competition, prevailing charter rates, regulation, technological advances, and the price of newbuilds. Purchasing additional vessels during periods of strong demand when there may be a strong business case for adding to the Group's fleet may in the long term have adverse effects on its financial condition in the event that it is not able to generate sufficiently high earnings (due to lower charter rates) to offset its increased expenses.

Declining vessel values could adversely affect the Group's ability to raise sufficient cash on acceptable terms and could lead to a breach of loan covenants, which could give rise to events of default under the Group's financing agreements. In addition, the market value of the Group's dry bulk shipping fleet may decline below book value as the vessels age, and it will incur losses if it sells vessels below the depreciated book value.

The Group's policy is to retire or sell our vessels once they reach a target age and replace them through a gradual fleet renewal programme. To execute the gradual fleet renewal programme, the Group raised a significant amount of capital in 2007 through convertible bonds (US$ 169.8 million) and syndicated loans (US$ 396 million). The proceeds from the convertible bonds were used to refinance the dry bulk shipping business's bank loans, and the existing dry bulk shipping fleet is unsecured and not subject to any loan covenants.

Volatility of oil production and fluctuations in oil prices and bunker fuel could adversely affect the Group's financial condition and performance.

One of the major expenses incurred by shipping companies is the cost of bunker fuel, which historically has ranged from 22.41% to 27.73% of total vessel operating costs. In recent years, bunker prices have risen significantly. For the year that ended on 30 September 2009, crude oil prices ranged from US$ 34 to US$ 81 per barrel. The Group is exposed to fluctuations in oil prices in the liner services and many contracts of affreightment, where the Group is required to absorb any increases in bunker fuel prices before price adjustments may be made in the prices of liner services.

In recent years, bunker fuel prices have risen significantly. Although the Group's time charter terms allow it to pass the cost of bunker fuel through to its shipping clients and some of its contracts of affreightment have adjustment provisions for significant changes in fuel prices, an increase in the cost of bunker fuel could adversely affect its financial condition and results of operations in the event that it is not able to increase charter rates or otherwise recover fuel cost increases from clients. Furthermore, fuel may become more expensive in the future, which may reduce the competitiveness of the shipping business versus other forms of transportation, such as truck or rail.

The Group's policy is to place 20% to 30% of the fleet on time charters, thereby limiting bunker fuel exposure. The Group also plans to execute bunker fuel hedges from time to time on contracts of affreightment, and as fuel costs are hedged, attempt to pass through these costs to our clients.

World events could affect the Group's results and financial condition.

The threat of future terrorist attacks continues to cause uncertainty and may affect the Group's business, operating results, and financial condition. In the past, political conflicts have resulted in attacks on vessels, mining of waterways, and other efforts to disrupt international shipping. Acts of terrorism and piracy have also affected vessels trading in regions such as the Middle East and South China Sea. Any of these occurrences could have a material adverse impact on the Group's operating results.

The continued level of piracy attacks and the company's experience last year in Somalia have led it to provide significant additional passive deterrents, preparations, drills, procedures, and training of sea staff prior to entering and during transit of piracy-affected areas. These additional measures include full 360 degree razor wire fencing, accommodation and bridge protection, military level personal body and head protection, and mandatory use of patrolled sea corridors. Other deterrents and protection measures are being explored with both military and civilian consultants.

Although the Group makes every effort to appropriately evaluate the financial strength of its charter parties, significant financial collapse may negatively impact the charters the Group has contracted. The bankruptcy or other financial difficulty of the Group's charter parties may require renegotiation of charter hire levels or even premature termination of charter agreements

The Group's exposure to the spot voyage market may result in fluctuations in profitability.

Spot charter rates in the various shipping markets in which the Group operates vary significantly depending upon factors such as the number of vessels in the world fleet, their deployment, the delivery of new vessels, the scrapping of old vessels, and the demand for the products carried. The location of the Group's vessels also affects the Group's ability to deploy vessels efficiently and effectively to respond to fluctuations in the demand for spot charter hires and contracts of affreightment. In 2009, 88.43% of gross freight revenues and 81.47% of net voyage revenues were derived from liner services, charters, and other contracts priced at rates adjusted to the spot market. To the extent that a portion of the Group's dry bulk shipping business is exposed to spot rates, any decline in prevailing rates in a given period generally will result in a decline in the Group's operating results for that period.

The Group's policy is to lock in a substantial portion of its revenues each year through period time charters and contracts of affreightment, thereby lowering the spot market exposure.

The Group's future success depends on its ability to manage growth.

The Group is currently engaged in a fleet expansion and renewal plan. It has already signed contracts for the building of several new vessels and will continue to pursue opportunities to acquire additional newbuilds and/or second-hand vessels. The Group also relies on its officers, crew and on-shore staff, as well as its information technology and systems, to manage its fleet and the fleet expansion and renewal plan, without compromising service to clients. There can be no assurance that the Group's human and technological resources will be successful in managing its fleet expansion and renewal plan.

Apart from the fleet expansion and renewal plan, part of the Group's strategy is to continue to identify expansion opportunities in new geographic areas and services (such as the diversification into providing offshore services) which will enable it to leverage its competitive strengths, or which are a natural extension of its existing businesses. The Group may not be successful in executing any or all parts of its strategy.

The Group's policy is to continually improve its core people and systems foundation. In 2009, the Group reviewed in detail its business processes with a view to increase productivity and efficiency. A corporate reorganisation exercise was also implemented to synchronise the structure with the medium-term strategic plan.

If the Group is unable to compete effectively in the dry bulk shipping industry, its revenues and profitability will decrease.

The dry bulk shipping industry is very competitive and has low (albeit capital-intensive) barriers to entry. The Group competes primarily on the basis of price and also client service provided by its reputation and the quality and flexibility of its fleet. With respect to its international transportation services, several of its competitors have greater financial and other resources, deploy fleets larger than the Group's, have lower operating costs or have better penetration in the dry bulk shipping market. TTA's market share in the international market is insufficient to enforce any degree of pricing discipline, and its rates are dictated by factors over which it has no control.

During an upturn in demand, there are likely to be a number of new market entrants (potentially including current operators of larger dry bulk vessel categories and container vessels), thus increasing the number of players in the industry and exacerbating the competition in the market. As a result, the historical trend has been for strong global growth, or shifts in the balance of trade to lead to strong markets and high rates, and then to be followed by significant additions to capacity, leaving the industry vulnerable to a downturn. During such a downturn, pricing pressure is severe and charter rates could decline materially and adversely impact the Group's revenues.

The Group may have to make unexpected capital expenditures in order to maintain its dry bulk shipping fleet.

If the Group's vessels suffer damage (for example due to weather or accidents), they may need to be repaired at a dry-docking facility. The costs and duration of dry-dock repairs are unpredictable, can be substantial and may not be covered by insurance. The loss of earnings while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, would decrease the Group's earnings. In addition, space at dry-docking facilities is sometimes limited and not all dry-docking facilities are conveniently located.

In addition, unanticipated changes in governmental regulations and safety or other equipment standards may require unanticipated expenditures for alterations, or the addition of new equipment, to older vessels. As a consequence, the Group may need to take its vessels out of service for longer periods of time or more often than planned in order to perform necessary repairs or modify the vessels in order to meet such regulations. There can be no assurance that the Group's vessels will not require extensive repairs, which would result in significant expense.

The Group's existing vessels are taken out of service at regular intervals so that routine inspections and maintenance can be conducted. Should its vessels require more extensive repairs than those that are expected, there could be delays in bringing them back into service. Such delays could have a material adverse effect on the Group's business, results of operations, and financial condition.

The Group's policy is to invest substantial capital to maintain the dry bulk shipping fleet at high standards to limit any downtime. For 2009, the fleet utilisation rate was 97.67%. The Group also plans the fleet's dry docking schedule one to two years in advance and negotiates space with dry-docking facilities well ahead of time. In many instances, we negotiate fixed dry-docking tariffs with preferred shipyards and ensure that vessels are near these locations when it is time to dry-dock them.

Any delays in the delivery of new vessels or the repair of existing vessels may have an adverse effect on the Group's revenues.

TTA's gradual fleet renewal plan aims to reduce the dwt-weighted average age of the fleet. The plan assumes that the new build vessels, which may be acquired in the future, will be delivered on time and will perform in the manner indicated by the design specifications. A significant delay in the delivery of the vessels or a significant performance deficiency could have a material adverse effect on the Group's business, results of operations, and financial condition. Delivery delays can occur as a result of problems with the Group's shipbuilders, insolvency, or force majeure events that are beyond its control or that of its shipbuilders or other reasons. These events and the losses associated therewith, to the extent that contractual remedies or insurance do not adequately cover them, could adversely affect the Group's financial results.

The Group's policy is to work with quality yards that have sufficient building experience and employ an active new build supervision team, who will regularly inspect and monitor the construction work done by the Group's shipbuilders. This process should ensure quality and alert the Group if the risk of delivery delays increases. The Group will also consider second-hand vessel acquisitions, particularly in a falling asset price environment, as part of the fleet renewal plan. The shorter delivery times of second-hand vessel acquisitions could compensate for any delays from the newbuild vessel yards.

Operating costs and capital expenses will increase and fuel efficiency will decrease as the Group's vessels age, which could lead to an adverse effect on its earnings.

As at 30 September 2009, the Group's dry bulk shipping fleet ranged in age up to twenty-five (25) years with an average size of 27,185 dwt and a dwt-weighted average age of 19.05 years. In general, capital expenditures and other costs of maintaining a vessel in good operating condition increase with the age of the vessel. Older vessels are typically more costly to maintain than more recently constructed vessels due to their higher maintenance requirements and reduced fuel efficiency, which may result in lower operating margins and reduced profitability. In addition, governmental regulations or safety or other equipment standards related to the age of vessels may require expenditures for alterations, or the addition of new equipment, to its vessels and may restrict the type of activities in which the vessels may engage.

The gradual fleet renewal plan aims to lower the dwt-weighted average age of the fleet over the next five years, and the new build vessels generally have higher fuel efficiency than older vessels.

The Group may fail to maintain certification by classification societies.

A vessel must undergo scheduled surveys, annual surveys, intermediate surveys, dry-docking surveys, and special surveys, and is sometimes subject to other surveys and inspections that are required pursuant to the regulations and requirements of the vessel's country of registry. Vessels are typically required to undergo dry-docking surveys, which include inspection of underwater parts, twice every five years.

If any vessel does not maintain its class or fails any annual survey, intermediate survey, dry-docking survey, special survey, or other surveys performed by its classification society, that vessel may be unable to trade between ports and will be unemployable. The failure to maintain a vessel's class or the failure of a vessel survey could also cause the vessel to be in violation of its associated insurance policies, and may allow the insurer to decline coverage. Such inability to trade between ports or violations of the Group's insurance policies would negatively impact its revenues.

Risks Relating to the Group's Offshore Services Business

The offshore services industry is largely dependent on the oil and gas industry, which is affected by volatile oil and gas prices.

The Group, through Mermaid, provides offshore services to the oil and gas industry, and its offshore business is affected by fluctuations in the prices of oil and gas, which impact the level of activity in oil and gas exploration, development, and production in South-East Asia, where Mermaid is active.

Depending on the market price of oil and gas, oil and gas companies may cancel or reduce their activities, thus reducing the demand for the Group's offshore services. Any prolonged period of low drilling and production activity would likely have an adverse effect on the Group's business and operations.

The Group's focus on niche businesses like subsea engineering and tender drilling rigs however should lower earnings volatility. The Group's subsea engineering business focuses on the downstream sectors, particularly inspection, repair, and maintenance of existing facilities, which must meet safety standards, regardless of the underlying oil and gas prices. Tender drilling rigs are used primarily in production drilling, which is the more stable part of the drilling business, which also mitigates the impact of market price risk on the Group.

Demand for the Group's offshore business is subject to fluctuations and the results of its offshore services segment operations may be volatile.

Demand for the Group's offshore services is subject to periods of high demand, short supply, and high rates often followed by periods of low demand, excess supply, and low rates. The entry into the market of newly constructed, upgraded, or reactivated drilling or subsea engineering vessels will increase market supply and may inhibit the increase of rates or reduce them. Periods of low demand intensify the competition in the industry and often result in assets being idle for periods of time. The Group's offshore services assets may be idle, or the Group may have to enter into lower rate contracts in response to market conditions in the future. The Group's ability to renew these contracts, or obtain new contracts, and the terms of any such contracts will depend on market conditions at the time such contracts are being considered.

In addition, as most of the Group's subsea engineering services contracts are short-term in nature, changes in market conditions can quickly affect the Group's business. Further, as the Group's offshore services business is project-based, its cash flow may not always be predictable and may be uneven. As a result of fluctuation in demand for the Group's offshore services business, its results of operations may be volatile.

However, several of the Group's assets are under long-term contracts of up to five years duration, particularly the tender drilling rigs. This provides a guaranteed earnings stream that is not affected by of market conditions and provides a hedge against market volatility.

The Group's offshore services business is subject to a number of operating risks.

The Group's offshore services business is subject to various risks inherent in the oil and gas industry, such as fires, natural disasters, explosions, encountering formations with abnormal pressures, blowouts, cratering, pipeline ruptures and spills. A number of these risks could have severe consequences, including loss of human life or serious injury, significant damage to the Group's or its clients' assets and equipment, environmental pollution, personal injury litigation, political consequences and damage to the Group's reputation.

The Group's offshore services business is also subject to equipment failure risks, which may require long periods to repair and result in loss of revenue. The Group may be forced to cease part of its operations if any of its key assets break down until it can replace and/or repair such key assets. A major system failure could result in substantial loss of life and or serious injury, damage to or loss of vessels and equipment and protracted legal or political disputes and damage to the Group's reputation.

Any of these events could have a material adverse effect on the Group's reputation, financial condition and results of operations, and on its ability to continue to operate its offshore services business.

The Group constantly invests substantial capital in the fleet, and insists upon a comprehensive maintenance and repair schedule that minimises the risk of equipment failure. Furthermore, the Group maintains a high focus on safety at all times, with a comprehensive safety management system in place, with clear safety guidelines and detailed safety training and awareness programmes. In addition, clients also regularly inspect the fleet and provide their input to ongoing repair and maintenance programmes.

There are a limited number of potential clients in the niche markets in which the Group's offshore services business operates and the loss of a significant client could have a material impact on the Group's financial results.

There are a limited number of potential clients, particularly for the drilling business, and a limited number of projects available in the niche markets that the Group's offshore services business operates in. In any given year, a small number of contracts and projects account for a significant portion of Mermaid's revenues. Further, given that Mermaid has a total of three tender drilling rigs, the drilling services business can only have a maximum of three clients at any point in time. The loss of any single existing client for the drilling business could thus have a material adverse impact on the drilling business, if Mermaid is unable to secure new clients to replace such a client. Accordingly, this may have an adverse effect on the Group's revenues and profitability as a whole.

The Offshore Services Group's revenues and profitability, and the Group's financial results, could be materially and adversely affected if any of Mermaid's major clients terminate its contracts or refuse to award new contracts to Mermaid and it is unable to secure new clients to replace these clients.

The Group works hard to maintain good relationships and its good reputation with all its major clients, and to date has never had a client terminate an existing contract, nor has Mermaid ever been technically disqualified from bidding for new contracts by clients with whom it has worked previously.

If the Group's offshore services business fails to effectively manage its growth, its results of operations may be adversely affected.

In 2010, Mermaid has confirmed plans to complete the purchase of one newbuild tender drilling rig (KM-1) and three new build subsea vessels, Mermaid Sapphire, Mermaid Asiana, and Mermaid Endurer. There is a time lag between the time Mermaid purchases a new build vessel and the time such vessel becomes operational. In that time, the conditions affecting the industry may change such Mermaid may be unable to achieve its projected returns.

Mermaid's expansion plans will require substantial management attention and significant company resources, both financial and human. This growth has placed, and is expected to continue to place, significant demands on personnel, management, and the financial and legal/compliance information systems.

In 2009, the Group took several significant steps to address this challenge, including the establishment of a new Energy Group and the appointment of a new Head of Energy. The Group also appointed new management in the key service functions including human resources, finance, IT and business systems, and has initiated a comprehensive review and upgrade of its business systems and processes that support all parts of the Group, including Mermaid. This review and upgrade process will continue throughout 2010. In addition, all senior Mermaid managers follow a "pay for performance" concept linked to short and medium-term goals that aids retention and that clearly links performance to results.

The Group's offshore services business industry is highly competitive with intense price competition.

The market segments and region in which Mermaid operates are highly competitive. Pricing is often the primary factor in determining which contractor is awarded a contract. Some of its competitors are larger than the Group, have more diverse fleets or fleets with generally higher specifications, have greater resources than the Group, and have greater brand recognition and greater geographic reach and/or lower capital costs than the Group has. This allows them to withstand industry downturns better, compete on the basis of price, and relocate, build, and/or acquire additional assets,
all of which may affect the Group's sales or profitability.

Mermaid's acquisitions of new vessels will broaden the diversity of the fleet and will also provide higher specification vessels, enabling Mermaid to compete more effectively with its competitors. While some competitors have a broader geographic base, Mermaid's geographic focus on South-East Asia has enabled it to establish a good reputation in the region, and strong ties with potential clients, in a region where growth and business opportunities are expected to remain strong.

Increases in the costs of the Group's offshore services business could adversely impact the profitability of its long-term contracts.

Mermaid's contracts for its drilling services and some of its contracts for its subsea engineering services are on a long-term fixed rate basis. Long-term fixed rate contracts limit the Group's ability to adjust rates in response to any increase in its costs, such as salary costs and costs for spare parts and consumables, which are unpredictable and fluctuate based on events beyond its control. Any substantial increase in such costs would adversely impact the Group's profitability.

Mermaid uses a portfolio of both short term charters and long term contracts. This enables Mermaid to balance the risk of exposure to market price fluctuations in the short-term contracts with the risk of cost increases in fixed-rate long-term contracts.

Maintenance and repair for the tender drilling rigs and vessels of the Group's offshore services business will require substantial expenditures.

The operations of the Group's offshore services business rely on assets such as tender drilling rigs and vessels. The Group is required to maintain its tender drilling rigs and vessels to certain standards and to maintain the certification of such tender drilling rigs and vessels. For example, its tender drilling rigs and vessels are required to be dry-docked every five years. Such dry-docking requires major capital expenditures and there can be no assurance that there will not be any cost overruns. The Group may have to repair or refurbish its tender drilling rigs or vessels or incur substantial expenditures for the acquisition of additional spare parts and assets. Further, as many of the Group's tender drilling rigs and vessels are not new, the cost of maintenance and repair may be higher than for new builds.

There can be no assurance that cash from operations or debt or equity financing on terms acceptable to the Group will be available or sufficient to meet these requirements. Any inability to access sufficient capital for its operations could have a material adverse effect on the performance of the Group's offshore services business.

Mermaid has completed a SG$156 million rights offer, and thereafter shall have a very healthy balance sheet. It had a debt to equity ratio of 0.22 x as of 30 September 2009. With strong and growing cash flow expected from its existing business, and cash resources of over SG$ 200 million, Mermaid is well placed to manage any possible large and unforeseen expenditures.

General Risks Relating to the Group

The Group's dry bulk shipping and offshore services businesses are subject to extensive maritime regulations and potentially substantial liability that could require significant expenditures and adversely affect the Group's results of operations and financial condition.

The Group's dry bulk shipping and offshore services operations are subject to extensive laws, treaties, and international agreements governing, *inter alia,* the management, transportation, storage, and discharge of petroleum and hazardous materials, all of which are designed to protect the environment from pollution and to preserve life at sea, as well as other national, state, and local laws and regulations in force in the jurisdictions in which its vessels operate or are registered. The Group's dry bulk shipping operations are required to satisfy, among other things, insurance and financial responsibility requirements and may be subject to change at any time. In particular, its vessels must meet stringent operational, maintenance, inspection, training, and structural requirements and follow approved safety management and emergency preparedness procedures. These regulations include the Annex VI to the International Convention for the Prevention of Pollution from Vessels, the Management Code for the Safe Operation of Ships and Pollution Prevention, the International Convention for Safety of Life at Sea, and the International Security Code for Ports and Ships.

The Group's offshore services business is required to have certain permits and approvals to conduct its operations. In the future, the Group's offshore services business may be required to renew such permits or to obtain new permits and approvals. There is no assurance that it will be able to renew or obtain such permits or approvals in the time frame anticipated by the Group or at all. Any failure to renew, maintain or obtain the required permits or approvals may result in the interruption or delay to the Group's offshore services operations and may have an adverse effect on the Group's offshore services, and the Group's business.

The Group's business is subject to various inherent risks of loss and liability, and to the extent it does not have sufficient insurance coverage in the event of actual loss or liability, its financial condition and results of operations may be materially and adversely affected.

Maritime property and casualty losses may arise from a variety of causes, including severe weather, collision, stranding, fire, mechanical failure, human error, the possibility of being grounded or even a vessel sinking and spills or leaks resulting in pollution, and may result in third party claims. In addition, the cargoes carried by its vessels may be flammable, explosive, and toxic and may be harmful to vessels, people, and the environment. While the Group places safety as a high priority in the design and operation of its fleet, the Group has experienced accidents and other incidents involving its vessels. There can be no assurance that similar events will not occur in the future.

Although the Group may be able to recover most of its damages from its insurers, claims may be subject to deductibles, exclusions, caps, and other limitations and there can be no assurance that the Group's insurance will always cover the costs of incidents or that it will fulfil the conditions under the terms of the relevant insurance for recovery from its insurers. The occurrence of similar events in the future could result in direct losses or liabilities, loss of profits or increased costs, which could have a material adverse effect on the Group's business, financial condition, and results of operations.

The Group does not maintain insurance with respect to loss of profits, loss of hire, delays, consequential loss, or loss of income resulting from a vessel being removed from operation, except to a limited extent in the case of claims against third parties. In addition, certain risks, such as those related to biochemical damage, are not insurable. As there has been an increase in insurance claims made throughout the shipping industry, insurers and P&I clubs could impose a general increase in insurance premiums. The Group's inability to secure insurance on terms favourable to it, or at all, or any substantial liabilities suffered by it which are not fully covered by insurance, could have a material adverse effect on its business, prospects, financial condition, and results of operations.

The P&I clubs to which the Group belongs may call for additional funding from their members, which could materially and adversely affect the Group's financial condition and results of operations.

The Group is indemnified for certain liabilities incurred while operating its vessels through membership of protection and indemnity, or P&I, clubs. P&I clubs are mutual insurance associations whose members must contribute to cover losses sustained by other club members. The objective of a P&I club is to provide mutual insurance based on the aggregate tonnage of a member's vessels entered into the club. Claims are paid through the aggregate premiums of all club members, although members remain subject to calls for additional funds if the aggregate premiums are insufficient to cover claims submitted to the association. Claims submitted to the association may include those incurred by club members, as well as claims submitted to the association from other P&I clubs with which the club has entered into inter-club agreements. The P&I clubs to which the Group belongs may call for additional funding from their members, and such additional funding calls may be substantial, which could materially and adversely affect its financial condition and results of operations.

The Group's failure to attract and retain skilled personnel for its businesses, could adversely affect its operations or business.

An important factor to the success of the Group's business is its ability to recruit, train, and retain qualified and experienced officers to operate and provide commercial and technical support for our business. The market for qualified and experienced officers is extremely competitive and has grown more so in recent periods as a result of the growth in world economies, the rising number of vessels and rigs, and other employment opportunities and rising salaries. There can be no assurance that the Group will be successful in its efforts to recruit and retain properly skilled personnel at reasonable costs. Any failure to do so could adversely affect its reputation and ability to operate safely and cost-effectively. We may experience a reduction in the experience level of our employees as a result of increased tornover, which could lead to higher downtime and more operating incidents. In response, we increased effort in our recruitment, training development, and retention programmes to meet our anticipated personnel needs.

The Group's ability to grow its business through further asset acquisitions could be affected by the global credit crisis.

Past expansion activities of the Group had been driven by ready access to credit lines, among other things. The recent global financial and credit crisis has reduced the availability of credit to fund expansion of business, including capital expenditures in rigs and vessels and corporate acquisitions. Where available, securing credit may come with higher funding costs, which may in turn result in investment economics becoming less attractive. This could materially and adversely affect the Group's ability to expand its revenue generating asset base. The Group's policy is to ensure that committed acquisitions continue to be supported financially and that future expansion plans take into consideration the present global financial crisis including any new acquisition opportunities that may arise from it.

The Group's performance is exposed to the creditworthiness of its clients.

The Group is subject to risks of loss resulting from non-payment or non-performance by its clients. Any material non-payment or non-performance by any of the Group's key clients, especially during periods of downturn, could adversely affect the Group's financial condition or results of operations. If any of the Group's key clients defaults on its obligations to the Group, the Group's financial results could be adversely affected. The potential impact of any client defaults would be greater in the Group's offshore services business where the duration of contracts are long, the value of the contracts are greater, and there are fewer contracts.

The Group's policy is to work primarily with high-quality clients, who are screened internally, or, where possible, we request advance payments before beginning an assignment.

Shareholdings by Directors/Executives

Table 33 : Shareholdings By Directors As Of 30 September 2009

Name	As of 30 Sept. 08	Changes During Year	As of 30 Sept. 09
1. M.R. Chandram S. Chandratat	755,030	75,503	830,533
Spouse	395,000	51,000	446,000
2. M.L. Chandchutha Chandratat	176,080	20,908	196,988
Spouse	0	0	0
3. Mr. Stephen Fordham	0	0	0
Spouse	0	0	0
4. Ms. Pratana Mongkolkul	20,000	2,000	22,000
Spouse	0	0	0
5. Dr. Pichit Nithivasin	0	0	0
Spouse	0	0	0
6. Mr. Sak Euarchukiati	0	0	0
Spouse	0	0	0
7. Dr. Siri Ganjarerndee	0	0	0
Spouse	0	0	0
8. Mrs. Joey Horn	0	0	0
Spouse	0	0	0
9. Mr. Aswin Kongsiri [1]	0	0	0
Spouse	0	0	0
10. Mr. Terje Schau [1]	0	0	0
Spouse	0	0	0
Total	**1,346,110**	**149,411**	**1,495,521**

Note : [1] Mr. Aswin Kongsiri became a Director on 30 January 2009 and Mr. Terje Schau became a Director on 13 March 2009.

Table 34 : Shareholdings By Executives As Of 30 September 2009

Name	As of 30 Sept. 08	Changes During Year	As of 30 Sept. 09
1. M.L. Chandchutha Chandratat	176,080	20,908	196,988
Spouse	0	0	0
2. Mr. David Lawrence Ames [2]	0	0	0
Spouse	0	0	0
3. Mr. John Crane [2]	0	0	0
4. Mr. Prithayuth Nivasabutr	0	0	0
5. Mrs. Thitima Rungkwansiriroj [3]	0	0	0
Spouse	0	0	0
6. Mr. Andrew Tom Springall [4]	0	0	0
Spouse	0	0	0
7. Mrs. Penroong Suwannakudt [2]	1,000	100	1,100
Spouse	0	0	0
Total	**177,080**	**21,008**	**198,088**

Note : [1] Shareholdings of the executives of subsidiaries are not included.
[2] Mr. David Lawrence Ames, Mr. John Crane, and Mrs. Penroong Suwannakudt became executives on 15 May 2009.
[3] Mrs. Thitima Rungkwansiriroj became an executive on 24 August 2009.
[4] Mr. Andrew Tom Springall became an executive on 1 September 2009.

Shareholders/Dividend Policy

Table 35 : Major Shareholders As Of 15 October 2009 (The latest share register book closing date)

No.	Name	No. of Shares	Percentage
1.	Thai NVDR Co., Ltd.	112,560,948	15.90
2.	State Street Bank and Trust Company	44,392,453	6.27
3.	Norbax INC., 13	24,285,306	3.43
4.	HSBC (Singapore) Nominee Pte Ltd	17,860,530	2.52
5.	Mellon Bank, N.A.	16,339,103	2.31
6.	Morgan Stanley & Co. International Plc	10,590,353	1.50
7.	State Street Bank and Trust Company, For London	9,617,380	1.36
8.	State Street Bank and Trust Company, For Australia	9,267,060	1.31
9.	The Bank of New York (Nominees) Limited	8,718,470	1.23
10.	Nortrust Nominee Limited – Melbourne Brunch Future Fund Client	7,904,660	1.12
	Total	**261,536,263**	**36.94**

Policy On Dividend Payments

The timing and amount of dividends, if any, will depend on our results of operations, financial condition, cash requirements and availability, restrictions in financing agreements, and other factors deemed relevant by our Board. Because we are a holding company with no material assets other than the shares of our subsidiaries and affiliates, our ability to pay dividends on the common shares depends on the earnings and cash flows of our subsidiaries and affiliates.

TTA has established a policy to distribute dividends of at least 25% of the consolidated net profit after tax but excluding unrealised foreign exchange gains or losses, subject to the Company's investment plans and other relevant factors. The Board may review and revise the dividend policy from time to time to reflect the Company's future business plans, the needs for investment, and other factors, as the Board deems appropriate. However, dividend distributions may not exceed the retained earnings reported in the financial statements of the Company only.

The declaration and payment of dividends will always be subject to Thai law. For example, Thai law prescribes that the declaration and payment of dividends is subject to the discretion of the AGM on the recommendation of the Board (for final dividends) or at the discretion of the Board (for any interim dividends). Furthermore, Thai law generally prohibits the payment of dividends other than from profits (net profits plus retained earnings less any accumulated losses) and provided that the company first maintains a minimum reserve fund of 10% of the capital of the company, or higher if determined by company regulations, and cannot be made while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

Most of our subsidiaries have adhered to a policy to pay dividends to TTA at not less than 70% of their net profit, except for the smaller shipping services companies and Mermaid. As a listed company on the SGX-ST, its Board of Directors must apply the same level of care and judgement when recommending dividends as the TTA Board. Mermaid's possible dividend payments will depend on various factors, including return on equity and retained earnings, expected financial performances, projected level of capital expenditures and other investment plans, and restrictions on payment of dividends that may be imposed by its financing arrangements.

Corporate Governance Report

INTRODUCTION

The principles of good corporate governance are emphasised in the conduct of TTA's business. TTA believes that good corporate governance allows the successful pursuit of our mission. Corporate governance defines the structure and process of relationships among the Company's shareholders, Board of Directors, and management, with the aim of enhancing the Company's competitiveness and long-term shareholder value while taking into consideration the interests of other stakeholders.

The Board of Directors (the "Board" and each Board member, a "Director") plays a number of key roles, one of which is the oversight of corporate governance. Management is delegated to the President & Chief Executive Officer and his executive team, which follows the Board-approved corporate governance policies.

TTA's corporate governance policy (the "CG Policy") follows the SET Principles of Good Corporate Governance. We keep track of regulatory developments and adapt our practices to them. Good corporate governance requires a strong commitment from the Board and management, so that the proper behaviour and examples are established throughout the Company.

1. THE CORPORATE GOVERNANCE POLICY

The Board is accountable to all shareholders and is committed to understanding shareholders' needs and to evaluating systematically economic, social, environmental, and ethical matters that may affect their interests. Each Director exhibits high standards of integrity, commitment, and independence of thought and judgement. The Board also takes into account the interests of other stakeholders.

TTA's CG Policy recognises the Board's unique role as the link in the chain of authority between the shareholders and the President & Chief Executive Officer and his executive team. The dual role played by the President & Chief Executive Officer as both a member of the Board and a senior manager is also recognised and addressed.

The overriding objective of TTA's CG Policy is to ensure that our business is transparent, ethical, and complies with all applicable laws.

The Audit Committee is responsible for drawing up an implementation and monitoring plan to ensure compliance with all policies. Results are monitored and reviewed and the CG Policy is updated regularly so that it is appropriate for the current situation. Under the Audit Committee's direction, the Internal Audit Department has taken some initiatives to implement the CG Policy. The responsibility for overseeing the overall implementation of the CG Policy is placed on the Chairman of the Board.

The CG Policy requires that in between various Board meetings, the Chairman is responsible for ensuring the integrity and effectiveness of the Board and management relationship. This requires his interaction with the President & Chief Executive Officer in between Board meetings and his contact with other Board members and shareholders.

The CG Policy provides guidelines covering the following issues:

1. Rights and Equitable Treatment of Shareholders and Shareholders' Meetings
2. Policy on the Interests of Stakeholders

3. Information Disclosure and Transparency

4. Responsibilities of the Board of Directors and Committees

5. Business Ethics and Code of Conduct

2. SHAREHOLDERS : RIGHTS AND EQUITABLE TREATMENT

(A) GENERAL RIGHTS AND EQUALITY

TTA is accountable to its shareholders in terms of information disclosure, accounting methods, use of insider information, and conflict of interest. Management must be ethical, and any decision must be based on honesty and fairness and for the collective benefit of shareholders as a whole.

We recognise our duty to ensure fair treatment to all shareholders. We have a duty to protect shareholders' benefits and rights, which include, among other things, the rights to receive dividends and obtain relevant and adequate information from the Company on a regular and timely basis. We also have a duty to disseminate transparent information and ensure management accountability through shareholders' meeting arrangements. It has been our tradition to fully accommodate all shareholders in each shareholders' meeting.

Under TTA's policy, each shareholder shall receive, prior to any shareholders' meeting, complete and sufficient information concerning the proposed agenda attached to the meeting notification, which is sent to shareholders at least fourteen days prior to the meeting date.

During the meeting, shareholders are entitled to pose questions, express their opinions, suggestions, or recommendations, and vote. They can request additional information on significant accounting entries. We encourage disclosure of business information and transactions to provide shareholders with a clear understanding of our operations. Major and minor shareholders equally receive information regarding corporate performance, management policies, financial statements, and are entitled to fair treatment in allocations of dividends and returns.

All shareholders are given proxy forms, allowing them to appoint their authorised representative or select an independent director to attend and vote at the meetings on their behalf.

To increase communication channels and shareholder interaction, the Board has implemented the policy to give shareholders an opportunity to propose agenda items for future shareholders' meetings. Shareholders are able to send their questions to us and propose agenda items to the Board for consideration via our website prior to any shareholders' meetings. We try to respond to all questions posed by our shareholders. Guidelines that allow shareholders to nominate directors are also posted on our website.

(B) SHAREHOLDERS' MEETINGS

TTA's policy is to conduct shareholders' meetings in accordance with the law and to allow shareholders to exercise their rights fully and in an informed manner. Within four (4) months after our financial year-end, we organise an Annual General Meeting ("AGM"). The meeting is conducted in accordance with applicable laws and SET requirements, from the calling of the meeting, the notification of the meeting agendas, the dispatch of meeting materials, the conduct of the meeting, and the distribution of minutes.

In addition, we publish the notice of each meeting in at least one Thai language and one English language daily newspaper for three (3) consecutive days no later than three (3) days prior to each AGM. We also publish the meeting notice on our website. TTA seeks to promote the use of electronic communication within its reporting methods, so all documents are available on our website at http://www.thoresen.com.

Detailed procedures for each shareholders' meeting are as follows:

(i) Procedures prior to the meetings

The 2009 AGM was held on 30 January 2009. The notice to the 2009 AGM was sent to shareholders and the SET on 9 January 2009, which complies with TTA's policy that notice to any meeting must be sent at least fourteen (14) days prior to the meeting. The notice was also made available on TTA's website thirty (30) days in advance so that shareholders have up to thirty (30) days to study the information to make their decisions. Each agenda included the opinion of the Board.

Prior to any shareholders' meeting, details such as time and place of the meeting, the meeting agendas, proxy forms, and a list of documents required for attending the meeting are sent to shareholders to assist them in exercising their rights and casting their votes on each agenda item. Information provided to shareholders includes:

1. Factual details, reasons, and the Board's recommendation on each agenda item.
2. Material information, such as a list of names and credentials of proposed candidates for director position(s) to be appointed in replacement of former directors who retired by rotation for the year and details of remuneration of directors and Board committee members.
3. Details of meeting procedures and appointment of proxies. TTA also advises that shareholders may appoint an independent director as their proxy.

(ii) At the shareholders' meeting

TTA facilitates registration by separating lines between shareholders and proxy holders. TTA uses a bar code system to register meeting attendees and to count votes. Stamps were made readily available for shareholders to mail their proxy forms. The e-voting programme of the Thailand Securities Depository Co., Ltd. ("TSD") was also used in the registration and vote count, increasing efficiency and transparency.

For shareholders who were unable to attend a meeting, TTA downloads a video of the shareholders' meeting onto our website so that shareholders can review the meeting.

(iii) During the meeting

The Chairman of the Board presided over the 2009 AGM. All eleven directors, including the chairmen of the Board committees, attended the meeting. The Chairman and the President & Chief Executive Officer were responsible for answering shareholders' questions. Before the meeting formally began, the Chairman explained the voting procedures. After each agenda item, the voting results were announced.

For shareholders' convenience and clarification, multimedia presentations are shown during all meetings. TTA conducts the meeting in accordance with the agenda and offers an equal opportunity for each shareholder to cast their vote. The Chairman gives shareholders sufficient opportunity to ask questions and make recommendations on any matter relating to TTA's operations and financial statements without prejudicing the rights of any shareholder. The Chairman or President & Chief Executive Officer provides clarifications during the meeting and meets informally with shareholders afterwards. All votes cast at a shareholders' meeting, whether in person or by proxy, are counted.

(iv) Procedures following the meeting

TTA prepares and promptly submits the minutes of each shareholders' meeting to the SET within the required time frame of fourteen (14) days after the meeting. The minutes of the 2009 AGM were recorded and submitted to the SET on 13 February 2009, which was fourteen (14) days after the meeting. The minutes were also posted on our website at http://www.thoresen.com.

3. POLICY ON RIGHTS OF STAKEHOLDERS

TTA acknowledges the importance of all stakeholder groups. Recognising their contribution to our competitiveness and profitability, we take into consideration the interests of both internal stakeholders, namely shareholders, employees, and management and external stakeholders such as creditors, suppliers, clients, communities, government agencies, and other related organisations. To safeguard their rights, we comply with all applicable laws and regulations and have established adequate internal controls and auditing systems to monitor compliance.

In addition, to ensure fair treatment of stakeholders and allow their involvement in improving the Company's performance, we disclose all relevant information to the relevant parties fairly, transparently, and in a timely manner. The policy to review concerns from stakeholders has been implemented, and all stakeholders can communicate their concerns to the Audit Committee via our website. The concerns will be discussed and any material matters will be reported to the Board. If so instructed by the Board, an investigation into these concerns will be launched.

(A) SHAREHOLDERS

TTA aims to maximise shareholders' long-term benefits by sustaining growth and profitability and maintaining competitiveness through careful consideration of current and future business risks. We place great importance on consistently delivering profitable results through continuous business development, quality execution, effective internal controls, auditing systems, and risk management. We disclose all information fairly and transparently in a timely manner and use our best efforts to protect our assets and reputation.

(B) EMPLOYEES

Employees are regarded as valuable assets of the Company. We continually seek to recruit and retain capable and experienced employees in accordance with our strategic and operating plans. Essential training programmes are continuously provided to enhance employees' capabilities. A favourable culture and atmosphere are promoted in the workplace, together with fair and equal treatment for all employees. We provide welfare and security to all our employees, with benefits including life, health, and dental care insurance and provident funds. We encourage our employees to acquire new knowledge and skills through third-party training programmes and offer them scholarships to pursue university education. TTA has established the Thoresen Club to organise activities, such as sports days, outings, and the New Year's Party so that employees can relax and get together. In 2009, TTA launched the "TTA Happy Everyday" programme, under which various activities, including meditation, yoga, and relaxing massages, are provided after office hours to all employees.

(C) MANAGEMENT

TTA recognises that management is one of the key success factors for its operations. Accordingly, management remuneration is appropriately structured and comparable with other listed companies in Thailand. In 2009, TTA reviewed its remuneration policy for senior executives to reflect our new strategic direction. Management is also allowed to work independently without interference as defined in their duties and responsibilities, which are approved by the Board.

(D) COUNTERPARTIES

TTA conducts business affairs with our partners, competitors, creditors, suppliers, etc. according to the contracted trading terms and conditions in a fair and ethical manner. Our policy is to avoid any dishonest actions or any actions that may infringe upon the rights of our counterparties as established by law or through mutual agreements.

For suppliers and creditors, TTA is pursuing a more centralised approach to ensure that we carry out business efficiently and fairly with them. TTA equally and fairly treats them by protecting our interests and ensuring that suppliers and creditors enjoy a fair return. TTA will avoid a situation that may lead to conflicts of interest and will honour any binding commitment that we have made.

For competitors, TTA treats them fairly and legally according to international principles without violating their secrets or acquiring their confidential information in a fraudulent way.

(E) CLIENTS

We recognise that clients are crucial to the success of our operations. Accordingly, we ensure our clients' satisfaction by offering high-quality services that meet their needs and expectations in a fair and professional manner. Recognising their importance, we give our clients the professional experience and the attention they deserve, protect their confidentiality and foster their trust. A client's confidential information is strictly protected and will only be revealed if required by law or with proper consent from the relevant party.

(F) RESPONSIBILITY TO THE COMMUNITY, SOCIETY, AND ENVIRONMENT

TTA aims to achieve consistently high standards of behaviour towards society and the environment. We adhere to the highest safety and pollution control standards in our business operations. We sensitively deal with issues related to the public interest and participate in activities that are beneficial to communities and the environment. We also contribute to various charitable activities and promote employees' concern for the environment. TTA's corporate social responsibility activities can be reviewed on pages 84 to 89.

4. INFORMATION DISCLOSURE AND TRANSPARENCY

TTA has established a policy to deliver accurate, sufficient, and complete disclosure of TTA's financial information and material and other information that may have an impact on the interests of shareholders or any decision to invest in, or the price of, any shares and securities issued by TTA. This information is to be distributed on a timely basis and transparently through channels that are fair and trustworthy. The aim is to ensure that an investment in the Company's shares and securities is based on an informed decision.

The designated executives that can disclose information about TTA are the Chairman, the President & Chief Executive Officer, the Executive Vice President, Group Finance and Accounting, and the Stakeholder Relations Manager. The disclosure officers meet and provide information to interested parties on various occasions as follows:

1. One-on-one meetings with shareholders, creditors, and analysts (over 70 meetings in 2009)
2. Quarterly meetings with analysts to discuss our most recent financial performance (4 meetings in 2009)
3. Investor conferences (17 conferences in 2009)
4. Road shows (2 road shows in 2009)

Apart from the above, a number of communication channels are used, including the annual reports, the annual financial statements, the SET web site, and general shareholders' meetings. We are keen to promote the use of our website as another channel for information disclosure. Among other things, all SET information releases, recent research reports, presentations, and TV and magazine interviews are available on our website.

In conjunction with our stakeholder relations activities, we regularly hold press conferences to release key information to the public, such as business operations and business strategy. This occurs in addition to the proper disclosures made to the public through other channels.

To contact the Company's stakeholder relations unit, the general public may call 0-2250-0569 ext. 363 or e-mail charmaine_u@thoresen.com.

5. BOARD OF DIRECTORS

(A) BOARD STRUCTURE

The size of the Board is stated in TTA's Articles of Association, which specifies that the Board shall consist of not less than five directors. There are currently ten directors in the Board, the majority of which (8 out of 10) are independent directors. Less than one-third of the Board are part of the senior management team.

All Directors have a number of duties and responsibilities, which include the following:

1. Directors should have sufficient access to financial and other business information to perform their duties effectively.
2. Directors should regularly attend every Board meeting, including committee meetings, raise essential questions to protect and ensure the rights and interests of TTA's shareholders and other stakeholders, and ensure that the Company complies with best practices.
3. Directors should have the ability and display the willingness to learn TTA's business and express their views independently by dedicating sufficient time and attention to all substantive issues.
4. Directors should regularly hold meetings without executive directors and try in every way possible to look for opportunities in which they can discuss business issues with management.
5. Independent directors should submit a confirmation letter to TTA verifying their independence according to our definition, on the date they accept the appointment and every subsequent year, if required.
6. Non-executive directors are not expected to stay in their positions beyond a certain time limit. However, the difficulties of finding appropriate replacements, the benefits of the working relationship built up over the years within the Board and their understanding of the business are taken into account. While no time limits were formally established, the policy on director terms is that non-executive directors are not generally expected to hold office for more than ten years or four terms, consecutively or otherwise, unless there are justifiable reasons for their continuity, taking into consideration the responsibility of such persons, and their past, current, and anticipated contributions to TTA.

As a matter of principle, TTA limits the number of active boards on which our Directors may sit to ensure that they have sufficient time to devote to our business affairs.

(i) Executive Director

An executive director is a director who is involved in management on a full-time basis and receives regular monthly remuneration from TTA in the form of salary or its equivalent.

(ii) Independent Director

An independent director is a director who does not manage TTA or any of its subsidiaries, is independent from management and major shareholders, and has no business dealings with TTA, which may compromise our interests and/or the shareholders' interests.

The main qualifications of an independent director include:

1. They must not hold more than 1 percent, including shares held by a related person, of the issued shares of TTA, its subsidiary, affiliate, or related company. To act as a member of the Audit Committee, the ownership restriction must not exceed 0.5 percent.

2. They must not be or have previously been directors who take part in management of TTA, an employee, a staff, a major shareholder of TTA, member or advisor who receives a regular salary, or a controlling person of TTA, its subsidiary, affiliate, related company, or same-level subsidiary unless they have not been involved in such positions for at least two (2) years prior to the date of appointment. Such business relationship shall not be inclusive of the independent director who has previously been an officer or a consultant in a government sector who is a major shareholder or a controlling person of TTA.

3. They must be free of any direct or indirect, financial or other interests in the management and business of TTA, its subsidiary, affiliate, related company, a major shareholder, or a controlling person in a way that might interfere with their independent opinions, and neither being nor having been a significant shareholder, or a controlling person having business relationship with TTA, its subsidiary, affiliate, related company, or a major shareholder of TTA, unless they have not been involved in such positions for at least two years prior to the date of appointment.

4. They must not be related to any executive director, executive officer, controlling person, or major shareholder no matter by blood or registration under laws such as parents, spouse, siblings, and children, including the spouse of the children, executives, major shareholder, controlling person, or persons to be nominated as executive or controlling person of TTA or its subsidiary.

5. They must not be a director who has been appointed as a representative of TTA's director, major shareholder, or shareholders who are related to TTA's major shareholder.

6. They must not be or have previously been an auditor of TTA, its subsidiary, affiliate, related company, a major shareholder, a controlling person of TTA, and not being a significant shareholder, a controlling person or a partner of an audit firm which employs auditors of TTA, its subsidiary, affiliate, related company, a major

shareholder, or a controlling person having business relationship with TTA, unless they have not been involved in such positions for at least two (2) years prior to the date of appointment.

7. They must not be or have previously been persons who provided any professional advice and services, such as legal adviser or financial consultant, who receives service fees more than Baht 2 million per annum from TTA, its subsidiary, affiliate, related company, a major shareholder, or a controlling person of TTA, unless they have not been involved in such positions for at least two (2) years prior to the date of appointment.

8. They must not operate any business which has the same nature as and is in competition with the business of TTA or its subsidiary, or not being a significant partner in any partnership, or not being an executive director, employee, staff, or an advisor who receives regular salary; or holding shares exceeding one percent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of TTA and its subsidiary.

9. They must not have any other characteristics or qualifications which might interfere with their independent opinions on TTA's business operations.

(iii) Members of the Board of Directors

At present, there are ten directors on the Board, which consists of one executive director (10% of the total number of Directors), one non-executive director (10% of the total number of Directors), and eight independent directors (80% of the total number of Directors). The Board as of 30 September 2009 consisted of the following persons:

Table 36 : Members Of The Board Of Directors

Name	Position
1. M.R. Chandram S. Chandratat	Chairman/ Non-Executive Director
2. M.L. Chandchutha Chandratat	President & Chief Executive Officer/ Executive Director
3. Mr. Stephen Fordham	Independent Director
4. Mrs. Pratana Mongkolkul	Independent Director
5. Dr. Pichit Nithivasin	Independent Director
6. Mr. Sak Euarchukiati	Independent Director
7. Dr. Siri Ganjarerndee	Independent Director
8. Mrs. Joey Horn	Independent Director
9. Mr. Aswin Kongsiri	Independent Director
10. Mr. Terje Schau	Independent Director

(iv) Segregation of Positions

The Board elects one of its non-executive directors as Chairman. The Chairman and President & Chief Executive Officer are two separate individuals. However, the current Chairman is the President & Chief Executive Officer's father. Therefore, he cannot be said to be truly independent, although he is a non-executive director.

The Chairman oversees the implementation of policies and guidelines pursuant to the strategies established by the Board and management and ensures that Board meetings are successfully conducted. During each meeting, all Directors are encouraged to actively participate and raise essential questions.

The authorities of the Board and management are clearly defined and segregated. Directors occasionally meet to advise and support management through the President & Chief Executive Officer. At the same time, the Board stays away from routine tasks or business activities under management responsibility. Only the President & Chief Executive Officer is authorised by the Board to perform such tasks. The President & Chief Executive Officer's authority is therefore efficiently channelled through management. TTA has developed a clear written scope of duties and authorities for every management level.

(B) ROLES AND RESPONSIBILITIES OF THE MANAGEMENT STRUCTURE

(i) Board of Directors

The Board is committed to conducting itself in accordance with the highest standards of behaviour and in compliance with all laws, rules, and regulations. The Board's primary responsibility is to supervise and direct management for TTA's benefit. Among other things, the Board, acting directly or through committees, shall have the following duties:

1. Overseeing the conduct of the Company's business to evaluate whether it is being properly managed and ensure all activities are conducted according to relevant laws and ethical standards.
2. Managing the Company's performance in line with legal requirements, our objectives and by-laws, and resolutions adopted at the shareholders' meetings.
3. Establishing and approving major financial objectives, plans, and actions.
4. Reviewing and approving major changes in the appropriate auditing and accounting principles and practices used in the preparation of the Company's financial statements.
5. Assessing major risk factors relating to the Company's performance and reviewing measures to address and mitigate such risks.
6. Evaluating its own performance and capabilities and improving its work processes as necessary.
7. Approving the compensation of employees.

8. Appointing the appropriate committees to manage the Company's business affairs as assigned by the Board.

The Board has delegated to the President & Chief Executive Officer, working with other executive officers, the authority and responsibility for managing the business consistent with TTA's standards and according to any specific plans, instructions, or directions of the Board.

Additionally, TTA focuses on internal control and risk management systems appropriate for our current business undertakings. The Board works in close consultation with management in a consistent manner with our Core Values, Mission, and Vision ("VMV") framework and CG Policy.

(ii) The President & Chief Executive Officer

The powers and duties of the President & Chief Executive Officer that the Board deems appropriate include the following:

1. To implement TTA's operations according to the policies, strategies and goals, budgets, and plans defined and approved by the Board, subject to legal requirements, regulations, and announcements made by the relevant authorities.
2. To monitor and provide reports on business conditions and the Company's financial position, and recommend options and strategies, which are consistent with the policies and market conditions.
3. To consider and approve business transactions in accordance with the Board's direction and within the limits established by the Board.
4. To manage and supervise all business and support functions, including finance, risk management, internal controls, operations, human resource management, and administration.
5. To represent TTA, including having the authority to deal with government agencies and regulators.
6. To oversee communications with all stakeholders and ensure that our reputation and image are continually enhanced.
7. To implement assignments entrusted to him by the Board and the Board committees.
8. To oversee implementation of good corporate governance practices.
9. To screen matters before forwarding them to the Board.

(iii) The Chairman of the Board

The Chairman of the Board is responsible for acting as the Chairman at all Board meetings and shareholders' meetings. If the Chairman is unavailable to attend a meeting, the Board will elect a Presiding Director as Chairman for that meeting. The Chairman is also responsible for monitoring the meetings in line with legal requirements and TTA's by-laws concerning the meetings (if any) and ensuring that the meetings proceed according to their agenda.

(C) COMPANY SECRETARY AND BOARD COMMITTEES

The Board reserves to itself the making of strategic policy decisions. The Board delegates more detailed considerations either to Board committees and officers (in case of its own processes) or the President & Chief Executive Officer (in case of the management of TTA's business activities).

The Board has appointed the Company Secretary and three committees, namely the Audit Committee, the Nomination Committee, and the Remuneration Committee. Details of the composition, functions, and responsibilities of these three committees are noted below and available on TTA's website (http://www.thoresen.com) under "Corporate Governance".

(i) Company Secretary

The Board appointed Ms. Mantanee Surakarnkul as the Company Secretary to take responsibility for matters connected with meetings of the Board and the shareholders and to contribute to best corporate governance practices.

The Company Secretary reports functionally to the Chairman and organisationally to the Executive Vice President, Group Operations. Details of the Company Secretary's functions are available on the Company's website at http://www.thoresen.com.

(ii) Audit Committee

The Audit Committee ("AC") comprised the following directors: Ms. Pratana Mongkolkul (Chairperson), Dr. Siri Ganjarerndee, and Mr. Aswin Kongsiri. Mr. Aswin Kongsiri was appointed to the AC to succeed Mr. Bjorn Ostrom, the former AC Chairman, in February 2009, and Ms. Pratana Mongkolkul was appointed to be Chairperson. All AC members are independent directors. The AC met eight (8) times during 2009. Ms. Pratana Mongkolkul and Dr. Siri Ganjarerndee have full attendance records. Mr. Aswin Kongsiri attended four (4) meetings, which was a full attendance record after he was appointed as an AC member.

Together, the AC has the recent and relevant financial experience required to discharge their duties. The external auditors' lead partner and TTA's Executive Vice President, Group Finance and Accounting and Internal Audit Manager attend all key meetings prior to the release of our quarterly financial statements. During the year, the AC meets with the external auditors and the Internal Audit Manager separately without any management in attendance.

The AC has full-delegated authority from the Board to perform its tasks, which include systematic monitoring and obtaining assurance that the legally required standards of disclosure and executive limitations relating to financial matters are being observed. Forward agendas are set each year to allow the AC to monitor management on the financial risks identified in TTA's annual business plan. The Chairperson reports on the

AC's activities to the Board meeting immediately following every meeting. Between meetings, the Chairperson reviews emerging issues with TTA's Executive Vice President, Group Finance and Accounting and Internal Audit Manager and the external auditors.

The AC's main tasks include:

1. Reviewing the accuracy, sufficiency, credibility, and objectivity of the financial reporting process by coordinating with the external auditors and executives responsible for preparing the quarterly and yearly financial reports.

2. Reviewing the appropriateness and effectiveness of internal control systems and internal audit functions by coordinating with the external auditors and internal auditors, ensuring the adequacy of the internal control systems and internal audit functions as follows:

   - Reviewing the activities and organisational structure of the internal audit function and ensure no unjustified restrictions or limitations are made.
   - Determining an internal audit unit's independence.
   - Considering and approving on the appointment, removal, transfer, or dismissal of the Internal Audit Manager.
   - Considering audit reports and recommendations presented by internal auditors and monitoring the implementation of the recommendations.
   - Reviewing the adequacy of the Company's risk management and ensuring that risk management complies with the guidelines of the relevant authorities and our internal policies.

3. Reviewing the Company's business operations, ensuring that they comply with the law on securities and exchange, the SET's regulations, and the laws relating to the Company's business.

4. Considering, selecting, and nominating an independent person to be the Company's auditor, including the auditing fee and the following main activities:

   - Reviewing the performance of the external auditors by taking into account the auditor's credibility, the adequacy of resources, audit engagements, and experience of its staff assigned to audit the Company's accounts.
   - Reviewing the external auditors' proposed audit scope and approach and ensure no unjustified and restrictions or limitations have been placed on the scope.
   - Making recommendations to the Board regarding the reappointment of the external auditors.
   - Considering audit reports and recommendations presented by the external auditors and monitoring the implementation of the recommendations.
   - During the year, the AC meets with the external auditors and the Internal Audit Manager separately without any management in attendance at least once a year.

5. Reviewing the Company's business operations, including connected transactions, and ensuring that there is no conflict of interest, taking into consideration transactions between TTA and subsidiaries or related parties in order to assure the effectiveness of the system for monitoring compliance with laws and regulations and to be reasonable for the highest benefit of the Company.

6. Preparing and disclosing in the Company's annual report, an Audit Committee's report which must be signed by the AC's chairperson, which consists of at least the following information:

   - An opinion on the accuracy, completeness, and creditability of the Company's financial report.
   - An opinion on the adequacy of the Company's internal control system.
   - An opinion on the compliance with the law on securities and exchange, the SET's regulations, or the laws relating to the Company's business.
   - An opinion on the suitability of an auditor. TTA has a policy to safeguard the independence of the external auditors by limiting non-audit services to defined audit-related and tax services. A new lead audit partner is appointed every five years.
   - An opinion on the transactions that may lead to conflicts of interests.
   - The number of the AC meetings, and the attendance of such meetings by each committee member.
   - An opinion or overview comment received by the AC from its performance of duties in accordance with the charter.
   - Other transactions which, according to the AC's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board.

7. Performing any other act as assigned by the Company's Board of Directors, with the approval of the AC.

8. Reviewing and updating the charter and then seek the approval of changes from the Board.

The work accomplished by the AC in 2009 included the following:

1. The AC reviewed all annual and quarterly financial reports before recommending their publication to the Board. The AC discussed and constructively challenged judgements related to critical accounting policies and estimates drawing on prepared reports, presentations, and independent advice from the external auditors.

2. Specific reports on risk management and internal controls were reviewed in the Maritime Operations Division, Tramp & Liner Division, and Accounting Department. In addition, an updated accounting manual and workflow processes were considered as TTA is in the process of implementing a new IT system.

3. Regular advice was also provided by the Internal Audit Department, including an annual assessment of the effectiveness of the Company's controls. Reports of internal audit findings and management responses were reviewed in detail. Discussions of these reports contributed to the AC's view of the effectiveness of the Company's system of internal controls.

(iii) Appointment of the Auditors and Fixing the Auditing Fee

The Board assigned the AC to consider and propose the appointment of the external auditors and the auditing fee to the shareholders for approval at every AGM. At the 2009 AGM, the shareholders approved the following items:

1. The appointment of Mr. Kajornkiet Aroonpirodkul, License No. 3445, or Mr. Sudwin Panyawongkhanti, License No. 3534, or Mrs. Nattaporn Phan-Udom, License No. 3430, of PricewaterhouseCoopers as auditors for the 2009 financial year.
2. The audit fee in the amount of Baht 2.965 million to review and audit TTA's financial statements and consolidated financial statements.

After reviewing the proposed audit engagement terms and fees, the AC advised the Board of its assessment and recommended that reappointment of PricewaterhouseCoopers be proposed to our shareholders at the next AGM to be held on 29 January 2010.

(iv) Remuneration Committee

The Remuneration Committee ("RC") comprises the following directors: Dr. Pichit Nithivasin (Chairman), Dr. Siri Ganjarerndee, and Mr. Sak Euarchukiati. All members of the RC are independent directors. The RC met five (5) times in 2009. The RC's main tasks include:

1. Recommending and proposing for Board approval a framework of remuneration and determine the specific remuneration package, including annual/ special bonuses, fees, and any other type and form of remuneration for:
   - Members of the Board for further approval by shareholders
   - Members of any special committee established by the Board.
2. Recommending and proposing for Board approval a framework of remuneration and determine the specific remuneration package, including annual/special bonuses, salaries and any other type or form of remuneration for:
   - President & Chief Executive Officer
   - Management Committee members, one level below the President & Chief Executive Officer.

3. Conducting the annual performance evaluation and reporting the results to the Board for acknowledgement of :

   - President & Chief Executive Officer
   - Management Committee members, one level below the President & Chief Executive Officer.

4. Considering TTA's annual remuneration budget and proposing to the Board for final approval.

5. Continuing to follow and evaluate the remunerations for Directors and executives by taking into account the following factors and keeping the Board informed of the RC's activities at the next Board of Directors meeting:

   - The level of remuneration should be appropriate to attract, retain, and motivate directors and executives needed to run TTA successfully. A significant proportion of the remuneration shall be structured to link rewards to corporate and individual performance.
   - The pay and employment conditions are competitive within the industry and in comparable companies.

In 2009, Mercer (Thailand) Ltd. and Development Dimension International, Inc. ("DDI") were engaged to formulate a new remuneration policy for the Company. The scope of work included developing job grades for all positions, benchmarking current pay structures of all job grades with selected peers, and developing performance measurement tools. Using this data analysis, Group Human Resources structured competitive short-term and medium-term incentive plans, salary ranges for all job grades, and performance assessment tools for Board approval.

A number of key principles were advocated and are now applied.

1. The remuneration structure will reflect a fair system of rewards.
2. A significant component of remuneration will be linked to the achievement of demanding performance targets, which include total shareholder returns to align executive and shareholder interests.
3. Assessment of performance will be both quantitative and qualitative, using defined competencies and key performance indicators.
4. Remuneration policy and practices will be as transparent as possible, both for participants and shareholders.

The new remuneration policy is effective from the 2010 financial year onwards.

The RC assesses market information and advice and applies its judgment to setting annual merit increases. In assessing the final outcome of individual bonuses each year, the RC carefully reviews the Company's achievements and competitor results.

Executive compensation consists of salary, annual bonus, long-term incentives, provident funds, and other benefits.

The Board sets the level of remuneration for all non-executive directors within the limits approved by shareholders. In line with the Thai Institute of Directors Association guidelines regarding Director Compensation Best Practices (September 2006), shareholders approved a compensation scheme for non-executive Directors that comprises monthly fees, attendance fees, and a bonus if TTA exceeds a 15% return on parent shareholders funds. TTA proposes no changes to its existing compensation scheme for the Board.

(v) Nomination Committee

The Nomination Committee ("NC") comprises the following directors: Mr. Stephen Fordham (Chairman), Dr. Pichit Nithivasin, Dr. Siri Ganjarerndee, and Mr. Sak Euarchukiati. All members of the NC are independent directors.

NC met five (5) times in 2009. The NC's main tasks include:

1. Determining the process and criteria for the selection and qualification of candidates nominated in accordance with the structure, size, and composition of the Board as the Board prescribes.
2. Reviewing and making recommendations to the Board on all candidates nominated (whether by the Board, shareholders, or otherwise) for appointment to the Board, taking into account the candidate's track record, age, knowledge, experience, capabilities, the number of previously held board positions, and other relevant factors.
3. Identifying and making recommendations to the Board as to the Directors who are to retire by rotation and to be put forward for re-election at each AGM, having regard to the Directors' contribution and performance, such as their attendance, preparedness, participation and candour.
4. Assessing annually whether or not a Director is independent or a new independent Director meets the requirements prescribed by laws or relevant regulations.
5. Ensuring that, in connection with the re-election of Directors at an AGM sufficient information is provided to the shareholders so as to enable them to make an informed decision.
6. Identifying and nominating candidates for the approval of the Board to fill vacancies in the Board and sub-committees as and when they arise.
7. Reviewing all candidates nominated for appointment as Chairman or President & Chief Executive Officer.
8. Recommending to the Board a policy for the selection of the Chairman, developing a succession plan according to such policy, and reviewing annually both the succession plans for the Chairman and the President & Chief Executive Officer.

9. Reviewing and making recommendations to the Board regarding the Board structure, size, composition, and core competencies, taking into account the balance between executive and non-executive Directors and between independent and non-independent Directors, and having regard at all times to the principles of corporate governance at least once every financial year.

10. Procuring that at least one-third of the Board shall comprise of independent Directors or such other minimum proportion and criteria as prescribed by laws or relevant regulations.

11. Proposing, for approval by the Board, objective performance criteria (that allows comparison with the Company's industry peers) to evaluate the effectiveness of the Board as a whole. Once approved by the Board, the performance criteria shall not be changed without proper justification from the Board.

    The Chairman, in consultation with the NC, will act on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors; and

12. Supporting a channel for minor shareholders to propose a candidate to be a Director of TTA.

The Board is actively engaged in orderly succession planning to enable its composition to be renewal without compromising its continued effectiveness. Mr. Sak Euarchukiati joined the Board in May 2007, and Mrs. Joey Horn joined the Board in January 2008. In our ongoing search for directors to participate in our business growth strategy, Mr. Aswin Kongsiri was proposed for approval at the 2009 AGM as a new independent director of TTA, and the shareholders approved the appointment. The NC proposes the re-election of Mr. Stephen Fordham, Mrs. Pratana Mongkolkul, Mrs. Joey Horn, and Mr. Terje Schau to the Board for another term.

(D) CONFLICT OF INTEREST

(i) Potential Conflict of Interest Transactions and Inter-Company Transactions

The Board understands that transactions, which could lead to a potential conflict of interest and/or related party transaction, must be considered very carefully in full compliance with the relevant rules and regulations of the SET and TTA's internal policies and guidelines. Moreover, such transactions are entered into strictly on an "arm's length" basis and are conducted in the best interests of TTA and all shareholders. The terms and conditions of such transactions always comply with generally accepted, standard commercial terms and conditions. Records of such transactions must be submitted to the Board for their review during the meeting sessions, which are attended by independent Directors and members of the AC.

In 2009, TTA Directors and executives were required to submit a report that summarises their and their related persons' interests and securities ownership in other companies. This information was filed with TTA and is used to monitor potential related party or connected transactions. New TTA Directors and senior executives shall submit this report within thirty (30) days after being appointed.

In case there are changes in related persons and close relatives, Directors and executives shall submit a revised report to TTA within fourteen (14) days after changes occur.

The Board also monitors compliance with the regulations regarding criteria, procedures, and disclosure of such transactions. TTA has a policy to disclose detailed information of these transactions, which includes transaction amounts, transaction parties, their underlying reasons, and necessity of the transaction in our annual reports and in the relevant notes to financial statements.

TTA has a policy to prevent Directors, executives, and employees from using their status to seek personal benefit. As a result, Directors, executives, and employees must refrain from any transactions that may lead to a conflict of interest with TTA. Any interested Directors, executives, and employees are not allowed to participate in the decision-making process. In particular, Directors are prohibited from considering or casting their votes on matters in which they may have a potential conflict of interest.

The Board and management also emphasise a prudent and unbiased review of inter-company transactions, which are transactions between TTA and its subsidiaries.

(ii) Monitoring Insider Trading

The Board prohibits Directors, executives, and employees from using an opportunity or information acquired while working in their positions to seek personal benefit or to establish a competing or related business with TTA. This policy includes a complete prohibition against using material insider information to buy or sell TTA's shares and securities for their own interest and against giving insider information to other persons or entities to buy or sell TTA's shares and securities.

Directors and executives are required to report trading transactions in TTA's shares and securities and their ownership position whenever changes occur. The Board has a policy prohibiting all Directors and senior executives to trade in TTA's shares and securities during the period of three (3) weeks prior to the release of our quarterly and annual financial results. This prohibition applies to entities in which our Directors have a beneficial interest, are employed by, or act as a representative thereof.

(E) INTERNAL CONTROL

TTA focuses its utmost attention on internal control systems to ensure efficiency in all management and operation levels. We have stated and separated the duties, responsibilities, and authorities of management in writing. The Internal Audit Department ("IAD") is an independent department that reports directly to the AC. The IAD assists the AC and the Board by performing regular evaluations on TTA's internal controls, financial and accounting matters, compliance, business and financial risk management policies and procedures, and ensuring that internal controls are adequate to meet TTA's requirements.

With respect to internal control, TTA has focused on five main areas as follows:

1. Organisational Control and Environment Measures

   The organisation structure has been appropriately designed to facilitate management to effectively manage business activities. In addition, business goals have been formulated for employees to follow and have been closely monitored. We recognise that a proper control environment will lead to work efficiency and effectiveness of work.

2. Risk Management Measures

   We recognise the importance of risk assessment as a tool to signal potential losses and therefore, external and internal risks, such as foreign exchange, oil prices, accidents, shortage of skilled personnel, maintenance expenses, etc. have been continually evaluated by management. A mechanism to minimise these risks has been established.

   PricewaterhouseCoopers ABAS was engaged to assist the development and implementation of an Enterprise Risk Management ("ERM") framework in TTA in order to:

   - Introduce a greater degree of understanding and ownership of risk in day-to day activities.
   - Establish the foundation of a risk culture.
   - Build a systematic process to understand and manage TTA's risks to be within acceptable levels.

3. Management Control Activities

   Authority and approval assignments have been defined for each department and are monitored regularly. Transactions with major shareholders, Directors, management, and related parties have been carefully controlled to conform to the Notification of the SET regarding Rules and Procedures and Disclosure of Connected Transactions of Listed Companies. In addition, TTA recognises the importance of internal control systems on an operational level to ensure that operations are conducted efficiently. Powers and duties of operations and management level personnel are laid down clearly. There is a proper level of control maintained on the utilisation of our property/assets, and we are in the process of setting up clear segregation between the operations units, control units, and assessment units for the purpose of maintaining appropriate checks and balances. Moreover, an internal control system for the financial and accounting functions is clearly set up, which allows adequate reporting to the relevant management. Currently, we utilise Key Performance Indicators ("KPI") as instruments for planning and evaluation. Operational outcomes are reported on a regular and timely basis.

4. Information and Communication Measures

Information technology has been developed to ensure efficient business operations and to serve management's needs. We recognise the importance of accurate, reliable, and prompt information and communication. The primary objective is the provision of accurate and timely data for decision-making. TTA has invested in an effective communications system, including internal and external channels. The accounting records conform to generally accepted accounting standards and the accounting files are updated regularly. Documents for the shareholders' meetings and Board meetings have been delivered ahead of the meetings and contain sufficient information for the shareholders or the Board to make decisions.

5. Monitoring

Since the existing systems provide prompt and reliable information on a regular basis, management and the Board can therefore achieve proper monitoring over relevant financial reports in an effective manner. At the same time, they can also perform an accurate review and assessment, and suggest improvement over existing business plans, supported by effective internal supervision carried out by the IAD throughout the year.

The internal audit system has been regularly reviewed by the IAD, according to an annual audit plan and the results of the performed audits were reported to the AC. No material deficiencies have been reported to date. However, recommendations regarding internal controls have been provided in some areas. The IAD also reviews whether key operations and financial activities are conducted efficiently and whether with relevant laws.

(F) BOARD MEETINGS

The Board is generally required to meet at least four (4) times a year. Special meetings are convened as necessary to address specific needs. In 2009, there were eleven (11) Board meetings. Principal meeting agendas were: consideration of TTA's strategic direction, annual business plan and budget, quarterly financial reports, and significant acquisition and disposal of assets. The Company Secretary ordinarily prepares and circulates the agenda at least seven (7) days before each meeting and relevant documents at least five (5) days before each meeting to allow Board members time to consider the issues.

The Company Secretary records the minutes, which are ordinarily circulated to the Board members within fourteen (14) days after the meeting. The minutes are adopted at the next subsequent meeting and are kept for scrutiny by the Board members and other concerned parties.

The Board requires all members to devote sufficient time to the work of the Board, to perform the duties and responsibilities of Directors, and to use their best endeavours to attend meetings. Details of attendance records in 2009 are shown in the following table.

Table 37 : Details Of Directors' Attendance Record In 2009

Name	Board Meetings			Audit Committee Meetings			Remuneration Committee Meetings	Nomination Committee Meetings
	Regular Meeting	Ad-hoc Meeting	Total	Regular Meeting	Ad-hoc Meeting	Total		
1. M.R. Chandram S. Chandratat	3/4	4/7	7/11	-	-	-	-	-
2. M.L. Chandchutha Chandratat	4/4	7/7	11/11	-	-	-	-	-
3. Mr. Stephen Fordham	3/4	5/7	8/11	-	-	-	-	5/5
4. Mrs. Pratana Mongkolkul	4/4	6/7	10/11	4/4	4/4	8/8	-	-
5. Dr. Pichit Nithivasin	4/4	5/7	9/11	-	-	-	5/5	5/5
6. Mr. Sak Euarchukiati	4/4	7/7	11/11	-	-	-	5/5	5/5
7. Dr. Siri Ganjarerndee	4/4	7/7	11/11	4/4	4/4	8/8	5/5	4/5
8. Mrs. Joey Horn	4/4	4/7	8/11	-	-	-	-	-
9. Mr. Aswin Kongsiri [1]	3/3	3/4	6/7	2/2	2/2	4/4	-	-
10. Mr. Terje Schau [1]	2/2	2/2	4/4	-	-	-	-	-

Note: [1] Mr. Aswin Kongsiri became a Board member in January 2009, and Mr. Terje Schau became a Board member in March 2009.

(G) BOARD ASSESSMENT AND ROTATION

The Board is composed of eight (8) independent Directors, one (1) non-executive Director, and one (1) executive Director. Directors stand for re-election every three (3) years. The executive Director has an employment contract with TTA.

The Board is pursuing a gradual process to rotate its composition without compromising its continued effectiveness. Compared to the 2005 Board, the Chairman is the only remaining member. New board members are invited based on many criteria, an important one being their ability to contribute to TTA's business growth strategy.

Our policy on director term limits is such that non-executive Directors are not generally expected to hold office for more than ten years or four terms, consecutively or otherwise, unless with justified reasons taking into consideration the responsibility of such persons, and their past, current, and anticipated contributions to TTA. If appointed as a replacement for a Director who has not completed his term, Directors are subject to election at the first opportunity following their appointment.

The Board conducted a formal evaluation of its own performance for the year that ended on 30 September 2009. The evaluation process was led by the Chairman of the NC and was conducted by sending a board assessment form to each Director. The responses to the form were collated by the Company Secretary.

There were six main areas of evaluation namely:

1. Structure and Characteristics of the Board
2. Roles and Responsibilities of the Board
3. Board of Directors Meeting
4. Board of Directors' Performance
5. Relationship with Management
6. Self Development of Directors

The Board's collective view was that the above six areas were functioning effectively, with improvements targeted in certain areas, such as a review and monitoring of TTA's code of conduct and a review of TTA's risk management policy and its implementation.

(H) REMUNERATION

(i) Remuneration of Directors and Management

The Board's policy is that Director remuneration should reflect their duties and responsibilities to fulfil the expectations of all stakeholders. It is implicit that Directors must possess appropriate experience and qualifications to discharge such duties.

The current Board remuneration was approved at the 2009 AGM. The Board, based on recommendations by the RC, also sets the remuneration for senior management. These amounts take into consideration the responsibility of such executives, and their past, current, and anticipated contributions to TTA. To the extent possible, such compensation will reflect the relative compensation level for senior executives in the market.

(ii) Remuneration for the Board, the Board Committees, and Senior Executive Officers in 2009

(a) Remuneration in Cash

The Board's Remuneration

At the 2009 AGM, TTA's shareholders approved the remuneration of TTA's Board as follows:

- All non-executive Directors maintain the same standard monthly fees as 2008. The non-executive Directors shall receive an attendance fee of Baht 45,000 per meeting. The Chairperson of the Board shall receive an attendance fee of Baht 54,000 per meeting (equal to 1.20 times the attendance fee of other non-executive Directors).

- The Chairperson of the AC shall receive an attendance fee of Baht 48,000 per meeting (equal to 1.20 times the attendance fees of other AC members), while other AC members shall each receive an attendance fee of Baht 40,000 per meeting.

- The Chairpersons of the RC and the NC shall each receive an attendance fee of Baht 18,000 per meeting (equal to 1.20 times the attendance fee of other RC and NC members), while RC and NC members shall each receive an attendance fee of Baht 15,000 per meeting.

- The executive Director(s) shall receive no monthly fees or other forms of remuneration.
- To align the interests of the Board and shareholders, a bonus for all non-executive Directors is proposed to be paid only after a 15% return on parent shareholders funds* is achieved. Once this threshold is reached, a bonus equal to 0.50% of annual consolidated net profit above a 15% return on parent shareholders funds will be shared equally among all non-executive Directors.

Note : * *Return on parent shareholders funds*

$$= \frac{\text{TTA consolidated net profit} - \text{unrealised exchange gains or losses}}{\text{paid up share capital} + \text{share premium} + \text{legal reserve} + \text{retained earnings}}$$

Full remuneration and bonus details are prescribed in the table below.

Table 38 : Remuneration And Bonus For The Board And Board Committees

Unit : Baht

Name	Board of Directors		Attendance Fees				Total (Standard and attendance fees)
	Standard Remuneration [1]	Bonus	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	
1. M.R. Chandram S. Chandratat	3,360,000	-	378,000	-	-	-	3,738,000
2. M.L. Chandchutha Chandratat	-	-	-	-	-	-	-
3. Mr. Stephen Fordham	420,000	-	225,000	-	-	72,000	717,000
4. Mrs. Pratana Mongkolkul	420,000	-	270,000	352,000	-		1,042,000
5. Dr. Pichit Nithivasin	420,000	-	270,000	-	78,000	60,000	828,000
6. Mr. Sak Euarchukiati	420,000	-	315,000	-	60,000	60,000	855,000
7. Dr. Siri Ganjarerndee	420,000	-	315,000	320,000	60,000	50,000	1,165,000
8. Mrs. Joey Horn	420,000	-	270,000	-	-	-	690,000
9. Mr. Aswin Kongsiri [2]	280,000	-	270,000	160,000	-	-	710,000
10. Mr. Terje Schau [2]	231,000	-	180,000	-	-	-	411,000
Total	**6,391,000**	-	**2,493,000**	**832,000**	**198,000**	**242,000**	**10,156,000**

Note: [1] The standard monthly fee for each non-executive Director is the same fee as 2008.
[2] Mr. Aswin Kongsiri became a Board member in January 2009 and Mr. Terje Schau became a Board member in March 2009.

- Remuneration of the President & Chief Executive Officer and his direct reports, totalling six persons, equalled Baht 35.14 million.

(b) Other Remuneration

TTA's provident fund contributions to the President & Chief Executive Officer and his direct reports, totalling six persons, equalled Baht 3.59 million.

(I) DIRECTOR ORIENTATION AND DEVELOPMENT

The President & Chief Executive Officer normally gives orientation meetings for new Board members. In these meetings, briefings on TTA's policies and key business operations are given, along with the Articles of Association, recent presentations, and the latest annual report, in a Director's Handbook.

In addition, TTA encourages Directors to attend courses or join activities aimed at improving their performance on the Board and Board committees. Six directors have participated in the Thai Institute of Directors' ("IOD") director training programmes, including the Director Certification Program ("DCP"), the Director Accreditation Program ("DAP"), the Finance for Non-Finance Director Program ("FN"), and the Role of Chairman Program ("RCP").

TTA encourages Directors who have not participated in the above training programmes to participate at the Company's expense.

6. TTA'S BUSINESS ETHICS AND CODE OF CONDUCT

(A) TTA'S ETHICAL AND OPERATIONAL GUIDELINES

TTA has the following ethical and operational guidelines:

(i) Fairness

We believe in being fair to all parties having a business relationship with us and conscientiously avoid favouritism or a conflict of interest situation.

(ii) Professionalism

We carry out our responsibilities in a professional manner and are determined to achieve excellence by continuously increasing performance levels through new methods and technologies.

(iii) Proactiveness

We are responsive to client needs and social, technical, and economic changes and adapt to the circumstances.

(iv) Discipline and Compliance

We pursue business affairs with discipline and ethical principles and ensure that our undertakings comply with laws, rules, and regulations.

(B) CODE OF CONDUCT

The Board has approved a VMV framework to guide our business operations. A Code of Business Conduct is being finalised to implement the VMV framework, emphasising our four Core Values.

Our four Core Values are:

(i) **Integrity**: We are open, honest, and ethical, deliver on our promises, and build and nurture trust in our relationships.

(ii) Excellence: We set high standards of quality, safety, environment, security, and service, are always prepared for challenges, and conduct our business professionally.

(iii) Team Spirit: We care for our clients, employees, and suppliers and behave in ways that build a spirit of teamwork and collaboration and show deep respect for one another.

(iv) Commitment: We are passionate about the future of this Company and feel accountable for business results and success.

The Board's policy is that Directors will pursue the highest standards of ethical conduct in the interests of all stakeholders. The Board allows executive Director(s) to take up external board appointments, subject to the agreement and approval of the Board. Executive Director(s) retain(s) any fees received in respect of such external appointments. Generally, outside appointments are limited to two (2) outside company boards only. At present, the President & Chief Executive Officer does not serve on any outside boards. Non-executive Directors may serve on a number of outside boards, however, provided that they continue to demonstrate the requisite commitment to discharge effectively their duties to TTA.

Inside Information Control

The Directors and management are required to submit securities holding reports to TTA on the same day as when they submit the reports to the SEC and the SET in accordance with the SEC and SET Notifications regarding reports of securities holding. They are also required to follow the SET Guidelines on Insider Trading, which require Directors and executives refraining from securities trading before the disclosure of financial statements or other important information that may affect the price of the securities. For further details, please review our Corporate Governance Report.

Related Party Transactions

Related party transactions between TTA and its subsidiaries or between subsidiaries and subsidiaries are shown in the notes to the consolidated financial statements. Related party transactions between TTA and its subsidiaries with associates or joint ventures are as follows:

Companies	Related Party Companies / Entities	Relationship	Description of Transactions	Transaction Amount (Baht)	Pricing Policy
1. Chidlom Marine Services & Supplies Ltd.	Gulf Agency Company (Thailand) Ltd.	TTA holds a 99.9% stake in Chidlom Marine Services & Supplies Ltd. and holds a 51% stake in Gulf Agency Company (Thailand) Ltd. Both companies have a common director.	Chidlom Marine Services & Supplies Ltd. provided warehouse rental and utility services to Gulf Agency Company (Thailand) Ltd.	1,230,733.53 (Recorded as service income)	Same price as normally charged to a third party
2. Mermaid Maritime Public Company Limited	Gulf Agency Company (Thailand) Ltd.	TTA holds a 57.14% stake in Mermaid Maritime Public Company Limited and holds a 51% stake in Gulf Agency Company (Thailand) Ltd. Both companies have a common director.	Mermaid Maritime Public Company Limited rents part of its office space on the 9th Floor, Orakarn Building (317 sq. metres) to Gulf Agency Company (Thailand) Ltd.	1,673,760.00 (Recorded as other income)	Same price as normally charged to a third party
3. Mermaid Maritime Public Company Limited and its subsidiaries	Gulf Agency Company (Thailand) Ltd.	TTA holds a 57.14% stake in Mermaid Maritime Public Company Limited and holds a 51% stake in Gulf Agency Company (Thailand) Ltd. Both companies have a common director.	Mermaid Maritime Public Company Limited and its subsidiaries engaged Gulf Agency Company (Thailand) Ltd. for customs clearance of goods, transportation, and freight.	43,310,898.90 (Recorded as offshore services expenses)	Same price as normally charged to a third party
4. Mermaid Offshore Services Ltd.	Worldclass Inspiration Sdn. Bhd.	Mermaid Maritime Public Company Limited holds a 100% stake in Mermaid Offshore Services Ltd. and indirectly holds a 25% stake in Worldclass Inspiration Sdn. Bhd. Both companies are indirectly held by TTA.	Mermaid Offshore Services Ltd. lent Baht 1,147,988,712.23 to Worldclass Inspiration Sdn. Bhd. for funding the instalment of a new subsea engineering vessel. As of 30 September 2009, the loan was fully repaid to Mermaid Offshore Services Ltd. Mermaid Offshore Services Ltd. charged an interest rate of LIBOR + 3.5% for the USD portion and 8.5% for the MYR portion.	8,285,470.52 (Recorded as interest income)	Interest rate is based on the approximate borrowing costs of the lender.

Companies	Related Party Companies / Entities	Relationship	Description of Transactions	Transaction Amount (Baht)	Pricing Policy
5. Mermaid Offshore Services Ltd.	Allied Marine & Equipment Sdn. Bhd.	Mermaid Maritime Public Company Limited holds a 100% stake in Mermaid Offshore Services Ltd. and indirectly holds a 22.5% stake in Allied Marine & Equipment Sdn. Bhd. through Worldclass Inspiration Sdn. Bhd. Both companies are indirectly held by TTA.	Allied Marine & Equipment Sdn. Bhd. engaged Mermaid Offshore Services Ltd. for a vessel charter.	5,050,069.26 (Recorded as offshore service income)	Same price as normally charged to a third party
6. Thoresen Thai Agencies Public Company Limited	Gulf Agency Company (Thailand) Ltd.	TTA holds a 51% stake in Gulf Agency Company (Thailand) Ltd. Both companies have a common director.	Thoresen Thai Agencies Public Company Limited lent Baht 27,323,000 to Gulf Agency Company (Thailand) Ltd. As of 30 September 2009, the outstanding loan to Gulf Agency Company (Thailand) Ltd. was Baht 11,323,000. TTA charges an interest rate of MOR + 1% per annum on the loan.	996,309.00 (Recorded as interest income)	Interest rate is based on the approximate borrowing costs of the lender.

Necessity and Rationale of Related Party Transactions

In case TTA or a subsidiary signs an agreement or conducts a related party transaction with a subsidiary company, affiliated company and/or third party, TTA or a subsidiary will consider the necessity and rationale of such agreement based mainly on TTA's interests.

Approval Measures or Procedures of Related Party Transactions

If TTA or its subsidiary is to execute an agreement or if there is any related party transaction between TTA and its subsidiary, affiliated company, related company, third party and/or anyone with possible conflict of interests, the Board of Directors requires TTA or a subsidiary, for the purpose of its benefits, to comply with the rules and regulations of the SET and the SEC regarding disclosure of information of listed companies concerning connected transactions. Prices and other conditions shall be on an arm's length basis and are conducted in the best interests of TTA and all shareholders. Directors, executives, or employees having an interest in such transaction are not allowed to participate in the decision-making process and in any approval process.

Policy for Future Related Party Transactions

The Audit Committee and TTA will jointly consider and review any related party transactions that may arise in the future to ensure their necessity and fair price basis.

Company Investments

Investments in other companies exceeding 10% of the other companies' shares as of 30 September 2009 are as follows:

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding	Par Value
Type of Business : International Maritime Transportation						
1.	Thoresen & Company (Bangkok) Limited 26/26-27 Orakarn Building, 8th Floor Chidlom Road, Lumpinee, Pathumwan Bangkok 10330 Tel. : +66 (0) 2250-0569 Fax : +66 (0) 2254-9417	Ordinary Preference	9,470,000 3,030,000	9,470,000 3,029,994	99.9	10
2.	Hermes Shipping Co., Ltd.	Ordinary	270,000	269,994	99.9	100
3.	Hermelin Shipping Co., Ltd.	Ordinary	1,000,000	999,993	99.9	100
4.	Thor Star Shipping Co., Ltd.	Ordinary	300,000	299,993	99.9	100
5.	Thor Skipper Shipping Co., Ltd.	Ordinary	300,000	299,993	99.9	100
6.	Thor Sailor Shipping Co., Ltd.	Ordinary	300,000	299,993	99.9	100
7.	Thor Sun Shipping Co., Ltd.	Ordinary	400,000	399,993	99.9	100
8.	Thor Spirit Shipping Co., Ltd.	Ordinary	400,000	399,993	99.9	100
9.	Thor Sky Shipping Co., Ltd.	Ordinary	400,000	399,993	99.9	100
10.	Thor Sea Shipping Co., Ltd.	Ordinary	400,000	399,993	99.9	100
11.	Thor Master Shipping Co., Ltd.	Ordinary	1,880,000	1,879,993	99.9	100
12.	Thor Merchant Shipping Co., Ltd.	Ordinary	200,000	199,994	99.9	100
13.	Thor Mariner Shipping Co., Ltd.	Ordinary	350,000	349,994	99.9	100
14.	Thor Mercury Shipping Co., Ltd.	Ordinary	600,000	599,994	99.9	100
15.	Thor Captain Shipping Co., Ltd.	Ordinary	1,530,000	1,529,994	99.9	100
16	Thor Pilot Shipping Co., Ltd.	Ordinary	800,000	799,993	99.9	100
17.	Thor Jasmine Shipping Co., Ltd.	Ordinary	700,000	699,993	99.9	100
18.	Thor Champion Shipping Co., Ltd.	Ordinary	750,000	749,993	99.9	100
19.	Thor Orchid Shipping Co., Ltd.	Ordinary	472,500	472,493	99.9	100
20.	Thor Navigator Shipping Co., Ltd.	Ordinary	990,000	989,993	99.9	100
21.	Thor Commander Shipping Co., Ltd.	Ordinary	1,150,000	1,149,993	99.9	100
22.	Thor Transporter Shipping Co., Ltd.	Ordinary	2,000,000	1,999,993	99.9	100
23.	Thor Lotus Shipping Co., Ltd.	Ordinary	630,000	629,993	99.9	100
24.	Thor Trader Shipping Co., Ltd.	Ordinary	450,000	449,993	99.9	100
25.	Thor Traveller Shipping Co., Ltd.	Ordinary	450,000	449,993	99.9	100
26.	Thor Venture Shipping Co., Ltd.	Ordinary	750,000	749,993	99.9	100
27.	Thor Nautica Shipping Co., Ltd.	Ordinary	753,000	752,993	99.9	100
28.	Thor Confidence Shipping Co., Ltd.	Ordinary	500,000	499,993	99.9	100
29.	Thor Guardian Shipping Co., Ltd.	Ordinary	750,000	749,993	99.9	100

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding	Par Value
30.	Thor Triumph Shipping Co., Ltd.	Ordinary	600,000	599,993	99.9	100
31.	Thor Nexus Shipping Co., Ltd.	Ordinary	1,857,000	1,856,993	99.9	100
32.	Thor Neptune Shipping Co., Ltd.	Ordinary	1,380,000	1,379,993	99.9	100
33.	Thor Tribute Shipping Co., Ltd.	Ordinary	1,170,000	1,169,993	99.9	100
34.	Thor Jupiter Shipping Co., Ltd.	Ordinary	974,000	973,993	99.9	100
35.	Thor Alliance Shipping Co., Ltd.	Ordinary	1,060,000	1,059,993	99.9	100
36.	Thor Nautilus Shipping Co., Ltd.	Ordinary	500,000	499,993	99.9	100
37.	Thor Wind Shipping Co., Ltd.	Ordinary	2,000,000	1,999,993	99.9	100
38.	Thor Wave Shipping Co., Ltd.	Ordinary	2,000,000	1,999,993	99.9	100
39.	Thor Dynamic Shipping Co., Ltd.	Ordinary	3,600,000	3,599,993	99.9	100
40.	Thor Enterprise Shipping Co., Ltd.	Ordinary	6,300,000	6,299,993	99.9	100
41.	Thor Harmony Shipping Co., Ltd.	Ordinary	3,500,000	3,499,993	99.9	100
42.	Thor Integrity Shipping Co., Ltd.	Ordinary	3,850,000	3,849,993	99.9	100
43.	Thor Nectar Shipping Co., Ltd.	Ordinary	2,541,000	2,540,993	99.9	100
44.	Thor Nereus Shipping Co., Ltd.	Ordinary	2,128,000	2,127,993	99.9	100
45.	Thor Transit Shipping Co., Ltd.	Ordinary	1,000,000	999,993	99.9	100
46.	Thor Endeavour Shipping Co., Ltd.	Ordinary	11,000,000	10,999,993	99.9	100
47.	Thor Energy Shipping Co., Ltd.	Ordinary	10,000,000	9,999,993	99.9	100

Note : The registered office address of companies in items No. 2-47 is 26/32 Orakarn Building, 10th Floor, Soi Chidlom Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2250-0569 Fax : +66 (0) 2254-8437

Type of Business : International Maritime Transportation

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding	Par Value
48.	Thoresen Chartering (HK) Limited Suite B, 12th Floor, Two Chinachem Plaza, 135 Des Voeux Road Central, Hong Kong	Ordinary	500,000	499,999	99.99	HK$ 1
49.	Thoresen Shipping Singapore Pte. Ltd. 25 International Business Park #02-65/67 German Centre Singapore 609916 Tel: +65 6578-7000 Fax: +65 6578-7007	Ordinary	111,300,000	111,300,000	100.0	S$ 1
50.	Thoresen Shipping Germany GmbH Stavendamm 4a 28195 Bremen, Germany Tel: 421 336 52 22	Ordinary	25,000	25,000	100.0	Euro 1
51.	PT Perusahaan Pelayaran Equinox Globe Building 4th & 5th floor Jalan Bancit Raya Kav.31-33, Jakarta, Indonesia 12740 Tel: +6221 7918 7006 Fax: +6221 7918 7097	Ordinary	24,510	12,010	49.0	1,000,000 Rupiah

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding	Par Value
	Type of Business : Ship Supplies, Logistics, Ship Stevedoring and Transportation					
52.	Chidlom Marine Services & Supplies Ltd. 26/22-23 Orakarn Building, 7th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel: +66 (0) 2250-0569 Fax: +66 (0) 2655-7746	Ordinary	700,000	699,993	99.9	100
53.	GAC Thoresen Logistics Ltd. 26/30-31 Orakarn Building, 9th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel: +66 (0) 3818-5090-2 Fax: +66 (0) 3818-5093	Ordinary	750,000	382,496	51.0	100
	Type of Business : Ship Agency					
54.	Gulf Agency Company (Thailand) Ltd. 26/30-31 Orakarn Building, 9th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel: +66 (0) 2650-7400 Fax: +66 (0) 2650-7401	Ordinary	22,000	11,215	51.0	1,000
55.	ISS Thoresen Agencies Ltd. 26/26-27 Orakarn Building, 8th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel: +66 (0) 2254-0266 Fax: +66 (0) 2254-0628	Ordinary	500,000	499,993	99.9	100
56.	Thoresen Shipping FZE 1901-19th Floor, Golden Tower Opp. Marbella Resort, Al Buhairah Corniche Road, Sharjah, UAE. Tel: 971-6-574 2244 Fax: 971-6-574 4244	Ordinary	1	1	100.0	550,550 Dirhams
57.	Thoresen (Indochina) S.A. 12A Floor, Bitexco Building 19-25 Nguyen Hue Boulevard District 1 Ho Chi Min City, Vietnam Tel: +84 8 821 5423 Fax: +84 8 821 5424	Ordinary	2,500	1,250	50.0	US$ 100

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding	Par Value
	Type of Business : Ship Brokerage					
58.	Fearnleys (Thailand) Ltd. 26/55 Orakarn Building, 15th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel: +66 (0) 2253-6160 Fax: +66 (0) 2655-2761	Ordinary	20,000	10,194	51.0	100
59.	Thoresen Chartering (Pte) Ltd. 8 Cross Street # 11-00, PWC Building Singapore 048424	Ordinary	100,000	100,000	100.0	S$ 1
	Type of Business : Offshore Services					
60.	Mermaid Maritime Public Company Limited 26/28-29 Orakarn Building, 9th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel: +66 (0) 2255-3115-6 Fax: +66 (0) 2255-1079	Ordinary	541,205,340	191,602,670 (direct holding) 117,648,600 (indirect holding)	57.14	1
	Type of Business : Port Operations					
61.	Sharjah Ports Services LLC P.O.Box 510, Port Khalid Sharjah, United Arab Emirates Tel: +971-6-528 1327 Fax: +971-6-528 1425	Ordinary	26,000	12,740	49.0 (indirect holding)	100 Dirhams
	Type of Business : Holding Company					
62.	Soleado Holdings Pte. Ltd. 25 International Business Park #02-65/67 German Centre Singapore 609916 Tel: +65 6578-7000 Fax: +65 6578-7007	Ordinary	130,000,000	130,000,000	100.0	S$ 1
	Type of Business : Coal Mine Business					
63.	Merton Group (Cyprus) Ltd. Nikou Kranidioti 7D, Tower 4, 3rd Floor Flat/Office 302, Egkomi, PC 2411 Nicosia, Cyprus	Ordinary	15,733	3,333	21.2 (indirect holding)	US$ 1
	Type of Business : Fertiliser Business					
64.	Baconco Co., Ltd. Phu My I Industrial Park Tan Thanh Town, Baria Vung Tau Province, Vietnam Tel: (84-64) 389 5009 Fax: (84-64) 387 6030	Paid up capital is VND 377,072,638,790 or USD 25,833,128.40			100.0 (indirect holding)	-

Glossary of Maritime Terms

The following are definitions of key terms used in this annual report.

Annual Survey	The inspection of a vessel by a classification society that takes place every year.
Bareboat Charter	Also known as "demise charter." Contract or hire of a vessel under which the owner is usually paid a fixed amount of charter hire rate for a certain period of time during which the charterer is responsible for the operating costs and voyage costs of the vessel or drilling rig and crewing.
Bulk Vessels/Carriers	Vessels which are specially designed and built to carry large volumes of cargo in bulk cargo form.
Capesize	A dry bulk carrier in excess of 100,000 dwt.
Charter	The hire of vessel or drilling rig for a specified period of time or in the case of bulk carriers to carry cargo for a fixed fee from a loading port to a discharging port. The contract for a charter is called a charterparty.
Charterer	The individual or company hiring a vessel.
Charter Hire Rate	A sum of money paid to the vessel or drilling rig owner by a charterer under a charterparty for the use of a vessel or drilling rig.
Classification Society	An independent organisation which certifies that a vessel or drilling rig has been built and maintained in accordance with the rules of such organisation and complies with the applicable rules and regulations of the country of such vessel or drilling rig and the international conventions of which that country is a member.
Deadweight Tonne ("dwt")	A unit of a vessel's capacity for cargo, fuel oil, stores and crew, measured in metric tons of 1,000 kilograms. A vessel's dwt, or total deadweight, is the total weight the vessel can carry when loaded to a particular load line.
Deepwater	For dive support vessels, this refers to water depths beyond 300 metres. For drilling, this comprises "5th Generation Deepwater", which refers to the latest generation of semisubmersible rigs and drillships possessing the latest technical drilling capabilities and the ability to operate in water depths in excess of 7,000 feet. "Other Deepwater" refers to semisubmersible rigs and drillships that possess the ability to drill in water depths greater than 4,500 feet.
Dive support vessel	Specially equipped vessel that performs services and acts as an operational base for divers, remotely operated vehicles, and specialised equipment.
DP-2	Two dynamic positioning systems on a vessel allows the vessel to maintain position even with failure of one DP system, which is required for vessels that support both manned diving and roboties and for those working in close proximity to platforms.

Draft	Vertical distance between the waterline and the bottom of the vessel's keel.
Dry Bulk	Non-liquid cargoes of commodities shipped in an unpackaged state.
Dry-docking	The removal of a vessel or drilling rig from the water for inspection and / or repair of submerged parts.
Dynamic position ("DP")	Computer-directed thruster systems that use satellite-based positioning and other positioning technologies to ensure the proper counteraction to wind, current, and wave forces enabling the vessel to maintain its position without the use of anchors.
Gross Tonne	Unit of 100 cubic feet or 2.831 cubic meters used in arriving at the calculation of gross tonnage.
Handymax	A dry bulk carrier of approximately 35,000 to 60,000 dwt.
Handysize	A dry bulk carrier having a carrying capacity of up to approximately 35,000 dwt.
Hull	The shell or body of a vessel.
International Maritime Organization ("IMO")	A United Nations agency that issues international trade standards for shipping.
Intermediate Survey	The inspection of a vessel or drilling rig by a classification society surveyor which takes place between two and three years before and after each Special Survey for such vessel or drilling rig pursuant to the rules of international conventions and classification societies.
ISM Code	The International Management Code for the Safe Operation of Ships and for Pollution Prevention, as adopted by the IMO.
Metric Tonne	A unit of measurement equal to 1,000 kilograms.
Moonpool	An opening through the hull of a vessel through which a diving bell or remotely operated vehicle may be deployed, allowing safe deployment in adverse weather conditions.
Newbuilding	A newly constructed vessel.
Orderbook	A reference to currently placed orders for the construction of vessels or drilling rigs (e.g., the Handymax orderbook).
Panamax	A dry bulk carrier of approximately 60,000 to 80,000 dwt of maximum length, depth and draft capable of passing fully loaded through the Panama Canal.
Protection & Indemnity Insurance	Insurance obtained through a mutual association formed by vessel owners to provide liability insurance protection from large financial loss to one member through contributions towards that loss by all members.
Remotely operated vehicles ("ROV")	Robotic vehicles used to complement, support, and increase the efficiency of diving and sub-sea operations and for tasks beyond the capability of manned diving operations.

Saturation diving	Saturation diving involves divers working from special chambers for extended periods at a pressure equivalent to the pressure at the work site.
Scrapping	The disposal of old or damaged vessel tonnage by way of sale as scrap metal.
Short-Term Time Charter	A time charter which lasts less than approximately twelve months.
Sister Ships	Vessels of the same class and specification which were built by the same shipyard.
SOLAS	The International Convention for the Safety of Life at Sea 1974, as amended, adopted by the IMO.
Special Survey	The inspection of a vessel or drilling rig by a classification society surveyor which takes place a minimum of every four years and a maximum of every five years.
Spot Market	The market for immediate chartering of a vessel usually for single voyages.
Strict Liability	Liability that is imposed without regard to fault.
Subsea construction vessel	These vessels provide an above-water platform with distinguishing characteristics as DP systems, saturation diving capabilities, deck space, cranes, and moonpools. Deck space and cranes are important features of a vessel's ability to transport and fabricate hardware, supplies, and equipment necessary to complete sub-sea projects.
Tender rigs	A tender rig is a purpose-built self-erecting drilling tender barge with a flat bottom, raked sterns, and raked bow hull shape. It is designed as a cost-efficient and flexible drilling system for development scenarios involving multiple well slot fixed offshore platforms whereby the rig moves from platform to platform using its own drilling equipment set which is lifted by its own crane. Lifting operations can be made onto platforms up to a height of 90 feet above sea level.
Time Charter	Contract for hire of a vessel. A charter under which the vessel owner is paid charter hire rate on a per day basis for a certain period of time, the vessel owner being responsible for providing the crew and paying operating costs while the charterer is responsible for paying the voyage costs. Any delays at port or during the voyages are the responsibility of the charterer, save for certain specific exceptions such as loss of time arising from vessel breakdown and routine maintenance.
Voyage Charter	Contract for hire of a vessel under which a vessel owner is paid freight on the basis of moving cargo from a loading port to a discharge port. The vessel owner is responsible for paying both operating costs and voyage costs. The charterer is typically responsible for any delay at the loading or discharging ports.

The Company

AS OF 30 SEPTEMBER 2009

Name of Company	Thoresen Thai Agencies Public Company Limited
Registration No.	0107537002737
Date of Establishment	16 August 1983
Date of Conversion to Public Company Limited	15 December 1994
Date of Listing Ordinary Shares in SET	25 September 1995
Address	26/26-27 Orakarn Building, 8th Floor Soi Chidlom, Ploenchit Road Bangkok 10330, Thailand Telephone : +66 (0) 2254-8437 Website: http://www.thoresen.com
Type of Business	Transport Energy Infrastructure
Registered Capital	Baht 933,052,865
Paid up Capital	Baht 708,004,413
No. of Issued Shares	708,004,413 ordinary shares
Par Value / Share	Baht 1
Issued Convertible Bonds	US$ 169,800,000
Outstanding Principal Amount of Convertible Bonds	US$ 113,400,000
Secondary Market of Convertible Bonds	The Singapore Exchange Securities Trading Limited (SGX)
Date of Listing Convertible Bonds In SGX	25 September 2007
Securities Registrar of Ordinary Shares	Thailand Securities Depository Co., Ltd. Capital Market Academy Building 2/7 Moo 4, North Park Project Vibhavadi-Rangsit Road Bangkok 10210, Thailand Telephone : +66 (0) 2596-9000
Auditor	Mr. Kajornkiet Aroonpirodkul Certified Public Accountant (Thailand) No. 3445 PricewaterhouseCoopers ABAS Limited 15th Floor, Bangkok City Tower 179/74-80 South Sathorn Road Bangkok 10120, Thailand Telephone : +66 (0) 2344-1000

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