THORESEN THAI AGENCIES PLC.

ANNUAL REPORT 2011

Extending
Our Footprint

01 Important Changes and Developments

2011	Soleado acquired a 20% stake in Baria Serece as part of an overall strategy to create an integrated logistics business in Vietnam.
	TTA acquired three dry bulk vessels, two in the second-hand market and one new build vessel.
	Soleado acquired an additional 1.166% ownership in Petrolift Inc. ("Petrolift") to have 40.0% ownership.
	Soleado acquired 33.33% of Qing Mei Pte. Ltd. ("Qing Mei") to develop a new coal-mining project in Indonesia.
	TTA redeemed the second tranche of convertible bonds amounting to US$ 34.30 million. The aggregate principal amount of outstanding bonds as of 30 September 2011 was US$ 34.30 million.
	Asia Offshore Drilling Limited ("AOD") raised US$ 180 million from the international capital markets and signed contracts to build 3 jack-up rigs worth USD 538 million with Singapore Keppel FELS Limited ("Keppel FELS"). Mermaid and Seadrill Limited ("Seadrill") each own 33.75% of AOD. AOD shares were successfully listed on the Oslo Stock Exchange on 15 July 2011.
	The total owned fleet as of 30 September 2011 consisted of fifteen dry bulk vessels, eight offshore support vessels, and two tender drilling rigs. Additionally, approximately 5.70 dry bulk vessels were chartered in to meet client demand.
2010	Soleado acquired a 38.83% stake in Petrolift, a petroleum tanker company in the Philippines.
	Mermaid acquired a 100% stake in Subtech Ltd. in Seychelles to expand its subsea engineering services in the Middle East.
	TTA issued unsubordinated and unsecured domestic debentures of Baht 4.0 billion to refinance existing loans and to increase working capital.
	TTA redeemed the first tranche of convertible bonds amounting to US$ 34.30 million. The aggregate principal amount of outstanding bonds as of 30 September 2010 was US$ 68.60 million.
	TTA acquired four dry bulk vessels, three in the second-hand market and one new build vessel.
	Mermaid acquired one second-hand and three new build subsea vessels.

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2011	Soleado acquired a 20% stake in Baria Serece as part of an overall strategy to create an integrated logistics business in Vietnam. TTA acquired three dry bulk vessels, two in the second-hand market and one new build vessel. Soleado acquired an additional 1.166% ownership in Petrolift Inc. ("Petrolift") to have 40.0% ownership. Soleado acquired 33.33% of Qing Mei Pte. Ltd. ("Qing Mei") to develop a new coal-mining project in Indonesia. TTA redeemed the second tranche of convertible bonds amounting to US$ 34.30 million. The aggregate principal amount of outstanding bonds as of 30 September 2011 was US$ 34.30 million. Asia Offshore Drilling Limited ("AOD") raised US$ 180 million from the international capital markets and signed contracts to build 3 jack-up rigs worth USD 538 million with Singapore Keppel FELS Limited ("Keppel FELS"). Mermaid and Seadrill Limited ("Seadrill") each own 33.75% of AOD. AOD shares were successfully listed on the Oslo Stock Exchange on 15 July 2011. The total owned fleet as of 30 September 2011 consisted of fifteen dry bulk vessels, eight offshore support vessels, and two tender drilling rigs. Additionally, approximately 5.70 dry bulk vessels were chartered in to meet client demand.
2010	Soleado acquired a 38.83% stake in Petrolift, a petroleum tanker company in the Philippines. Mermaid acquired a 100% stake in Subtech Ltd. in Seychelles to expand its subsea engineering services in the Middle East. TTA issued unsubordinated and unsecured domestic debentures of Baht 4.0 billion to refinance existing loans and to increase working capital. TTA redeemed the first tranche of convertible bonds amounting to US$ 34.30 million. The aggregate principal amount of outstanding bonds as of 30 September 2010 was US$ 68.60 million. TTA acquired four dry bulk vessels, three in the second-hand market and one new build vessel. Mermaid acquired one second-hand and three new build subsea vessels.

2009	TTA established Soleado Holdings Pte. Ltd. ("Soleado") as an investment holding company for projects, assets, or companies outside of Thailand. TTA acquired an 89.55% stake in Unique Mining Services Public Company Limited, a coal logistics company in Thailand, as part of an overall strategy to create an integrated coal business. Soleado acquired a 100% stake in Baconco Co., Ltd., a fertiliser company in Vietnam. Soleado acquired a 21.18% stake in Merton Group (Cyprus) Ltd., which has a coal mining joint venture in the Philippines. Mermaid raised SG$ 156 million by way of a rights issue to pursue its business growth.
2008	TTA won Thailand's Best-Managed Medium-Cap Corporation Award from Asiamoney 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.
2006	TTA stressed greater diversification in its business by increasing its stake in 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.
2005	TTA won the Best Performance Award in the Service Industry category from the SET.
1995	The ordinary shares of Thoresen Thai Agencies Plc. ("TTA") were listed on the Stock Exchange of Thailand ("SET").
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.
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.
1926	Thoresen & Co., Ltd., Hong Kong established a branch office in Thailand to provide ship agency and brokerage services.

Extending

Our Footprint

Contents

	Year Ended 30 September		
	2011	2010	2009
	(Baht in millions, except share, per share data, and ratios)		
Income Statement Data:			
Voyage revenues	5,430.10	9,272.55	13,842.17
Voyage expenses*	2,819.35	4,885.73	8,115.66
Vessel operating expenses - owner expenses*	1,477.52	2,153.14	2,890.82
Offshore services revenues	5,542.74	3,476.37	5,209.87
Offshore services expenses	3,911.52	2,641.82	3,310.88
Sales	6,249.37	4,667.09	365.80
Cost of sales	5,283.13	3,844.31	320.26
Revenues from service companies and other sources*	782.77	674.90	688.32
Depreciation and amortisation	2,099.52	1,962.03	1,778.93
General and administrative expenses*	1,740.25	1,817.31	1,969.29
Interest expenses	619.61	510.62	378.05
Interest income	139.89	94.65	125.43
Equity income (loss) from associates and joint venture	110.23	80.31	29.88
Foreign exchange gains (losses)	91.78	24.34	(9.87)
Net income	**139.47**	**795.57**	**1,813.71**
Per Share Data:			
Net income - basic	0.20	1.12	2.56
Cash dividends declared	0.00	0.26	0.54
Net book value	43.66	44.54	43.91
Balance Sheet Data (at end of year):			
Cash and marketable securities	4,781.31	10,414.49	11,822.56
Vessels, rigs, machinery, and equipment - net of depreciation	22,567.21	21,907.37	13,471.96
Total assets	48,130.36	48,873.46	41,640.83
Total liabilities	17,216.42	17,341.32	10,549.39
Issued share capital	708,004,413	708,004,413	708,004,413
Total shareholders' equity	30,913.94	31,532.14	31,091.44
Other Financial Data:			
Net cash flows provided by (used in) operating activities	144.99	1,652.50	5,000.69
Net cash flows provided by (used in) investing activities	(3,955.33)	(10,883.10)	(4,617.08)
Net cash flows provided by (used in) financing activities	(884.89)	7,202.92	(1,111.25)
Capital expenditures :			
Property, plant and equipment, and intangible assets	4,122.40	8,356.00	4,726.32
Financial Ratios:			
Return on shareholders' equity (%)	0.54%	3.04%	7.06%
Return on total assets (%)	0.29%	1.76%	4.33%
Net profit margin (%)	0.79%	4.44%	9.09%
Total debt to total capitalisation	0.32	0.31	0.18
Net debt (cash) to total net capitalisation	0.24	0.11	(0.18)

Note *: Exclude one-off items

03 Message from Chairman

Thoresen Thai Agencies Public Company Limited ("TTA" or the "Company") formulated a focused diversification strategy four years ago when dry bulk shipping was its predominant business and at an all-time high. In 2011, the benefits of this strategy have become more apparent. TTA's move into new but related activities of energy and infrastructure has taken concrete form. At the same time, the dry bulk shipping business, which, as foreseen, has declined for three years as a result of massive supply and demand imbalances, has reduced in size, as all older vessels were sold off. Thus, in 2011, TTA was able to achieve a more balanced revenue profile to offset the continuing decline in shipping revenues.

Since the end of 2010, TTA has not made any new investments, as each line of business now has two key businesses. TTA has concentrated its focus on improving the efficiency and performance of its existing investments, and developing and monitoring its coal assets in the Philippines and Indonesia in a prudent and cautious manner. Following an annual review of the Company's strategy, TTA is adopting a philosophy under which companies in the group have more autonomy over key decisions, but are monitored by the parent company under broad corporate policies. The Board of Directors and management believe that this approach will deliver more efficiency and value to TTA's shareholders.

With these changes, it is important for the Company to modify and strengthen its framework of corporate governance, risk management, and internal controls. The Board of Directors has adopted a revised corporate governance system to reflect the new holding company structure and has set up a Corporate Governance Committee to oversee its implementation. In addition, TTA realises the need for better communications with all stakeholders and the public in general, as it has a very large and varied stakeholder base.

In a challenging and difficult year like 2011, TTA has been able to rely on the dedication and professionalism of its management and staff to perform exceptionally well, despite adverse conditions and unconstructive distractions. I would like to thank all of them for their efforts and excellent performance in 2011.

Yours sincerely,

Mr. Aswin Kongsiri
Chairman

Thoresen Thai Agencies Public Company Limited ("TTA" or the "Company") earned Baht 139.47 million in 2011, down 82.47% from Baht 795.57 million in 2010, primarily due to difficult dry bulk shipping conditions. The dry bulk shipping downturn was considered a high probability scenario as early as 2007, and TTA revised its business plans to cope with the current dry bulk shipping downturn.

2009: Beginning of Five-Year Strategic Plan

To achieve more consistent revenues and profits and to improve long-term shareholder value, TTA embarked on a five-year strategic plan to invest in related or adjacent businesses to dry bulk shipping that have growth potential. Phase 1 of the strategic plan, which saw investments in oil tanker shipping, coal mining and logistics, fertilisers, and ports, has been achieved. Phase 2 of the strategic plan, which is the ongoing management and value creation of our businesses, has already begun.

The success of TTA's strategic plan requires a number of factors:

Expertise to source, analyse, and structure investments in a disciplined manner: As other economies are expected to have stronger growth potential than Thailand over the next three to five years, TTA focused on global or regional growth opportunities in the Asia Pacific region that emphasised the commodities and logistics sectors.

Financial strength to invest in assets or companies: TTA ended the financial year with Baht 3,797.38 million of cash and a debt to equity ratio of 0.47:1. High profits from the dry bulk shipping boom from 2004 to 2008 allowed TTA to lower its overall leverage and increase its cash levels. This in turn allowed TTA to invest in assets or companies over the past three years and to generate free cash flow at the same time to meet expenses and pay dividends to shareholders.

Strong leadership to execute business plans: As professionals manage the daily operations of every business unit, TTA focuses on the recruitment, development, and performance management of the top two levels of each business unit. TTA primarily works through each business unit's Board of Directors and senior management to drive strategic priorities and deliver results.

Centralised services to reduce costs across business units: TTA's shared services focus on information technology, infrastructures and standard IT application platforms and procurement processes for high cost items that are purchased by multiple business units. As part of this centralisation of certain services, overlapping employees across business units were reduced.

In addition to the above factors, TTA manages its businesses with high standards of professionalism, transparency, and governance. These standards are important, because the Company wants to do things with class. TTA wants to be ambitious and has been able to establish a number of successful partnerships, because it is recognised as a reliable partner and global investor driven by ethical standards and values. TTA has been awarded a five-star corporate governance rating from the Thai Institute of Directors ("IOD") in recognition of its high governance standards.

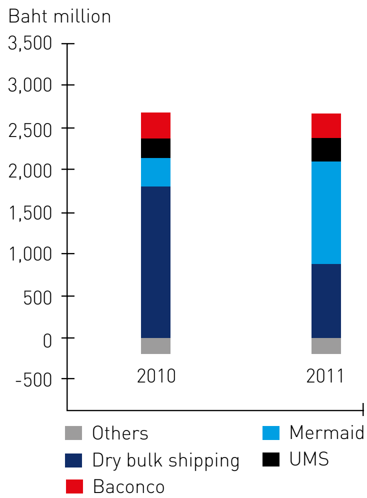
Strong Headwinds in 2011

TTA encountered numerous difficulties or "headwinds" in 2011. In the last twelve months alone, a hostile attack on TTA was launched, the Thor Nexus was captured by Somali pirates, one facility of Unique Mining Services Public Company Limited ("UMS") was closed due to environmental protests in Samut Sakorn province, and the significant floods in Thailand closed the other UMS facility in Ayudhya province and disrupted the lives of many employees.

Apart from the above difficulties, many in difficult market conditions. Freight rates remained low during 2011. The average Baltic Dry Index ("BDI") for 2011 was not this low since 2002. Offshore services demand only improved in the last six months. Difficult market conditions forced all major business units to analyse and make tough restructuring decisions. Business strategy and internal control reviews occurred, and headcount has been reduced across all major businesses.

By following its strategic plan and making appropriate management decisions, TTA was able to produce solid revenues and normalised operating results. Total revenues declined 1.98% to Baht 17,565.07 million in 2011. Even though freight revenues declined 41.44%, offshore service revenues and sales increased 44.80% to offset the drop in freight revenues.

Normalised EBITDA



The graph above demonstrates that on a normalised basis, consolidated earnings before interest, taxes, depreciation, and amortisation ("EBITDA") in 2011 rose 1.31% to Baht 2,543.65 million. Dry bulk shipping EBITDA fell 50.32% to Baht 898.39 million, but EBITDA of other business units offset the decline in dry bulk shipping. The consolidated EBITDA margin increased to 14.48%. A similar picture is true at the earnings before interest and taxes ("EBIT") level. Dry bulk shipping produced negative EBIT, but all other business units increased their EBIT in 2011 versus 2010. This is clear evidence that the five-year strategic plan is achieving results.

TTA has spent more than Baht 5,277.75 million over the past three years to invest in UMS, Petrolift Inc., and Baconco Co., Ltd. This sum is lower than the amounts already invested in dry bulk shipping and Mermaid Maritime Public Company Limited ("Mermaid"). Therefore, TTA's performance remains dependent on dry bulk shipping and Mermaid, while the other businesses are projected to grow and contribute more profits in 2013 and beyond.

Transition to Strategic Investment Company

TTA has become a strategic investment company focused on some key investment themes, including emerging market growth and commodities. A capital allocation decision was made to reduce TTA's exposure to dry bulk shipping and invest further in energy and infrastructure. TTA has taken a strategic decision that it does not need to own 100% of every business unit.

Key business principles include:

• Through financial strength and diversity of assets, TTA wants to be in a position to invest when asset values are low.

• TTA is developing a first class investment capability across a range of assets that allows it to analyse and structure a few of the many opportunities that continually arise.

• TTA wants to manage the business portfolio well so that dividends can be paid through all parts of the business cycle and have both the business portfolio and dividends grow over time.

By following these principles, TTA expects to increase long-term shareholder value. Based on the current outlook, more than 50% of TTA's revenues and cash flow should come from the Energy Group alone in the next two years. Dry bulk shipping looks weak for the next two years, while offshore services and coal look promising. After a few years, dry bulk shipping should improve, while other business units could plateau. Long-term strategic thinking and balanced and disciplined capital allocation will be the key responsibilities of the Board of Directors and senior management.

Leadership Requirements

TTA is building a culture of accountability and long-term thinking among business managers. Expectations placed on business managers are clear:

Execute in the face of change: Markets are becoming more volatile, and adjustments need to be made to cope with different market conditions.

Stay humble: Managers must listen well and lean on different people for advice. Good teamwork is needed to serve clients, and humility is an essential ingredient of good teamwork.

Senior management is a humbling experience. TTA will continue to make well-analysed investments, so managers are expected to be smart and disciplined risk takers. We have made mistakes and learned a lot over the last five years. We are more resilient, and to be a senior manager, you must have a competitive fire that demands daily improvement.

Repositioning TTA

Because 2008 was an unprecedented historical peak for the dry bulk shipping business, any comparison between this peak and the current market downturn is misleading. A review of comparable shipping companies demonstrates that many have performed similarly or worse than TTA.

Investments take different times to gel. Some investments, like greenfield coal projects, take 3-5 years before showing their full potential. Other investments, like Baconco and UMS, require turnaround. Baconco has turned around faster than expected, while UMS has been beset with various short-term issues, which its management was under tremendous pressure to solve quickly. Others, like Petrolift and Baria Serece, have yielded solid results. Thus, the overall portfolio has performed better than perhaps has been suggested by some observers.

Repositioning TTA in volatile times has demanded patience from shareholders. There is strong belief in the five-year strategic plan at all levels in TTA, and the results are moving in the predicted direction. TTA can compete by being intelligent and united in its decisions, because it is very difficult to achieve consistent results in highly cyclical businesses.

All major investment decisions are made only after a great deal of due diligence, a process that is undertaken internally, and with significant assistance from specialised and experienced outside advisors. TTA stands by its investments and believes in the long-term value they add for its stakeholders. Courage and fighting spirit are two admirable qualities that are needed today.

It is part of the job to be criticised, but the only way to survive is to show that everyone is united. If we are not united, the work done over the past three years could be wasted.

Closing Summary

The Board of Directors and management team consider ourselves fortunate to be here and remain loyal and committed to TTA's success. We also realise that our positions are based on your continued support. If shareholders decide that there are better people to serve them, the Board and management are willing to accept this decision. But at the same time, it is also our job to ensure that shareholders are aware of key strategic plans and if any potential takeover attempts or proxy solicitation battles are done, what the potential outcomes could be. This underscores TTA's ultimate responsibility as a listed company that believes in world-class corporate governance: everything must be done to ensure that all shareholders benefit equally and not only a small minority.

Right now, TTA has a very good basic situation. The basics of the business portfolio and its potential are right. The truth is that the diversification investments are for the most part profitable, and the greenfield coal projects will be profitable once their operations achieve commercial scale. Many pure play shipping companies are now losing money. TTA has a mix of short, medium, and long-term investments that have been set up to create sustainable returns for shareholders. The feedback we have had has been overwhelmingly positive from shareholders who understand that these changes do not happen over night.

TTA has managers and teams that are ready for a fight, because we see them in action every day. A simple message to you is: trust us, this team has qualities, and this team will fight. We hope as well that in many years, people will look at this period and think that we have put TTA on the right track and defended the right values and think that together we were not too bad.

Rather than personally discussing the details of each business unit, the lines of business have been asked to review the 2011 results and to offer their outlooks. We hope that you get the same sense that we do – our businesses have solid growth opportunities and more importantly, we are focused on building quality businesses.

Yours sincerely,

M.L. Chandchutha Chandratat
President & Chief Executive Officer

TRANSPORT GROUP

The Transport Group made Baht 271.15 million of net profit contribution to TTA in 2011, a 67.93% decrease from 2010. The most significant business is dry bulk shipping, which recently completed its fleet reconfiguration plans. Dry bulk shipping owns a fleet of 15 modern Supramax vessels and recorded gains of Baht 587.04 million on sales of 15 aging vessels, enabling the Transport Group to report a positive net profit for the year.

Dry Bulk Shipping

Freight revenues decreased 41.44% to Baht 5,430.10 million, as the number of vessels and available service days fell. Dry bulk shipping lost Baht 24.93 million on a normalised EBIT basis. Vessel oversupply is a global situation, which will continue to depress dry bulk freight rates over the next 18-24 months, but one that TTA has taken a number of steps to address.

As a point of reference, TTA earned record profits of Baht 8,776.44 million in 2008, which was a year of unprecedented freight rates. The BDI, which assesses freight rates over 26 shipping routes, reached a high of 11,793 points in May 2008 and averaged 8,614 points for the entire year. In 2011, the BDI reached a high of 2,784 points and averaged 1,657 points for the year. Therefore, the revenue environment for dry bulk shipping has fallen 80.76 % since 2008 due to the vessel oversupply situation.

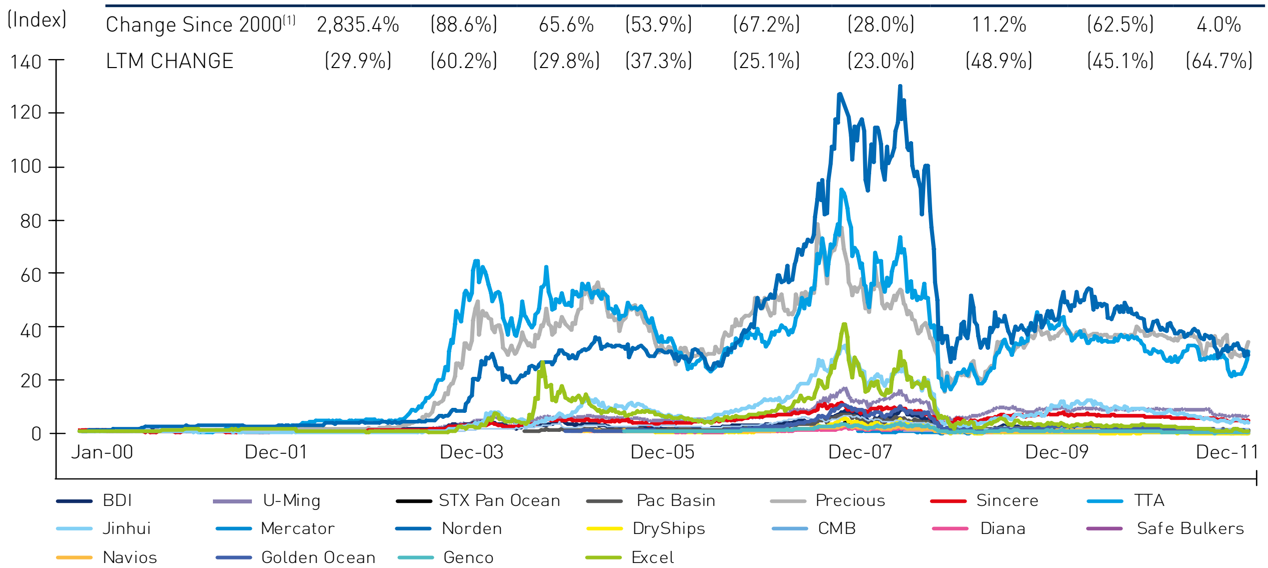
The performance of TTA shares and a group of 16 peers from 2000 to 2011 is shown below and remains closely correlated to the BDI. The performance and market capitalisation of all dry bulk shipping companies have fallen significantly since 2008. Most dry bulk shipping companies have suffered declines similar to or even more drastic than that of TTA. For example, Diana Shipping and Pacific Basin's stock is down 80% since that peak in 2008. Star Bulk Carriers is down 90%. This is no surprise, as the BDI has also come down by 80% in the same period.

Market Cap Evolution of Peers

Dry Bulk Peers Vs Baltic Dry Index (Since 2000) Index performance since 2000

	Asian Bulkers								
	BDI	U-Ming	STX Pan Ocean	Pac Basin	Precious	Sincere	TTA	Jinhui	Mercator
Change Since 2000[1]	45.7%	543.4%	(28.6%)	39.6%	3,340.0%	376.2%	2,911.9%	300.0%	(80.%)
LTM CHANGE	(3.9%)	(29.1%)	(48.1%)	(33.9%)	(9.5%)	(24.3%)	(1.9%)	(49.7%)	(55.1%)

	International Bulkers								
	Norden	Dry ships	CMB	Diana	Safe Bulkers	Navios	Golden Ocean	Genco	Excel
Change Since 2000[1]	2,835.4%	(88.6%)	65.6%	(53.9%)	(67.2%)	(28.0%)	11.2%	(62.5%)	4.0%
LTM CHANGE	(29.9%)	(60.2%)	(29.8%)	(37.3%)	(25.1%)	(23.0%)	(48.9%)	(45.1%)	(64.7%)



[1] Change since 2000 or since IPO

Source: Bank of America Merrill Lynch

As shipping has historically been a cyclical industry, stock prices also track that cyclicality. As 2007 and 2008 represented unprecedented highs for the dry bulk business, comparing a historic boom period to today provides a misleading analysis.

Shipping will remain a core business, and further investments will be made as good opportunities arise. Good profits can be made in any cyclical business. The basic strategy is to invest in assets at low prices. Once the market picks up, profits will increase quickly, allowing debt to be repaid. Assets are reduced once the downturn appears, and reinvestment occurs when the market picks up again.

TTA is in the process of separating dry bulk shipping into a separate business unit. All Thai-owned vessels are being transferred to Thoresen Shipping Singapore Pte. Ltd. ("TSS"), a wholly owned subsidiary, and flagged in Singapore, which offers strong tax incentives for the shipping business. All eight remaining Thai-owned vessels shall be transferred to TSS by the end of January 2012. TSS will become the exclusive business unit for the dry bulk shipping business under TTA, at which point TSS can seek outside capital to grow the business in the future.

Another strategic element involves an organisational restructuring. A 20% reduction in headcount was executed in September, as the chartering team was moved to Singapore. Basing the commercial team in Singapore would allow better relationships with a greater pool of clients, as Singapore is Asia's leading shipping hub. TTA expects the restructuring move to increase revenues and optimise general and administrative expenses. The current shipping strategy has positioned the dry bulk shipping business to run at a modest profit or breakeven level until market conditions improve.

The expansion of piracy prone trade lanes to include the vast majority of the Indian Ocean created enormous commercial and operational pressure on the dry bulk shipping company. Prior to 2011, Somalian pirates concentrated efforts in the Gulf of Aden. However, by using captured "mother ships", they were able to expand their activities geographically. As Thoresen has always used the Red Sea/East Mediterranean to Asia trade lane as a primary component of its commercial activity, the organisation was forced to adapt quickly to a new environment. Part of this adaptation was to shed older and slower vessels.

Thoresen's fleet renewal programme continued with the addition of the Thor Fortune, a sister ship to the Thor Friendship. The Thor Fortune was delivered in June 2011, and immediately began contributing to Thoresen's aim of lowering its operating costs.

Petrolift

The investment in Petrolift continues to perform as projected. Petrolift's contribution to TTA's net profit increased from Baht 51.86 million in 2010 to Baht 114.50 million in 2011, as the investment was closed in April 2010. On a quarterly basis, Petrolift delivered consecutive quarter on quarter ("qoq") growth in equity income to TTA in 2011. As most of the Petrolift fleet is on period time charter, results are highly predictable. TTA has received dividends of Baht 77.31 from Petrolift million to date.

With an addition of a new tanker in September 2011, Petrolift currently operates a young (ten-years-old average age) fleet of nine petroleum tankers/barges, including one liquefied petroleum gas tanker. The fleet has a total capacity of approximately 38 million litres, or 230,000 barrels, transporting fuel oil, refined petroleum and LPG products to all major ports and depots in the Philippines.

In 2012, Petrolift is looking to expand its business depending on the success of tender bids. As a policy, Petrolift will not purchase a new tanker unless a period time charter secures it. The return on investment in Petrolift was 12% in 2011 based on profits. Petrolift's value has grown, and its stable business model has lessened the volatility impact of the dry bulk shipping business.

Yours sincerely,

Mr. David Ames
Executive Vice President, Transport

2011 Highlights

- New Managing Director and Commercial Director of dry bulk shipping business were appointed
- Downsized the organisation by 77 people
- Completed 216 voyages and carried more than 8.07 million tonnes of cargo in dry bulk shipping
- The crew and the Thor Nexus were safely returned after four months under pirate control

INFRASTRUCTURE GROUP

The Infrastructure Group made Baht 301.10 million of net profit contribution to TTA in 2011, a 3.51% decrease from 2010. The two significant businesses are Baconco and UMS.

Unique Mining Services

UMS is a major part of TTA's plan to create an integrated coal business. TTA can mine, ship, and sell coal as part of a single supply chain. Looking at the value of UMS separately to the value of the coal mines is not accurate.

It is no secret that UMS has had issues, both internally and externally. But, UMS' overall situation is improving. Revenues increased 30.28% to Baht 3,275.62 million, as sales increased to 1.4 million tonnes of coal. Normalised EBITDA increased 22.03% to Baht 273.95 million, as average selling prices increased throughout the year. UMS made Baht 192.29 million on a normalised EBIT basis, an increase of 26.16% from 2010.

UMS had to manage difficult issues in 2011. The Samut Sakorn plant was closed down in July 2011 due to environmental protests that affected all coal operators in the province. After numerous discussions with the Samut Sakorn government and other related parties, the Samut Sakorn plant has been allowed to move its remaining stockpile of 0-5 mm coal out. After the 440,000 tonne stockpile has been removed, UMS can recommence full operations, which is expected by the middle of 2012.

The Ayudhya plant was closed down in October 2011 due to the flooding situation. Management must be complimented for executing a strong flood response plan that allowed the Ayudhya plant to be the only production facility that was not flooded in the area. The Ayudhya plant plans to ramp up production to 5,500 tonnes per day in January 2012, allowing sales volumes to resume ahead of many competitors.

We must also recognise that despite these issues, UMS operating profitability continues to improve as a result of significant efforts in the past two years to enhance and reorganise the business. For example, headcount has been reduced from 400 to 343 as of December 2011. Outstanding inventories are being reduced to position UMS for greater success and we believe that the fruits of this labour have yet to be fully realised.

The improving results and active response to the challenges UMS faced in 2011 is a direct result of the new management team that was appointed over the past two years. Their unrelenting drive and commitment towards improving processes, driving change, and managing people in the face of adversity is a clear testament that UMS is on a path to achieve its strategic objectives.

For 2012, UMS continues to focus on business process improvements, coal upgrade technologies, expanding market share across all segments, coal trading in domestic and international markets, and closer integration with TTA's Transport and Energy Groups.

Baconco and Baria Serece

Baconco continues to perform well. Revenues increased 38.18% to Baht 2,970.48 million, as sales increased to 190,524 tonnes. In Vietnamese Dong (VND) terms, normalised EBITDA increased 10.72% from VND 170,872.07 million to VND 189,193.75 million (or equivalent to Baht 282.90 million), but gross margins fell to 11.89% as raw materials increased rapidly, and Baconco was not able to fully pass through these cost increases. Baconco made Baht 260.03 million on a normalised EBIT basis, an increase of 0.32% from 2010. Based on net profits, TTA's return on investment in Baconco in 2011 was 58%, and over the past two years, the return on investment was 115%.

Vietnam fertiliser consumption is expected to gradually increase. Raw material prices are expected to rise, so the strategy is to secure long-term agreements with key suppliers, strengthen pesticide sales to offset increasing pressure on fertiliser margins, and continue to develop export business in Indonesia and Thailand.

Another increasing source of profits will be warehouses. Capacity utilisation was 83% in October, and more land was acquired in August to construct another 6,000 square metres of warehouse space by the end of December 2011. These investments are funded by the company's own cash reserves. Given Baconco's high profitability, TTA shall receive dividends of Baht 109.58 million in February 2012.

Next door to Baconco is Baria Serece, which contributed Baht 23 million to TTA through equity income, representing an 8.6% return on investment since December 2010. Dividends of Baht 6.41 million were received on 17 November 2011. Port volume is estimated to be on plan at 4.55 million tonnes in 2011 and expected to increase 24% in 2012. By 2013, the quay will be upgraded to accommodate 80,000 deadweight tonne ("dwt") vessels, financed by own cash reserves. In September 2011, Baria Serece ordered a fifth shore crane.

TTA's strategy in Vietnam continues to be the integration of the Baria Serece port business with Baconco's warehousing business and the ship agency and logistics businesses of Thoresen Vinama Agencies Co., Ltd. TTA is able to provide door to door logistics services with this integration and the throughput volume of Baria Serece is expected to improve, as cargo loading and discharging can be done with higher efficiency.

Yours sincerely,

Mr. Vichai Chuensuksawadi
Executive Vice President,
Infrastructure

2011 Highlights

- Ayudhya plant production increased to compensate for stoppage of Samut Sakorn plant
- Granular coal production and sales of 49,000 tonnes by UMS
- Marketing of new warehouse facilities resulted in two logistics contracts with multinational firms
- Cash subsidies and assistance provided to more than 120 flood-affected staff in UMS
- Baconco registered trademarks in Laos and Cambodia to pursue more export opportunities

ENERGY GROUP

The Energy Group made Baht 110.00 million of net losses contribution to TTA in 2011, a 44.93% improvement from 2010. The most significant business is Mermaid.

Mermaid Maritime

As oil prices stabilised above US$ 80 per barrel, demand for offshore services increased, and Mermaid's overall situation improved significantly. Revenues increased 59.44% to Baht 5,542.82 million, as subsea fleet utilisation improved to 69%. Normalised EBITDA increased 238.61% to Baht 1,191.08 million, as average day rates increased 10.9% in 2011. Mermaid made Baht 245.44 million on a normalised EBIT basis compared to a loss of Baht 255.11 million in 2010. Excluding non-cash impairment charges, Mermaid would have reported a net profit in 2011.

For 2012, utilisation is expected to remain at 2011 levels, as the supply/demand balance remains tight. The outlook for 2013 onwards is bullish, as growth in fleet sizes is expected to lag spending growth. Mermaid has strengthened its commercial and project management capabilities and aim to secure higher value added work in more offshore areas.

More work is being conducted outside of Thailand, and Mermaid will be focusing on securing work on a global basis through its newly established international marketing office in Singapore as well as its Subtech and Seascape offices in their respective territories. In 2011, the subsea group provided services to over 20 clients, with an increasing number of contracts being awarded in the Middle East.

The drilling business had no major changes. MTR-2 was at 95.8% utilisation during 2011 with Chevron (Indonesia), and the contract will expire in March 2012.

MTR-1, on the other hand, was off-hire in 2011. Subsequent to the Macondo accident, it has become increasingly challenging for older rigs of age 20+ years old to get a drilling contract award. However, good progress has been made to deploy MTR-1 as an accommodation work barge in Indonesia.

Asia Offshore Drilling Ltd. ("AOD") was a major success story. It successfully completed two rounds of fund raising for US$ 180 million, the latter one done in July 2011 under tough market conditions. Seadrill Limited ("Seadrill"), one of the most successful drilling companies in the world, took a 33.75% ownership in AOD, equal to Mermaid. This partnership with Seadrill provides AOD with a strong platform to further develop its business. AOD was successfully listed on the Oslo Stock Exchange in July 2011 as a start up business.

AOD has ordered three high-specification jack-up rigs with Keppel FELS Limited ("KFELS"). In September 2011, AOD decided to increase the water depth capacity for its three jack-up rigs under construction from 350 feet to 400 feet. This investment will increase the marketability of the rigs, allowing them to successfully operate in more offshore areas. These upgrades will have some impact on the delivery schedule of the first two rigs, as the first rig will now be delivered in the first calendar quarter of 2013 and the second rig will be delivered by the end of the second calendar quarter of 2013. The delivery of the third rig remains unchanged at the end of the third calendar quarter of 2013.

In 2011, the drilling and subsea divisions received significant awards from long-time clients for outstanding operating performance and safety records. These awards are a testament of Mermaid's strong technical capabilities and emphasis on safety, which will play an increasingly important role in competing for jobs moving forward. During the year, Mermaid made numerous changes to its senior management team to address the challenging market conditions. These changes were necessary in an environment where "business as usual" was clearly not an option, and Mermaid is now cautiously optimistic that the changes will continue to bear fruit with the improving financial performance.

TTA has stated in the past and continues to believe that the Energy Group will drive up to 50% of revenues within the next two years. Coal will be a part of this but still remains a smaller portion of the portfolio compared with Mermaid and dry bulk shipping.

Merton Group/SERI

Merton Group (Cyprus) Ltd. ("Merton") primary investment is SKI Energy Resources Inc. ("SERI"), which has not achieved full production yet. Merton produced negligible losses to TTA. SERI is an investment in which TTA has a direct 47.07% economic interest following a recent capital increase. As a comparison point, the recent injection of new equity into SERI, worth US$ 25.3 million, is roughly the cost of a 5-year old second hand Supramax dry bulk vessel.

High growth companies often require additional equity or capital. As production is increasing at the first mine and plans to develop the second and third mines come to fruition, a capital increase at SERI was always planned to supplement the cash flows generated from the first mine. Following this capital increase, SERI will be in a strong financial position to fund its growth plans.

SERI targets to produce 1 million tonnes annually by 2015 from at least two or three mine sites. It is difficult to predict commodity prices four years in advance, but the average price for SERI's high quality thermal coal thus far in 2011 has been around US$ 94/tonne, net to SERI after transaction costs. Assuming this price, TTA projects revenues from SERI in the neighbourhood of US$ 100 million by 2015.

Yours sincerely,

M.L. Chandchutha Chandratat
President & Chief Executive Officer

Yours sincerely,

Mr. John Crane
Executive Vice President,
Corporate Strategy

2011 Highlights

- Mermaid's balance sheet remained healthy, with a debt to equity ratio of 0.38:1
- Mermaid Offshore Services Ltd. ("MOS") worked on more than 40 projects in 2011 from full subsea services to vessel charters
- SERI sold 50,000 tonnes of coal in 2011, primarily to domestic clients
- Mermaid's impairment charges of Baht 204 million were taken against MTR-1 and an old MOS project – DPIII.
- Exploration work is well advanced at Qing Mei, and mine reserve estimates will be available in early 2012

The Audit Committee of TTA Group consists of 3 independent directors viz., Prof.Dr. Warapatr Todhanakasem as the Chairman of the Audit Committee, Dr. Siri Ganjarerndee and Mr. Sak Euarchukiati, both, as Audit Committee members. The Audit Committee has performed with total responsibility in compliance with the Audit Committee Charter approved by the Board of Directors and the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, which is summarised as follows.

In the year of 2011, meetings of the Audit Committee have been held through the year to review consolidated financial statements of the Company and its subsidiaries and meetings with external auditor were also held every quarter for discussion of the Auditor's report, financial statements and recommendations of the relevant accounting standards. The Audit Committee is of the opinion that the Company has a proper financial reporting process to disclose its financial information, in which the financial statements are correct, sufficient and credible.

The Audit Committee has considered the independence of Internal Audit Department including the chain of command in order to establish the credibility and independence of Internal Audit Department. The Audit Committee has also discussed with internal auditors the scope of internal auditing, their responsibilities and functions and approved the internal audit plan for the internal audit department. In the year 2011, Internal Audit Department reviewed the internal control activities of all departments and reviewed the operations of shipping business such as the revenue cycle, bunkering, dry docking, crew management, ship management and treasury. Internal auditors also followed up on the results of the aforesaid review. The results of the review and the recommendations were discussed with the related staff and management and reported to the Audit Committee.

The Audit Committee is of the opinion that the Company has proper and adequate internal control systems for the current business operations. With a wider scope of business engagement, the Company is continuously strengthening the efficiency and effectiveness of the internal control system.

The Audit Committee is of the opinion that the Company has been in compliance with laws and regulations to which the operations of the Company are subjected. Principally, these laws are the Public Limited Companies Act, Revenue Code, Thai Vessels Act, SEC Act and regulations of the SET.

Internal Auditors have reviewed the connected transactions according to the Notifications of the Stock Exchange of Thailand Re: The Disclosure of Information and Acts of Listed Companies Concerning Connected Transactions 2003 as amended from time to time and Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and circular letter of the Securities and Exchange Commission about the recommended practice to be followed under section 89/12 (1) of the Securities and Exchange Act (No.4) B.E. 2551. The result of the review of the connected transactions in 2011 has been discussed in the Board of Directors' Meeting No. 2/2012 held on 21 December 2011. Audit Committee and Board of Directors are of the opinion that the aforesaid transactions are fair and for the full benefit of the Company.

During the year 2011, Internal Auditors reviewed the Asset Disposal Transactions of the Company's subsidiaries according to the Notification of the Stock Exchange of Thailand (SET) regarding the Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets 2004 and Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets. The Audit Committee was of the opinion that the asset disposal transactions of the Company's subsidiaries were reasonable and for the best benefit of the Company.

In the year 2011, the Internal Audit department also commenced the review of the management's plan for the transition to International Financial Reporting Standards (IFRS), the potential impact on the Company as well as its financial reports and systems to provide its oversight in order to ensure that management's transition plan demonstrates clear understanding of the extent of change, identify all key conversion activities, the timetable, the resources required, and education for people throughout the Company who will be affected by the transition. The Executive Vice President, Corporate Finance and Accounting updated the Audit Committee about the progress of management's implementation of the IFRS transition plan to the Audit Committee every quarter in the Audit Committee Meeting of 2011.

Normally, the Audit Committee Meeting is held before the Board of Directors' Meeting so that the minutes of the Audit Committee Meeting and discussions with Internal Auditors and external audits without management's presence in such discussions could be sent to the Board of Directors for acknowledgement, discussions and receiving suggestions from the Board.

The Audit Committee reviewed the scope of internal audit work and its audit plans; 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. The formal Audit Committee Meeting usually takes around 4 hours. In the year 2011, Audit Committee held 8 regular meetings and 1 special meeting. The record of attendance of the members of Audit Committee is summarised as follows:

Audit Committee Member	Position	2011		2010	
		Regular Meeting	Special meeting	Regular Meeting	Special meeting
1. Mrs. Pratana Mongkolkul	Ex-Audit Committee Chairman	6/8	-	9/9	-
2. Prof.Dr. Warapatr Todhanakasem	Audit Committee Chairman	-	1/1	-	-
3. Dr. Siri Ganjarerndee	Audit Committee Member	6/8	-	9/9	-
4. Mr. Sak Euarchukiati	Audit Committee Member	6/6	1/1	-	-
5. Mr. Aswin Kongsiri	Ex-Audit Committee Member	2/2	-	9/9	-

Mr. Sak Euarchukiati was appointed to the Audit Committee to replace Mr. Aswin Kongsiri who took the Chairman of the Board position by resolution of the Board of Directors dated on 28 January 2011.

Prof. Dr. Warapatr Todhanakasem has been appointed the Chairman of the Audit Committee to replace Mrs. Pratana Mongkolkul who resigned from the Board of Direcotrs and Chairman of the Audit Committee with effect from 15 August 2011.

Audit Committee Meeting No. 2/2012 held on 19 December 2011 considered the appointment of Auditors and resolved to propose for shareholders' approval, the appointment of any one of the following auditors of PriceWaterhouseCooper ABAS Limited as the auditor of the Company for the year 2012.

1. Mr. Kajornkiet Aroonpirodkul, License No. 3445,
2. Mr. Chanchai Chaiprasit, License No. 3760
3. Mrs. Nattaportn Phan-Udom, License No. 3430,

PriceWaterhouseCooper ABAS Limited is a reputable independent audit firm, and has shown satisfactory performance according to past records. The meeting also approved to propose for shareholders' approval, the audit fees of an amount not exceeding Baht 3.24 million for the year 2012 (2011 Fees: Baht 3.16 million).

For and on behalf of the Audit Committee of
Thoresen Thai Agencies Public Company Limited

Prof.Dr. Warapatr Todhanakasem
Chairman of the Audit Committee

Mr. Aswin Kongsiri (age 65)

Mr. Aswin Kongsiri has been Chairman since November 2010. In 2010, Mr. Kongsiri was appointed as a Governor of the Stock Exchange of Thailand. In November 2011, Mr. Kongsiri was appointed as a member of the in Monetary Policy Committee of the Bank of Thailand and Director of Krungthai-Axa Life Insurance Co., Ltd. He serves as Chairman of Thai Orix Leasing Co., Ltd., Ch. Karnchang Plc., and Ton Poh Thailand Fund, Vice Chairman of Electricity Generating Plc., Director of Bangkok Aviation Fuel Services Plc., OHTL Plc. (Mandarin Oriental Hotel), Thai Reinsurance Plc., and Padaeng Industry Plc. Mr. Kongsiri holds a B.A. (Honours) in Philosophy, Politics, and Economics 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.

M.L. Chandchutha Chandratat (age 45)

M.L. Chandchutha Chandratat joined in 2005 as the 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 joined Bangkok Bank Plc. from 1994 to 2000 and worked for J.P. Morgan, Hong Kong from 2000 to 2002 and Morgan Stanley Dean Witter Asia (Singapore) Pte. Ltd. from 2002 to 2005. He serves as Executive Chairman of Mermaid Maritime Plc. and Chairman of Unique Mining Services Plc. 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. Aswin Kongsiri
(age 65)
Chairman, Independent Director
Percentage of Shareholding: 0.00

M.L. Chandchutha Chandratat
(age 45)
President & Chief Executive Officer
Percentage of Shareholding: 0.108

Mr. Stephen Fordham
(age 60)
Non-Executive Director, Member of Nomination and Remuneration Committee
Percentage of Shareholding: 0.001

Dr. Pichit Nithivasin
(age 65)
Independent Director, Chairman of Nomination and Remuneration Committee
Percentage of Shareholding: 0.00

Mr. Sak Euarchukiati
(age 62)
Independent Director, Member of Audit Committee and Nomination and Remuneration Committee
Percentage of Shareholding: 0.00

Mr. Stephen Fordham (age 60)

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 serves as Chairman of Masterbulk Pte. Ltd., is a Partner at Wikborg Rein, and sits as an Independent Director of Total Access Communication Plc. Mr. Fordham holds a M.A. in Jurisprudence from Oxford University.

Dr. Pichit Nithivasin (age 65)

Dr. Pichit Nithivasin serves as Managing Director of B.I.G Marketing Co., Ltd. and Bangkok Cogeneration Co., Ltd. He holds directorships at Huakee Paper Co., Ltd., HMC Polymers Co., Ltd., Polymers Marketing Co., Ltd., Rayong Olefins Co., Ltd., Thai MMA Co., Ltd., Basell Advance Polyolefins (Thailand) Co., Ltd., and Map Ta Phut Tank Terminal Co., Ltd. He also serves as President of Bangkok Industrial Gas Co., Ltd., Bangkok Synthetics Co., Ltd., and BST Elastomers Co., Ltd. and Chairman of Foamtec International Co., Ltd. Dr. Nithivasin holds a PhD in Operations Research, a M.S. in Electrical Engineering and Computers, a M.S. of Industrial Engineering, and a B. S. in Industrial Engineering, all from the University of California at Berkeley, USA. 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 62)

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 serves as Director of Deves Insurance Plc. and Thai Plastic & Chemicals Plc. Mr. Euarchukiati holds a B.S. Management Science from Colorado State University, USA.

Dr. Siri Ganjarerndee (age 63)

Dr. Siri Ganjarerndee served as Assistant Governor, Bank of Thailand from 1992 to 1997 and Senior Assistant Governor in 1998. He serves as Director of Indorama Ventures Plc., Prasit Patana Plc., The Post Publishing Plc., where he acts as Chairman of the Audit Committee, and Thai Vegetable Oil Plc., where he acts as Vice Chairman and member of the Audit Committee. He serves as a member of the Bank of Thailand Board and the Monetary Policy Committee. Dr. Ganjarerndee holds a PhD in Monetary Economics and Econometrics from Monash University and a M.A. in Economics in Economic Statistics and Monetary Economics and a B.A. 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) in 2005 by the Thai Institute of Directors Association.

Mr. Peter Stokes (age 61)

Mr. Peter Stokes is a Senior Adviser and Head of Shipping at Lazard and also serves as a non-executive director of Avance Gas Holding Ltd. and U-Sea Bulk Shipping A/S. His professional experiences include serving as the co-founder of and investment adviser to Castalia Partners Ltd. from 1992 to 1998, the founder and Managing Director of Maritime Consultants Ltd. from 1985 to 1998, and a co-founder and Director of Bulk Transport Ltd. from 1983 to 1985. He also served as the Head of Shipping and Insurance Research at Greig Middleton & Co. from 1979 to 1983 and a Business Editor at Lloyd's List from 1974 to 1979.

Dr. Siri Ganjarerndee
(age 63)
Independent Director, Member of Audit Committee and Nomination and Remuneration Committee
Percentage of Shareholding: 0.00

Mr. Peter Stokes
(age 61)
Independent Director
Percentage of Shareholding: 0.00

Mr. Oral Wilson Dawe
(age 49)
Independent Director
Percentage of Shareholding: 0.00

Prof. Dr. Warapatr Todhanakasem
(age 62)
Independent Director, Chairman of Audit Committee
Percentage of Shareholding: 0.00

Prof. Athueck Asvanund
(age 60)
Independent Director
Percentage of Shareholding: 0.00

Mr. Oral Wilson Dawe (age 49)

Mr. Oral Wilson Dawe is founder and CEO of Dawe Holdings, with public markets trading and private equity interests in natural resources, real estate, biotech, and technology. He was the Managing Director and Chief Executive Officer of Asia Pacific Commodities for J.P. Morgan during 2007 - 2010. Based in Singapore, he was responsible for all aspects of J.P. Morgan's commodity business in the region and was also a member of JPMorgan's AsiaPacific Investment Banking Management Committee. He was President of Goldman Sachs, Singapore from 2002- 2007 as well as co-head of Goldman's AsiaPacific commodity business and immediately prior was Co-head of North American Commodity Sales based in New York from 1998-2001. From 1984-1996, Oral held finance and trading related positions in North American and Asian natural resource and banking related firms. He has also lectured on corporate finance and strategic planning.

Prof. Dr. Warapatr Todhanakasem (age 62)

Prof. Warapatr Todhanakasem, holds a PhD in Business Economics from the University of Illinois, USA, a M.S. in Economics from the same university, and M.B.A. in Finance & Marketing from the Kellogg School of Management, Northwestern University. He was the Managing Director of TRIS Rating Co., Ltd. prior to becoming the Chairman of Prinsiri Plc. and an Executive Advisor of Amata Corporation Plc., In 2000, he completed the Directors Certification Program (DCP 0/2000) by the Thai Institute of Directors Association.

Prof. Athueck Asvanund (age 60)

Prof. Athueck Asvanund, a former partner of Baker & McKenzie, is currently Vice Chairman and Group General Counsel of True Corporation PCL as well as Group General Counsel of CP Group. Apart from holding a Bachelor of Law (Hons.) from Thammasat University, Prof. Athueck was appointed under Royal Command as a Professor of Laws of Chulalongkorn University's Law School. He has written several legal books and articles. In 2005, he completed the Directors Accreditation Program (DAP CP/2005) by the Thai Institute of Directors Association.

M.L. Chandchutha Chandratat (age 45)
is the President & Chief Executive Officer of TTA. His biography appears in the section "Board of Directors".

Mr. David Lawrence Ames (age 46)
is the Executive Vice President, Transport. 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 in North America and Asia. Mr. Ames holds a B.A. in Political Science from Northwestern University, USA. He also completed executive education programs in Supply Chain Management Program from Stanford University in 1999 and The Advanced Management from INSEAD, Fontainebleau, France in 2005.

M.L. Chandchutha Chandratat
(age 45)
President & Chief Executive Officer

Mr. David Lawrence Ames
(age 46)
Executive Vice President, Transport

Mr. Vichai Chuensuksawadi
(age 54)
Executive Vice President, Infrastructure

Mr. John Crane
(age 51)
Executive Vice President, Corporate Strategy

Mr. Vichai Chuensuksawadi (age 54)
is the Executive Vice President, Infrastructure. He became a director of Unique Mining Services Plc. in January 2011. Prior to joining TTA, Mr. Chuensuksawadi worked for United Parcel Service ("UPS") for 18 years. At UPS, he started in the position of Managing Director for Thailand and was subsequently promoted to be Managing Director for Malaysia, Thailand, and Indochina. In 2001, he was appointed as VP, Business Development for UPS Asia Pacific Region. His latest position at UPS was VP, Region Strategy & Retail, where he was responsible for developing UPS' retail channels and providing strategic development recommendations for UPS entities in Asia. Mr. Chuensuksawadi received a B.A. in Psychology from University of Queensland, Australia in 1979. He also completed the International Executive Program on Management, Strategy and Operations from INSEAD in 2005.

Mr. John Crane (age 51)
is the Executive Vice President, Corporate Strategy. He became a non-executive director of Mermaid Maritime Plc. in August 2011. He is also directors of other subsidiaries and associates, such as Soleado Holdings Pte. Ltd., Petrolift Inc., Merton Group (Cyprus) Limited, and Qing Mei Pte. Ltd. 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 (age 53)

is the Executive Vice President, Corporate Business Services. 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 B.S. 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.

Ms. Urai Pluemsomran (age 57)

is the Executive Vice President, Corporate Risk, Internal Audit, and Compliance. Ms. Pluemsomran worked for the Dow Chemical Company for 19 years. She started as Country Controller and Corporate Secretary for all Siam Cement-Dow joint venture companies in Thailand. In 2002, she was promoted to Senior Corporate Audit Manager, leading the audit teams in performing internal audits on a global basis from Dow's head office in Michigan. Her last position was Country Manager - Indonesia. Ms. Pluemsomran received a M.B.A. from Chulalongkorn University in 1977 and a B.S. in Management and Accounting from Woodbury University, USA in 1975.

Mr. Prithayuth Nivasabutr
(age 53)
Executive Vice President
Corporate Bussiness Services

Ms. Urai Pluemsomran
(age 57)
Executive Vice President,
Corporate Risk, Internal
Audit, and Compliance

Mrs. Thitima Rungkwansiriroj
(age 50)
Executive Vice President,
Corporate Finance and
Accounting

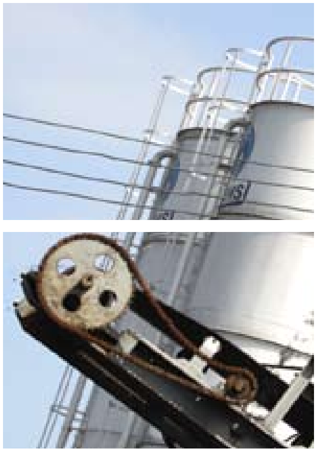
Mrs. Penroong Suwannakudt
(age 48)
Executive Vice President,
Corporate Human Resources

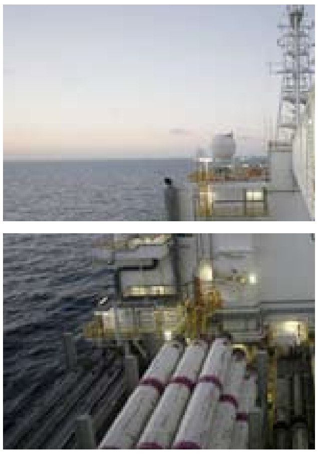
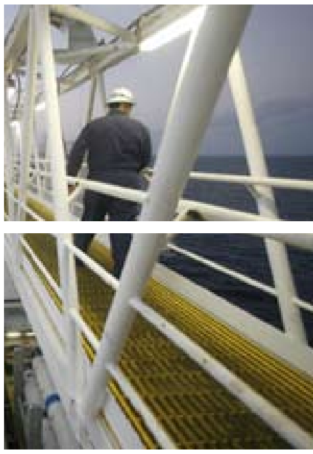
Mrs. Thitima Rungkwansiriroj (age 50)

is the Executive Vice President, Corporate Finance and Accounting. She became a director of Unique Mining Services Plc. in October 2009. Prior to TTA, she was the Head of Equity Investment Division at Siam Commercial Bank Public Company Limited ("SCB"). She served as Group Chief Financial Officer at GMM Grammy Public Company Limited from 2003 to 2006 and also held similar positions with KGI Securities (Thailand) Public Company Limited, The East Asiatic (Thailand) Public Company Limited and First Asia Securities Public Company Limited. She holds a M.S. in Accounting from Thammasat University. She completed the Directors Accreditation Program (DAP 66/2007) in 2007 and the Directors Certification Program (DCP 131/2010) in 2010 by the Thai Institute of Directors Association.

Mrs. Penroong Suwannakudt (age 48)

is the Executive Vice President, Corporate Human Resources. She became a director of Unique Mining Services Plc. 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. Suwannakudt 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 Thammasat University in 1985. In 2010, she completed the Directors Certification Program (DCP 132/2010) and the Role of the Compensation Committee Program (RCC 11/2010) by the Thai Institute of Directors Association.



THOR ACHIEVER

2011 Corporate Structure

Corporate Structure

Thoresen Thai Agencies Public Company Limited ("TTA" or the "Company") is a strategic investment holding company with three primary groups of business - Transport, Energy, and Infrastructure.

Transport Group

TTA and its subsidiaries (the "Group") have provided shipping-related services since 1904 and dry bulk shipping services since 1985. In 2010, TTA added a small oil and gas tanker services business in the Philippines.

Energy Group

The Group has also provided subsea services since 1995 and offshore drilling services since 2006. In 2009, TTA made an indirect investment in a greenfield coal mining project in the Philippines and subsequently increased its stake in 2011 by also investing directly into the coal mining company itself. Also in 2011, TTA invested in another coal mining project in Indonesia. These coal mining investments clearly indicate the Group's strategic intent to increase its exposure to energy businesses with high future growth potential.

Infrastructure Group

TTA's strategic objectives include the creation of an integrated logistics business in Vietnam and an integrated coal supply chain. To achieve these objectives, TTA invested in a fertiliser production and distribution company located next door to a deep-sea port in Phu My Industrial Estate in South Vietnam, in which TTA bought a stake in 2010. With its logistics licenses, Thoresen-Vinama Agencies Ltd. coordinates the activities of the port and warehouses to deliver a seamless logistics service to clients. With additional warehouse capacity in 2012, the port activities are expected to increase. TTA also invested in a coal logistics company in Thailand, which means that the Group can mine, ship, and sell coal to end clients in an integrated manner.

As TTA diversified and built an investment portfolio, more companies emerged within the Group. Soleado Holdings Pte. Ltd. and Athene Holdings Ltd. have both been set up to organise and hold TTA's overseas and local investments, respectively, in an orderly manner.

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

Corporate Structure Under New Business Groups

Thoresen Thai Agencies Plc.

Soleado Holdings Pte. Ltd. | **Athene Holdings Ltd.**

Transport
- Dry bulk shipping
- Shipping agency services in Thailand, Indonesia, Vietnam, and UAE
- Ship brokerage
- Inter-island oil and gas tankering in the Philippines

Energy
- Subsea engineering services
- Offshore drilling services
- Coal mining in the Philippines and Indonesia

Infrastructure
- Classified coal distribution in Thailand
- Fertiliser production and distribution in Vietnam
- Deep-sea port logistics and warehousing services in Vietnam
- Third-party logistics, stevedoring services, and ship supplies

Competitive strengths of the Group

The Group's strategic objectives depend on prudent and efficient management of its business groups and their operations in such a manner as to enable it to continuously expand its businesses, improve its service offerings, and service its debt repayments.

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 our medium-term strategic goals.

The Group has the following competitive strengths:

- **Increasingly Diversified Business Portfolio:** TTA is trying to reduce the cyclicality and uncertainty of its cash flows by finding new investments that counterbalance its existing ones. However, the newer investments have not reached sufficient scale to offset the significant decline in the dry bulk shipping business.

- **Growing Presence in Emerging Markets and Commodities:** TTA 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. Analysis is being completed to develop the first coal mine in Central Kalimantan in Indonesia. UMS 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. TTA believes that focusing on emerging markets and coal will enable it to maintain its competitive position.

- **Versatile and High Quality Owned Fleet and Services:** 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 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.

• **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.

• **Expandable Business Model:** Since 1904, the Group has demonstrated the adaptability and expandability of its business model by growing its services and operations base. The Group has built a solid operational platform that can be leveraged for further expansion into areas that complement or are natural extensions to our existing businesses.

• **Strong Financial Position:** Even though 2011 was a tough year, the Group still managed total operating revenues of Baht 17,565.07 million and normalised basis consolidated earnings before Interest. taxes, depreciation, and amortisation ("EBITDA") of Baht 2,543.65 million. The total debt to equity ratio remained a modest 0.47:1. Thus, the Group believes that its strong financial position can take advantage of the declining various business conditions by making acquisitions at favourable prices.

Transport Group

The Transport Group provides shipping and shipping-related services through its affiliated and subsidiary companies to trading companies, oil majors, logistics companies, and major vessel owners and operators of all types.

The Transport Group's two key businesses are dry bulk shipping and Petrolift Inc ("Petrolift"). TTA operates its dry bulk shipping business under the Thoresen brand name. As of 30 September 2011, the dry bulk shipping fleet comprised fifteen (15) owned vessels and one chartered-in vessel through the first quarter of 2012.

Thoresen provides tramp services on a global basis. The vessels operate at the requirements of Thoresen's clients under medium-term time charters and contracts of affreightment ("COA") and short-term time charters and voyage charters.

TTA owns a 40% interest in Petrolift, an inter-island petroleum and gas tanker company operating in the Philippines. Petrolift owns and operates nine (9) petroleum tankers/barges, including one liquefied petroleum gas tanker that are primarily used for domestic transport against long-term contracts with major oil and gas companies.

Other businesses in the Transport Group are shipping-related services businesses, including ship agency services in Thailand, Vietnam, Indonesia, and the United Arab Emirates and ship brokerage services for dry cargoes in Thailand, Singapore, and India.

Dry Bulk Shipping Business

Industry Review

The dry bulk shipping industry continues to be plagued with an oversupply situation. Vessel demand growth in 2011 was around 3%, while vessel supply growth was around 10%. Thus, freight rates continued to remain low.

Demand

Prior to 2008, major dry bulk cargos experienced very high trade growth, generating significant additional demand for dry bulk shipping. Subsequent to the financial crisis in 2008, dry bulk trade growth has slowed down to historical norms. The following table and chart illustrate the total seaborne trade in the major dry bulk segments, including iron ore, coal, grains (including wheat, coarse grains, and soybeans), phosphates and bauxite/alumina, for the period from 2005 to 2011.

Table : Dry Bulk Seaborne Trade: 2005 to 2011 (Million tonnes)

	2005	2006	2007	2008	2009	2010E	2011E
Coal	710	754	806	834	870	940	968
Iron Ore	652	734	787	845	903	930	958
Grain	309	324	342	351	349	375	386
Bauxite/Alumina	73	78	83	81	78	78	80
Phosphate	30	30	31	31	29	29	30
Total Dry Bulk Seaborne Trade	**1,774**	**1,920**	**2,049**	**2,142**	**2,229**	**2,352**	**2,422**
YOY Change (RHS)	**7.5%**	**8.3%**	**6.7%**	**4.5%**	**4.1%**	**5.5%**	**3.0%**

Source: Fearnleys

The total seaborne trade in the major dry bulk commodities is estimated to have increased 37 percent in the period between 2005 and 2011. Of the major bulks, iron ore grew the fastest, with an increase of 47 percent, driven mainly by Chinese steel production. The development in tonne-mile dry bulk carrier demand reflects a similar trend, indicated in the following table and chart.

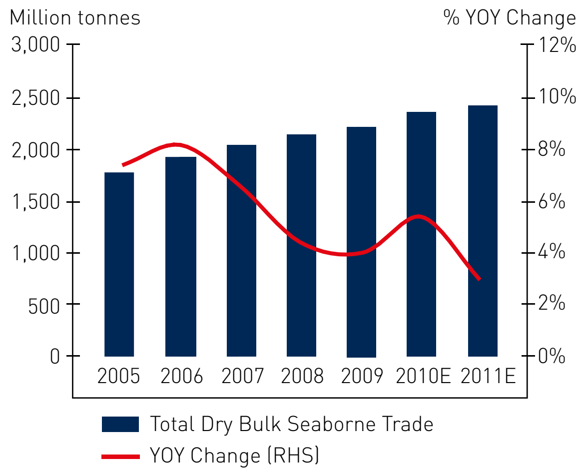


Table : Dry Bulk Carrier Demand: 2005 to 2011 (Million tonne-miles)

	2005	2006	2007	2008	2009	2010E	2011E
Coal	3,113	3,540	3,778	3,905	3,518	3,750	3,863
Iron Ore	3,918	4,192	4,544	4,849	5,510	5,650	5,820
Grain	1,688	1,820	1,928	1,930	1,905	2,150	2,215
Bauxite/Alumina	248	267	268	267	265	265	273
Phosphate	154	155	159	159	150	150	155
Total Dry Bulk Carrier Demand	**9,121**	**9,974**	**10,677**	**11,110**	**11,348**	**11,965**	**12,324**
YOY Change (RHS)	**8.1%**	**9.3%**	**7.0%**	**4.1%**	**2.1%**	**5.4%**	**3.0%**

Source: Fearnleys

During the last few years, China, and to a lesser extent India, have been the main drivers behind the 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 import from Australia and Brazil, creating longer distances.

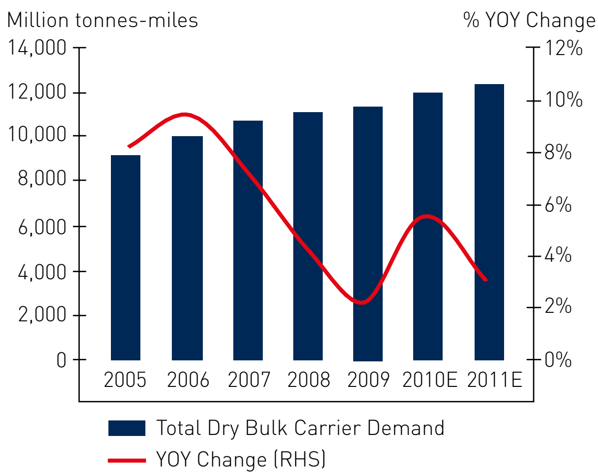


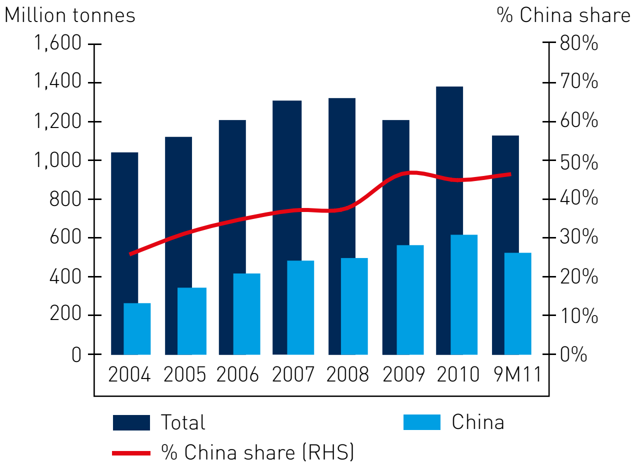
Table : World Crude Steel Production (Million tonnes)

	E U	USA	Japan	China	South Korea	Taiwan	India	Others	Total
2004	194	99	113	269	48	20	33	280	1,054
2005	187	94	113	349	48	19	38	282	1,129
2006	199	99	116	422	48	20	43	273	1,219
2007	210	97	120	487	51	21	50	281	1,317
2008	198	92	119	501	54	20	55	292	1,330
2009	139	58	88	568	49	16	57	246	1,220
2010	173	81	110	627	58	19	66	262	1,395
9M11	136	65	81	528	51	17	54	205	1,136

Source: Fearnleys

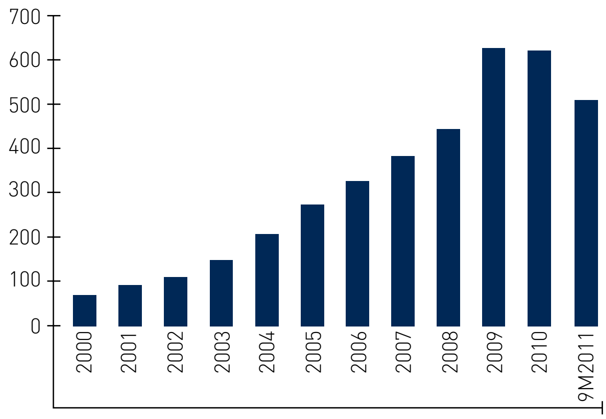
From approximately 269 million tonnes of crude steel output in 2004, Chinese production has seen double digit growth to approximately 487 million tonnes in 2007. In 2009, while global steel production decreased 8.3% to 1.220 billion tonnes due to the global economic slowdown, production in China rebounded strongly and increased to 568 million tonnes.

Over the last five years, steel production in China has had a compounded annual growth rate of 12.4 percent, compared with global production at 4.3 percent per annum. As a result of this growth in steel production, Chinese imports of iron ore have also increased substantially. Thus, Chinese steel production is by far the biggest driver in the dry bulk carrier demand and is expected to reach more than 700 million tonnes by the end of 2011.



Chinese iron ore imports increased almost nine times from 2000 to 2010, and the main suppliers are Australia, Brazil, India, and South Africa. Imports from Brazil have increased over the last few years and increased tonne miles and demand for the larger ships in the bulk fleet. Chinese iron ore imports in the first nine months of 2011 reached 508.5 million tonnes. With a continuation of current import levels, China will reach close to 680 million tonnes, or close to 10 percent up from last year.

Chart : Chinese Iron Ore Imports (Million tonnes)



Source: Fearnleys

Supply

At the beginning of October 2011, the world fleet of dry bulk carriers consisted of 8,752 vessels, totalling 593.2 million deadweight tonnes ("dwt") in capacity. The following table presents the world dry bulk carrier fleet by size category as of the beginning of October 2011. The average age of dry bulk carriers in service in October 2011 was 10.4 years.

Table : Dry Bulk Carrier Fleet: October 2011

Size Category	Deadweight Tonnes (dwt)	Number of Vessels	Total Capacity (million dwt)	% of Total Fleet (dwt)
Capesize	100,000+	1,304	236.6	39.9
Panamax	60,000 – 100,000	1,987	151	25.5
Supramax	50,000 – 60,000	1,412	77.7	13.1
Handymax	40,000 – 50,000	965	43.4	7.3
Handysize	10,000 – 40,000	3,084	84.5	14.2
Total		**8,752**	**593.2**	**100**

Source: Fearnleys

Although the global dry bulk carrier fleet has developed in size to meet the increases in seaborne trade and vessel demand, supply lagged behind demand, creating the shipping boom from 2005 to 2008. This boom created a wave of new orders, and over the last three years, the industry has seen a worsening of the oversupply situation as more vessels are delivered.

The relationship between the total orderbook and the existing fleet is a guide to future levels of supply. As of the beginning of October 2011, the global dry bulk orderbook, with deliveries during 2011 – 2014, amounted to 214.5 million dwt, or 36.2 per cent of the existing dry bulk fleet. This year will be a record year of deliveries, but next year will continue to bring strong fleet growth.

Table : Dry Bulk Carrier Orderbook: October 2011

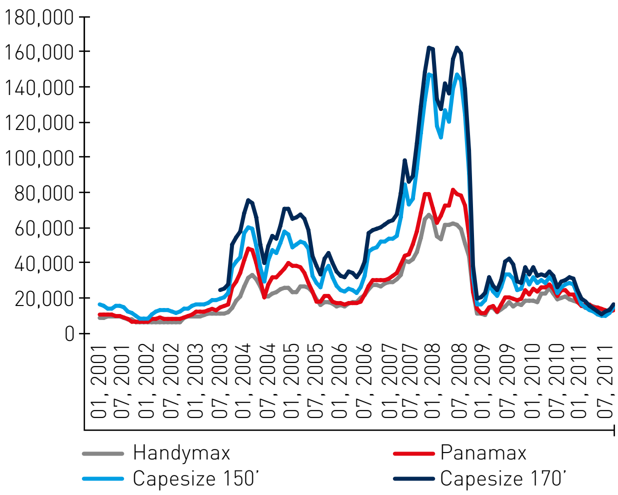
Size Category	Deadweight Tonnes (dwt)	Number of Vessels	Total Capacity (million dwt)	% of Total Fleet (dwt)
Capesize	100,000+	465	93	39.3
Panamax	60,000 – 100,000	863	69.2	45.8
Supramax	50,000 – 60,000	522	29.6	38.1
Handymax	40,000 – 50,000	78	3.6	8.3
Handysize	10,000 – 40,000	584	19.1	22.6
Total		**2,512**	**214.5**	**36.2**

Source: Fearnleys

Freight Market and 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.

Chart : One Year Time Charter Rates (USD per day)



Source: Fearnleys

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 collapse in freight rates since the middle of 2008 was an effect of the global economic slowdown that resulted in slower demand growth coinciding with an increasing supply of vessels. In 2011, freight rates have been well below 2010 levels and especially for the larger sizes, even though they picked up after the summer.

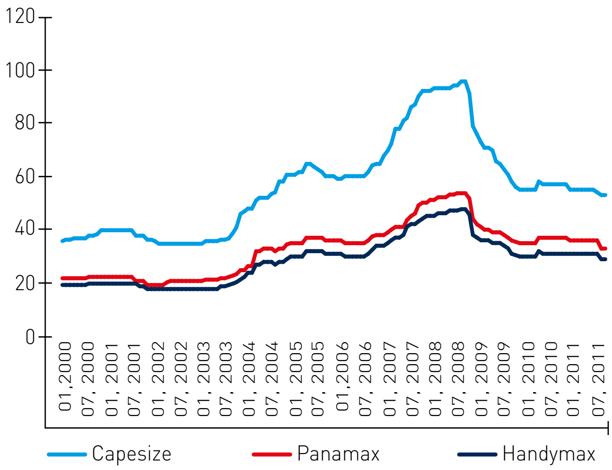
Vessel Prices

Newbuilding Prices

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 generally fallen as new orders slowed down considerably.

Chart : Dry Bulk Carrier Newbuilding Prices: to 2000 to 2011

(USD million)



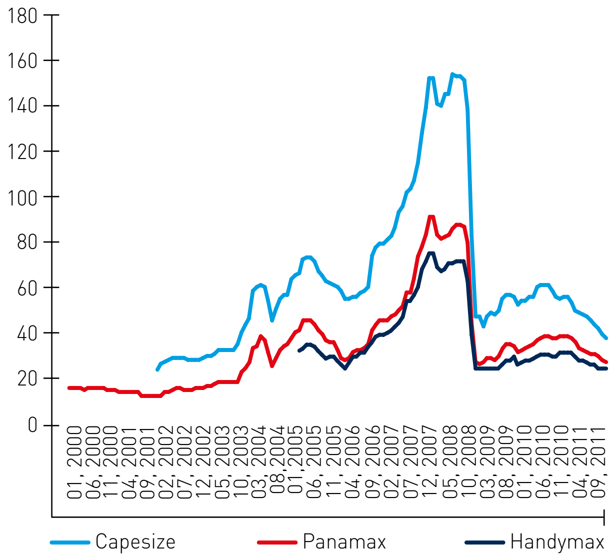
Source: Fearnleys

Second-hand Values

In the second-hand market, prices remained high up until August 2008, before they dropped by about two-thirds to the end of the year. The BDI index dropped from over 11,000 points in June 2008 to mid-600 points in December 2011. In 2011, second-hand values continued to decrease following weaker freight rates.

Chart : Dry Bulk Carrier Second-hand Prices: 2000 to 2011

(Period average of 5-year-old vessels – USD million)



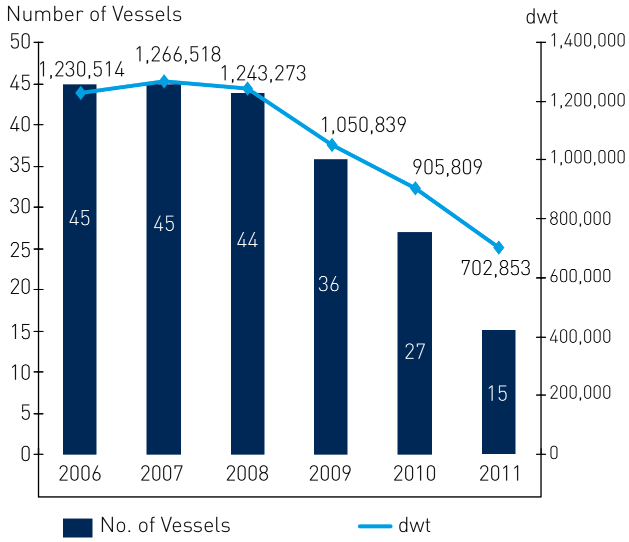
Source: Fearnleys

Business Review

Thoresen remains one of the largest owners of Handymax and Supramax dry bulk vessels based in Thailand.

As part of its fleet modernisation exercise, Thoresen sold fifteen (15) older vessels and acquired three (3) modern vessels in 2011. Two (2) remaining new-build vessels, each with an average capacity of 53,000 dwt, are scheduled for delivery in 2012. As of 30 September 2011, Thoresen's fleet had a total cargo carrying capacity of 702,853 dwt, an average size of 43,798 dwt, and a dwt-weighted average age of 10.8 years. The size of the fleet has fallen from forty-eight (48) vessels in 2005 to fifteen (15) vessels as of 30 September 2011, and from a cargo-carrying capacity of 1,230,514 dwt to 702,853 dwt over the same period.

Chart : Dry Bulk Fleet Development



Source: TTA

Fleet Management

Thoresen Shipping Singapore Pte. Ltd. ("TSS") and Thoresen & Company (Bangkok) Limited ("TCB") have commercial and technical management responsibility of the fleet. The following tables present summary information on the composition of the dry bulk fleet as of 30 September 2011.

Table : Fleet Structure

	Number of Vessels			
	Owned Vessels	**Period Chartered-in Vessels**	**New-build Vessels on Order**	**Total**
Handymax	9	1	-	10
Supramax	6	-	2	8
TOTAL	**15**	**1**	**2**	**18**

	Dwt-Weighted Average Age of Vessels			
	Owned Vessels	**Period Chartered-in Vessels**	**New-build Vessels on Order**	**Total**
Handymax	15.29	12.75	-	15.02
Supramax	5.53	-	-	5.53
TOTAL	**10.81**	**12.75**	**-**	**10.93**

Source: TTA

Table : Dry Bulk Fleet List

BULK CARRIERS					
Vessel Name	**Original Delivery Date**	**DWT**	**Age**	**Design**	
1. Thor Dynamic	30/4/1991	43,497	20.43	Standard	Bulk >40,000 dwt
2. Thor Jupiter	18/8/1986	36,992	25.13	Box Shape	Bulk (Box)
3. Thor Wave	30/7/1998	39,042	13.18	Open Hatch / Box Shape	<40,000 dwt
4. Thor Wind	18/11/1998	39,087	12.87	Open Hatch / Box Shape	Bulk (Box)
5. Thor Energy	16/11/1994	42,529	16.88	Open Hatch / Box Shape	Bulk (Box)
6. Thor Endeavour	11/4/1995	42,529	16.48	Open Hatch / Box Shape	Bulk (Box)
7. Thor Enterprise	28/7/1995	42,529	16.19	Open Hatch / Box Shape	Bulk (Box)
8. Thor Harmony	21/3/2002	47,111	9.53	Open Hatch / Box Shape	Bulk (Box)
9. Thor Horizon	1/10/2002	47,111	9.00	Open Hatch / Box Shape	Bulk (Box)
10. Thor Achiever	22/7/2010	57,015	1.73	Standard	Bulk> 40,000 dwt
11. Thor Integrity	2/4/2001	52,375	10.50	Standard	Bulk > 40,000 dwt
12. Thor Independence	20/12/2010	52,407	9.94	Standard	Tess - 52
13. Thor Infinity	21/12/2010	52,383	9.66	Standard	Tess - 52
14. Thor Friendship	13/1/2010	54,123	1.71	Semi-Open / Box Shape	Oshima - 53
15. Thor Fortune	15/6/2011	54,123	0.29	Semi-Open / Box Shape	Oshima - 53
Total Thoresen Fleet :	**702,853 Dwt**				

Source : TTA

Going forward, ownership of all vessels will be transferred to TSS and registered under the Singapore flag to enjoy the stronger tax incentives provided by the Singapore government.

Thoresen's vessel employment strategy is to optimally service a highly diversified mix of clients and cargoes and aims to achieve a balance of forward-secured revenue through period time charters and COA's, and voyage charters.

Fleet Services

Tramp Services

Tramp services derive 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 : Types of Charters

	Voyage Charter	Time Charter	Bareboat Charter	COA
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 Thoresen	Paid by the client	Paid by the client	Paid by Thoresen
Vessel operating expenses	Paid by Thoresen	Paid by Thoresen	Paid by the client	Paid by Thoresen
Off-hire	Client does not pay	Varies	Typically paid by client	Typically not paid by client

During 2011, approximately 19.6% of Thoresen's available capacity was employed on period time charters, and approximately 7.8% of its available capacity for 2012 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 Thoresen 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, Thoresen pays commissions to brokers associated with the charter, ranging from 1.25% to 3.75% of the total daily charter hire rate.

Thoresen'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. Thoresen competes with other owners of 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 1,362 independent owners with 5,364 vessels.

Clients

Thoresen'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.

Thoresen aims to achieve diversified vessel employment for its fleet. For 2011, the ten (10) largest clients accounted for 48.63% of total charter revenues.

Employees

In the past year, Thoresen focused its attention on right-sizing the dry bulk shipping organisation for its current fleet size. Although all efforts were made to reduce resources through attrition, there was a need to retrench approximately 20 positions within Thoresen. This reduction of resources brings Thoresen's general and administrative expenses in line with other dry bulk owners/operators of this size.

In addition to right-sizing the organisation, Thoresen changed key management positions, including the Managing Director and Commercial Director, and recruited stronger dry-bulk chartering experience in the commercial team. These skill enhancements will provide more focused direction on improving results.

Competition

The dry bulk shipping business is highly competitive, albeit highly fragmented. Thoresen competes with a number of prominent shipping companies in Asia and throughout the world.

Competition in the tramp segment is intense, and may be affected by the availability of vessels in sizes that Thoresen does not currently own but 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. Nonetheless, rates for Capesize ships may directly affect charter rates for smaller sized vessels. Given the anticipated 10% increase in tonnage for the coming fiscal year, Thoresen believes that charter rates may encounter further downward pressures.

FY11-FY12: Headwinds and Tailwinds Factors

The most prominent headwind in 2012 remains additional vessels arriving on the market. Although there has been slippage in the delivery of new vessels, supply of ships continues to outpace the increase in demand.

Likewise, demand in China continues as a prominent headwind. As China's development is a critical driver of dry bulk demand, freight rates will fluctuate in a manner consistent with Chinese production. If Chinese production performs below forecasts in 2012, demand for dry bulk vessels will be lower than expected.

As part of its strategy, Thoresen trimmed its dry bulk fleet to only its newest and most efficient ships. 2012 will see a continued push to reduce operating expenses further.

Thoresen will operate its commercial team out of Singapore in 2012 onwards. As Singapore is a major Asian hub of shipping, this change puts a smaller and more focused commercial effort in the centre of Asian shipping. Contact with key customers, trading houses, banks, vendors, as well as the maritime administrative body in Singapore, will help create a commercial team that is more closely aware of trends and development in the industry.

Inter-island Petroleum and Gas Tankering

In April 2010, TTA invested US$ 27.96 million for 38.83% of Petrolift Inc. ("Petrolift"). Subsequently, in January 2011, TTA further invested US$ 0.84 million bringing its shareholding in Petrolift to 40.00%.

Petrolift is the market leader for double-hulled tankers in the Philippine domestic tanker industry, which is an integral part of the Philippine petroleum transportation infrastructure given the Philippines geographical landscape. It has excellent customers and good charters and generates stable and predictable cash flows. The investment in Petrolift is expected to reduce some of the cyclicality effects of the dry bulk shipping and offshore services businesses. Furthermore, comparatively speaking, the entire investment represents approximately the cost of one modern Supramax vessel.

With the latest additional tanker in September 2011, Petrolift currently owns and operates a young (ten-years-old average age) fleet of nine (9) petroleum tankers/barges, including one liquefied petroleum gas tanker. The fleet trades primarily within Philippine coastal waters and has a total capacity of approximately 38 million litres for transporting fuel products such as refined petroleum, ethanol, and LPG.

The ocean going tankers in the fleet have also traded regionally within Southeast Asia to serve the export and import transport requirements of customers. Petrolift is an accredited contractor for tankering services of the oil majors in the Philippines.

About 90% of Petrolift's existing fleet capacity is contracted under medium to long term charters with oil majors.

Ship Agency

TTA owns four ship agency companies, making it the largest ship agency owner based in Thailand.

First, ISS Thoresen Agencies Ltd. ("ITA") is one of the largest ship agency companies in Thailand, handling more than 1,091 calls in 2011. The Naxco Group, which is a French-based ship agency and logistics group, owns 51% of ITA while TTA owns 49%.

Second, Gulf Agency Company (Thailand) Ltd. ("GAC") is a medium-sized ship agency company in Thailand, handling more 500 calls in 2011. GAC is an associate company of TTA, of which TTA and Gulf Agency Company Limited (Liechtenstein), own 51.0% and 49.0%, respectively.

Third, Thoresen Indochina S.A. ("TI") is a joint venture company in which TTA owns 50% and the remaining 50% is owned by private investors. TI handled more than 385 calls in 2011 and specialises in project cargo handling. In 2011, TI was successful in building its warehouse and logistics services in the Phu My district.

Fourth, PT Peruashaan Pelayaran Equinox ("Equinox") is a small ship agency company, handling more than 261 calls in 2011. TTA owns 49% of Equinox as of September 2011.

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 an associate company of which TTA and Fearnleys A/S ("Fearnleys") of Norway own 49.00% and 51.00%, respectively. Fearnleys is one of the largest ship broking companies in the world with activities in dry cargo, sale and 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.

FTL engages in a competitive ship broking business with different owners and cargo charterers in Southeast Asia, as well as worldwide.

Middle East Operations

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

TSF attends to vessels in the UAE 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 clients in the UAE, Oman, and other nearby destinations.

Energy Group

The Energy Group's two key businesses are offshore oil and gas services and coal mining.

Mermaid Maritime Public Company Limited ("Mermaid"), of which TTA owns 57.14%, is the business unit for offshore oil and gas services. Mermaid provides subsea engineering and drilling services to major oil and gas companies or contractors. Theoretically, Mermaid enjoys higher demand for its services with increasing oil prices. Higher oil prices historically had a dampening effect on dry bulk shipping demand, as a major cost element increases.

Thoresen's position as a worldwide transporter of commodities provides valuable insights into commodity trends and developments. As early as 2006, coal was envisioned as a future growth driver, and TTA sourced and invested in two greenfield coal mine projects, one in the Philippines and one in Indonesia. As more than 20% of Thoresen's annual cargo volume is coal, the mining business integrates well with the dry bulk shipping business.

A Brief on Mermaid

Mermaid commenced its operations in 1982 and serves the offshore oil and gas industry globally with its core areas being Southeast Asia and the Middle East. 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 October 2009, Mermaid raised gross proceeds of a further SG$ 156 million by way of a rights issue to its existing shareholders.

Today, Mermaid is one of few Asian-based providers of offshore services. It operates principally through two business segments: offshore drilling services and subsea diving & ROV services.

Mermaid Drilling Ltd. ("MDL"), a 95.00%-owned subsidiary of Mermaid, operates two tender drilling rigs and provides drilling related-services in Southeast Asia. MDL's self erecting tender drilling rigs are designed for use in water depths up to one hundred (100) metres (or 180 metres prelaid) and are capable of drilling to depths of 6,100 meters for MTR-1 with 5" drill pipe and 3,350 meters for MTR-2 with 5" drill pipe (5,500m with 4" drill pipe).

Mermaid sees a significant trend for demand for high-specification rigs, with the clients looking for safe and efficient operations that the new rigs can provide including offline activities, higher deck carrying capacities, and combined jacking and preload capabilities.

Most new bid tenders are stipulating age limitations for rigs, and this was the main driving force to invest in premium jack-up rigs, and being one of the first movers in the recent new-build cycle, Mermaid was able to secure favourable pricing and terms.

Subsea engineering services

Market situation

The demand for subsea and remotely operated vehicles ("ROV") services is driven primarily by the level of activity in the exploration, development, and production of crude oil and natural gas; the investment level depends on oil companies' cash flow, revenue and financing, the availability of new areas for exploration and development, and oil and gas prices.

The oil price is expected to increase over the next few years, and E&P spending is expected to follow. Historically, the oil price has been the most important determinant of E&P spending. The correlation is high with a time lag of 6–18 months, as it takes time to adjust investment budgets, projects, and contracts according to the oil price. However, this has not been the case in times of great instability, when oil companies usually react much more swiftly, as shutting down or postponing projects takes less time than initiating projects.

Although Mermaid saw better utilisation rates for its subsea assets in 2011, market conditions are likely to remain challenging throughout 2012, as more subsea vessels are being delivered into the global market. Hence we are cautiously optimistic, as we observe day rates slowly trending upwards.

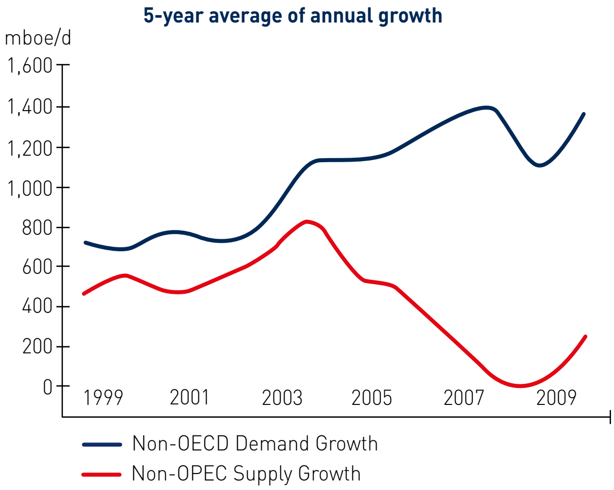
Emerging economies' hunger for oil

The main driver for a higher oil price is the gap between forecast demand and production. Non-OECD countries are expected to drive growth in demand and their demand is expected to increase faster than non-OPEC production. This will pile pressure on OPEC production and its spare capacity.

Population growth, continued urbanisation, and a growing middle class look set to fuel demand for oil in non-OECD countries. China and India stand out as the countries that will contribute the most to this increasing demand.

OPEC supply would have to increase by 16 million barrels/day by 2015 if the current trend for global demand and non-OPEC supply continues. This would soak up the current 'core-OPEC' spare capacity well before 2015. Higher oil prices would be needed to suppress this demand growth.

Chart : Non-OECD consumption outpaces non-OPEC production



Source: DnB NOR Markets

Higher oil price allows oil companies to reassess mature fields

There seems to be a trend in moving the focus back to regions such as North America and Asia Pacific. The higher oil price might have made fields previously assessed as unprofitable attractive again.

Notably, although North America is still the most highly ranked region, Asia Pacific is now considered more attractive. This could be due to among other things, large LNG projects in Australia (e.g. Gorgon project). West Africa is a relatively new and expanding region where companies see the possibility for future growth, especially in deepwater. It appears that the unstable political climate may have dampened the attractiveness of West Africa and the Middle East.

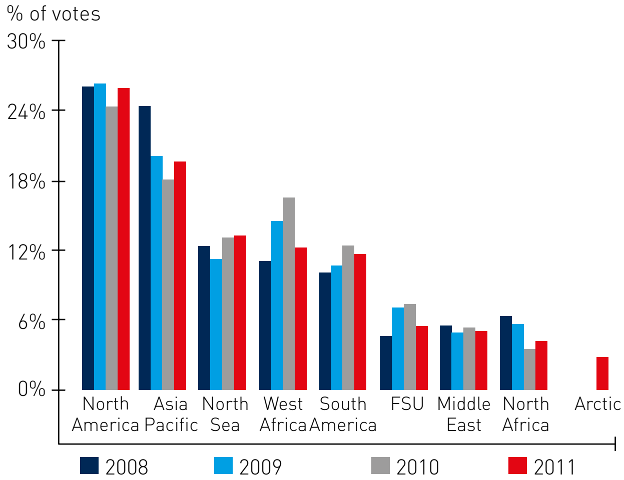
Demand and supply dynamics for newbuilds

Despite an increase in E&P spending in 2010, fleet growth in seismic and subsea markets outpaced demand growth and oversupply put pressure on margins. For 2011, fleet growth has not matched increased spending, and prices and utilisation are expected to rise in 2012 in all segments, excluding seismic.

For 2012, a further uptick in utilisation and margins is potentially achievable, as the supply/demand balance continues to tighten. However, as the market is still coping with the oversupply from the beginning of the cycle, this should dampen utilisation and rate growth. The outlook for 2013 onwards is bullish, as growth in fleet sizes continues to lag behind spending growth.

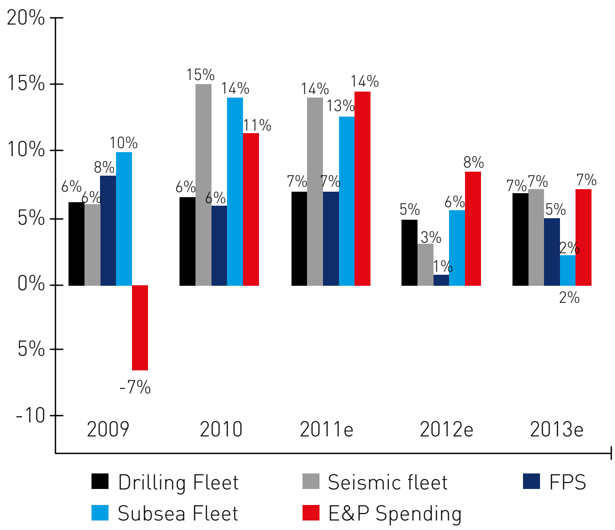
The net effect of increased spending, higher utilisation and increasing margins is a positive outlook for the industry as a whole in the short term.

Chart : Focus is still on North America and Asia Pacific



Source: DnB NOR Markets

Chart : Growth rates indicate continued loosening in supply/ demand balance for oil services



Source: DnB NOR market, ODS Petrodata, Strategic Offshore Research

Outlook for E&P Spending

When analysing the fundamental drivers of E&P spending, the need for increased long-term spending is pressing. Following are key observations:

● Global demand for oil is expected to rise at a rate greater than global production. This creates a base for a stable and high oil price.

● Oil price is expected to exceed the US$ 100 per barrel trigger level, which could lead to an upward revision in companies' upstream budgets.

● Existing oil fields are expected to show a decline rate of 4.5%. This will need to be replaced by production from newly developed fields and/or enhanced oil recovery.

● Oil companies are forced into deeper waters and harsher environments in their search for oil and gas.

● The average size of new discoveries is steadily declining, which is likely to force oil companies to develop an increasing number of fields.

Business Review

Subsea engineering services are provided through Mermaid Offshore Services Ltd. ("MOS"), a wholly owned subsidiary of Mermaid. MOS 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.

As of 30 September 2011, MOS' fleet consists of eight (8) subsea vessels, and twelve (12) ROV systems including deepwater and ultra-deepwater heavy construction class systems. In addition, Seascape owns one survey/utility vessel that can also be used for diving support. Dive support vessels act as an operational base for divers, ROV's, and specialised equipment. MOS also sub-contracts up to 400 specialist and marine personnel to work on its subsea engineering projects in addition to a permanent workforce.

Fleet Services

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. MOS provides services to its clients in the upstream offshore oil and gas industry across the entire lifetime of the assets.

1. Exploration services

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

2. Development services

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.

3. Production services

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

4. Decommissioning services

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

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

Table : Mermaid Subsea Fleet List

Vessel Name	Description	Year Built	Flag State	Lenght (metres)	Berths
Mermaid Commander	Purpose-built DPII diving support vessel with sturation systems	1987	Thailand	90	96
Mermaid Performer	Utility and diving support vessel	1982	Thailand	49	30
Barrakuda[1]	Survery & Inspection vessel	1982	Indonesia	39	26
Mermaid Challenger	Multi Purpose Offshore Vessel	2008	Thailand	61	38
Mermaid Siam	Construction support vessel with saturation systems	2002	Jamaica	90	142
Mermaid Sapphire	ROV and survey support vessel	2010	Panama	63	60
Mermaid Asiana	Purpose-built DPII diving support vessel with saturation systems	2010	Marshall Islands	99	100
Mermaid Endurer	Purpose-built DPII diving support vessel with saturation systems	2010	Panama	95	86

Note : [1] Previously Mermaid Supporter. Sold by MOS to Seascape in October 2010 and renamed the Barrakuda and reflagged to Indonesia.

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. The top clients of MOS are CUEL Limited, Chevron Thailand Exploration and Production Limited, National Petroleum Construction Company, Mashhor DOF Subsea Sdn. Bhd., PTT Exploration and Production Public Co. Ltd., and CJSC Romona. These account for almost 85% of subsea revenues.

In 2011, MOS provided subsea services to over 20 clients, with an increasing number of contracts being awarded in the Middle East on the back of MOS' acquisition of Subtech in May 2010.

Employees

MOS relies on the high quality of its workforce. As of 30 September 2011, MOS had over 400 employees on the back of the new and larger vessels that MOS acquired in 2010.

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 demonstrate 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 the merged entity of Subsea 7 Inc. and Acergy S.A. and Helix Energy Solutions Group Inc. Most of these international companies are major Engineering, Procurement, Installation, and Commissioning ("EPIC") contractors.

FY11-FY12: Headwinds and Tailwinds Factors

2011 was a difficult year for the subsea industry, as the volatility of the oil price in 2009 caused oil and gas companies to review and cut their investment programmes for 2010 and 2011, while at same time a significant number of new vessels were added to the fleet as orders made in 2008 completed construction.

Looking to the future, 2012 could be affected by over-capacity in the subsea fleet. However, in the medium term, we expect conditions for the subsea industry to improve, as the stable oil prices throughout 2011 provide a better investment climate for the oil and gas companies, enabling them to invest in new projects, and to sanction inspection, repair and maintenance ("IRM") work for existing facilities.

Overall, the industry is moving to a place where new sources of oil and gas are increasingly costly and difficult to extract, while at the same time it is expected that regulatory pressures will continue to increase. These factors are expected to lead both to a continued requirement to squeeze economic value from existing facilities, increasing the need for subsea services to provide IRM type work, as well as a further increase in exploration and production activity in more challenging and remote areas of the world, again requiring services to assist in subsea construction and engineering.

With the acquisitions made in 2010, Mermaid now has modern vessels that meet the strictest global regulatory requirements and are also well able to operate in physically challenging environments, such as the North Sea and Sakhalin. As Mermaid continues to build its technical capabilities and to expand outside of Southeast Asia into new markets through 2011, new seasoned and experienced management to lead and further develop the subsea business have been recruited.

Offshore drilling services

Market situation

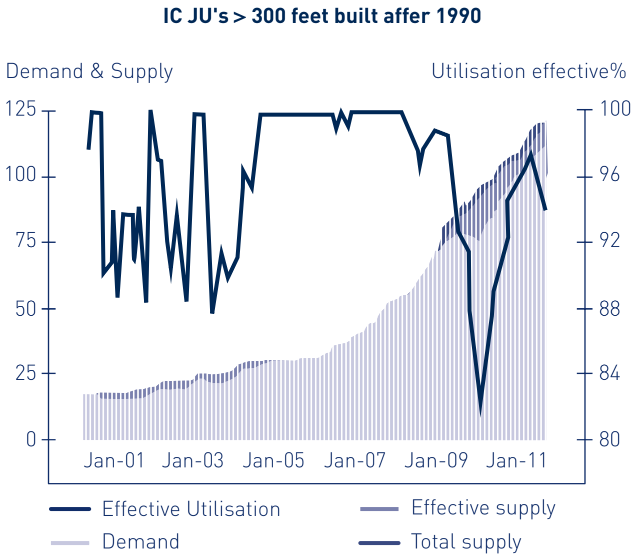
Although the cost of moving a rig and the availability to rig moving vessels may cause the balance between supply and demand to vary between regions, significant variations do not tend to exist long term because of rig mobility. Consequently, MDL operates in a single, global offshore drilling market.

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 jack-up 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.

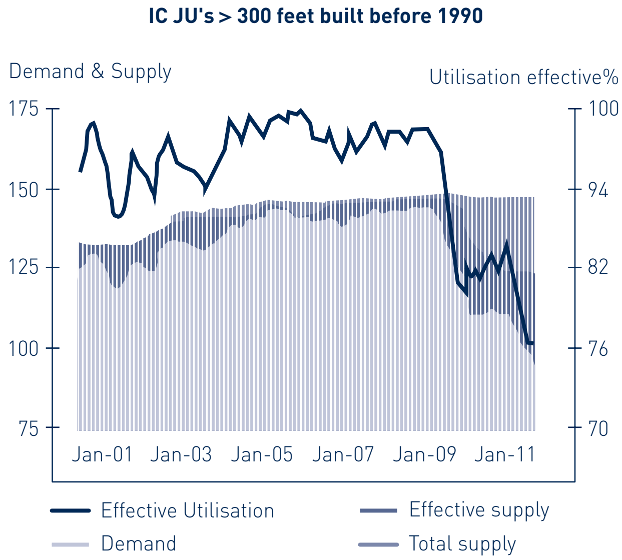
The international jack-up market is unusual in that many units were built during the building boom of the 1970s and 1980s; as a result, many rigs are more than 25 years old. Day rates globally for the international jack-up market are now stable at around US$ 130,000-180,000/day for premium modern jack-ups. Utilisation for premium modern jack-ups now stands at 94% versus 80% for older jack-ups built before 1990.

Chart: New jackup utilisation



- Utilisation for new rigs (less than 10 yrs old) bottomed out October 2009
- Current 94% utilisation healthy for dayrates-new rigs entering the market replaces old units if not incremental demand is present

Chart: Old jackup utilisation



- Utilisation for older jackups have not recovered since financial risis started
- Incremental demand ofr older units cand pick up, especially if call-on-Opec increases
- However, demeand from oil cmpanies have shifted towards newer equipment in general

Source: Pareto Research, ODS-Petrodata

In Asia, shallow and midwater units dominate the market; some midwater units are, due to size and quality issues, only available for work in the region. Nonetheless, activity in midwater, deepwater, and ultra-deepwater has improved throughout the year, with, for example, midwater utilisation for the past few months has stabilised at 88%.

Firmer oil prices, greater oil company activity and new rig availability offer good potential for Asian operators over the medium-term. As with the segment for jack-up rigs, new, high-specification rigs will find contracts quicker than those in an aging fleet. As utilisation has increased, the market is showing stronger signs of new-building activity.

The market for rig drilling services is both cyclical and volatile, ranging from the highly volatile exploration sector to the more stable oil and gas production services market. However, tender rig drilling and subsea engineering services, the two main business lines of Mermaid, cater to the more stable high-end niche of the oil and gas production market.

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 is able to move 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.

Furthermore, tender rigs have their own demand niche where jack-ups cannot be used, such as areas restricted by subsea congestion preventing safe jack-up leg penetration, areas comprising deep layers of soft soil or mud which makes it difficult for a jack-up's legs to find a firm foundation or to remove its legs upon completion, or areas with greater water depth beyond the physical length leg penetration capability of a jack-up but which a tender rig can access through use of pre-laid mooring. 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.

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.

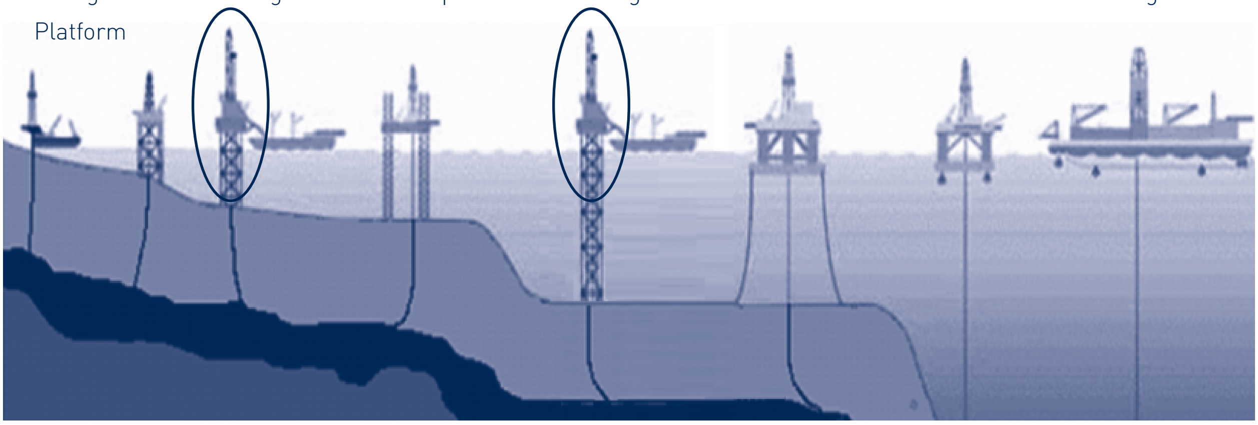
A modern jack-up rig will normally have the ability to move its drill floor aft of its own hull (cantilever), so that multiple wells can be drilled without re-positioning the rig. Ultra premium jack-up rigs have capabilities enabling them to work in water depths in excess of 300 feet.

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 supply vessels relocate most rigs.

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.



Business Review

MDL is an international provider of offshore contract drilling services for oil and gas wells. As of 30 September 2010, MDL had majority ownership of two tender assist drilling units. Only one tender rig, MTR-2, is on contract with Chevron Indonesia until March 2012. MTR-1 is currently off-hire but seeking a contract to provide accommodation barge service. Nonetheless, as the two tender rigs are approaching the end of their useful lives, Mermaid has worked out a plan to renew its drilling fleet with new and high-tech drilling units.

In December 2010, a new drilling company, Asia Offshore Drilling Ltd. ("AOD"), was set up. Mermaid invested US$ 49 million, equivalent to 49% of AOD, in December 2010. The remaining 51% was raised from institutional investors. Subsequently, AOD signed a newbuild program with Keppel FELS for two MOD-V B Class high-specification jack-up rigs at US$ 177 million per rig. The build program includes options to build two (2) additional jack-up rigs at Keppel FELS. The payment terms are 20% down payment on contract signing and 80% payment on delivery. Through its 95% owned subsidiary MDL, Mermaid entered into Technical and Commercial Management Agreements for the project management, operational readiness, and operations of the jack–up rigs for AOD.

In July 2011, AOD successfully raised an additional US$ 80 million. The proceeds of the placement were used to exercise the first of the two options for the construction of AOD's third jack-up rig with Keppel FELS for a price of US$ 184 million. Similar to the first two rigs, the payment terms are 20% down payment on contract signing and 80% payment on delivery. The rest of the proceeds were for project management expenses, working capital and selling, general and administrative expenses related to the purchase of the rigs.

In the said private placement, Mermaid subscribed US$ 14.8 million. In addition, Seadrill Limited ("Seadrill"), a leading offshore drilling company in the world, was invited and subscribed US$ 54 million. This gives Mermaid and Seadrill equal 33.75% ownership of AOD. And given Seadrill's much larger presence in the worldwide drilling industry, the existing management agreements with Mermaid were transferred to Seadrill.

On 15 July 2011, Mermaid announced that AOD was successfully listed in Oslo Axess under ticker 'AOD' and is classified as a listed company under the "Oil & Gas Drilling sector.

Table : Drilling Rig Fleet List

Rig name	Year built/ Last upgrade	Classification Society	Water depth rating (metres)	Drilling depth rating (metres) with 5" DP	Quarters or Accommodation
MTR-1	1978/1988/2006	ABS	100	6,100	112 persons
MTR-2	1981/1997/2007	BV	100	3,350	126 persons

Source: TTA

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.

Fleet 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.

Clients

MDL engages in offshore drilling for the leading international oil companies and government-controlled and independent oil companies. In 2011, MDL's only significant client was Chevron Indonesia Company. As of 30 September 2011, the MTR-1 was warm stacked, following cessation of the contract with Cudd Pressure Control Inc. as an accommodation work barge and MTR-2 continues work under its renewal contract with Chevron Indonesia until April 2012.

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 2011, MDL had one hundred and sixty-eight (168) staff and personnel.

Competition

MDL's primary competitors include global or regional offshore drilling companies, including Seadrill Limited and Global Geo Services ASA. 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 : Tender Drilling Rig Market

Owner Name	Owned	Under Construction	Total
Seadrill Limited	16	4	20
Triumph	4	0	4
KCA Deutag	3	0	3
Mermaid Drilling Ltd.	2	0	2
BassDrill	1	1	2
Others	4	1	5
Total	**30**	**6**	**36**

Source: Fearnley Offshore

FY 2011 – 2012: Headwinds and Tailwinds Factors

While much of the world is focused on the deep water drilling market, this market is highly capital intensive and is dominated by a few major clients, most notably Petrobras.

There remain many other attractive opportunities in the offshore drilling market for new and modern rigs, as clients increasingly desire faster, safer, more flexible and more capable rigs to meet their needs. As a result, we are increasingly seeing restrictions placed by clients on the age of rigs able to be bid, and even when that is not the case, the technical specifications set by clients effectively can only be met by modern rigs.

This is most clearly seen in the jack-up market where rates and utilisation for older jack-ups have dropped, and continue to drop, while those for new modern jack-ups enjoy high utilisation and increasing rates.

Mermaid's investment in AOD and its modern high specification jack-up rigs is therefore a significant step towards meeting the demands of our clients going forward, and we are confident therefore that we shall be successful in procuring attractive long-term contracts for these rigs prior to their delivery.

Coal mining business

Given the critical importance of coal as a fuel source for developing Asia, and TTA's existing involvement in coal transport, the Company has invested in two early stage / start-up coal projects: one in the Philippines and another in Indonesia. Dynamics of the coal market over the past two years, and outlook for coal going forward, suggests that this sector will continue to enjoy strong performance.

Philippines Mine

In 2009, TTA acquired a minority interest of 21.18% in the Merton Group (Cyprus) Ltd. ("Merton"), a Hong Kong based group founded by a veteran mining/metals industry professional to pursue early stage/start-up coal projects. Merton acquired certain coal concessions in Cebu, Philippines, which were subsequently merged with concessions of its local partner, SKI Group, to form SKI Energy Resources Inc. ("SERI").

Merton's major asset at the time of TTA's investment was a 50% economic interest in SERI, which in turn controls 12,000 hectares of coal concessions in Cebu. SERI proceeded to build the first commercial scale underground coal mine in the Philippines, which commenced production in mid-2010, and sold its first shipment of coal in December 2010. In June 2011, Merton undertook a capital increase in which TTA participated, increasing its shareholding to 24.31%. This capital increase was primarily to fund Merton participation in an Indonesian coal project in which TTA is also an investor; this is discussed in detail below.

Also in 2011, TTA acquired, through conversion of an outstanding credit facility into equity, a direct interest in SERI. Through this investment, TTA acquired a 47.07% direct interest in SERI in addition to its indirect holding via Merton. This investment was undertaken in view of the strong outlook for coal in the Philippines as well as the substantial upside potential of the as yet undeveloped concession area controlled by SERI.

Philippines coal market

The Philippines consumed 11.5m tonnes of coal in 2009, two-thirds of which are consumed for power generation. About 20% is for cement production and the rest for other industrial processes. Coal energy is the country's biggest source of energy, accounting for 35% of the country's total gross energy generation in 2010. Given the tight power supply situation, the share of coal as a key energy source is likely to increase as it is cheaper to build compared with other sources and much more stable in terms of power generation.

Philippine Coal Consumption, 1999 – 2009 (unit: tonnes)

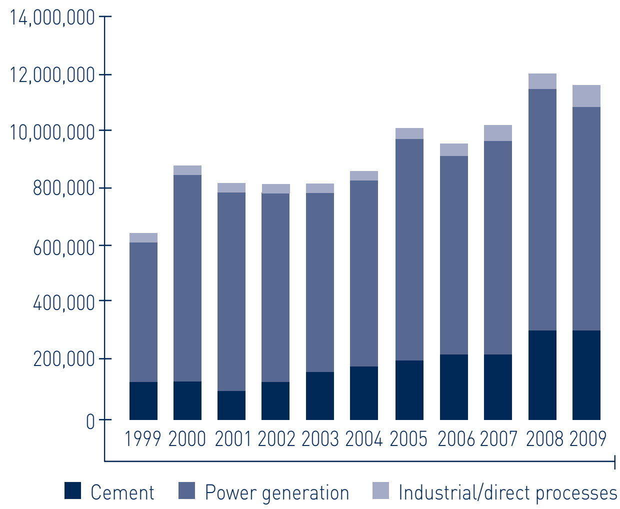
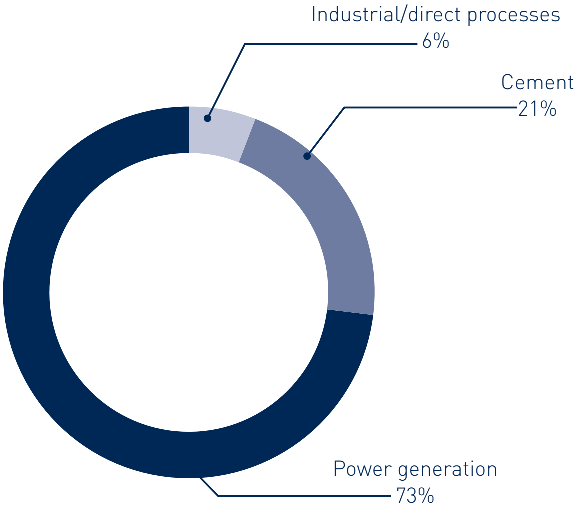
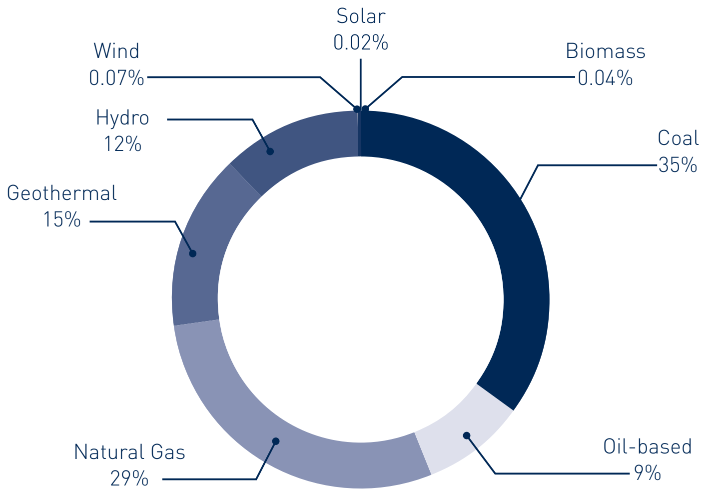


Chart : Coal consumption breakdown by sector



Source: Dept. of Energy

Chart : Gross Generation Mix



Source: Dept. of Energy

Of the 11.5 million tonnes of consumption in 2009, about 64% was sourced from imports with the remaining from local production. In terms of local production, Semirara remains the undisputed biggest coal producer, cornering 90% of the production volume consistently since 1999. The other smaller players are MG Mining and Energy Corp. and PNOC-Exploration Corp. Coal imports by the Philippines are primarily from China, Indonesia, and Australia.

Table : Philippine coal imports by country of origin

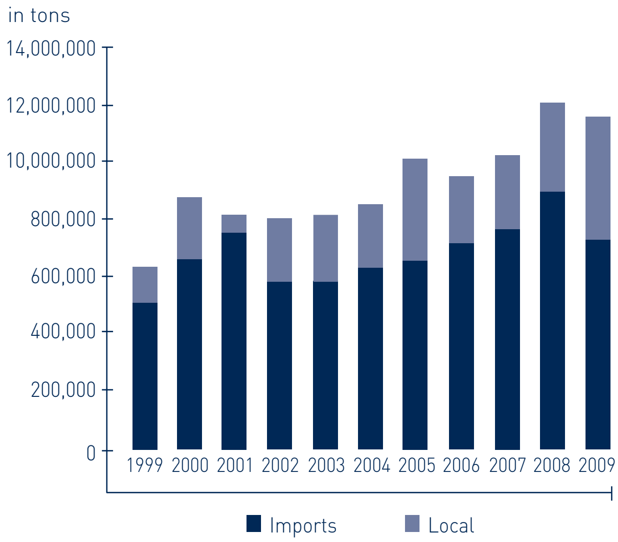
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
China	15%	28%	41%	50%	54%	47%	26%	12%	13%	13%	90%
Indonesia	43%	43%	41%	37%	40%	41%	61%	71%	72%	78%	2%
Australia	39%	26%	14%	9%	0%	5%	8%	10%	8%	4%	8%
Others	3%	3%	4%	4%	7%	7%	6%	6%	6%	5%	0%

Source: Dept. of Energy

For 2010, coal consumption was 13.31 million tonnes, of which 72.5% was utilised for power generation. Domestic production of coal was 7.33 million tonnes, of which 7.02 million tonnes was produced by Semirara. Coal imports totalled 10.97 million tonnes, of which 10.6 million was sourced from Indonesia.

Domestic coal demand is expected to remain strong given the heavy reliance on coal for power generation and the current and projected shortage of power supply. An approximate 1,300 MW in additional capacity has been committed, but this is a fraction of anticipated demand growth. If economic growth is higher than expected, this will only exacerbate shortages. Accordingly domestic sources of thermal quality coal will find a ready market.

Chart : Philippine coal consumption by imports and local production, 1999-2009



Source: Dept. of Energy

In the first quarter of 2012, the Department of Energy will be holding a tender for 30 additional coal blocks in central and northern Philippines, with the objective of increasing domestic supply and reducing dependence on imports. The Energy Undersecretary for the Philippine stated that development of these blocks will likely require investment of approximately US$ 600 million (source: IB Times).

Business Review FY11

2011 was a challenging year for SERI. The company was in its first year of commercial production and inevitably challenges and difficulties arose. SERI has created an entirely new industry with its first ever underground coal operation in the Philippines. SERI has become a major employer in Cebu.

Early in the year, the mine encountered some challenges with consistency of coal specifications. The challenges were overcome by the installation of a screening facility to remove mudstone, which was adhering to the coal. In June and July, production was interrupted by an incident of spontaneous combustion in a previously mined area. This was contained and resolved. The production could resume, but production levels were impacted by the shut down period.

That said, SERI has demonstrated that it can successfully mine good quality thermal coal (with an average of 5,600 Kcal gross as received), and its coal is establishing itself as a known commodity among coal buyers. For its initial mine site, coal is being sold under an offtake contract with Glencore, and as production ramps up to higher levels, there is no lack of demand both domestically and regionally for this product.

SERI sold 50,000 tons of coal and earned US$ 4.67 million in FY11. The business has not yet reached breakeven but is expected to turn cash flow positive in 2012 as volumes ramp up.

Competitors

At present the only significant domestic coal producer is Semirara, which conducts an open pit mining operation producing coal of lower calorific value than that mined by SERI. Given the differing product specification, SERI is not competing directly with Semirara. In fact, Semirara exports a substantial amount of its production to China and elsewhere, whereas SERI is selling domestically to power generation and cement industry customers.

FY12-FY13: Headwinds and Tailwinds Factors

The geology of its initial mine site location in Danao is challenging. Coping with this has required adaptive and imaginative mine planning and underground techniques. SERI's challenge in 2012 will be to ramp up to its target levels of approximately 20,000 tonnes monthly on mine-site 1, while identifying and planning for mine-site 2 and 3.

While these challenges are real, the domestic demand outlook is robust, particularly for thermal coal of the quality that SERI can provide. As its initial mine site occupies only a small fraction of its concession area, and preliminary drilling has indentified additional coal seams of even higher quality in other SERI controlled areas. Development of additional mine sites will be the key to boosting SERI's value.

The experience and learning acquired in the construction of mine-site 1 will allow faster and more efficient construction of additional mine sites while leveraging the existing infrastructure and human resource base which SERI has developed.

Finally, an additional 6,000 hectares of concessions are expected to be awarded imminently, adding to the resource base of SERI.

Indonesian Mine

In March 2011, TTA entered into a strategic partnership to establish a new company, Qing Mei Pte. Ltd. ("Qing Mei") to develop a new coal-mining project in Indonesia. The partnership includes TTA/Soleado, Merton, and Britmar (Asia) Pte. Ltd. ("Britmar"). Each partner holds an equal 33.3% share of approximately US$ 4.8 million initial capital of Qing Mei.

Qing Mei acquired a 70% interest in four coal concessions, totalling 33,000 hectares (206,250 rai) in Central Kalimantan. Sizes of the 4 blocks are as follows:
• Block1: 6,800 hectares
• Block2: 10,000 hectares
• Block3: 10,000 hectares
• Block4: 6,500 hectares

Indonesian coal market

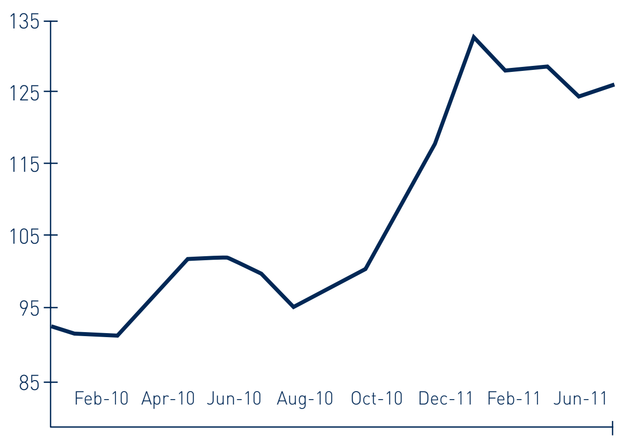
Indonesia is currently the largest thermal coal exporter with around 39% share of total coal trade in 2009. According to the Australian Bureau of Agricultural and Resource Economics ("ABARE"), the thermal coal spot price is expected to remain at high levels throughout 2011 and will remain above the historical average price of US$ 65 per ton in the long term given growing demand from Asia, and rising production costs, as coal deposits will be deeper and further away from existing infrastructure.

The two most significant demand drivers for Indonesia coal have been Chinese imports and domestic consumption. Given the domestic infrastructure impediments, which still hamper fuller exploitation of Chinese domestic reserves, demand for lower cost Indonesian coal has remained strong. This strong demand for import to China has helped to keep Indonesian pricing strong as can be seen by its outperformance of Newcastle benchmark.

Chart : Australia Coal (6700 kc, S/tonne)

Source: Bloomberg

Chart : Indonesia Coal (6700 kc, S/tonne)



Source: Bloomberg

Domestically, the ongoing program to add an additional 10,000 MW of power generation capacity is driving expansion of domestic demand. The initial phases of this program are anticipated to add 5,200 MW in 2011 and a further 2,500 MW in 2012, adding incremental domestic coal demand of approximately 18 million tonnes and 9 million tonnes, respectively. While some market observers believe that this increasing domestic demand will slow Indonesia exports, others argue that additional production commencing will support export levels.

One clear trend is that the volume of lower grade coal being exported is increasing. Wood Mackenzie estimate that lower rank coals will comprise over 60% of supply volume by 2025. Much of the new power generation capacity being added in the region (e.g. in India and Vietnam) is being built to utilise these lower rank coals.

Business Review FY11

Following completion of an extensive legal due diligence and confirmation of all required approvals and permits, Qing Mei has embarked upon further exploratory drilling. This is to supplement work done previously by the Indonesian partner, as well as for logistical and commercial studies.

To date, drilling and exploration works have focused on Block 1, where previous drilling had preliminarily indentified 110 million tonnes of resources in an area of 4,147 hectares of Block 1. The ongoing drilling programme is targeted at confirming resource size and coal quality. Qing Mei coal is low rank sub-bituminous, with calorific value of 3,400 Kcal gross as received or 4,800-5,000 Kcal air-dried.

The exploration and Joint Ore Reserves Committee ("JORC") compliant resource reports for Block 1 are expected to be completed in early 2012 (calendar year). In addition, some preliminary drilling is being undertaken in the remaining blocks to obtain initial indication of coal quality and extent of resource across the concession area.

FY12-FY13: Headwinds and Tailwinds Factors

As noted above, a growing percentage of Indonesian coal exports are lower rank coal such as that which is present in the Qing Mei concessions. UMS, another Group company, currently imports coals of similar quality, and regionally the market for such coal is growing.

The Qing Mei concessions are, however, some 400 kilometres upriver from the coast, adding a significant logistical challenge and cost to utilising this coal as an export product. While the quality is sufficient for domestic consumption, given the logistical cost component, benefication (drying, upgrading) of this coal would be required to make it a viable export product. Qing Mei is evaluating established drying technologies and believes that this can be done cost effectively. Interestingly, other projects with similar coal quality and logistical challenges have been well received in raising funds from capital markets with as yet to be proven logistical and coal benefication plans.

For 2012, the Group and its partners in Qing Mei will, based upon the results of the current exploration work and commercial studies and evaluation of coal upgrading technologies, determine the best strategy to extract value from this project for the long term.

Infrastructure Group

The Infrastructure Group is represented by a number of businesses that are ultimately engaged in logistics. The two key businesses are Unique Mining Services Public Company Limited ("UMS") and Baconco Co., Ltd. These businesses have a number of integrations with both the Transport Group and the Energy Group.

Coal logistics business

UMS provides end-to-end and just-in-time coal logistics sales and distribution services in Thailand. It owns two (2) coal blending facilities and warehouses, twelve (12) barges, and fifteen (15) owned trucks to serve the increasing local coal demand of small and medium-sized industrial clients, which use coal-fired boilers. UMS is an integral part of TTA's strategic plan to build an integrated coal business. This integration with the Transport Group includes the use of Fearnley's Thailand as one of its primary brokers and the use of Thoresen's vessels to transport coal from Indonesia to Thailand.

UMS' core clients typically use low calorific value (sub-bituminous 4,000 – 4,200 calorific value, gross as received) coal, which are secured from no less than six (6) reputable suppliers in Indonesia. This supply model ensures that UMS receives regular shipments of coal and is able to guarantee consistent supply to all clients, regardless of weather conditions in Thailand or Indonesia.

UMS sells coal to several domestic industries, including pulp and paper, textile, food processing, and cement. UMS' coal import strategies have been adapted to match the engineering specifications of the boilers used by each industry. The strategic objective is to be the leader in domestic coal distribution for medium and small sized manufacturers.

UMS continues to see the potential to expand its client base and market share within the SME segment. While a major concentration of coal fired boilers are based in Samut Sakorn and Ayudhya provinces, there are also opportunities in South, South East, and Northern Thailand. Combined with the number of gas and fuel oil boilers in those areas, greater penetration is possible. However, this is not a simple undertaking based on a number of factors, including transportation expenses and the likelihood of converting fuel and gas boilers to coal. These factors are not insurmountable. The key to this approach and direction is to ensure the highest standards of environmental and community protection, including closed transportand covered facilities, beyond that of standard governmental regulations.

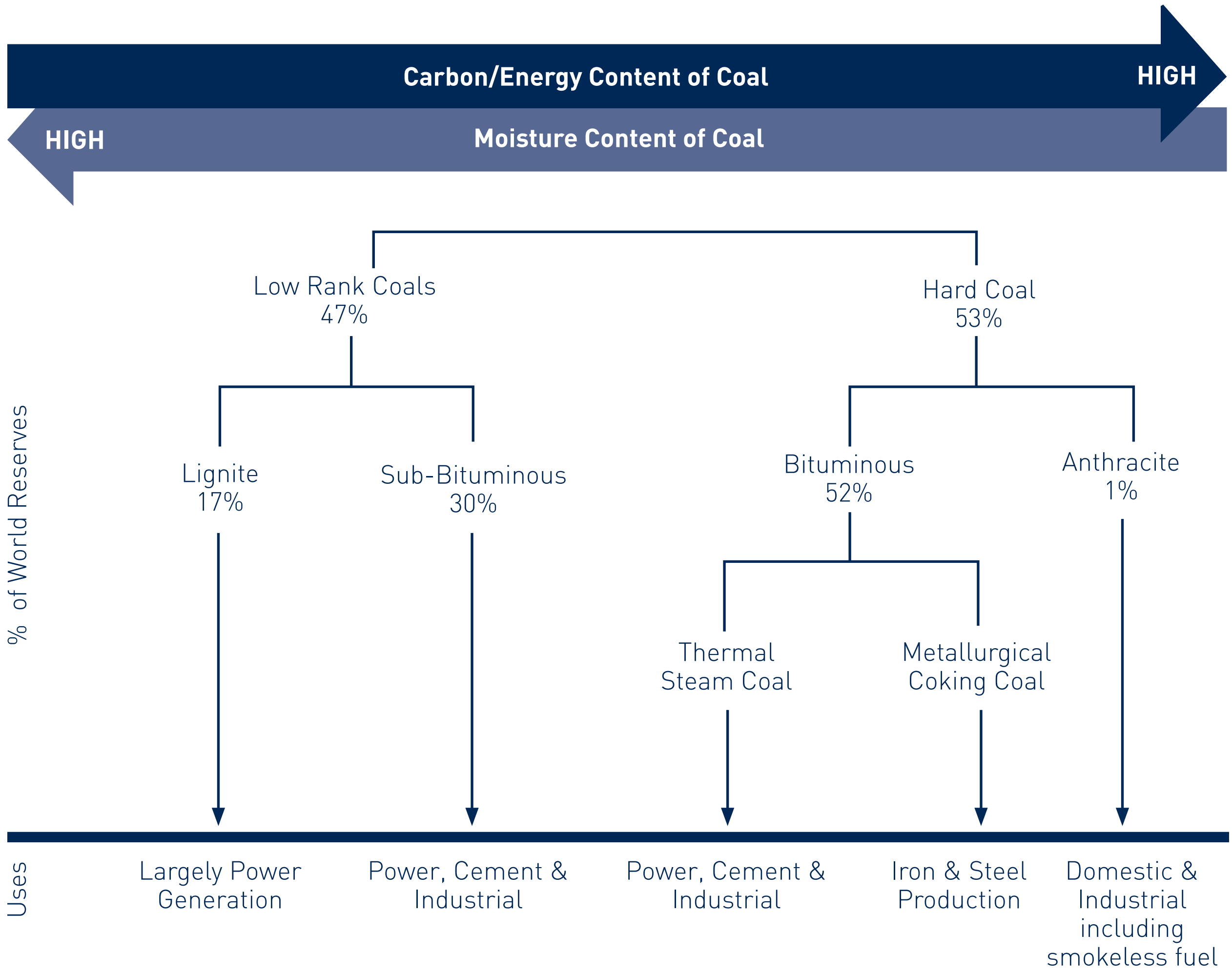
Another strategic objective in 2012 will be to increase coal trading activities domestically and internationally. We will likely focus on higher calorific value (sub–bituminous 5,000 to 6,000 calorific value, gross as received) coal. Potential clients include the various power producers (IPP's, SPP's and VSPP's) in Thailand, those in neighbouring countries such as Vietnam, as well as major importers of coal, such as China. With UMS' strong reputation, its existing Indonesian suppliers as well as new suppliers would welcome the increased activity. In a few years' time, there is a strong potential to buy coal directly from the Energy Group's coal mines in the Philippines and Indonesia, thereby creating a fully integrated coal business, including transport.

Since 2010, UMS has embarked on a gradual restructuring program, commencing initially with identification of key organisational function changes, employee assessments, salary restructuring, and recruitment of key management positions. Throughout 2011, all key management positions were filled, business processes were reviewed for improvements, and won going enhancements are being made to production and port facilities. The key priorities in 2012 are to implement and execute the processes, train and develop employees, which will culminate in the achievement of stated objectives indicated above.

Market Situation

The chart below provides a summary of the various coal types and reserves, general properties and typical usage:

Coal Types: Reserves, General Properties and Typical Usage

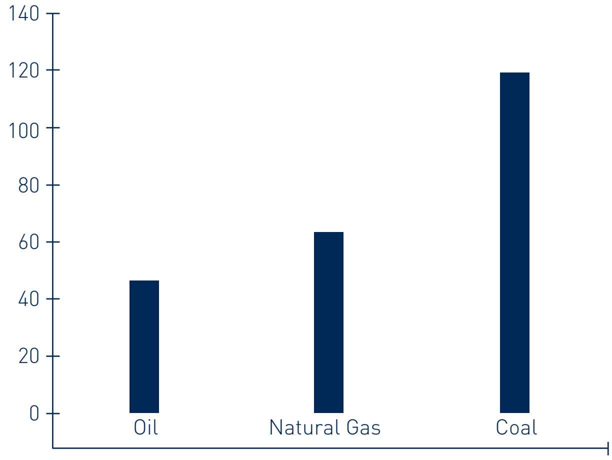


Source : World Coal Institute

Based on a new report of Wood Mackenzie Research May 2011 on South East Asia's future energy sources, coal is tipped to be the fossil fuel of choice by 2020 compared to natural gas and fuel oil. Coal's cost advantages, abundance of supply and accessibility, coupled with ongoing improvements in "clean coal" technologies, will make it a popular choice for the region, where power demand is set to triple by 2030.

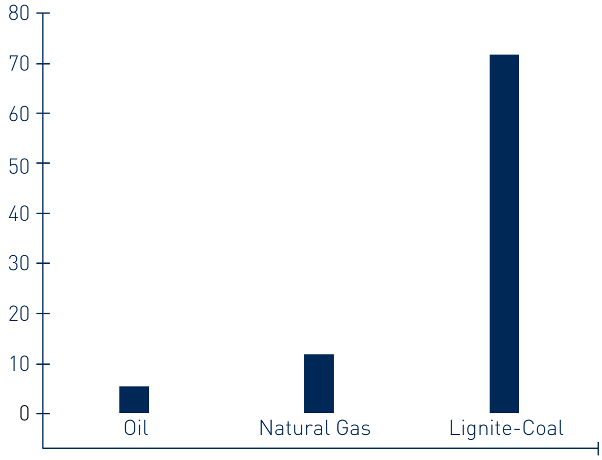
Local gas reserves in Java, Sumatra, the Gulf of Thailand, and the Malay basin are maturing. In Thailand's case, the Energy Planning Office, Ministry of Energy estimates that natural gas reserve to production availability is estimated to be 12 years only.

Chart : World Reserve to Production Ratio: 2010 (Years)



Source : Energy Policy Planning Office Ministry of Energy

Chart : Thailand Reserve to Production Ratio: 2010 (Years)

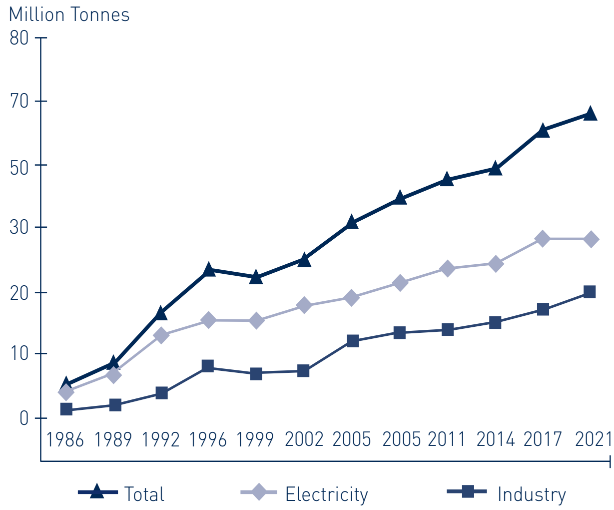


Source : Energy Policy Planning Office Ministry of Energy

It is clear that with Thailand's projected economic growth, supply of natural gas and oil will be a continuing challenge. Coal demand in Thailand has been significantly lower than most South East Asian and North Asian countries. However, given the facts mentioned, Thailand is expected to be a larger consumer of coal in the future.

As seen in the following diagram, Thailand's coal demand for both industry and electricity generation is set to increase significantly from 2011 through 2020.

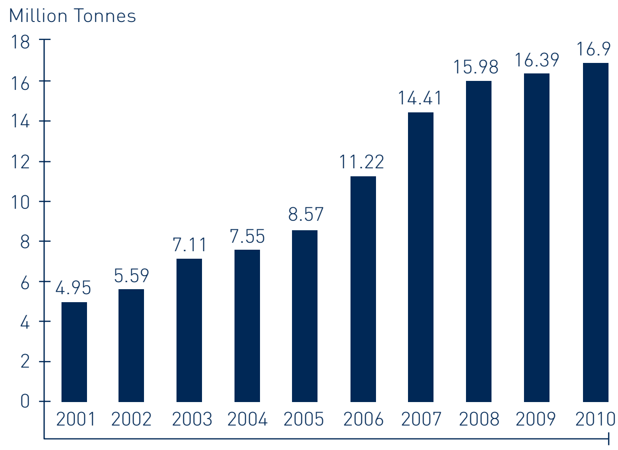
Chart : Actual and Projected Coal Demand in Thailand



Source : EGAT

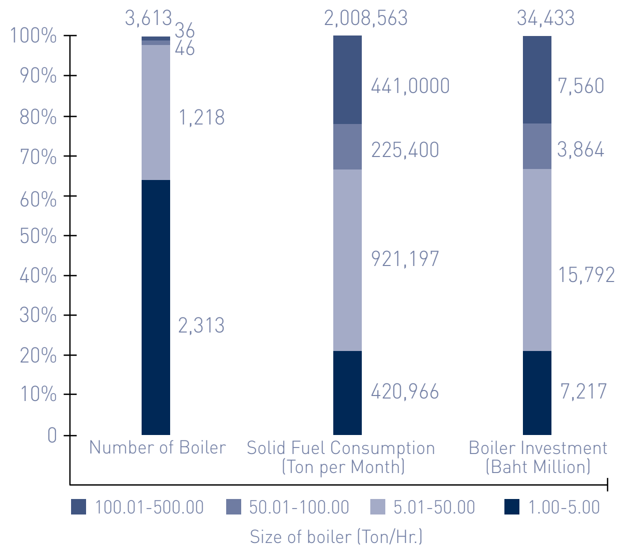
The combined factors of fossil fuel supply and availability, the advantage that coal has from a price perspective compared with fuel oil and gas, results in the continued upward trend of imported coal that will likely significantly exceed more than half of the demand within 2020. For example, in 2010, coal demand was approximately 37 million tonnes, while imports reached 16.9 million tonnes – already almost half of consumption.

Chart : Coal Imported into Thailand



Source : Bangkok Post

In real terms, use of coal as an energy source can significantly reduce production costs and there appears to be an increasing trend in manufacturing to convert from fuel oil to coal in order to enhance competitiveness in the long-term. The chart below provides an example of the number of fuel oil boilers nationwide. If these were converted to coal fired boilers, a significant increase in coal consumption can be seen. Clearly not all boilers can or will be converted but the fact remains that coal demand and use will increase and be the fuel of choice as outlined earlier.



There are 3,613 fuel oil boilers nationwide, translating to potential coal consumption of approximately 2 million tons/month.

Source: Ministry of Industry

Business Review

The outlook and market for coal in Thailand can be considered as positive. As one of the pioneers of the coal logistics business in Thailand, UMS continues to enjoy a strong reputation domestically and overseas, where sourcing is done.

UMS reported sales volumes of over 1.4 million tons in 2011, up 21% from FY10. The company continues to make enhancements to its existing coal classification production and port facilities, with specific emphasis on environmental and community protection.

Competition

Thailand's coal distribution business has approximately 20 operators. Of these, approximately 15 compete directly with UMS in the small and medium sized (SME) segment. UMS is the market leader in this area with approximately 35% market share.

FY12-FY13: Headwinds and Tailwinds Factors

As indicated earlier, there is an increasing trend for the manufacturing industry to convert from fuel oil to coal as an energy source. UMS continues to encourage clients to make this move by providing consultative guidance regarding coal use, technical specifications of coal fired boilers, and provision of consistent and quality supply.

Coal prices trended upwards in 2011, however, in recent months this has stabilised with a potential for a gradual decline in the first half of 2012. This is a positive trend for coal operators.

At the same time, the impact of the floods in 2011 is likely to be beneficial to cement manufacturers, as there is a high likelihood for increased re-construction work (apart from existing building projects). On the other hand, with many manufacturing facilities having been affected, there is potential for a slowdown in coal imports at the start of 2012, but demand is likely to increase significantly in the second half of the year, once production facilities are at full capacity.

Finally, the coal industry and operators need to adhere to the highest standards of compliance for both environmental and community protection, especially when the country's energy source is likely to be coal going forward. This means continuous enhancements to meet and exceed the requirements of government agencies, as well as significant and continued engagement with the communities where facilities exist. Only with the highest standards will all concerned parties accept coal.

Port operations business

In November 2010, Soleado acquired a 20% stake in Baria Joint Stock Company of Service for Import and Export of Agro Forestry Products and Fertilisers ("Baria Serece") from Yara Asia Pte Ltd. Baria Serece owns and operates Phu My port in South Vietnam.

Phu My port is situated on the Thi Vai River, approximately 17 miles from the open sea and is adjacent to Phu My industrial park. The port is Vietnam's largest dry cargo deep-water port and will be able to receive up to 7 million tonnes of agricultural products, coal, and fertilisers, once the fifth crane is installed in 2012 and the quay upgrade project is completed in 2013 to receive vessels up to 80,000 dwt.

The port is able to handle vessels with draft up to 12 meters and displacement of 60,000 dwt. As such, the facility is favoured among Handymax, Supramax and Panamax operators, as no lightering is needed prior to arrival.

Fertiliser and warehousing business

Baconco Co., Ltd. ("Baconco") was the first strategic move to build an integrated logistics business in Vietnam.

Baconco is located on a 56,000-square-metre site in Phu My and is adjacent to Baria Serece. Besides fertiliser production, Baconco provides warehousing services and has invested in new warehouses that will open in early 2012.

Baconco operates a 300,000 metric tonne per annum blending and NPK fertiliser granulation production unit. In addition to the sale and distribution of own production, it also exports and is a supplier of pesticides and seeds. As the plant is located besides Phu My, Baconco's existing warehouse and newly built capacity may be utilised to capture volumes that require storage in transit that cannot be handled presently by the port itself. With TTA's acquisition of a 20% stake in Baria Serece, Baconco has emerged as a strong partner to Phu My port.

Baconco can lease out warehouse capacity of 4,000 square metres – with 2,000 square metres each for bulk and bagged cargo (up to 16,000 tonnes combined). In 2011, Baconco purchased an additional piece of land within Phu My and is building a warehouse of 6,000 sq. meters for a capacity of 24,000 tons. This warehouse will be completed by December 2011, and some clients have already signed agreements for 2012.

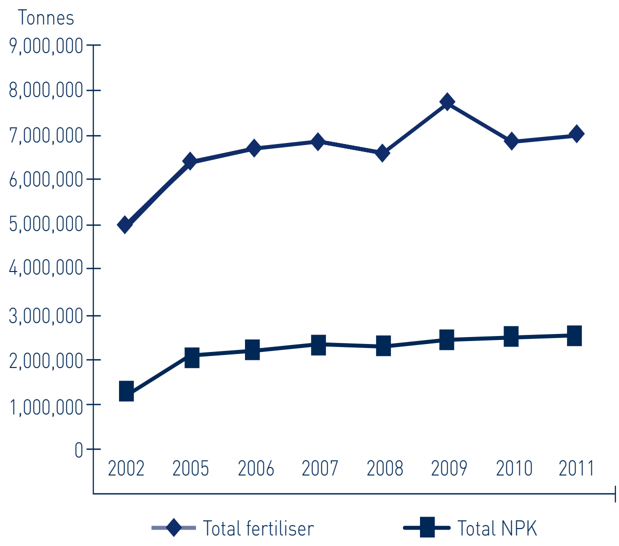
Thoresen (Indochina) S.A.'s subsidiary company, Thoresen-Vinama Agencies Co., Ltd. having the necessary logistics licenses, has become Baconco's third party logistics provider. As such, there is almost complete integration of the entire supply chain. As an example, cargo from a client's factory was picked by TVA's trucks and trailers, stored in Baconco's warehouse, loaded onto a vessel at Baria Serece, with TVA's labor and with ship's agency services provided by Thoresen (Indochina) S.A..

Market Situation: Fertiliser Business

It is estimated that Vietnam needs 8-9 million tonnes of fertiliser per annum and industry experts believe that this demand will remain stable for the next 2-3 years, with modest increases of 2-3 percent.

Domestic production can only meet about 50% of national demand. For urea alone, Vietnam is able to produce 50% of domestic demand from Petro Vietnam's 750,000 tonnes/annum Phu My plant and Vinachem Group's 180,000 tonnes/annum Hac Bac plant. For DAP (Diammonium phosphate), SA (Ammonium sulphate) and kali (potassium), Vietnam needs to import 80-85%, 100% and 100%, respectively. These are important input materials for the production of NPK. The majority of these imports come from China. With China imposing a 110% tax on fertiliser exports, prices are expected to remain firm and, as a result, production costs and domestic retail prices of imported products will be higher than prices of domestically produced products. Total imports of DAP, SA, and Kali in 2011 will reach 2.5 million tonnes.

Vietnam Fertiliser Consumption



The major ingredients of fertiliser are nitrogen, phosphate and potassium: Nitrogen (N) – used to produce leafy growth and formation of stems and branches; Phosphate (P) – essential for seed germination and root development, needed particularly by young plants to form their root systems and by fruit and seed crops; Potassium (K) – promoting flower and fruit production and is vital for maintaining growth and helping plants resist diseases.

Market Situation: Warehousing Business

The industrial market in Vietnam is divided into three key economic zones, the Northern Key Economic Region (NKER), the Central Key Economic Region (CKER) and the Southern Key Economic Region (SKER). There are 194 industrial parks in Vietnam, employing 1.5 million people. The greatest concentration of parks is found in the SKER. In 2010, the industrial sector attracted 8,500 projects worth over US$ 70 billion. There are 68 industrial parks in the NKER, 34 in the CKER and 92 in the SKER. Within the SKER, there are 10 industrial parks in Ba Ria – Vung Tau, with 3 in Phu My.

Vietnam's port systems are going through significant upgrading, especially those that are state owned. Many, however, are still old and out-of-date, with limited infrastructure. Therefore, some limitations exist for yards and warehousing systems to accommodate both containers and bulk cargos. So far, participation of the private sector in port management has been limited, with only Baria Serece, VICT, and Interflour present.

Warehouse development and availability, plus professional logistics management, will be a key factor in supporting Vietnam's port infrastructure and industrial sector. It comes as no surprise then that warehouse rental rates in Vietnam are classified into 2 to 3 "types" with those that are located near Industrial Parks/Export Processing Zones and strategic locations such as CBD, airports, ports and easy accessibility of transportation – commanding higher rental rates. For example, within the SKER according to Colliers International VN, warehouses with said strategic locations, of good quality and well managed can command in excess of US$ 5.00 per square meter per month excluding VAT and other fees. This is in comparison to warehouses with fair quality, local management and long transport distance/non-strategic locations – generating US$ 1.5 to 2.5 per square meter per month only.

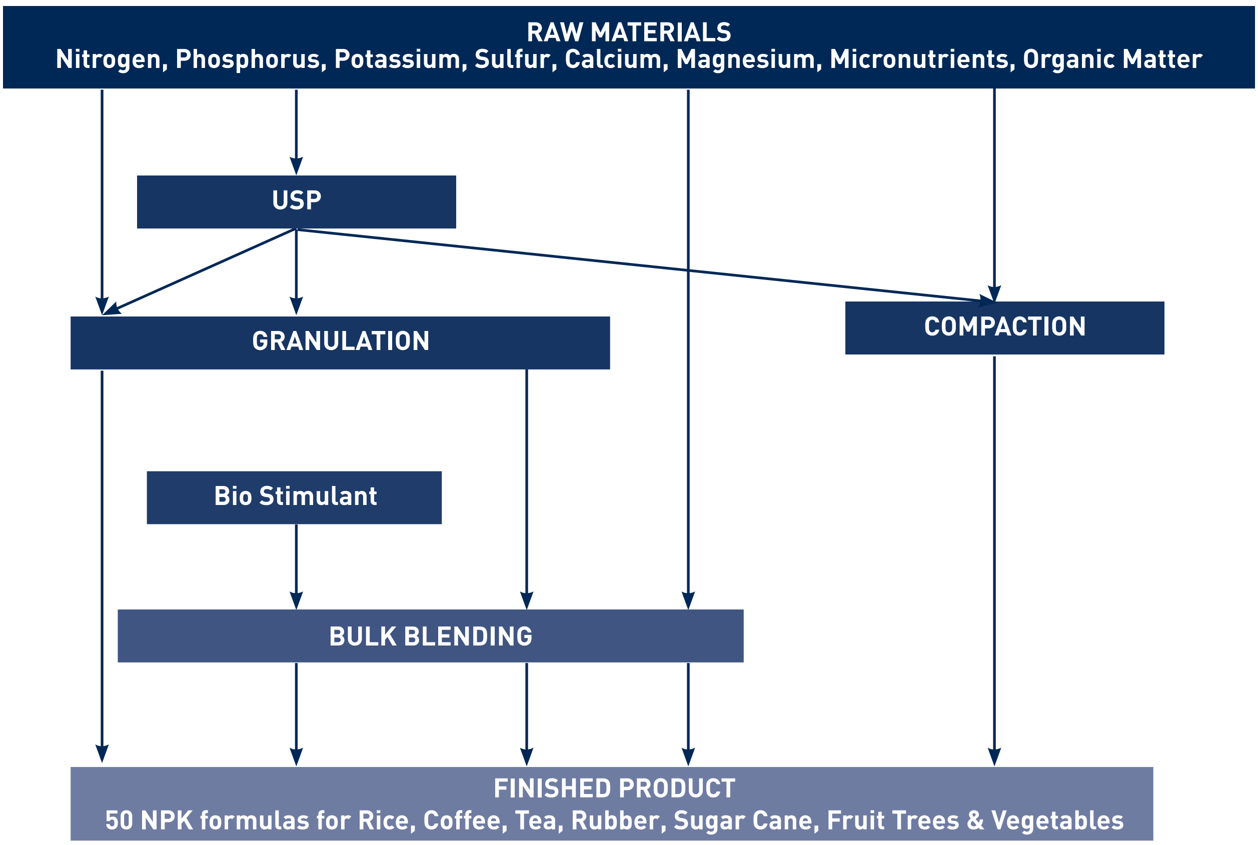
Business Review

With respect to the fertiliser business, the market and industry outlook will continue to be favourable to Baconco in many ways. It is a 16 year old company distributing its own production, with a reputation and brand image (The STORK) that is synonymous with reliability and quality. With increasing exports of its product, Baconco has completed the registration of its brand in Cambodia, Laos and Indonesia.

Single fertiliser sales (e.g. Urea only) are not Baconco's objective. Instead, Baconco engages in five production processes compared to other companies who produce NPK only by bulk blending. Baconco continues to innovate and diversify its products utilising chemical, physical and biological processes in fertiliser production. At this time, Baconco has over 55 different formulas.

In 2011, Baconco produced 190,524 tons of fertiliser and continues to implement a cash-only payment policy both domestically and in the export market. Clearly, this is a direct result of the product's reputation for quality. Baconco continued to monitor and orientate its efforts on the best-paying formulas and continuously renewing the range of products. At the same time, marketing efforts focused at all levels – farmers, retailers and wholesalers.

Baconco Fertiliser Production Processes



Clients

Baconco continues to consolidate its wholesaler network to approximately 200 wholesalers and 4,000 retailers.

Competition

Competition is significant in the Vietnam market. As indicated previously, there are over 500 producers. Many of these are state owned companies, the largest being Petro Vietnam. Petro Vietnam has completed the building its large urea production facility in Phu My industrial park and has plans to build a NPK facility with capacity of 400,000 tonnes. While this is scheduled in 2012, there has been no evidence that the NPK plant has commenced construction.

FY12-FY13: Headwinds and Tailwinds Factors

Imported raw material prices have shown a clear upward trend. These increases are mainly for DAP and potash, which are in turn driven by high crop prices and generally low inventory levels. This will in the short to medium term result in higher cost of sales. Baconco will monitor closely these developments and may look to increase inventory levels to offset the higher raw material process. Nonetheless, Baconco has been able to maintain its cash sales policies, thereby allowing it to continue to pass on some of the higher costs by adjusting prices.

Baconco expects to slightly increase its production levels in 2012. Exports sales will help reduce production costs. The cash sales policies will be maintained. Quality enhancements continue to be a major goal and direction.

Finally, given the proximity to the Phu My port, the company continues to expand its logistical and warehousing capabilities through additional land acquisition within Phu My industrial park and building new warehouses to support Baria Serece volume throughput.

Ship Supplies, Logistics, Ship Stevedoring and Transportation

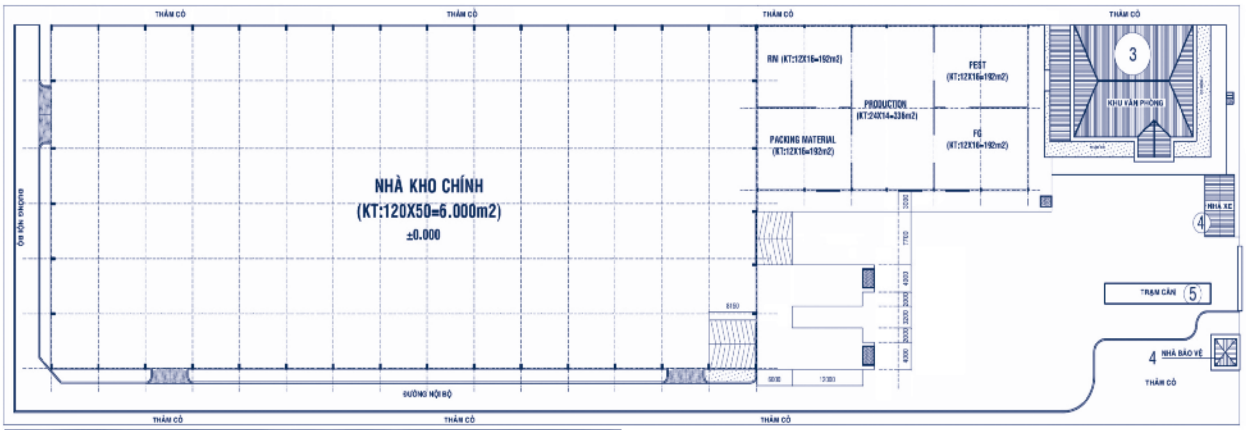
Chidlom Marine Services & Supplies Ltd. ("CMSS"), a wholly-owned subsidiary of TTA, provides ship supplies and logistics services, including supply of ship stores, cargo dunnage materials, cargo lashing and securing equipment, cargo handling equipment, tally and checker services, forklift rental/services, 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.

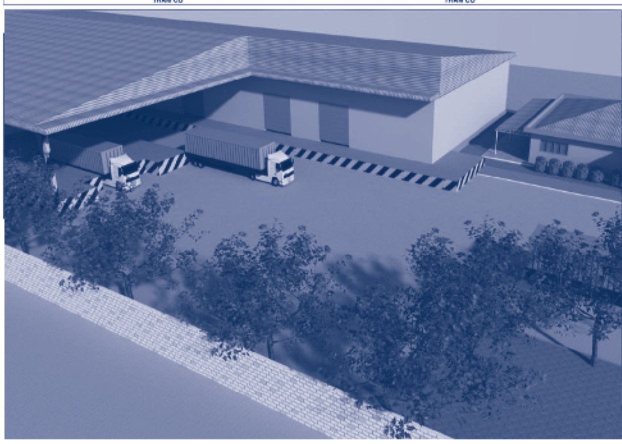
Third Party Logistics Services

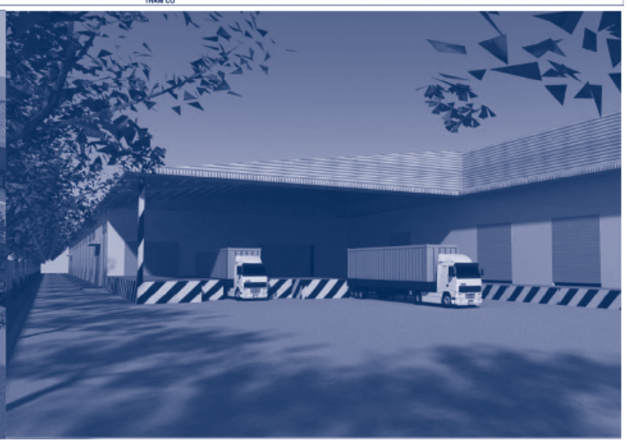
In October 2006, GAC Thoresen Logistics Ltd. ("GTL") was established for the domestic logistics business. TTA owns 51.00% of GTL, with the remaining 29.00% and 20.00% owned by GACL (for purposes of compliance with warehouse regulations) and Mr. Lars Safverstrom, the president of the Gulf Agency Company, respectively. The company owns a 10,000 square meter warehouse facility at Amata Nakorn

Industrial Estate and leases a 6,000 square meter warehouse facility at Bang Pa in Industrial Zone.

GTL is a third party logistics service provider ("3PL") that engages in warehousing, warehouse management, and domestic distribution for both local and multinational clients. The company operates in a niche environment and has secured mid to long-term contracts with a selected number of clients. The warehouse facilities have operated at full capacity throughout 2011.







09 Corporate Social Responsibility Policy




TTA is determined to uphold its status as a good corporate citizen and has always operated with good governance as its core principle. We have defined clear standards for good governance, and there are procedures in place for tracking, evaluating, and improving what we do. Our goal is to integrate the concept of social responsibility into every aspect of our operations, covering all internal and external activities.

We believe that social responsibility cannot be defined simply as the act of organising activities for the benefits of our society. Rather, we see it as a vital part of our corporate culture, which is structured around the core values of morality, excellence, teamwork and commitment. In turn, these values have given us a solid base for good governance.

Additionally, TTA provides full support for all subsidiaries in the transport, energy and infrastructure business groups in the organisation of activities designed to help communities that are within the vicinity of their operations. We remain fully dedicated to the betterment of society in every aspect, including education, environmental management, health and hygiene or community development.

CSR Activities in 2011

Education: TTA has been supplying students with scholarships on an annual basis. Scholarship recipients include the sons and daughters of our ship crews as well as students of the Merchant Marine Training Center, Kasetsart University, and Burapha University. Our staff members have also delivered lectures on the merchant marine business for college and university students, while many educational institutions have received our contributions of funds, learning aids, and sporting equipment.

Environmental Management: TTA places great importance on environmental management across all business groups. For instance, Thoresen's and Mermaid's fleets regularly replace older vessels with new ones that utilise advanced technologies, allowing us to accurately determine and control each ship's emission levels. UMS, meanwhile, has received ISO 14000 certificate for environmental management standards for its factory in Samut Sakorn and has planted trees in many communities around the facility. The entire TTA Group actively promotes the conservation of natural resources and energy through regular routines, including turning the air conditioning and lights on and off at set times during the day and the use of high efficiency lights and air conditioners and more paperless meetings and approval processes.

Health and Hygiene: We regularly conduct safety, hygiene, and environmental inspections to keep our employees healthy. Each inspection is done by the Safety, Hygiene, and Environment Office, which is responsible for compiling thorough reports on workplace environments and providing suggestions on faults and improvements.

Community Development: Many activities encourage employees to step up and become volunteers. These include training sessions, corporate outings, and disaster relief operations. Our employees actively volunteered to make donations, prepared emergency survival kits, and delivered aid to victims of the flood crisis alongside units from the Royal Thai Army.

TTA intends to promote regular contributions to society among employees by engendering a sense of responsibility not only for themselves but also for the company, customers, communities, and society at large, and we hope that our actions can help Thai society and local communities achieve sustainable growth in the long run.

TTA reported a net profit of Baht 139 million and earnings per share of Baht 0.20 for the year that ended on 30 September 2011. This compares with net profit and earnings per share of Baht 796 million and Baht 1.12, respectively for the year that ended on 30 September 2010.

2011 was the third year of a five-year strategic plan to transform TTA into a more diversified business group.

In some respects, the 2011 results indicate that our strategic plan is working. Total revenues decreased by 2% to Baht 17,565 million. Revenues, however, are well balanced across the three lines of businesses. The 41% drop in freight charges was offset by a 59% improvement in offshore services income and a 34% growth in revenues from coal and fertiliser sales.

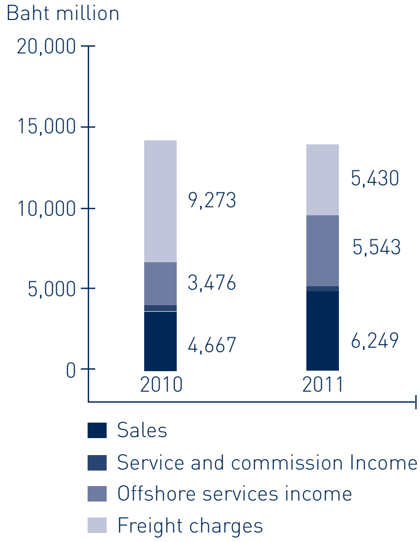
At the operating level, combined normalised EBITDA from the three lines of business decreased only 4% to Baht 2,700 million, while the BDI fell 45% on average.

Strong subsea engineering demand propelled Mermaid's results in the second half of 2011, resulting in a 244% improvement in the Energy Group's normalised EBITDA. The Infrastructure Group generated respectable EBITDA growth of Baht 25 million, considering one of UMS' two plants shut down for one quarter, and Baconco's fertiliser gross margins fell due to rising raw material costs.

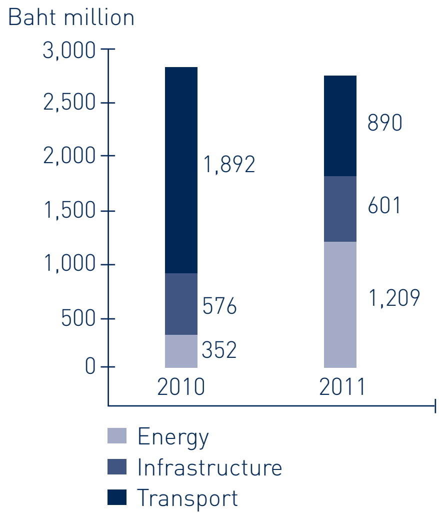
Extraordinary gains, excluded from normalised EBITDA, consisted of Baht 401 million gains on cross currency swap transactions on new vessel acquisitions. Gains on disposals of fixed assets, mostly old vessels, totalled another Baht 589 million during 2011.

Restructuring across many businesses, with an aim to lower their future costs, resulted in reorganisation charges of Baht 50 million. Excluding asset impairment charges of Baht 554 million, net profit was Baht 693 million. With the impairment charges, net profit was Baht 139 million.

Revenues



Normalised EBITDA

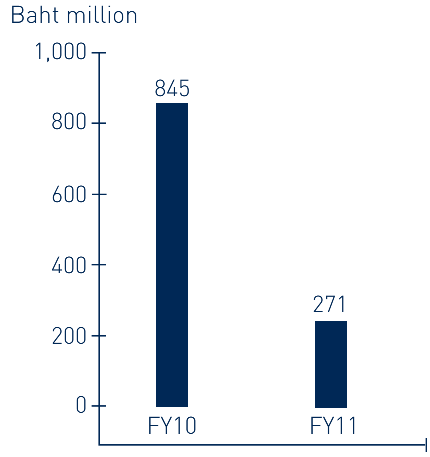


Transport Group

In Brief:

The Transport Group provided Baht 271 million of profits, a 68% decrease year-on-year ("yoy"). The main reasons for the decrease included: 1) low freight rates resulted in operating losses, and 2) non-cash impairment charges of Baht 243 million, which were offset by Baht 587 million gains on sales of 15 old vessels.

Profit Contribution



Continued down cycle for dry bulk shipping in FY11

From October 2010 to September 2011, dry bulk shipping continued to experience a weak freight rate environment. The Baltic Dry Index ("BDI") averaged 3,011 points in 2010 and 1,657 points in 2011, a 45% decrease yoy.

In fact, the BDI was averaging only 1,372 points from January to June 2011 and only exceeded 2,000 points in October 2011. Global vessel supply growth continues to outpace demand growth, which is also being affected by the global economic downturn.

Lower TCE rates and higher costs resulted in operating losses

The down cycle undoubtedly impacts all operators negatively. Time Charter Equivalent ("TCE") rates for all vessel sizes fell. During 2011, even though the Baltic TCE averages for the Handysize and Supramax sectors fell 34% and 36%, respectively, Thoresen's TCE average fell only 7%. This result was achieved through the sale of all older and smaller vessels and retaining only the larger and more competitive Supramax vessels. Thus, Thoresen's TCE average is converging towards Supramaxes.

Average Daily Operating Results (US$/Day)

US$/Day	FY10	FY11	%yoy
US$/THB Rate (Daily Average)	32.56	30.24	-7%
Time charter equivalent (TCE Rate)*	$12,619	$11,713	-7%
TCE Rate of Owned Fleet	$13,032	$12,133	-7%
TCE Rate of Chartered-In	-$413	-$420	-2%
Vessel operating expenses (owner expenses)	$4,806	$5,378	12%
Dry-docking expenses	$1,378	$1,254	-9%
General and administrative expenses	$1,520	$1,736	14%
Financial costs	$141	$236	67%
Depreciation	$2,977	$4,144	39%
Operating earnings*	$1,796	-$1,036	-158%

Note: *The per day basis is calculated based on available service days.

In 2011, the shipping business sold 15 vessels and added 3 Supramax vessels, resulting in a 29% drop in available service days. Because operating expenses were divided by lower service days, some per-day expenses rose sharply despite efforts to reduce them. Furthermore, the piracy incident resulted in higher operating expenses, including extra security people on board for piracy-prone routes and higher insurance premiums. In September, we took a restructuring charge of Baht 26 million to downsize the organisation by 20%. Some employees in certain functions were transferred to a centralised services unit to reduce overlaps across the TTA group. The per-day general and administrative expenses will fall in 2012 and beyond.

On a positive note, the high cost chartered-in vessels completed their contracts and were returned to their owners, so there is no significant cost overhang in 2012. While the daily operating results show a loss, the TCE average of US$ 11,713 per day was sufficient to cover all cash expenses (operating, administrative, and interest expenses).

Baht 224 million of impairment charges on assets under construction at a supplier were taken. In November 2007, an order for four main engines was made as part of a cancelled newbuild vessel programme. Approximately US$ 15 million was paid to the supplier in instalment payments. The sub-contractor of the supplier, however, has run into financial difficulties and has not been able to build and deliver the engines as agreed upon. While Thoresen intends to claim the entire payment back, the resolution is under negotiation. Conservatively, 50% of the entire payment was impaired during 2011.

As of 30 September 2011, Thoresen had an owned fleet of 15 vessels, 43,798 average dwt, and 10.8 year-old average age. The owned fleet is more competitive today than one year ago. Deliveries of two new Supramax vessels are expected in 2012, while addition of second-hand vessels could be possible when prices come down to a feasible level.

Fleet data summary

	FY10	FY11	%yoy
Average DWT	29,444	43,798	49%
Calendar days for owned fleet [1]	11,113	8,118	-27%
Available service days for owned fleet [2]	10,430	7,368	-29%
Operating days for owned fleet [3]	10,227	7,308	-29%
Owned fleet utilisation [4]	98.1%	99.2%	1%
Voyage days for chartered-in fleet	3,096	2,081	-33%
Average number of vessels [5]	36.5	25.7	-30%

Note:

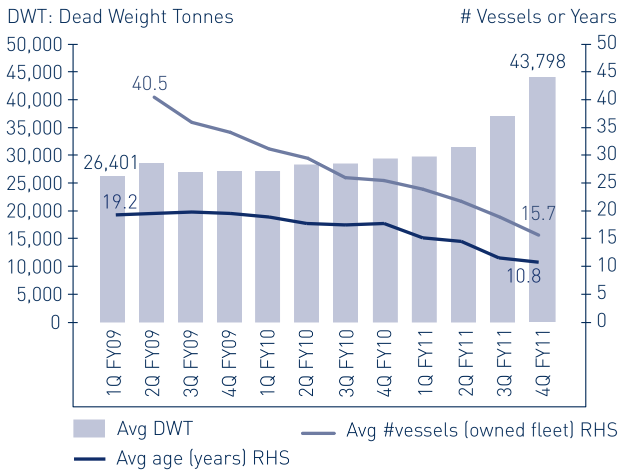
[1] Calendar days are the total calendar days Thoresen owned the vessels in its fleet for the relevant period, including off hire days associated with major repairs, dry dockings, or special or intermediate surveys.

[2] Available service days are calendar days[1] less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.

[3] Operating days are the available days[2] less unplanned off-hire days, which occurred during the service voyage.

[4] Fleet utilisation is the percentage of time that Thoresen's vessels generated revenues and is determined by dividing operating days by available service days for the relevant period.

[5] Average number of vessels is the number of vessels that constituted Thoresen's fleet for the relevant period, as measured by the total operating days for owned fleet plus voyage days for chartered in fleet during the period divided by the number of calendar days in the relevant period.



Thoresen booked a respectable normalised EBITDA of Baht 898 million and a negative 25 million normalised EBIT in 2011.

Continuous profit contribution growth from Petrolift

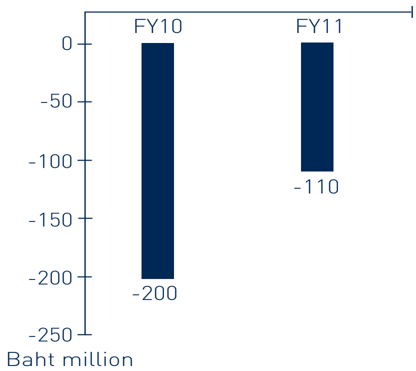
Petrolift continues to deliver on plan with consecutive quarter on quarter ("qoq") growth in equity income to TTA throughout 2011. With its stable business model, Petrolift has lessened the volatility impact of the dry bulk shipping business. The return on investment, including dividends, is 26% to date.

Energy Group

In Brief:

The Energy Group contributed Baht 110 million of losses in 2011, 45% less than 2010. Mermaid staged a strong turnaround in the second half of 2011 with about Baht 140 million of profits to the Energy Group versus Baht 230 million of losses in the first half. Subsea engineering demand has resumed, as oil prices stabilised above US$ 80 per barrel.

Profit Contribution



Mermaid's total service income increased 59% from 2010

Mermaid's total service income for 2011 was Baht 5,543 million, a 59% increase from 2010. The increase in revenues was significantly driven by the subsea business, where asset utilisation increased to 69.1% in 2011 from 39.5% in 2010. Average day rates also increased by 10.9% in US Dollar terms.

Gross profits were Baht 754 million, a 226% increase from 2010. Of the Baht 754 million gross profits, Baht 386 million was contributed by the subsea segment (9.7% margin), Baht 208 million from the drilling segment (20.0% margin), and Baht 161 million from the survey segment (31.2% margin).

Administrative expenses were Baht 719 million, a 29% increase from 2010. The key reasons were 1) higher expenses related to the management of Asia Offshore Drilling Limited ("AOD") of Baht 57.3 million, 2) a provision for doubtful debt of Baht 33.2 million, 3) write off withholding taxes of Baht 21.2 million, and 4) restructuring charges of Baht 17.7 million to downsize the organisation.

Mermaid's normalised EBITDA of Baht 1,209 million rebounded strongly in 2011 and normalised EBIT increased 196% to Baht 245 million.

Subsea engineering recovery continued for two consecutive quarters

Despite an increase in E&P spending in 2010, fleet growth in seismic and subsea outpaced demand growth and oversupply put pressure on margins. For 2011, fleet growth did not match increased spending, and utilisation is expected to remain at similar levels in 2012. The subsea business will continue to experience seasonality, with the low season from November to February and the high season from March to October. The outlook for 2013 onwards is bullish, as growth in fleet sizes is expected to lag spending growth.

MTR-2 on contract, MTR-1 further impaired, and new jack-up rigs under construction

On the offshore drilling side, MTR-2 was at 95.8% utilisation during 2011 with Chevron (Indonesia), and the contract will expire in March 2012.

MTR-1 was off-hire in 2011. Given that MTR-1 has been offhire for more than one year, Mermaid decided to take an impairment charge of US$ 4.3 million (Baht 135 million) in 2011. Impairing aging assets is general industry practice for drilling companies.

AOD paid Baht 148 million of management fees to Mermaid in 2011 before management was transferred to Seadrill. Since the three jack-up rigs are still under construction, AOD had no revenues and only expenses. TTA recognised Baht 24 million as its share of AOD's losses.

Ramping up coal production in the Philippines

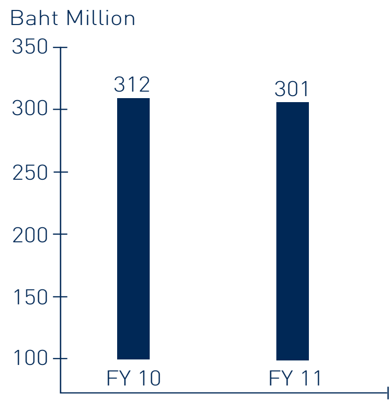
The coal mining operation in the Philippines is not yet at breakeven level. SERI remains in the ramp up phase. TTA recognised Baht 19 million of losses through our stake in Merton. As production increases in 2012, Merton and SERI are expected to generate positive results.

Infrastructure Group

In Brief:

The Infrastructure Group provided Baht 301 million of profits, down 4% yoy. The decline was due to a combination of adverse incidents that severely affected UMS operations and its efforts to aggressively reduce its 0-5 mm coal inventory, resulting in lower margins. However, Baconco continued its strong performance, while the 20%-owned Baria Serece, contributed Baht 23 million in 2011.

Profit Contribution



A Year of Challenges for UMS

In 2011, a series of incidents adversely affected UMS' business. The Samut Sakorn government shut down all coal operators in the province since July 2011, thereby causing SG&A expenses to rise as only one site operated. The severe flooding situation stopped production at the Ayudhya plant from October to early November. Thus, UMS had no production in October and part of November 2011. Thus, UMS is expected to incur a loss in the first quarter of 2012.

Even with the extraordinary incidents, UMS performed better than 2010. Total coal sales volume during 2011 was about 1.4 million tonnes, or 21% higher than 2010. Capacity at the Ayudhya plant was increased to compensate for the shortfall in production at Samut Sakorn before the floods hit.

Of the total sales volume, 734,000 tonnes of both old and new 0-5 mm coal were sold in 2011. About 684,000 tonnes were sold to cement companies, while nearly 50,000 tonnes were used in the granular production. The high proportion of 0-5 mm sales had some impact on margins. SG&A also increased due to coal being trucked from Ayudhya to Samut Sakorn, although some of the increased expenses were passed on to customers. Lastly, Baht 25 million additional income taxes were paid due to misinterpretation of certain tax rules in the past. The additional income taxes were the main reason why UMS contributed less net profit during the year. Otherwise, at the operating profit level, UMS generated healthy normalised EBITDA and EBIT of Baht 274 million and Baht 192 million.

UMS went through an organisational restructuring, took Baht 6 million of reorganisation charges, and reduced headcount by 10% in the head office.

The overall situation is improving. First, the Ayudhya plant is now up and running and should ramp up to 5,500 tonnes per day in January 2012. Second, after multiple discussions with the Samut Sakorn government and other related parties, the Samut Sakorn plant has been allowed to move its 440,000-ton coal stockpile out. After the stockpile removal, UMS can recommence full operations at its Samut Sakorn plant.

Baconco remaining as strong profit contributor and high-return investment

Baconco recorded another profitable year with Baht 2,970 million of revenues and net profits of Baht 219 million in 2011. The total amount for the Baconco acquisition was fully recovered after 22 months of management. Fertiliser demand was strong in Vietnam, driven by high agricultural products prices and the upward trend of raw materials caused wholesalers to increase purchases through August. The rising raw material costs however decreased gross margins. Although Baconco was able to pass through some of the raw material price increases to clients, the gross margins fell to 11.9% of revenues. The normalised EBITDA and EBIT were Baht 283 million and Baht 260 million, respectively.

In 2011, Baconco sold 190,524 tonnes of fertilisers, a 25% yoy growth. Some export opportunities increased production and reduced VND currency exposure.

Warehouse bookings back in the third quarter of 2011 were only at 30% of capacity, as the main warehouse underwent major maintenance during the period. After the re-opening in July, however, the capacity utilisation rose back up to 83% in August. More land was acquired in August for construction of 6,000 square metres of warehouse space by the end of December 2011. These investments are funded by Baconco's own cash reserves.

Baria Serece making good contributions

Port volume is estimated to be 4.55 million tonnes in 2011. Baria Serece contributed Baht 23 million to TTA's bottom line through equity income, representing an 8.6% return on investment to date.

Corporate Group

Corporate group's operations using the Cost Method

TTA's corporate represents the holding companies (including Soleado Holdings Pte. Ltd. and Athene Holdings Ltd.), which provide support in terms of finance, accounting, human resources, IT, administration, and other services. The following table provides the Company's statement of income for the financial years as indicated.

Baht million	For the years that ended on 30 September 2010		2011	
Dividend income	3,179	88.0%	1,103	70.0%
Interest income	249	6.9%	287	18.2%
Service charge and rental income	38	9.4%	77	4.9%
Others	144	4.0%	108	6.8%
Total income of the Corporate Group	**3,611**	**100.0%**	**1,575**	**100.0%**
Administrative expenses	361		419	
Profit before finance costs	**3,250**		**1,156**	
Finance costs	353		383	
Net profit of the Corporate Group	**2,898**		**773**	

Most of incomes derived from 3 major sources: 1) dividend income distributed from subsidiaries and associated companies, 2) interest income, and 3) service and rental income related to business support as described above. Because of the lower profit contribution from the dry bulk shipping business during the year, the dividend income from Thoresen dropped accordingly. This was however offset by dividend income from Mermaid given its encouraging improvement in the second half of the year.

The administrative expenses increased 16% was mainly due to higher number of headcounts to support the business diversification and shared services in an effort to reduce redundant functions across the TTA group. Effective in November 2011, these shared services unit will be transferred into a separate company, Thoresen Service Center Ltd., and provide the services to all the group companies at fair price.

The recent diversified investments have contributed positively, and the offshore services business is on a recovery path. However, dry bulk shipping still remains weak. TTA is not complacent, as substantial challenges in its business units need to be addressed, especially with the weakening global economic outlook in 2012. TTA is working diligently to improve the operating fundamentals of its core businesses, and prudent management decisions will be made to achieve long-term shareholder value.

Implication from the implementation of new TAS and TFRS

Management has made a preliminary assessment of the potential impacts of adopting new accounting and financial reporting standards, as stated in the notes to financial statements.

The adoption of these new accounting and financial reporting standards shall have no material impact on the consolidated and separate financial statements in the initial period of implementation except TAS 16 Property, Plant and Equipment ("PPE"). Since a subsidiary company has early adopted IAS16 regarding PPE to comply with the Singapore Stock Exchange (SGX) since 2007, the impact to TTA's financial statements for 2012 is considered minimal.

11 Statement of the Board of Directors Responsibilities for the Financial Statements

21 December 2011

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 2011 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.

Mr. Aswin Kongsiri
Chairman of the Board of Directors

M.L. Chandchutha Chandratat
President & Chief Executive Officer

Auditor's Report

To the Shareholders of Thoresen Thai Agencies Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 30 September 2011 and 2010, and the related consolidated and company statements of income, changes in shareholdersí 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. The Companyís 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 2011 and 2010, 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, in accordance with generally accepted accounting principles.

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

Bangkok
28 November 2011

Thoresen Thai Agencies Public Company Limited
As at 30 September 2011 and 2010

		Consolidated		Company	
	Notes	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Assets					
Current assets					
Cash and cash equivalents	5	3,797,377,842	8,458,186,441	765,714,754	1,737,995,202
Short-term investments	6	983,931,626	1,956,302,332	291,919,327	892,051,504
Trade accounts receivable, net	7	2,719,102,606	1,652,583,734	-	-
Amounts due from related parties	31.2	206,745,484	403,243	434,193,192	120,393,052
Short-term loans to related parties	31.4	-	-	5,356,407,461	3,703,287,317
Current portion of long-term loans to related parties	31.4	34,253,000	4,000,000	174,422,999	163,635,982
Inventories, net	8	2,263,912,692	1,999,580,533	-	-
Vessel supplies and spareparts, net		382,179,158	634,896,460	-	-
Prepayments		142,632,521	177,507,593	5,754,560	4,838,301
Other current assets, net	9	1,105,631,211	538,523,903	38,396,925	16,427,133
Total current assets		11,635,766,140	15,421,984,239	7,066,809,218	6,638,628,491
Non-current assets					
Long-term loans to related parties	31.4	586,030,720	368,315,000	4,746,157,675	4,835,416,407
Investments in subsidiaries, net	10	-	-	15,723,960,446	15,863,624,005
Investments in associates	11	3,675,470,002	1,182,453,051	53,581,170	11,213,000
Investment in joint venture	12	63,893,035	54,315,153	8,771,110	8,771,110
Property, plant, and equipment, net	14	26,799,740,883	26,042,041,447	232,278,726	255,706,903
Goodwill, net	13	3,817,459,991	3,834,040,193	-	-
Intangible assets, net	15	607,527,231	704,219,713	125,566,204	139,981,854
Other assets, net	16	944,474,112	1,266,094,317	1,676,288	44,231,758
Total non-current assets		36,494,595,974	33,451,478,874	20,891,991,619	21,158,945,037
Total assets		48,130,362,114	48,873,463,113	27,958,800,837	27,797,573,528

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

Thoresen Thai Agencies Public Company Limited
As at 30 September 2011 and 2010

		Consolidated		Company	
	Notes	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	17	2,292,200	5,544,249	-	-
Short-term loans	18	1,410,276,698	1,605,982,823	-	-
Trade accounts payable - others		838,129,723	923,547,922	30,474,311	22,561,685
Amounts due to related parties	31.3	7,173,391	9,582,861	19,271,033	2,054,158
Other accounts payable		139,149,422	143,840,557	1,238,861	8,330,058
Advances from customers		375,787,029	424,951,640	-	-
Short-term loans from related parties	31.4	4,500,000	7,500,000	4,367,527,094	3,384,762,234
Current portion of bonds	22	1,205,740,748	1,047,259,096	1,205,740,748	1,047,259,096
Current portion of long-term loans	19	1,062,214,742	1,106,259,935	-	-
Current portion of finance lease liabilities	20	4,271,792	24,150,856	-	-
Current portion of employee benefit obligations	21	61,030,823	66,150,976	-	-
Accrued income taxes		151,281,872	132,389,433	-	-
Accrued expenses		887,365,116	930,346,308	55,504,946	51,652,742
Other current liabilities		268,757,921	373,207,154	8,563,585	14,361,794
Total current liabilities		6,417,971,477	6,800,713,810	5,688,320,578	4,530,981,767
Non-current liabilities					
Bonds, net	22	3,994,284,092	5,207,264,541	3,994,284,092	5,207,264,541
Long-term loans	19	6,693,963,469	5,220,979,022	-	-
Finance lease liabilities	20	3,879,778	12,957,004	-	-
Employee benefit obligations	21	106,321,105	99,406,889	16,366,550	11,692,726
Total non-current liabilities		10,798,448,444	10,540,607,456	4,010,650,642	5,218,957,267
Total liabilities		17,216,419,921	17,341,321,266	9,698,971,220	9,749,939,034

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

Thoresen Thai Agencies Public Company Limited

As at 30 September 2011 and 2010

		Consolidated		Company	
	Notes	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Liabilities and shareholders' equity (Continued)					
Shareholders' equity					
Share capital					
Registered share capital					
- ordinary shares					
833,004,413 shares of par Baht 1 each (2010: 933,004,413 shares of par Baht 1 each)	23	833,004,413	933,004,413	833,004,413	933,004,413
Issued and paid-up share capital					
- ordinary shares					
708,004,413 shares of paid-up Baht 1 each (2010: 708,004,413 shares of paid-up Baht 1 each)		708,004,413	708,004,413	708,004,413	708,004,413
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	10	-	-	-	124,542,422
Premium on ordinary shares in subsidiary		2,564,206,648	2,564,206,648	-	-
Translation adjustments for investments in overseas subsidiaries		(781,493,331)	(901,356,705)	-	-
Fair value reserves	6	(4,716,647)	50,971,727	(10,696,309)	12,916,568
Retained earnings					
Appropriated - legal reserves	28	93,500,000	93,500,000	93,500,000	93,500,000
Unappropriated		21,490,998,606	21,888,632,476	15,928,611,305	15,568,260,883
Total parent's shareholders' equity		25,560,880,005	25,894,338,875	18,259,829,617	18,047,634,494
Minority interests		5,353,062,188	5,637,802,972	-	-
Total shareholders' equity		30,913,942,193	31,532,141,847	18,259,829,617	18,047,634,494
Total liabilities and shareholders' equity		48,130,362,114	48,873,463,113	27,958,800,837	27,797,573,528

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

12 Statements of Income

Thoresen Thai Agencies Public Company Limited

For the years that ended on 30 September 2011 and 2010

	Notes	Consolidated 2011 Baht	Consolidated 2010 Baht	Company 2011 Baht	Company 2010 Baht
Revenues					
Revenues from services					
Freight charges		5,430,099,724	9,272,551,048	-	-
Offshore service income		5,542,740,233	3,476,365,397	-	-
Service and commission income		342,862,854	503,454,116	-	-
Revenues from sales		6,249,367,256	4,667,088,201	-	-
Total revenues		17,565,070,067	17,919,458,762	-	-
Costs					
Cost of providing services					
Vessel operating expenses		5,211,091,122	7,932,525,157	-	-
Offshore service expenses		4,785,936,590	3,230,503,176	-	-
Service and commission expenses		119,281,887	126,244,833	-	-
Cost of sales		5,370,879,415	3,935,385,938	-	-
Total costs		15,487,189,014	15,224,659,104	-	-
Gross profits		2,077,881,053	2,694,799,658	-	-
Other operating income	30	1,660,281,745	1,110,308,679	1,575,193,251	3,611,426,495
Profits before expenses		3,738,162,798	3,805,108,337	1,575,193,251	3,611,426,495
Selling expenses		265,972,503	227,579,306	-	-
Administrative expenses		2,254,146,235	1,965,904,892	322,611,395	278,132,277
Management and directors remuneration		182,886,026	167,007,786	96,100,057	82,825,000
Total expenses		2,703,004,764	2,360,491,984	418,711,452	360,957,277
Operating profits	25	1,035,158,034	1,444,616,353	1,156,481,799	3,250,469,218
Share of profits in associates and joint venture	11, 12	110,228,847	80,305,584	-	-
Profits before financial costs and income taxes		1,145,386,881	1,524,921,937	1,156,481,799	3,250,469,218
Finance costs		(733,938,058)	(602,366,235)	(383,566,563)	(352,682,105)
Profits before income taxes		411,448,823	922,555,702	772,915,236	2,897,787,113
Income taxes	26	(342,276,902)	(255,847,516)	-	-
Net profits for the year		69,171,921	666,708,186	772,915,236	2,897,787,113
Attributable to:					
Shareholders of the parent		139,473,366	795,573,570	772,915,236	2,897,787,113
Minority interests		(70,301,445)	(128,865,384)	-	-
		69,171,921	666,708,186	772,915,236	2,897,787,113
Basic earnings per share for profits attributable to the shareholders of the parent		Baht	Baht	Baht	Baht
Basic earnings per share	27	0.20	1.12	1.09	4.09

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

12 Statements of Changes in Shareholders' Equity

Thoresen Thai Agencies Public Company Limited

For the years that ended on 30 September 2011 and 2010

		Consolidated									Baht
								Retained earnings			
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Capital reserves - adjustment arising under pooling of interest	Premium on ordinary shares in subsidiary	Translation adjustments for investments in overseas subsidiaries	Fair value reserves	Appropriated - legal reserves	Unappropriated	Minority interests	Total
Beginning balance as at 1 October 2010		708,004,413	1,540,410,208	(50,029,892)	2,564,206,648	(901,356,705)	50,971,727	93,500,000	21,888,632,476	5,637,802,972	31,532,141,847
Translation adjustments for investments in overseas subsidiaries		-	-	-	-	119,863,374	-	-	-	30,711,340	150,574,714
Additional minority interests		-	-	-	-	-	-	-	-	12,863,375	12,863,375
Deconsolidation of subsidiary	10	-	-	-	-	-	-	-	-	(62,940,704)	(62,940,704)
Fair value reserves	6	-	-	-	-	-	(55,688,374)	-	-	-	(55,688,374)
Net profits (losses) for the year		-	-	-	-	-	-	-	139,473,366	(70,301,445)	69,171,921
Dividends paid	29	-	-	-	-	-	-	-	(537,107,236)	(195,073,350)	(732,180,586)
Ending balance as at 30 September 2011		708,004,413	1,540,410,208	(50,029,892)	2,564,206,648	(781,493,331)	(4,716,647)	93,500,000	21,490,998,606	5,353,062,188	30,913,942,193
Beginning balance as at 1 October 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
Translation adjustments for investments in overseas subsidiaries		-	-	-	-	(863,206,272)	-	-	-	(108,012,507)	(971,218,779)
Acquisition of subsidiary		-	-	-	-	-	-	-	-	1,701,523,192	1,701,523,192
Disposal of subsidiaries		-	-	-	-	-	-	-	-	(564,664,802)	(564,664,802)
Expenses relating to the rights issue of a subsidiary		-	-	-	(46,850,443)	-	-	-	-	9,282,313	(37,568,130)
Fair value reserves	6	-	-	-	-	-	25,341,603	-	-	-	25,341,603
Net profits (losses) for the year		-	-	-	-	-	-	-	795,573,570	(128,865,384)	666,708,186
Dividends paid	29	-	-	-	-	-	-	-	(379,419,536)	-	(379,419,536)
Ending balance as at 30 September 2010		708,004,413	1,540,410,208	(50,029,892)	2,564,206,648	(901,356,705)	50,971,727	93,500,000	21,888,632,476	5,637,802,972	31,532,141,847

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 2011 and 2010

		Company						Baht
						Retained earnings		
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Excess of carrying value over purchase consideration of acquisition under common control	Fair value reserves	Appropriated - legal reserves	Unappropriated	Total
Beginning balance as at 1 October 2010		708,004,413	1,540,410,208	124,542,422	12,916,568	93,500,000	15,568,260,883	18,047,634,494
Disposal of a subsidiary	10	-	-	(124,542,422)	-	-	124,542,422	-
Fair value reserves	6	-	-	-	(23,612,877)	-	-	(23,612,877)
Net profits for the year		-	-	-	-	-	772,915,236	772,915,236
Dividends paid	29	-	-	-	-	-	(537,107,236)	(537,107,236)
Ending balance as at 30 September 2011		708,004,413	1,540,410,208	-	(10,696,309)	93,500,000	15,928,611,305	18,259,829,617
Beginning balance as at 1 October 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
Fair value reserves	6	-	-	-	6,529,477	-	-	6,529,477
Net profits for the year		-	-	-	-	-	2,897,787,113	2,897,787,113
Dividends paid	29	-	-	-	-	-	(379,419,536)	(379,419,536)
Ending balance as at 30 September 2010		708,004,413	1,540,410,208	124,542,422	12,916,568	93,500,000	15,568,260,883	18,047,634,494

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 2011 and 2010

		Consolidated		Company	
	Notes	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Net cash receipts (payments) from operating activities	24	144,991,642	1,652,497,878	(446,668,440)	(414,363,785)
Cash flows from investing activities					
Purchases of property, plant, and equipment and intangible assets		(4,122,402,443)	(8,356,001,501)	(26,850,660)	(100,923,784)
Payments for dry-docking		(303,666,459)	(255,322,174)	-	-
Payments for short-term loans to related parties		-	-	(6,581,146,963)	(4,448,129,219)
Payments for long-term loans to related parties	31.4	(232,062,810)	(390,668,400)	-	(5,045,796,970)
Payments for investments in subsidiaries and associates	10,11	(2,376,517,691)	(5,301,227,532)	(5,635,000)	(1,333,997,513)
Dividends received from short-term investments		4,021,900	11,914,175	4,021,900	3,775,250
Dividends received from subsidiaries	10	-	-	580,821,718	973,362,320
Dividends received from associates	11	33,924,374	-	-	-
Dividends received from joint venture	12	6,726,657	7,822,268	6,726,657	7,822,268
Proceeds from sales of property, plant, and equipment and intangible assets		2,199,247,464	1,386,982,616	66,233	2,103
Net proceeds (payments) from short-term investments		797,916,029	(869,432,924)	579,147,895	(536,974,299)
Proceeds from returns of capital from subsidiaries and sales of investments in subsidiaries	10	33,480,000	2,135,049,364	33,480,000	-
Proceeds from sales of investments in associates		-	743,780,794	-	-
Proceeds from settlement of short-term loans to related parties		-	-	5,021,849,798	2,270,636,949
Proceeds from settlement of long-term loans to related parties	31.4	4,000,000	4,000,000	102,622,182	553,669,756
Net cash payments from investing activities		(3,955,332,979)	(10,883,103,314)	(284,896,240)	(7,656,553,139)
Cash flows from financing activities					
Proceeds from short-term loans from related parties		-	-	1,560,431,975	5,238,970,246
Proceeds from long-term loans from financial institutions	19	4,210,109,288	6,684,969,790	-	2,601,528,180
Proceeds from Thai Baht bonds	22	-	4,000,000,000	-	4,000,000,000
Proceeds from minorities for issuance of new shares in subsidiaries		12,863,375	1,568,987,479	-	-
Net proceeds (repayments) of short-term loans from financial institutions		(192,742,036)	147,251,345	-	-
Repayments of short-term loans from related parties		(3,000,000)	-	(104,135,537)	(2,541,340,860)
Repayments of long-term loans and finance lease liabilities		(2,985,618,702)	(3,243,967,332)	-	(2,581,332,739)
Payments for arrangement fee of Thai Baht bonds	22	-	(7,243,900)	-	(7,243,900)
Payments for convertible bond redemption	22	(1,194,287,799)	(1,162,455,140)	(1,194,287,799)	(1,162,455,140)
Payments for convertible bond cancellation	22	-	(358,293,277)	-	(358,293,277)
Dilution in share premium in a subsidiary		-	(46,850,443)	-	-
Dividends paid from a subsidiary to minorities		(195,073,350)	-	-	-
Dividends paid to shareholders	29	(537,143,446)	(379,475,828)	(537,143,446)	(379,475,828)
Net cash receipts (payments) from financing activities		(884,892,670)	7,202,922,694	(275,134,807)	4,810,356,682

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 2011 and 2010

		Consolidated		Company	
	Notes	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Net decrease in cash and cash equivalents		(4,695,234,007)	(2,027,682,742)	(1,006,699,487)	(3,260,560,242)
Cash and cash equivalents at the beginning of the year		8,452,642,192	10,718,892,581	1,737,995,202	5,094,123,584
		3,757,408,185	8,691,209,839	731,295,715	1,833,563,342
Effect of deconsolidation	10	(36,652,929)	-	-	-
Effect of exchange rate changes on cash		74,330,386	(238,567,647)	34,419,039	(95,568,140)
Cash and cash equivalents at the end of the year		3,795,085,642	8,452,642,192	765,714,754	1,737,995,202
Cash and cash equivalents as at 30 September comprise:					
Cash and cash equivalents	5	3,797,377,842	8,458,186,441	765,714,754	1,737,995,202
Bank overdrafts		(2,292,200)	(5,544,249)	-	-
		3,795,085,642	8,452,642,192	765,714,754	1,737,995,202

Non-cash transactions

Significant non-cash transactions during the years that ended on 30 September 2011 and 2010 are as follows:

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Unpaid liabilities from dry-docking	8,574,850	26,716,899	-	-
Unpaid liabilities from purchase of fixed assets and intangible assets	21,834,356	37,506,361	1,238,862	11,221,558
Unpaid liabilities from finance lease agreements	-	1,835,461	-	-
Dividend receivables from an associates	54,914,893	21,818,442	-	-
Dividend income offsetting with short-term loans from subsidiaries	-	-	511,002,773	2,193,897,549
Dividend payables	4,078,865	4,115,075	4,078,865	4,115,075

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 2011 and 2010

1 General information

Thoresen Thai Agencies Public Company Limited (the ìCompanyî) 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 Companyís 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 ìGroupî.

The principal business operations of the Company and its subsidiaries (the ìGroupî) involve the ownership of dry bulk vessels, certain shipping services, offshore oil and gas services, sales of fertilisers, coal trading, and logistics. The Groupís activities can be separated into four main categories, namely transport, infrastructure, energy, and the holding company.

These consolidated and Company financial statements are authorised for issue by the Board of Directors on 28 November 2011.

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 (TAS) issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission (ìSECî) under the Securities and Exchange Act.

The consolidated and Company financial statements have been prepared under the historical cost convention, except certain short-term investments and employee benefits 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 managementís 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 accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework

a) Accounting framework

The amendment of accounting framework is effective on 26 May 2010.

b) New accounting standards, new financial reporting standards, and amendments to accounting standards

The following new accounting standards, new financial reporting standards, and amendments to accounting standards which are considered having impact to the Group:

Effective for the periods beginning on or after 1 January 2011

TAS 1	(Revised 2009)	Presentation of Financial Statements
TAS 16	(Revised 2009)	Property, Plant and Equipment
TAS 23	(Revised 2009)	Borrowing Costs
TAS 24	(Revised 2009)	Related Party Disclosures
TAS 27	(Revised 2009)	Consolidated and Separate Financial Statements
TAS 28	(Revised 2009)	Investments in Associates
TAS 40	(Revised 2009)	Investment Property
TFRS 3	(Revised 2009)	Business Combinations

Effective for the periods beginning on or after 1 January 2013

TAS 12		Income taxes
TAS 21	(Revised 2009)	The Effects of Changes in Foreign Exchange Rates

TAS 1 (Revised 2009), the revised standard requires an entity to present the statement of comprehensive income and an entity can choose to present one statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning comparative period in addition to the current requirement to present a statement of financial position at the end of the current period and comparative period. However, for the financial statements whose period begins on or after 1 January 2011 and are the first period apply this standard, an entity can choose to present a statement of financial position only without the statement of financial position as at the beginning comparative period. The Group will apply TAS 1 (Revised 2009) from 1 October 2011. It is likely that both income statement and statement of comprehensive income will be presented as one statement.

TAS 12 deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured by based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Group will apply this standard from 1 October 2013 retrospectively with an expectation to incur deferred tax account and changes in retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

2 Accounting policies (Continued)

2.2 New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework (Continued)

b) New accounting standards, new financial reporting standards, and amendments to accounting standards (Continued)

TAS 16 (Revised 2009), the revised standard requires the entity to include in the cost of property, plant, and equipment, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has an obligation to do so. An entity requires that an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised standard also requires an entity to review useful life, residual value, and depreciation method at least at each financial year-end. The Group will apply this standard from 1 October 2011. The management is currently assessing the impact of applying this standard.

TAS 21 (Revised 2009) requires an entity to determine its functional currency which is a currency of the primary economic environment in which the entity operates. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rate of monetary items denominated in foreign currency are recognised in profit or loss. The results and financial position of all the group entities that have a functional currency difference from the presentation currency are translated in the presentation currency by a) assets and liabilities are translated at the closing rate at the date of that statement of financial position b) income and expenses are translated at exchange rate at the date of the transactions, and c) all resulting exchange differences are recognised in the statement of comprehensive income. The Group will apply this standard from 1 October 2013. The application of the standard will be accounted for retrospectively. The management is currently assessing the impact of applying this standard.

TAS 23 (Revised 2009), the revised standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply this standard prospectively from 1 October 2011.

TAS 24 (Revised 2009), the definition of related party has been expanded include parties with joint control over the entity, joint venture in which the entity is a venturer and post-employment benefit plan for the benefit of employees of an entity. The Group will apply the revised standard from 1 October 2011 which may impact only to the disclosure of related parties information in the notes to financial statements.

TAS 27 (Revised 2009), the revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and gain or loss is recognised in profit or loss. The Group will apply the standard prospectively to transactions with non-controlling interests from 1 October 2011.

TAS 28 (Revised 2009), on the loss of significant influence, the entity shall measure a remaining investment at fair value and recognise any gain or loss in profit or loss. The Group will apply the revised standard from 1 October 2011.

2 Accounting policies (Continued)

2.2 New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework (Continued)

b) New accounting standards, new financial reporting standards, and amendments to accounting standards (Continued)

TAS 40 (Revised 2009), the standard has specific presentation and measurement requirements for investment property. The entity has to present an investment property separately in the statement of financial position. The entity can choose to measure it either cost model or fair value model. Under fair value model, any changes in fair value are recognised in profit or loss. The entity will apply the standard from 1 October 2011.

TFRS 3 (Revised 2009), the revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interestís proportionate share of the acquireeís net assets. All acquisition-related costs should be expensed. The Group will apply the revised standard prospectively to all business combination from 1 October 2011.

The Groupís management has determined that the new accounting standards, new financial reporting standards, and amendments to accounting standards will not significantly impact the financial statements being presented.

2.3 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.

2.3.1 Allowance for inventories

Management estimates allowance for slow-moving of coals by considering average historical prices and trend of future selling prices. The expected selling price in the future may vary based on coal market price, market demand and domestic competition circumstance.

2.3.2 Property, plant, and equipment and intangible assets

Management determines the carrying value of property, plant, and equipment and intangible assets 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.

2.3.3 Impairment of property, plant, and equipment and intangible assets

The Group assesses impairment of property, plant, and equipment and intangible assets whenever events or changes in circumstances indicate the carrying amount of assets may not be recoverable in accordance with the accounting policies stated in Note 2.12 and 2.14. The recoverable amount is estimated by management.

2 Accounting policies (Continued)

2.3 Critical accounting estimates, assumptions, and judgements (Continued)

2.3.4 Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.13. 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.

2.3.5 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.

2.4 Investments in subsidiaries, associates, and joint ventures

Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies and generally means a shareholding of more than one half of the entity. The existence and effect of potential voting rights in another entity are considered when assessing whether the Group controls that 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 by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Groupís share of the identifiable net assets acquired is recorded as goodwill. If the 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. See Note 2.13 for the accounting policy on goodwill.

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.

In the Companyís separate financial statements, investments in subsidiaries are reported by using the cost method.

2 Accounting policies (Continued)

2.4 Investments in subsidiaries, associates, and joint ventures (Continued)

Investments in subsidiaries (Continued)

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 shareholdersí equity on the balance sheet.

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

Investments in associates

Associates are all entities over which the Group has significant influence but not outright control. The equity method of accounting for associate companies is adopted in the consolidated financial statements. In applying the equity method, the Groupís share of accumulated retained earnings and movements in reserves from the effective date on which the company became an associate and up to the effective date of disposal is recorded in the consolidated financial statements.

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 Groupís accounting policy for goodwill. The share of associated retained earnings and reserves is generally determined from the associateís 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 Groupís 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.

In the Companyís separate financial statements, investments in associates are accounted using the cost method.

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

Investments in joint ventures

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

In the Companyís separate financial statements, investments in joint ventures are accounted for using the cost method.

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

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

2 Accounting policies (Continued)

2.5 Foreign currency transactions

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

Transactions denominated in foreign currencies are translated into the entityís 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 Thai 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 Groupís 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 shareholdersí 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 translated at the exchange rates prevailing on the balance sheet date.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks but do not include deposits with banks which are held to maturity, and other short-term highly liquid investments with maturities of three months or less from the date of acquisition and bank overdrafts (if any). Bank overdrafts are included in current liabilities on the balance sheet.

2.7 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)

2.7 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 Thailandís quoted bid price. For other investments, fair value is estimated by reference to the current market value of similar instruments. The unrealised gains and losses of available-for-sale investments are recognised in equity.

When disposing part of the Groupís 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.

2.8 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at 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 during the year in which they are identified and recognised in the statements of income within administrative expenses.

2.9 Inventories

Inventories mainly represent materials, goods, and supplies relating to fertiliser, pesticide, and coal products which are 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.

2.10 Vessel supplies and spare parts

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

2 Accounting policies (Continued)

2.11 Long-term investments

Long-term investments which are classified as general investments are carried at cost less impairment (if any).

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 lower 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 to the statements of income.

When disposing part of the Groupís 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.

2.12 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 and impairments (if any).

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	3 - 20 years
New build support vessels	5 - 30 years
Ocean vessels (second-hand and new)	7 - 25 years
Second-hand support and supply vessels	5 - 16 years
Second-hand tender rigs	1 - 20 years
Machinery and equipment	5 - 15 years
Furniture, fixtures, and office equipment	3 - 10 years
Motor vehicles	5 - 6 years
Motor launches	10 years
Barges	5 - 10 years

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

2 Accounting policies (Continued)

2.12 Property, plant, and equipment (Continued)

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.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the statements of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profits.

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.

2.13 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Groupís share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported as a separate line in the consolidated balance sheet. 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 Accounting policies (Continued)

2.14 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 and impairment (if any). Amortisation is calculated using the straight-line method over their estimated or expected useful lives (5 - 20 years).

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an assetís fair value less costs to sell and value in use.

2.15 Other assets

Other assets mainly comprise deferred dry-docking expenses, insurance claims and prepaid long-term leases of land use rights. Deferred dry-docking expenses and prepaid long-term leases of land use rights 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 Accounting policies (Continued)

2.16 Accounting for leases

Where the Group is the lessee

Leases of assets, which substantially transfer all the risks, and rewards of ownership to the lessee 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 contains principal and interest charges 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.

2.17 Bonds

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

2.18 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 Accounting policies (Continued)

2.19 Share capital

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issue of new shares, other than in connection with business combination, are shown in equity as a deduction from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

Where the Company or its subsidiaries purchases the Companyís equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholdersí equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholdersí equity.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services 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 Groupís 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 statements of income 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 obligation, 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.

2 Accounting policies (Continued)

2.20 Revenue recognition (Continued)

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.

Dividend income

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

2.21 Dividend distribution

Dividend to the Companyís 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 Companyís shareholders.

2.22 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 Groupís 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 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.

2 Accounting policies (Continued)

2.22 Employee benefits (Continued)

(c) Retention incentives

The 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.

2.23 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.

2.24 Segment reporting

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

2.25 Financial instruments

The Groupís financial assets carried on the balance sheet include cash and cash equivalents, short-term investments, trade accounts receivable, and loans to related parties. The Groupís 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 cross currency and interest rate swap contracts, foreign currency forward contracts, and foreign currency collar contracts, respectively, are not recognised in the financial statements on inception.

Cross currency and interest rate swap contracts protect the Group from movements in exchange rates and interest rates. Any differential to be paid or received on a currency and interest rate swap contracts is recognised as a component of interest revenue or expense over the period of the contracts. Gains and losses on early termination of currency and interest rate swaps or on repayment of the borrowing are taken to the statements of income.

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 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.

3 Capital risk management

The Groupís objectives when managing capital are to safeguard the Groupís 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 bonds.

4 Business segment information

Segment information of the Groupís business activities is as follows:

	Consolidated					Bahtí000
	For the year that ended on 30 September 2011					
	Transport	Infrastructure	Energy	Holding	Elimination of inter-segment transaction	Total
Revenues from operations	5,860,359	6,487,686	5,542,823	700,570	(1,026,368)	17,565,070
Revenues from inter-segment	(325,715)	-	(83)	(700,570)	1,026,368	-
Revenues from outside customers	5,534,644	6,487,686	5,542,740	-	-	17,565,070
Operating profits (losses)	343,000	471,300	185,707	1,584,420	(1,549,269)	1,035,158
Share of profits in associates and joint venture						110,229
Finance costs						(733,938)
Income taxes						(342,277)
Net profits for the year						69,172
Property, plant, and equipment and intangible assets, net	14,007,488	1,472,870	10,996,874	928,013	2,023	27,407,268
Total assets						48,130,362

	Consolidated					Bahtí000
	For the year that ended on 30 September 2010					
	Transport	Infrastructure	Energy	Holding	Elimination of inter-segment transaction	Total
Revenues from operations	10,524,907	4,897,248	3,476,365	515,918	(1,494,979)	17,919,459
Revenues from inter-segment	(958,426)	(20,635)	-	(515,918)	1,494,979	-
Revenues from outside customers	9,566,481	4,876,613	3,476,365	-	-	17,919,459
Operating profits (losses)	962,706	455,443	(180,273)	3,478,527	(3,271,787)	1,444,616
Share of profits in associates and joint venture						80,306
Finance costs						(602,366)
Income taxes						(255,848)
Net profits for the year						666,708
Property, plant, and equipment and intangible assets, net	12,396,940	1,509,519	11,777,535	1,052,539	9,728	26,746,261
Total assets						48,873,463

5 Cash and cash equivalents

	Consolidated 2011 Baht'000	Consolidated 2010 Baht'000	Company 2011 Baht'000	Company 2010 Baht'000
Cash on hand	6,391	6,739	92	58
Deposits at banks	3,290,987	8,451,447	265,623	1,737,937
Bills of exchange	500,000	-	500,000	-
Cash and cash equivalent	3,797,378	8,458,186	765,715	1,737,995

As at 30 September 2011, deposits held at call with banks bear interest at the rates between 0% to 14% per annum (2010: 0.10% to 6.86% per annum). A one-month bill of exchange bears interest at the rate of 3.62% per annum.

6 Short-term investments

	Consolidated 2011 Baht'000	Consolidated 2010 Baht'000	Company 2011 Baht'000	Company 2010 Baht'000
Equity securities	421,114	386,817	110,418	83,893
Debt securities	175,000	888,098	175,000	777,961
Fixed deposits	375,338	613,135	-	-
Other investments	17,197	17,280	17,197	17,281
	988,649	1,905,330	302,615	879,135
Changes in fair value	(4,717)	50,972	(10,696)	12,917
Short-term investments	983,932	1,956,302	291,919	892,052

7 Trade accounts receivable, net

	Consolidated 2011 Baht'000	Consolidated 2010 Baht'000	Company 2011 Baht'000	Company 2010 Baht'000
Trade accounts receivable, gross	2,526,579	1,698,647	-	-
Accrued income	373,840	225,278	-	-
	2,900,419	1,923,925	-	-
Less Allowance for doubtful accounts	(181,316)	(271,341)	-	-
Trade accounts receivable, net	2,719,103	1,652,584	-	-

7 Trade accounts receivable, net (Continued)

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

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Current	1,372,511	1,073,017	-	-
Overdue below 3 months	795,534	223,109	-	-
Overdue 3 - 6 months	6,140	44,051	-	-
Overdue 6 - 12 months	197,857	40,000	-	-
Overdue more than 12 months	154,537	318,470	-	-
Total	2,526,579	1,698,647	-	-
Less Allowance for doubtful accounts	(181,316)	(271,341)	-	-
	2,345,263	1,427,306	-	-

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

8 Inventories, net

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Raw materials	181,787	162,983	-	-
Raw materials in transit	123,962	33,095	-	-
Finished goods	2,036,783	1,889,980	-	-
Semi-finished goods	23,364	18,560	-	-
Tools and supplies	28,525	26,091	-	-
Total	2,394,421	2,130,709	-	-
Less Allowance for slow-moving and obsolete inventories - finished goods	(130,508)	(131,128)	-	-
Inventories, net	2,263,913	1,999,581	-	-

As at 30 September 2011, a subsidiary mortgaged its inventories to a bank to secure its loan for a total value of Baht 1,028 million as mentioned in Note 19 (2010: Nil).

9 Other current assets, net

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Advances for business expenses	377,517	249,135	-	-
Other account receivables	175,766	37,147	26,834	591
Value added tax refundable	151,693	145,822	8,792	10,608
Prepaid income taxes	48,857	23,726	1,495	3,526
Advances to employees	23,153	44,129	171	48
Accrued interest income	78,609	49,633	878	667
Restricted deposit at a financial institution due within 1 year	206,484	-	-	-
Other current assets	76,094	33,242	227	987
	1,138,173	582,834	38,397	16,427
Less Allowance for impairment	(32,542)	(44,310)	-	-
Other current assets, net	1,105,631	538,524	38,397	16,427

The restricted deposit at a financial institution, which matures in September 2012, is pledged against the interest swap contract provided by that financial institution.

10 Investments in subsidiaries, net

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 2011	30 September 2010
Holdings				
- Soleado Holdings Pte. Ltd.	Holding company	Singapore	100.0	100.0
With subsidiaries as follows:				
- EMC Gestion S.A.S.	î	France		
- Atlantis Offshore Construction Pte. Ltd.	î	Singapore		
- Baconco Co., Ltd.	Fertiliser production	Vietnam		
With associates as follows:				
- Qing Mei Pte. Ltd.	Coal mining	Singapore		
- Baria Serece	Port operations	Vietnam		
- Petrolift Inc.	Maritime transportation services	Philippines		
- Athene Holdings Ltd.	Holding company	Thailand	99.9	99.9

10 Investments in subsidiaries, net (Continued)

Name of subsidiaries	Nature of business	Country of incorporation	% Ownership interest 30 September 2011	30 September 2010
Transport				
- Thoresen & Company (Bangkok) Limited	Ship management	Thailand	99.9	99.9
- Thor Dynamic Shipping Co., Ltd.	International maritime transportation	Thailand	99.9	99.9
- Thor Endeavour Shipping Co., Ltd.	î	Thailand	99.9	99.9
- Thor Energy Shipping Co., Ltd.	î	Thailand	99.9	99.9
- Thor Enterprise Shipping Co., Ltd.	î	Thailand	99.9	99.9
- Thor Harmony Shipping Co., Ltd.	î	Thailand	99.9	99.9
- Thor Integrity Shipping Co., Ltd.	î	Thailand	99.9	99.9
- Thor Jupiter Shipping Co., Ltd.	î	Thailand	99.9	99.9
- Thor Wind Shipping Co., Ltd.	î	Thailand	99.9	99.9
- Thor Wave Shipping Co., Ltd.	î	Thailand	99.9	99.9
- Thoresen Shipping Singapore Pte. Ltd.	î	Singapore	100.0	100.0
With subsidiaries as follows:				
- Thor Friendship Shipping Pte. Ltd.	î	Singapore		
- Thor Fortune Shipping Pte. Ltd.	î	Singapore		
- Thor Horizon Shipping Pte. Ltd.	î	Singapore		
- Thoresen Chartering (HK) Ltd.	î	Hong Kong	99.9	99.9
- Thoresen Shipping Germany GmbH	î	Germany	100.0	100.0
- Thor Orchid Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Mercury Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Mariner Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Merchant Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Navigator Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Captain Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Hermes Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Pilot Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Master Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Commander Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Transporter Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Nereus Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Herakles Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Heron Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Nectar Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Jasmine Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Champion Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Star Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Skipper Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Sailor Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Sun Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Sky Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Spirit Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Sea Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Lotus Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Trader Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Traveller Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Venture Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Triumph Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Guardian Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Confidence Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Nautica Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Neptune Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Nexus Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Tribute Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Alliance Shipping Co., Ltd.*	î	Thailand	99.9	99.9
- Thor Nautilus Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- Thor Transit Shipping Co., Ltd. *	î	Thailand	99.9	99.9
- PT Perusahaan Pelayaran Equinox	Maritime transportation services	Indonesia	49.0	49.0
With an associate as follows:				
- PT Usaha Putra Bersama	Land transportation	Indonesia		
- ISS Thoresen Agencies Ltd. **	Ship agency	Thailand	49.0	99.9
- Fearnleys (Thailand) Ltd.***	Ship brokerage	Thailand	49.0	51.0
With subsidiaries as follows:				
- PT. Fearnleys Indonesia*	î	Indonesia		
- Fearnleys Shipbroking Private Limited	î	India		
- Fearnleys Dry Cargo (Singapore) Pte. Ltd.	î	Singapore		
- Thoresen Chartering (PTE) Ltd.*	î	Singapore	100.0	100.0
- T.S.C. Maritime Ltd.*	Ship spare parts and equipment repair and maintenance	Thailand	99.9	99.9
- Asia Coating Services Ltd.*	Coating services	Thailand	99.9	99.9
- Thoresen Shipping FZE	Ship agency	UAE	100.0	100.0
With an associate as follows:				
- Sharjah Ports Services LLC	Port operations	UAE		

10 Investments in subsidiaries, net (Continued)

Name of subsidiaries	Nature of business	Country of incorporation	% Ownership interest	
			30 September 2011	30 September 2010
Energy				
- Mermaid Maritime Public Company Limited	Offshore services investments	Thailand	57.1	57.1
With subsidiaries as follows:				
- Mermaid Offshore Services Ltd.	Turn-key diving ROV and NDT services to offshore industries	Thailand		
With subsidiaries as follows:				
- Nemo Subsea AS	Vessel owner	Norway		
- Nemo Subsea IS	î	Norway		
- Seascape Surveys (Thailand) Ltd.	Test and explore environmental impact of petroleum exploration and telecommunication	Thailand		
- Seascape Surveys Pte. Ltd.	î	Singapore		
With a subsidiary as follows:				
- PT Seascape Surveys Indonesia	î	Indonesia		
- Subtech Ltd.	Diving and subsea contractor	Seychelles		
With subsidiaries as follows:				
- Subtech Qatar Diving and Marine Services LLC	Diving Services	Qatar		
- Subtech Saudi Arabia Limited	î	Saudi Arabia		
- Mermaid Offshore Services PTY LTD	Turn-key diving ROV and NDT services to offshore industries	Australia		
- Mermaid Offshore Services Pte. Ltd.	î	Singapore		
- 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.	î	Thailand		
- Mermaid Drilling (Malaysia) Sdn. Bhd.	î	Malaysia		
- MTR-1 (Singapore) Pte. Ltd.	î	Singapore		
- MTR-2 (Singapore) Pte. Ltd.****	î	Singapore		
- Mermaid Drilling (Singapore) Pte. Ltd.	Production and exploration drilling services and support to offshore industries	Singapore		
With a subsidiary as follows:				
- MTR-3 (Singapore) Pte. Ltd.	î	Singapore		
- Mermaid Training and Technical Services Ltd.*	Sub-sea engineering training and examination services	Thailand		
With an associate as follows:				
- Asia Offshore Drilling Limited	Drilling services	Bermuda	33.8	
With subsidiaries as follows:				
- Asia Offshore Rig 1 Limited	î	î		
- Asia Offshore Rig 2 Limited	î	î		
- Asia Offshore Rig 3 Limited	î	î		
- Asia Offshore Drilling Pte. Ltd.	î	Singapore		

10 Investments in subsidiaries, net (Continued)

Name of subsidiaries	Nature of business	Country of incorporation	% Ownership interest 30 September 2011	% Ownership interest 30 September 2010
Infrastructure				
- Chidlom Marine Services & Supplies Ltd.	Supply cargo lashing materials	Thailand	99.9	99.9
- GAC Thoresen Logistics Ltd.	Warehousing	Thailand	51.0	51.0
- Unique Mining Services Public Company Limited (invested by Athene Holdings Ltd.) With subsidiaries as follows:	Sale of coal	Thailand	88.7(1)	89.6
- UMS Coalbriquette Co., Ltd.	Sale of coal briquette	Thailand		
- UMS Lighter Co., Ltd.	Boat conveyance	Thailand		
- UMS Transport Co., Ltd.	Road transport	Thailand		
- UMS Port Services Co., Ltd.	Port service	Thailand		
- Baconco Co., Ltd. ***** (invested by Soleado Holdings Pte. Ltd.)	Fertiliser production	Vietnam	100.0	100.0

* Ceased operation as of 30 September 2011.

** On 18 March 2011, the Company entered into a Share Sale and Purchase Agreement with third parties to sell and transfer 51% ownership of ISS Thoresen Agencies Ltd. After this sale, ISS Thoresen Agencies Ltd. is classified as an associate company (Note 11).

*** On 19 November 2010, the Company entered into a Share Sale and Purchase Agreement with its partner, Fearnleys A/S, to sell and transfer 2% shares of Fearnleys (Thailand) Ltd. After this sale, Fearnleys (Thailand) Ltd. is classified as an associate company (Note 11).

**** On 29 November 2010, Mermaid Maritime Public Company Limited (ìMMPLCî) entered into a Share Sale and Purchase Agreement with Mermaid Drilling Ltd. to sell and transfer shares of MTR-2 (Singapore) Pte. Ltd.

***** In April 2011, Baria Vung Tau Industrial Zone Authority approved the change of investor in the investment license of Baconco Co., Ltd. from EMC Gestion S.A.S. to Soleado Holdings Pte. Ltd. (ìSoleadoî) EMC Gestion S.A.S was liquidated on 27 September 2011.

(1) On 6 November 2010, the warrants of UMS expired. There were 1,293,162 shares issued on the last exercise date of the warrants. Thus, the ownership in UMS by Athene Holdings Limited reduced from 89.6% to 88.7%.

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

	Company 2011 Bahtí000	Company 2010 Bahtí000
Opening balance	15,863,624	14,529,626
Additional investments	5,635	1,333,998
Disposals	(26,099)	-
Changes of investments from subsidiaries to associates (Note 11)	(42,368)	-
	15,800,792	15,863,624
Less Allowance for impairment	(76,832)	-
Closing balance	15,723,960	15,863,624

10 Investments in subsidiaries, net (Continued)

Significant additional investments during the year that ended on 30 September 2011 are as follows:

Subsidiaries - MMPLC

- On 28 March 2011, Mermaid Offshore Services Ltd. (ìMOSî), a subsidiary of MMPLC, subscribed to 100 ordinary shares with a par value of USD 1 constituting 100% of the total issued and paid-up share capital of Mermaid Offshore Services Pte. Ltd. The total subscription value was USD 100.

- On 26 May 2011, Subtech Ltd., a subsidiary of MMPLC, subscribed to 3,500 ordinary shares with a par value of SAR 100 constituting 70% of the total issued and paid-up share capital of Subtech Saudi Arabia Limited. The total subscription value was SAR 350,000.

Significant additional investments during the year that ended on 30 September 2010 are as follows:

The Company

- On 13 November 2009, the Company and a subsidiary, Soleado Holdings Pte. Ltd., subscribed for 86,221,201 ordinary shares and 52,941,870 ordinary shares, respectively, of MMPLCís rights issue. The payments of Baht 1,334 million and Baht 803 million were made on 19 November 2009 by the Company and Soleado Holdings Pte. Ltd., respectively.

Subsidiaries - Athene Holdings Ltd.

- On 26 October 2009, Athene Holdings 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 (ìUMSî), a company listed in Market for Alternative Investment (ìMAIî), from two major shareholders at Baht 23 per share. On the same date, the subsidiary also acquired UMSís 3,222,100 units of warrants, representing 5.55% of total remaining warrants at Baht 14.6579 per unit. This acquisition required Athene Holdings Ltd. to make a mandatory tender offer for all shares held by remaining shareholders and all warrants held by remaining warrant holders.

- As the result of the tender offer due on 14 December 2009, Athene Holdings Ltd. acquired an additional 62,433,875 ordinary shares, representing another 41.08% of paid-up capital of UMS, and an additional 53,231,119 units of warrants, representing 91.65% of total remaining warrants.

Subsidiaries - MMPLC

- On 26 October 2009, 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. Total purchase values were Baht 376.6 million.

- On 12 March 2010, MOS purchased the entire issued shares of Subtech Ltd. for USD 7.5 million from Subtech (Proprietary) Ltd.

- On 1 April 2010, MMPLC entered into shares sale and purchase agreements with Mermaid Drilling (Singapore) Pte. Ltd., (ìMDSî) a subsidiary of MMPLC, for the purchase of the shares in MTR-1 (Singapore) Ltd., and MTR-2 (Singapore) Ltd.

10 Investments in subsidiaries, net (Continued)

Disposals of investments during the year that ended on 30 September 2011 are as follows:

The Company

On 19 November 2010, the Company entered into a Share Sale and Purchase Agreement with its partner, Fearnleys A/S, to sell and transfer 2% shares of Fearnleys (Thailand) Ltd. Consequently, Fearnleys (Thailand) Ltd. is classified as an associate company and its financial statements have been deconsolidated accordingly.

Details of the disposal are as follows:

	19 November 2010	
	Consolidated Bahtí000	Company Bahtí000
Sales consideration	2,880	2,880
Net book value of investments in subsidiary	2,365	600
Gains on disposal of investments in subsidiary	515	2,280

On 18 March 2011, the Company entered into a Share Sale and Purchase Agreement with third parties to sell and transfer 51% shares of ISS Thoresen Agencies Ltd. Consequently, ISS Thoresen Agencies Ltd. is classified as an associate company and its financial statements have been deconsolidated accordingly.

Details of the disposal are as follows:

	18 March 2011	
	Consolidated Bahtí000	Company Bahtí000
Sales consideration	30,600	30,600
Net book value of investments in subsidiary	31,601	25,499
Gains (losses) on disposal of investments in subsidiary	(1,001)	5,101

From this change of shareholding structure, the excess of carrying value over purchase consideration of acquisition under common control amounting to Baht 124.5 million was recognised through retained earnings during the year.

Subsidiaries - MMPLC

- On 29 November 2010, MMPLC entered into a Share Sale and Purchase Agreement with Mermaid Drilling Ltd., a subsidiary of MMPLC, to sell MTR - 2 (Singapore) Pte. Ltd. (ìMTR2 - Sî) 1 share with a par value of USD 1, constituting 100% of the total issued and paid-up share capital of MTR2 - S. The total purchase value was USD 1.

10 Investments in subsidiaries, net (Continued)

Disposals of investments during the year that ended on 30 September 2010 are as follows:

Subsidiaries - MMPLC

- During the year that ended on 30 September 2010, MDS, a subsidiary of MMPLC, sold its investments in an associate and subsidiaries which were Kencana Mermaid Drilling Sdn. Bhd., an associate, Mermaid Kencana Rig 1 Pte. Ltd., and Mermaid Kencana Rigs (Labuan) Pte. Ltd. for a loss of Baht 180.9 million.

Dividend income

During the year that ended on 30 September 2011, the Company received dividend income from subsidiaries amounting to Baht 1,085.7 million (2010: Baht 3,167.3 million).

11 Investments in associates

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 2011	% Ownership interest 30 September 2010
Company financial statements				
Transport				
- Gulf Agency Company (Thailand) Ltd.	Ship agency	Thailand	51.0*	51.0*
Consolidated financial statements				
Transport				
- PT Usaha Putra Bersama (invested by PT Perusahaan Pelayaran Equinox)	Land transportation	Indonesia	25.6	25.6
- Sharjah Ports Services LLC (invested by Thoresen Shipping FZE)	Port operations	UAE	49.0	49.0
- Petrolift Inc. (invested by Soleado Holdings Pte. Ltd.)	Maritime transportation services	Philippines	40.0	38.8
- Baria Serece (invested by Soleado Holdings Pte. Ltd.)	Port operations	Vietnam	20.0	-
- Fearnleys (Thailand) Ltd.	Ship brokerage	Thailand	49.0**	-
With subsidiaries as follows:				
- PT. Fearnleys Indonesia	î	Indonesia		
- Fearnleys Shipbroking Private Limited	î	India		
- Fearnleys Dry Cargo (Singapore) Pte. Ltd.	î	Singapore		
- ISS Thoresen Agencies Ltd.	Ship agency	Thailand	49.0**	-
Energy				
- Asia Offshore Drilling Limited (invested by MMPLC)	Drilling services	Bermuda	33.8	-
With subsidiaries as follows:				
- Asia Offshore Rig 1 Limited	î	î		
- Asia Offshore Rig 2 Limited	î	î		
- Asia Offshore Rig 3 Limited	î	î		
- Asia Offshore Drilling Pte. Ltd.	î	Singapore		
- Merton Group (Cyprus) Ltd. (invested by Soleado Holdings Pte. Ltd.)	Coal mining	Philippines	24.3	21.2
- Qing Mei Pte. Ltd. (invested by Soleado Holdings Pte. Ltd.)	î	Singapore	33.3	-

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

** Reclassification as the result of shares disposal (Note 10).

11 Investments in associates (Continued)

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

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Opening balance	1,182,453	656,181	11,213	11,213
Adjustments	-	(9,459)	-	-
Additional investments	2,376,517	904,521	-	-
Changes of investments from subsidiaries to associates (Note 10)	88,266	-	42,368	-
Disposal investments	-	(407,747)	-	-
Share of profits in associates	93,924	60,775	-	-
Dividends received	(65,690)	(21,818)	-	-
Closing balance	3,675,470	1,182,453	53,581	11,213

Significant additional investments during the year that ended on 30 September 2011 are as follows:

Subsidiaries - Soleado Holdings Pte. Ltd.

- On 19 November 2010, Soleado acquired 407,816 ordinary shares, representing 20% of paid-up capital of Baria Serece, a company incorporated in Vietnam, for USD 11.0 million, or Baht 331.3 million.

- On 25 January 2011, Soleado acquired an additional 14,684,025 shares, representing 1.2% ownership in Petrolift, from an existing shareholder at a total purchase price of USD 839,520, or Baht 25.2 million.

- On 22 March 2011, Soleado together with Merton Group (Cyprus) Ltd., an associate, entered into a strategic partnership with a business partner, Britmar (Asia) Pte. Ltd. (ìBritmarî), to establish a new company, Qing Mei Pte. Ltd. (ìQing Meiî). Soleado, Merton Group (Cyprus) Ltd., and Britmar each invested 33.33% or USD 1.6 million, which is equivalent to Baht 48.3 million, in Qing Mei. On 24 May 2011, all parties participated in rights offering of Qing Mei. Soleado subscribed for an additional 500,000 ordinary shares of Qing Mei at a total purchase price of USD 500,000, or Baht 15.1 million. The ownership in Qing Mei remains the same.

- On 24 June 2011, Soleado participated in rights offering of Merton Group (Cyprus) Ltd.. Soleado acquired an additional 1,019 ordinary shares, representing 3.1% ownership in Merton Group (Cyprus) Ltd., at a total purchase price of USD 1,528,500, or Baht 46.2 million. The percentage of shareholdings by Soleado in Merton Group (Cyprus) Ltd. increased from 21.18% to 24.31%.

11 Investments in associates (Continued)

Significant additional investments during the year that ended on 30 September 2011 are as follows: (Continued)

Subsidiaries - MMPLC

- On 1 November 2010, MMPLC subscribed to 100 ordinary shares in Asia Offshore Drilling Limited (ì AODî) with a par value of USD 1 per share, at a subscription price of USD 1 per share, totalling USD 100 or Baht 2,983.8. On 16 November 2010, MMPLC acquired another 9,800,000 ordinary shares in AOD with a par value of USD 1 per share, at a subscription price of USD 5 per share, totalling USD 49.0 million or Baht 1,456.6 million. The total subscribed shares represent 49% of the total paid-up share capital of AOD.

- On 1 November 2010, AOD subscribed to each of 100 ordinary shares with a par value of USD 1 constituting 100% of the total issued and paid-up share capital of Asia Offshore Rig 1 Limited ("AOR1") and Asia Offshore Rig 2 Limited ("AOR2"). The total subscription value was USD 100 each for AOR1 and AOR2.

- On 28 March 2011, AOD subscribed to 100 ordinary shares with a par value of USD 1 constituting 100% of the total issued and paid-up share capital of Asia Offshore Drilling Pte. Ltd. The total subscription value was USD 100.

- On 30 March 2011, AOD subscribed to each of 35,999,900 ordinary shares with a par value of USD 1 constituting 100% of the total issued and paid-up share capital of AOR1 and AOR2. The total subscription value was USD 35,999,900 each for AOR1 and AOR2.

- On 1 July 2011, AOD subscribed to 100 ordinary shares with a par value of USD 1 constituting 100% of the total issued and paid-up share capital of Asia Offshore Rig 3 Limited (ì AOR3î). The total subscription value was USD 100.

- On 1 July 2011, AOD issued 20,000,000 new shares of which the subscription price is USD 4 per share through the Private Placement. MMPLC subscribed for an additional 3,700,000 shares totalling USD 14.8 million or equivalent to Baht 447.2 million in AOD, resulting in MMPLCís shareholding in AOD to be reduced from 49% to 33.75%.

- On 15 July 2011, AODís shares were listed on the Oslo Axess in Norway.

11 Investments in associates (Continued)

Significant additional investments during the year that ended on 30 September 2010 are as follows:

Subsidiaries - Soleado Holdings Pte. Ltd.

- On 2 April 2010, Soleado Holdings Pte. Ltd., the wholly owned subsidiary, acquired 489,056,155 ordinary shares, representing 38.83% of the paid-up capital of Petrolift Inc., a company incorporated in the Philippines amounting to USD 28.0 million or Baht 900.1 million.

Disposals of investments during the year that ended 30 September 2010 are as follows:

Subsidiaries - MMPLC

- On 10 June 2010, MMPLC acquired 9,007,407 ordinary shares in Worldclass Inspiration Sdn. Bhd. (ìWCIî) from its subsidiary, MOS, with a par value of RM 1 per share, at a subscription price of RM 4.6 per share, totalling RM 41.7 million, or equivalent to Baht 410 million. The subscribed shares represent 25% of the total paid-up share capital of WCI. On 9 July 2010, MMPLC subsequently sold its entire investment in WCI to a third party for a gain of Baht 343.3 million.
- On 21 June 2010, MDS, a subsidiary, sold its entire investment in Kencana Mermaid Drilling Sdn. Bhd. to a third party for a gain of Baht 0.4 million.

The Groupís 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:

	2011					
Name	Assets Bahtí000	Liabilities Bahtí000	Revenues Bahtí000	Profit (loss) Bahtí000	% Interest held	Profit (loss) sharing Bahtí000
Gulf Agency Company (Thailand) Ltd.	139,747	117,590	806,785	1,636	51.0	834
Petrolift Inc.	3,563,789	1,632,689	1,078,446	287,690	40.0	114,496
Merton Group (Cyprus) Ltd.	1,021,667	568,720	69,450	(96,240)	24.3	(19,416)
Baria Serece	1,015,362	283,897	434,356	116,715	20.0	23,343
Asia Offshore Drilling Limited	5,502,059	263,284	-	(117,252)	33.8	(41,773)
						77,484
Add Minor indirect investments						16,440
						93,924

11 Investments in associates (Continued)

The Groupís 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: (Continued)

	2010					
Name	Assets Bahtí000	Liabilities Bahtí000	Revenues Bahtí000	Profit (loss) Bahtí000	% Interest held	Profit (loss) sharing Bahtí000
Gulf Agency Company (Thailand) Ltd.	162,265	140,112	943,105	(9,962)	51.0	(5,081)
Petrolift Inc.	3,259,760	1,530,761	451,194	133,542	38.8	51,860
Merton Group (Cyprus) Ltd.	819,222	380,857	-	(27,307)	21.2	(5,783)
						40,996
Add Minor indirect investments						19,779
						60,775

12 Investment in joint venture

The joint venture entity is:

Name of joint venture	Nature of business	Country of incorporation	% Ownership interest 30 September 2011	% Ownership interest 30 September 2010
Thoresen (Indochina) S.A.	Ship agency	Panama	50.0	50.0
With a subsidiary as follows:				
- Thoresen-Vinama Agencies Co., Ltd.	Ship agency and related services	Vietnam		

The joint venture engages in the business of shipping agency and provides related services operating in Vietnam. The share of assets, liabilities, revenues, and results of the joint venture is not disclosed, since it is not material to the consolidated financial statements.

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

	Consolidated 2011 Bahtí000	Consolidated 2010 Bahtí000	Company 2011 Bahtí000	Company 2010 Bahtí000
Opening balance	54,315	42,606	8,771	8,771
Share of profits in joint venture	16,305	19,531	-	-
Dividends received	(6,727)	(7,822)	-	-
Closing balance	63,893	54,315	8,771	8,771

The investment in the joint venture in the consolidated and Company financial statements includes a net goodwill amounting to Baht 3.8 million (2010: Baht 3.8 million) in respect of the acquisition of the joint venture.

13 Goodwill, net

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

	Consolidated	
	2011 Baht'000	2010 Baht'000
Opening net book value	3,834,040	933,374
Additions	-	2,900,666
	3,834,040	3,834,040
Less: Allowance for impairment	(16,580)	-
Closing net book value	3,817,460	3,834,040

Impairment loss of goodwill in 2011 was due to the fact that the recoverable amount of the investment is less than its net book value amount.

The additional goodwill in 2010 arose in connection with the acquisitions of shares in Subtech Ltd. and Unique Mining Services Public Company Limited.

14 Property, plant, and equipment, net

Consolidated (Baht'000)

	Land	Buildings and factories	Building improvements	Ocean vessels, support vessels, supply vessels, and tender rigs	Furniture, fixtures, machinery, and equipment	Motor vehicles	Motor launches	Barges	Construction in progress	Total
At 30 September 2010										
Cost	622,891	1,208,830	162,001	27,144,470	3,300,258	155,478	3,868	138,574	2,205,355	34,941,725
Less Accumulated depreciation	-	(335,832)	(90,558)	(7,316,964)	(1,220,398)	(87,956)	(3,592)	(27,905)	-	(9,083,205)
Allowance for impairment	(2,015)	-	-	-	-	-	-	-	-	(2,015)
Net book value	620,876	872,998	71,443	19,827,506	2,079,860	67,522	276	110,669	2,205,355	25,856,505
Add Deposits for purchases of ocean vessels	-	-	-	185,536	-	-	-	-	-	185,536
	620,876	872,998	71,443	20,013,042	2,079,860	67,522	276	110,669	2,205,355	26,042,041
For the year that ended on 30 September 2011										
Opening net book value	620,876	872,998	71,443	20,013,042	2,079,860	67,522	276	110,669	2,205,355	26,042,041
Additions	-	11,858	2,573	1,720,971	172,218	10,808	528	-	2,170,122	4,089,078
Deconsolidation due to disposals of investments in subsidiaries	-	-	-	-	(3,762)	(1,180)	(249)	-	-	(5,191)
Transfer-in (out)	-	11,099	14,614	1,569,611	37,224	484	1,112	-	(1,634,144)	-
Disposals, net	-	-	-	(1,212,942)	(38,447)	(16,560)	(116)	-	(964)	(1,269,029)
Depreciation charge	-	(62,777)	(15,999)	(1,523,139)	(350,242)	(23,010)	(524)	(10,775)	-	(1,986,466)
Impairment charge	(1,149)	-	-	(132,082)	-	-	-	-	(226,163)	(359,394)
Translation adjustments	-	(11,052)	138	238,907	(4,013)	(720)	190	-	65,252	288,702
Closing net book value	619,727	822,126	72,769	20,674,368	1,892,838	37,344	1,217	99,894	2,579,458	26,799,741
At 30 September 2011										
Cost	622,891	1,215,169	179,777	26,917,184	3,319,871	115,927	2,209	138,574	2,810,832	35,322,434
Less Accumulated depreciation	-	(393,043)	(107,008)	(6,106,662)	(1,427,033)	(78,583)	(992)	(38,680)	-	(8,152,001)
Allowance for impairment	(3,164)	-	-	(136,154)	-	-	-	-	(231,374)	(370,692)
Net book value	619,727	822,126	72,769	20,674,368	1,892,838	37,344	1,217	99,894	2,579,458	26,799,741

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

	Company					(Baht'000)
	Land	Buildings	Building improvements	Furniture, fixtures, and equipment	Motor vehicles	Total
At 30 September 2010						
Cost	82,847	201,846	90,547	60,024	3,380	438,644
Less Accumulated depreciation	-	(100,663)	(53,024)	(27,632)	(1,618)	(182,937)
Net book value	82,847	101,183	37,523	32,392	1,762	255,707
For the year that ended on 30 September 2011						
Opening net book value	82,847	101,183	37,523	32,392	1,762	255,707
Additions	-	-	-	7,013	-	7,013
Depreciation charge	-	(10,092)	(7,559)	(11,930)	(860)	(30,441)
Closing net book value	82,847	91,091	29,964	27,475	902	232,279
At 30 September 2011						
Cost	82,847	201,846	90,547	67,037	3,380	445,657
Less Accumulated depreciation	-	(110,755)	(60,583)	(39,562)	(2,478)	(213,378)
Net book value	82,847	91,091	29,964	27,475	902	232,279

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	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Depreciation charge:				
- cost providing services				
- vessel operations	913,282	990,022	-	-
- offshore services	866,903	584,781	-	-
- service expenses	15,136	20,225	-	-
- costs of sales	87,748	87,848	-	-
- selling expenses	675	976	-	-
- administrative expenses	102,722	159,506	30,441	32,133
	1,986,466	1,843,358	30,441	32,133

Property, plant, and equipment as of 30 September 2011 used as collateral for loan facilities can be summarised as follows:

- Two ocean vessels have been mortgaged with financial institutions as collateral for loan facility at a total value of USD 396 million (2010: USD 396 million).

- Five ocean vessels of subsidiaries have been mortgaged with financial institutions as collateral for their loans at a total value of USD 93.0 million (2010: USD 40.7 million).

- Two subsea vessels, one saturation diving system, a tender rig, and three remotely operated vehicles are mortgaged with various banks as collateral for bank overdraft and loan facilities for a total value of Baht 1,353.0 million and USD 117.6 million (2010: Baht 2,515.7 million and USD 115.5 million).

- Twelve barges of a subsidiary have been mortgaged with a bank as collateral for its bank overdrafts and long-term loans for a total value of Baht 125.0 million (2010: Baht 125.0 million).

- 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 925.0 million (2010: Baht 935.4 million).

15 Intangible assets, net

	Consolidated				
	Customer relationship Baht'000	Other intangible assets Baht'000	Computer software Baht'000	Computer software under installation Baht'000	Total Baht'000
At 30 September 2010					
Cost	564,895	35,758	227,655	93,829	922,137
Less Accumulated amortisation	(65,179)	(28,337)	(112,049)	-	(205,565)
Allowance for impairment	-	-	(12,352)	-	(12,352)
Net book value	499,716	7,421	103,254	93,829	704,220
For the year that ended on 30 September 2011					
Opening net book value	499,716	7,421	103,254	93,829	704,220
Additions	-	-	10,550	9,580	20,130
Deconsolidation due to disposals of investments in subsidiaries	-	-	(56)	-	(56)
Transfer in (out)	-	-	76,696	(76,696)	-
Disposals, net	-	-	(2,308)	-	(2,308)
Amortisation charge	(69,984)	(1,114)	(42,035)	-	(113,133)
Translation adjustments	(800)	(464)	(62)	-	(1,326)
Closing net book value	428,932	5,843	146,039	26,713	607,527
At 30 September 2011					
Cost	563,852	8,255	303,452	26,713	902,272
Less Accumulated amortisation	(134,920)	(2,412)	(145,061)	-	(282,393)
Allowance for impairment	-	-	(12,352)	-	(12,352)
Net book value	428,932	5,843	146,039	26,713	607,527

15 Intangible assets, net (Continued)

	Company		
	Computer software Baht'000	Computer software under installation Baht'000	Total Baht'000
At 30 September 2010			
Cost	88,288	93,829	182,117
Less Accumulated amortisation	(29,783)	-	(29,783)
Allowance for impairment	(12,352)	-	(12,352)
Net book value	46,153	93,829	139,982
For the year that ended on 30 September 2011			
Opening net book value	46,153	93,829	139,982
Additions	274	9,580	9,854
Transfer in (out)	76,696	(76,696)	-
Amortisation charge	(24,270)	-	(24,270)
Closing net book value	98,853	26,713	125,566
At 30 September 2011			
Cost	165,259	26,713	191,972
Less Accumulated amortisation	(54,054)	-	(54,054)
Allowance for impairment	(12,352)	-	(12,352)
Net book value	98,853	26,713	125,566

16 Other assets, net

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Deferred dry docking expenses	865,297	1,551,119	-	-
Less Accumulated amortisation	(562,083)	(981,124)	-	-
Allowance for impairment	(2,800)	-	-	-
Deferred dry docking expenses, net	300,414	569,995	-	-
Prepaid long-term leases - land use rights, net	12,964	17,638	-	-
Insurance claims	431,452	449,173	-	-
Deferred arrangement fee for loan	-	67,479	-	42,552
Restricted deposit at a financial institution over 1 year	124,110	-	-	-
Other assets	75,534	161,809	1,676	1,680
Total other assets	944,474	1,266,094	1,676	44,232

The restricted deposit at a financial institution, which matures over one year from now, is pledged against long-term loans with a local financial institution. The restricted deposit must be maintained in a minimum amount of the next two principals and interest payments after the two-year grace period expires.

17 Bank overdrafts

Bank overdraft facilities of the Group amounting to Baht 274 million (2010: Baht 254 million) are guaranteed by the Company and subsidiaries, and a mortgage of the Groupís land and buildings (Note 14).

As at 30 September 2011, the Group has unused bank overdraft facilities amounting to Baht 271.7 million (2010: Baht 248 million).

18 Short-term loans

	Consolidated		Company	
	2011 Bahtí000	2010 Bahtí000	2011 Bahtí000	2010 Bahtí000
Short-term loans	164,000	503,000	-	-
Trust receipts	1,246,277	1,102,983	-	-
Total short-term loans	1,410,277	1,605,983	-	-

As at 30 September 2011, UMS, a subsidiary, has unused facilities of unsecured short-term loans in the form of promissory notes and bills of exchange from local financial institutions and trust receipts amounting to Baht 365.0 million and Baht 1,412.7 million, respectively. (2010: Baht 172.0 million, and Baht 1,553.5 million, respectively).

19 Long-term loans, net

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

	Consolidated		Company	
	2011 Bahtí000	2010 Bahtí000	2011 Bahtí000	2010 Bahtí000
Beginning balance	6,327,239	2,835,529	-	-
Acquisition of subsidiaries (Note 10)	-	770,187	-	-
Additions during the year	4,210,109	6,684,970	-	2,601,528
Decrease from disposals of investments in subsidiaries (Note 10)	-	(517,482)	-	-
Repayments during the year	(2,951,197)	(3,204,559)	-	(2,577,387)
Realised gains on exchange rate	(16,390)	(33,171)	-	(24,141)
Unrealised (gains) losses on exchange rate	87,110	(167,093)	-	-
Translation adjustments	99,307	(41,142)	-	-
Ending balance	7,756,178	6,327,239	-	-

19 Long-term loans, net (Continued)

Maturity of long-term loans is as follows:

	Consolidated		Company	
	2011 Bahtí000	2010 Bahtí000	2011 Bahtí000	2010 Bahtí000
Within 1 year	1,062,215	1,106,260	-	-
Between 1 year and 5 years	3,316,181	3,064,368	-	-
After 5 years	3,377,782	2,156,611	-	-
Long-term portion	6,693,963	5,220,979	-	-
	7,756,178	6,327,239	-	-

Long-term loans comprise the following:

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

- Loans for the purchase and construction of ocean vessels are granted by foreign syndicated banks and are denominated in US Dollars with a total outstanding balance of USD 92.7 million as at 30 September 2011 (2010: USD 40.7 million) with repayment terms within 12-17 years from the vessel delivery date. As at 30 September 2011, interest rates and securities on the loans are as follows:

  - The loan balance of USD 39.3 million (30 September 2010: USD 20.0 million): both fixed rate and BBA - LIBOR plus a certain margin and is secured by a mortgage of the vessels and a corporate guarantee given by the Company.

  - The loan balance of USD 53.4 million (30 September 2010: USD 20.7 million): LIBOR plus a certain margin and is secured by mortgages of two of the Groupís ocean vessels and subsequently by the newbuild or second-hand vessels that have been acquired, assignment of insurance for the collateral vessels, pledge or change over bank accounts, and a corporate guarantee 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 653.9 million and USD 97.6 million as at 30 September 2011 (30 September 2010: Baht 945.6 million and USD 91.0 million) with repayment terms within 5 - 10 years. As at 30 September 2011, interest rates on the Thai Baht loans and US Dollar loans are as follows:

  - The loan balance of Baht 653.9 million (30 September 2010: Baht 945.6 million): three-month fixed deposit rates plus a certain margin.

  - The loan balance of USD 97.6 million (30 September 2010: USD 91.0 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.

19 Long-term loans, net (Continued)

a) Loans for the purchases and constructions of ocean vessels, tender rigs, vessel equipment, and barges (Continued)

- Loans for the purchase of barges are granted by a local commercial bank and are denominated in Thai Baht with a total outstanding balance of Baht 45.4 million as at 30 September 2011 (2010: Baht 84.3 million) with repayment term within 7 years. This loan bears interest at the rate of MLR minus certain margins, and is secured by mortgages of barges as mentioned in Note 14.

- Loan for the purchase of a tender rig is granted by a local commercial bank and is denominated in US Dollars with a total outstanding balance of USD 8.2 million as at 30 September 2011 (2010: USD 18.5 million) with repayment term within 9 years. This loan bears interest at the rate of USD-LIBOR plus a certain margin, is secured by mortgages of the tender rig as mentioned in Note 14, and guaranteed by the two subsidiaries.

According to a 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.

b) Loans for the construction of a building and warehouse are granted by local commercial banks and are denominated in Thai Baht with a total outstanding balance of Baht 122.6 million as at 30 September 2011 (2010: Baht 149.9 million) and repayment terms within 6.5 - 8 years. As at 30 September 2011, interest rates and the detail of mortgages are as follows:

- The loan balance of Baht 96.9 million (2010: Baht 112.4 million): MLR minus a certain margin. The loans are secured by mortgages of the subsidiaryís land & buildings and guaranteed by the Company.

- The loan balance of Baht 25.7 million (2010: Baht 37.5 million): the 1 - year fixed deposit rate for personal account plus a certain margin. The loans are secured by mortgages of the subsidiaryís land & buildings and guaranteed by the Company.

c) Loans for the purchase of land and construction of a building are granted by a local commercial bank and are denominated in Thai Baht with no outstanding balance as at 30 September 2011 (2010: Baht 36.0 million).

d) Loans for the construction of machine and warehouses and working capital are granted by local commercial banks and are denominated in Thai Baht with a total outstanding balance of Baht 734.1 million as at 30 September 2011 (2010: Baht 533.9 million) and repayment terms within 3-7 years. These loans bear interest at the rate of MLR minus certain margins, are secured by mortgages of subsidiaryís partial land and construction on that land and a part of UMSís inventories as mentioned in Note 8.

As at 30 September 2011, the Company in capacities as a guarantor for loans undertaken by subsidiaries and MMPLCís subsidiary and UMS as borrowers had breached loan covenants. The Company and MMPLCís subsidiary have obtained lendersí written consents to the waiver of financial covenants with the next testing date for the covenants of 30 September 2012. The status of discussion between UMS and the relevant banks is on process. The Companyís management is of the opinion that the outcome will not result in a material adverse effect.

19 Long-term loans, net (Continued)

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

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Currency				
- USD	6,200,213	4,577,536	-	-
- Baht	1,555,965	1,749,703	-	-
	7,756,178	6,327,239	-	-

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

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
At fixed rates	612,193	304,549	-	-
At floating rates	7,143,985	6,022,690	-	-
Total loans	7,756,178	6,327,239	-	-

Credit facilities

As at 30 September 2011, the available credit facilities from financial institutions are USD 401.8 million, which will mainly be used for acquisitions of ocean vessels (2010: USD 570.4 million).

20 Finance lease liabilities

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Finance lease liabilities	9,023	40,323	-	-
Less Deferred interest expenses	(871)	(3,215)	-	-
Total finance lease liabilities	8,152	37,108	-	-

Maturities of finance lease liabilities are as follows:

Current portion of finance lease liabilities	4,272	24,151	-	-
Long-term portion of finance lease liabilities	3,880	12,957	-	-
	8,152	37,108	-	-

As at 30 September 2011, finance lease liabilities arising from purchases of motor vehicles, computer equipment, and warehouse equipment carry fixed interest rates (2010: fixed interest rates). The leases have periods within 3 to 5 years without guarantee.

21 Employee benefit obligations

Maturities of employee benefit obligations are as follows:

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Current portion of employee benefit obligations	61,031	66,151	-	-
Long-term portion of employee benefit obligations	106,321	99,407	16,367	11,693
Employee benefit obligations	167,352	165,558	16,367	11,693
Charge to statement of income	80,185	123,443	8,118	9,948

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Balance sheet obligations for:				
Retirement benefits	106,321	89,475	16,367	11,693
Retention incentives	61,031	76,083	-	-
	167,352	165,558	16,367	11,693

a) Retirement benefits

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

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Beginning balance	89,475	78,769	11,693	1,745
Additional from investments in a new subsidiary	-	6,569	-	-
Deconsolidation due to disposals of investments in subsidiaries	(8,735)	-	-	-
Current service costs	29,392	17,523	7,783	486
Interest costs	2,241	2,849	335	80
Actuarial (gains) losses	(1,201)	27,275	-	9,382
Benefits paid	(7,575)	(41,748)	(3,444)	-
Translation adjustment	2,724	(1,762)	-	-
Ending balance	106,321	89,475	16,367	11,693

21 Employee benefit obligations (Continued)

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

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Current service costs	29,392	17,523	7,783	486
Interest costs	2,241	2,849	335	80
Amortisation of actuarial (gains) losses	(1,201)	27,275	-	9,382
Total (included in staff costs)	30,432	47,647	8,118	9,948

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2011	2010	2011	2010
Discount rate	3.5% - 13%	3.5% - 13%	3.5%	3.5%
Future salary increases	6% - 15%	6% - 15%	6%	6%
Mortality rate	0.01% - 1.48%	0.01% - 1.48%	0.11% - 1.48%	0.11% - 1.48%
Resignation rate	0% - 50%	0% - 50%	0% - 20%	0% - 20%

b) Retention incentives

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

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Present value of obligations	61,031	76,083	-	-

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

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Beginning of the year	76,083	137,694	-	-
Current service cost	49,753	75,796	-	-
Paid during the year	(66,354)	(121,572)	-	-
Effects from disposal of investments in subsidiaries	-	(3,335)	-	-
Realised gains on exchange rate	(251)	-	-	-
Unrealised (gains) losses on exchange rate	1,800	(12,500)	-	-
Ending balance	61,031	76,083	-	-

21 Employee benefit obligations (Continued)

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

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Current service cost	49,753	75,796	-	-

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

22 Bonds, net

Initial bonds comprise the following:

	Consolidated and Company		
	Convertible bonds Baht'000	Thai Baht bonds Baht'000	Total Baht'000
Bonds	5,808,858	4,000,000	9,808,858
Less Issuing costs	(179,314)	(7,244)	(186,558)
Bonds, net	5,629,544	3,992,756	9,622,300

Convertible bonds

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.

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.

22 Bonds, net (Continued)

Convertible bonds (Continued)

The movement of convertible bonds during the years that ended on 30 September is as follows:

	Consolidated and Company	
	2011	2010
	Baht'000	Baht'000
Opening net balance	2,261,482	4,001,485
Redemption	(1,194,288)	(1,162,455)
Convertible bonds cancellation	-	(341,246)
Reversal on premium accruals and issuing costs	-	(26,681)
Premium	59,959	105,603
Amortisation of issuing cost	20,060	30,467
Realised gains on exchange rates	(98,752)	(108,141)
Unrealised (gains) losses on exchange rates	157,280	(237,550)
Closing net balance	1,205,741	2,261,482
Convertible bonds are due for redemption as follows:		
Redemption within one year	1,205,741	1,047,259
Redemption after one year	-	1,214,223
	1,205,741	2,261,482

Interest expenses on the convertible bonds are calculated using the effective interest method by applying the effective interest rate of 6.3% per annum, inclusive of bond issuing costs.

Bond cancellation and redemption

In July 2010, the Company repurchased and cancelled a portion of the outstanding bonds amounting to USD 10.5 million, representing 9.26% of the outstanding principal amount of the bonds. The aggregate principal amount of the convertible bonds outstanding after the repurchase and cancellation of the convertible bonds is USD 102.9 million with the conversion price of Baht 51.41 per share.

In September 2010, the Company redeemed one-thirds of the outstanding principal amount of USD 102.9 million or USD 34.3 million by cash at the redemption price of USD 109,640 per bond. Therefore, the initial principal amount of each bond after the first redemption is USD 200,000. The aggregate principal amount of the convertible bonds after the first redemption is USD 68.6 million with the conversion price of Baht 51.41 per share.

In September 2011, the Company redeemed a half of the outstanding principal amount of USD 68.6 million or USD 34.3 million by cash at the redemption price of USD 113,220 per bond. Therefore, the initial principal amount of each bond after the second redemption is USD 100,000. The aggregate principal amount of the convertible bonds after the second redemption is USD 34.3 million with the conversion price of Baht 50.35 per share.

22 Bonds, net (Continued)

Thai Baht bonds

In July 2010, the Company issued and sold two tranches of unsubordinated and unsecured Thai Baht bonds at face value worth Baht 4 billion. The details of bonds are as follows:

Bond No.	Number of units	Face value /unit (Baht)	Interest rate (% per annum)	Maturity dated
Tranche 1	2,000,000	1,000	3.60%	9 July 2015
Tranche 2	2,000,000	1,000	3.82%	29 June 2017

The Thai Baht bonds were issued at par with a face value of Baht 1,000 per unit. The term of the first tranche is five years from issue date and the term of the second tranche is six years, eleven months and twenty days from the issue date. The Company will pay interest every three months and will pay the entire principal amount at the maturity date.

The movement of Thai Baht bonds during the years that ended on 30 September is as follows:

	Consolidated and Company	
	2011 Baht'000	2010 Baht'000
Opening net balance	3,993,042	-
Addition	-	4,000,000
Deferred issuing costs	-	(7,244)
Amortisation on deferred issuing costs	1,242	286
Closing net balance	3,994,284	3,993,042

Thai Baht bonds are due for redemption in years 2015 and 2017.

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 2009	933,052,865	708,004	1,540,410	2,248,414
Reduction of registered shares	(50,048,452)	-	-	-
Increase of registered shares	50,000,000	-	-	-
At 30 September 2010	933,004,413	708,004	1,540,410	2,248,414
Reduction of registered shares	(150,000,000)	-	-	-
Increase of registered shares	50,000,000	-	-	-
At 30 September 2011	833,004,413	708,004	1,540,410	2,248,414

23 Share capital and premium on share capital (Continued)

Share capital

At the Annual General Meeting of Shareholders held on 2 March 2011, shareholders approved the following matters:

- Reduction of registered share capital from Baht 933,004,413 to Baht 783,004,413 by cancelling the 50,000,000 unissued shares reserved for private placement shares and 100,000,000 authorised but unissued shares which have been reserved for the conversion of some portion of the existing convertible bonds issued in 2007 that have been repurchased and cancelled as well as redeemed by the Company and an amendment to Clause 4 of the Memorandum of Association regarding this matter.

- An increase of registered share capital from Baht 783,004,413 to Baht 833,004,413, an increase of 50,000,000 shares with a par value of Baht 1 per share, to be reserved for private placement shares and an amendment to Clause 4 of the Memorandum of Association regarding this matter.

- Allocation of new 50,000,000 ordinary shares to be reserved for private placement.

- The issue and offer up to 4,000,000 free warrants to directors and employees of Mermaid Maritime Public Company Limited (ìMMPLCî) or its subsidiaries under ESOP Scheme.

The registrations of share capital reduction and increase were completed on 10 March 2011 and 11 March 2011, respectively.

At the Annual General Meeting of Shareholders held on 29 January 2010, shareholders approved the following matters:

- 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 regarding this matter.

- 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 regarding this matter.

- Allocation of new 50,000,000 ordinary shares to be reserved for private placement.

- The issue and offer up to 4,000,000 free warrants to directors and employees of Mermaid Maritime Public Company Limited (ìMMPLCî) or its subsidiaries under ESOP 2010 pursuant to its terms as required by the notification No. Tor Jor 32/2551 of the Securities and Exchange Commission of Thailand.

The registrations of share capital reduction and increase were completed on 9 February 2010 and 10 February 2010, respectively.

As at 30 September 2011, the total authorised share capital of the Company is Baht 833,004,413 divided into 833,004,413 ordinary shares (2010: 933,004,413 shares) with a par value of Baht 1 per share (2010: Baht 1 per share). The paid-up share capital is Baht 708,004,413 divided into 708,004,413 ordinary shares (2010: 708,004,413 shares) with a par value of Baht 1 per share (2010: Baht 1 per share).

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	
		2011	2010	2011	2010
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Profits before income taxes		411,449	922,556	772,915	2,897,787
Adjustments for:					
Depreciation charges	14	1,986,466	1,843,358	30,441	32,133
Amortisation on intangible assets	15	113,133	118,668	24,270	13,633
Amortisation on deferred dry-docking expenses		391,772	577,000	-	-
Amortisation on prepayments		3,571	7,076	-	-
Amortisation and write-off of deferred arrangement fee for loan		65,440	28,504	42,602	28,504
Additional allowance for doubtful accounts and provision for unrecoverable value added tax		(97,189)	156,084	-	-
Impairment on vessels supplies and spare parts		16,761	-	-	-
Impairment on property, plant, and equipment		359,395	-	-	-
Impairment (reverse) on intangible assets		-	(753)	-	(753)
Impairment on investment		-	-	76,831	-
Impairment on goodwill	13	16,580	-	-	-
Impairment on deferred dry-docking expenses		2,717	-	-	-
Convertible bond interest expenses		141,922	243,487	141,922	243,487
Losses from adjustment of investment in an associate	11	-	9,459	-	-
Interest expenses		477,685	267,128	177,182	109,195
Losses from write-off of property, plant, and equipment		2,677	4,871	-	-
Losses from write-off of pending for insurance claim and deposit		94,248	-	-	-
Net (gains) losses from sales of property, plant, and equipment and intangible assets	30	(588,566)	(499,805)	(66)	2
Dividend income from short-term investments		(4,022)	(11,914)	(4,022)	(3,775)
Dividends income from subsidiaries, associates, and joint venture		-	-	(1,098,551)	(3,175,082)
Gains from convertible bonds cancellation	30	-	(9,634)	-	(9,634)
Net (gains) losses from sales of investments in subsidiaries	30	486	180,942	(7,380)	-
Net gains from sales of investment in associates	30	-	(343,682)	-	-
Net gains from sales of short-term investments		(4,955)	(33,456)	(4,955)	(33,456)
Share of profits of associates and a joint venture	11, 12	(110,229)	(80,306)	-	-
Unrealised (gains) losses on exchange rates from cash, short-term investments, loans, and convertible bonds		149,067	(106,997)	49,869	(12,193)
Realised gains on exchange rates from loans, and convertible bonds		(114,803)	(106,699)	(105,966)	(132,815)
Exchange difference from conversion of overseas companies		(58,581)	(270,235)	-	-
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)					
- Trade accounts receivable		(1,090,159)	674,243	-	-
- Amounts due from related parties		(151,881)	4,989	(313,800)	(111,829)
- Inventories		(264,332)	(164,976)	-	-
- Vessel supplies and spare parts		74,194	(32,833)	-	-
- Prepayments		28,746	(23,472)	(916)	(303)
- Other current assets		(579,359)	(338,948)	(14,706)	(4,386)
- Other assets		(111,607)	(50,582)	1,195	(70,526)
- Trade accounts payable		(32,033)	(465,577)	7,912	6,321
- Amounts due to related parties		(10,692)	(9,628)	17,217	(1,040)
- Other accounts payable		39,904	(287,417)	89	(15)
- Advances from customers		(48,165)	119,518	-	-
- Accrued income taxes		115,402	77,217	-	-
- Accrued expenses		(47,951)	102,010	(15,291)	(14,039)
- Other current liabilities		(76,441)	(154,011)	1,410	681
- Employee benefit obligations		11,037	(57,475)	4,674	9,948
Cash generated from operations		1,111,687	2,288,710	(217,124)	(228,155)
- Interest paid		(533,186)	(323,960)	(224,524)	(182,683)
- Income taxes paid		(433,509)	(312,252)	(5,020)	(3,526)
Net cash receipts (payments) from operating activities		144,992	1,652,498	(446,668)	(414,364)

25 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	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Expenses included in vessel operating expenses				
Vessel supplies and spareparts expenses and repair and maintenance expenses	805,841	1,089,671	-	-
Crew and staff costs	461,447	637,721	-	-
Charter hire	1,201,299	2,334,377	-	-
Expenses included in offshore service expenses				
Vessel supplies and spareparts expenses and repair and maintenance expenses	974,535	786,063	-	-
Crew, staff costs, and subcontractor costs	2,534,713	1,737,176	-	-
Charter hire and equipment rental	263,320	177,875	-	-
Expenses included in costs of sales				
Cost of raw materials	5,154,320	3,762,649	-	-
Supplies and spare parts expenses and repair and maintenance expenses	37,540	23,982	-	-
Staff costs	45,078	40,877	-	-
Expenses included in service, selling, and administrative expenses				
Staff costs	847,838	1,025,726	112,967	163,732

26 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 production and trading of fertiliser and coal.

27 Earnings per share

Basic earnings per share are calculated by dividing the net profits attributable to shareholders by the weighted average number of ordinary shares issued during the year.

	Consolidated		Company	
	2011	2010	2011	2010
Net profits attributable to shareholders (Baht)	139,473,366	795,573,570	772,915,236	2,897,787,113
Weighted average number of ordinary shares in issue (Shares)	708,004,413	708,004,413	708,004,413	708,004,413
Basic earnings per share (Baht)	0.20	1.12	1.09	4.09

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.

28 Legal reserves

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Opening balance	93,500	93,500	93,500	93,500
Appropriation during the year	-	-	-	-
Closing balance	93,500	93,500	93,500	93,500

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.

29 Dividends paid

a) For the year that ended on 30 September 2011

The Company

At the Annual General Meeting of Shareholders which was rescheduled on 2 March 2011, the shareholders approved the annual dividend payment from the net income of the Company for the year that ended on 30 September 2010 of Baht 0.26 per share amounting to Baht 183.4 million. The annual dividend payment was made on 23 March 2011. However, dividends of Baht 674,295 were not paid to certain shareholders due to disqualification.

At the Board of Directors Meeting held on 20 June 2011, the Company approved an interim dividend payment from the retained earnings of the Company as at 31 March 2011 of Baht 0.50 per share amounting to Baht 353.7 million. The interim dividend payment was made on 18 July 2011. However, dividends of Baht 301,822 were not paid to certain shareholders due to disqualification.

As a result of the dividend payment, the conversion price of convertible bonds was adjusted to Baht 50.35 per share (previously Baht 51.41 per share). The adjusted conversion price was effective from 5 July 2011.

29 Dividends paid (Continued)

a) *For the year that ended on 30 September 2011* (Continued)

MMPLC

The Board of Directors Meeting of MMPLC held on 11 February 2011 approved to pay an interim dividend in respect of the retained earnings as at 31 December 2010 of Baht 0.58 per share amounting to Baht 455.2 million. The dividend was paid to the shareholders on 11 March 2011.

b) *For the year that ended on 30 September 2010*

The Company

At the Annual General Meeting of Shareholders held on 29 January 2010, shareholders approved the annual dividend payment from the net income of the Company for the year that ended on 30 September 2009 at Baht 0.54 per share amounting to Baht 379.4 million. The annual dividend payment was made on 23 February 2010. However, dividends of Baht 2,902,848 were not paid to certain shareholders due to disqualification.

As a result of the cash dividend payment, the conversion price of convertible bonds was adjusted to Baht 51.41 per share (previously Baht 51.43 per share) with effective from 9 February 2010.

30 Other operating income

	For the years that ended on 30 September			
	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Dividend income	4,022	11,914	1,102,573	3,178,857
Gains on convertible bonds cancellations	-	9,634	-	9,634
Realised gains on currency and cross currency swap agreements	400,627	157,325	4,088	-
Gains on oil hedging contracts	21,444	-	21,444	-
Gains on sales of fixed assets and intangible assets	588,566	499,805	66	-
Net gains (losses) on sale of investments in subsidiaries and associates	(486)	162,740	7,380	-
Gain on sales of marketable securities	4,955	33,456	4,955	33,456
Interest income	139,891	94,654	287,508	249,568
Gains on exchange rates	91,777	24,336	61,807	97,123
Reversal of allowance for doubtful accounts	34,969	-	-	-
Insurance claim received	53,074	3,584	-	-
Management fee income	147,601	-	5,280	2,931
Compensation for agreement termination	76,986	-	-	-
Service charge and office and office equipment rental income	20,920	2,895	77,173	38,434
Other income	75,936	109,966	2,919	1,423
Total other operating income	1,660,282	1,110,309	1,575,193	3,611,426

31 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.

31.1 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	
	2011 Bahtí000	2010 Bahtí000
IT service and office and office equipment rental income	64,195	38,100
Management fee income	5,280	2,931
Interest income	275,649	242,926
Interest expenses	28,782	37,492

b) Transactions with associates and a joint venture during the years that ended on 30 September are as follows:

	Consolidated		Company	
	2011 Bahtí000	2010 Bahtí000	2011 Bahtí000	2010 Bahtí000
IT service and office and office equipment rental income	18,178	1,834	6,681	-
Management fee income	147,601	-	-	-
Compensation for agreement termination	76,986	-	-	-
Interest income	89,990	50,001	357	636
Vessel operating expenses	33,398	-	-	-
Offshore service expenses	25,910	39,097	-	-
Management and administrative fee	15,624	17,637	-	-

The Groupís 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.
- Management and administrative fee is transacted at cost plus margin.
- Vessel operating expenses and offshore service expenses are transacted at prices normally charged to a third party.
- The interest rates charged on short-term borrowings are at 1.25% per annum (2010: 1.25% per annum).
- The interest rates charged on long-term loans are based on approximate the borrowing costs of the lender.

31 Related parties (Continued)

31.2 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	
	2011 Bahtí000	2010 Bahtí000	2011 Bahtí000	2010 Bahtí000
Associate and a joint venture	206,745	403	3,035	89
Subsidiaries	-	-	431,158	120,304
	206,745	403	434,193	120,393

Amounts due from associate and a joint venture include advances for share subscription in SKI Energy Resources Inc. (ì SERIî) totalling USD 5 million (2010: Nil).

31.3 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	
	2011 Bahtí000	2010 Bahtí000	2011 Bahtí000	2010 Bahtí000
Associates and a joint venture	7,173	9,583	-	-
Subsidiaries	-	-	19,271	2,054
	7,173	9,583	19,271	2,054

31.4 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	
	2011 Bahtí000	2010 Bahtí000	2011 Bahtí000	2010 Bahtí000
Short-term loans				
Subsidiaries	-	-	5,356,407	3,703,287
Associate	-	-	-	-
	-	-	5,356,407	3,703,287

Short-term loans to subsidiaries can be called at any time and are unsecured. The loans mainly bear interest at 1.25% per annum (2010: 1.25% per annum).

31 Related parties (Continued)

31.4 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)

	Consolidated		Company	
	2011 Bahtí000	2010 Bahtí000	2011 Bahtí000	2010 Bahtí000
Long-term loans				
Subsidiaries	-	-	4,917,258	4,991,729
Associates and joint venture	620,284	372,315	3,323	7,323
	620,284	372,315	4,920,581	4,999,052

Maturity of long-term loans to related parties is as follows:

	Consolidated		Company	
	2011 Bahtí000	2010 Bahtí000	2011 Bahtí000	2010 Bahtí000
Within 1 year	34,253	4,000	174,423	163,636
Between 1 year and 5 years	586,031	368,315	4,746,158	4,835,416
	620,284	372,315	4,920,581	4,999,052

Consolidated

On 14 August 2009, Soleado Holdings Pte. Ltd., a wholly owned subsidiary of the Company (ìSoleadoî), entered into a loan facility agreement with Merton Investments NL BV (ìMertonî) to provide a loan up to USD 15 million to Merton at a fixed interest rate. The maturity date of the loan is three years after the first drawdown date which was on 23 November 2009. Merton will then on-lend such loan to SERI. Both loans will be drawn down according to the progress of the coal mine construction done by SERI in the Philippines. The loan amount as of 30 September 2011 was USD 17.8 million (2010: USD 12.0 million).

The collateral for the Soleado loan includes pledge of shares held by Merton Group (Cyprus) Limited in Merton, pledge of shares held by Merton in SERI, pledge of Merton bank accounts, assignment of Merton's interest and benefit in SERI Loan, and mortgage of real properties and chattels by SERI.

In 2011, Baconco Co., Ltd., a wholly owned subsidiary of the Company (ìBaconcoî), entered into a loan agreement with Thoresen-Vinama Agencies Co., Ltd. (ìThoresen-Vinamaî) to provide a loan of USD 2 million. This loan is unsecured and repayable in 2 years. Baconco is entitled to income from the bonded warehouse that is being built by Thoresen-Vinama.

31 Related parties (Continued)

31.4 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)

Company

As at 30 September 2011, the Company granted unsecured loans in USD and Baht currency to subsidiaries totalling Baht 4,917.3 million (2010: Baht 4,991.7 million), which carry interest at fixed rates (2010: fixed rates) and are repayable every month.

In addition, the Company granted unsecured long-term loans to an associate amounting to Baht 3.3 million (2010: Baht 7.3 million), which carry interest at MOR plus a certain margin (2010: MOR plus a certain margin).

Movements on long-term loans to related parties during the years that ended on 30 September are as follows:

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Long-term loans				
Beginning balance	372,315	11,323	4,999,052	582,311
Additions	232,063	390,668	-	5,045,797
Repayments	(4,000)	(4,000)	(102,622)	(553,670)
Realised gains (losses) on exchange rates	-	-	7,427	(482)
Unrealised gains (losses) on exchange rates	-	-	16,724	(74,904)
Translation adjustments	19,906	(25,676)	-	-
Ending balance	620,284	372,315	4,920,581	4,999,052

b) Loans from related parties as at 30 September in the consolidated and Company financial statements comprise the following:

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Short-term loans				
Subsidiaries	-	-	4,367,527	3,384,762
Associate	4,500	7,500	-	-
	4,500	7,500	4,367,527	3,384,762

31 Related parties (Continued)

31.4 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: (Continued)

Consolidated

As at 30 September 2011, a subsidiary was granted a Thai Baht loan from the Companyís associate, Gulf Agency Company (Thailand) Ltd. The loan carries interest at MLR plus a certain margin, is unsecured, and has repayment terms at call.

Company

The short-term loans from subsidiaries can be called at any time and are unsecured. The loans bear interest at 1.25% per annum (2010: 1.25% per annum).

32 Promotional privileges

As at 30 September 2011, fourteen (14) shipping and offshore subsidiaries and two (2) indirect subsidiaries which operate port services and barge transport received promotional privileges from the Board of Investment (ìBOIî) under services of domestic and international shipping, service of submerged structure inspection, service of underwater equipment, service of inspection of marine pollution, drilling services, trade and investment service office, and port 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.

33 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 instruments is to reduce the uncertainty over future cash flows arising from movements in exchange rates and interest 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 foreign currencies and also interest rate risk, which is the risk that future movements in market interest rates will affect the results of the Groupís operations and its cash flows. The Group manages these risks as follows:

33 Financial instruments (Continued)

a) Cross currency and interest rate swap contracts

On 29 December 2008, Mermaid Offshore Services Ltd. (ìMOSî), 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 of Baht 328.7 million. The loan had a notional amount of USD 10 million with a maturity date of 31 August 2012. On 26 September 2011, the loan was fully paid and this cross currency and interest swap contract was terminated. The gain from this termination has been recognised in the statement of income in the amount of Baht 9.9 million.

On 6 February 2009, MOS 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. On 26 September 2011, the cross currency and interest rate swap contract was early terminated in association with loan rescheduling. The gain from this termination has been recognised in the statement of income in the amount of Baht 72.1 million. Mermaid Offshore Services Ltd. subsequently entered into a new cross currency and interest rate swap contract which was modified for business day convention. As at 30 September 2011, the outstanding loan balance is Baht 653.9 million and loan has a notional amount of USD 21.1 million.

On 29 December 2009, Nemo Subsea AS, a subsidiary of MOS, entered into an interest rate swap contract with a commercial bank for a long-term loan facility in US Dollar currency of USD 45.9 million. The notional principal amounts of the outstanding interest rate swap contracts as at 30 September 2011 were USD 19.9 million and USD 19.9 million (2010: USD 21.4 million and USD 21.4 million) with a maturity date of September 2012 and September 2017, respectively.

On 2 August 2010 and 10 January 2011, the Company entered into cross currency and interest rate swap contracts with a commercial bank against 5 year and 7 year Thai Baht bonds. We have locked in fixed USD interest rates of 3.60% and 3.82% per annum, respectively. As at 30 September 2011, the outstanding bond balances were USD 127.83 million (2010: USD 62.15 million) and these bonds had notional amounts of Baht 4,000 million (2010: Baht 2,000 million).

On 11 August 2011, UMS, a subsidiary, entered into interest rate swap contract with a commercial bank for a long term loan in Thai Baht currency. The loan had a notional amount of Baht 500 million with a maturity date on 14 February 2014. We have swapped the floating interest rate of 6M THBFIX plus 1.25% per annum to a fixed interest rate of 4.37% per annum. As at 30 September 2011, the outstanding loan balance was Baht 475 million.

33 **Financial instruments** (Continued)

a) **Cross currency and interest rate swap contracts** (Continued)

The net fair values of the cross currency and interest rate swap contracts at the balance sheet date are as follows:

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
(Unfavourable) favourable on cross currency and interest rate swap contracts	(42,411)	212,925	(55,383)	80,767

	Consolidated		Company	
	2011 USD'000	2010 USD'000	2011 USD'000	2010 USD'000
Unfavourable on interest rate swap contract	4,212	5,237	-	-

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Unfavourable on interest rate swap contract	1,265	-	-	-

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.

b) **Forward foreign exchange contracts**

UMS, a subsidiary, entered into forward foreign exchange contracts with local financial institutions in order to hedge the foreign exchange risk relating to trust receipts. As at 30 September 2011, the outstanding contracts which settlement dates are between 21 October and 4 November 2011 (2010: between 4 October and 22 December 2010) are as follows:

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
USD 4.6 million at rate Baht 30.57 - 31.26 per USD 1 (2010: USD 7.3 million at rates Baht 30.72 - 32.50 per USD 1)	142,209	230,858	-	-

33 **Financial instruments** (Continued)

b) **Forward foreign exchange contracts** (Continued)

The net fair values of the forward foreign exchange contracts at the balance sheet date are as follows:

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Favorable (unfavorable) on forward foreign exchange contracts	1,440	(9,264)	-	-

The fair values of the forward foreign exchange contracts have been calculated (using rates quoted by the counterparty to the contracts) as if the contract was terminated at the balance sheet date.

c) **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 contracts. The realised gains from the contracts have been recognised as income in the financial year 2011 at the amount of Baht 314 million.

The net fair values of the foreign currency collar contracts at the balance sheet date are as follows:

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Favourable	-	266,064	-	-

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, loans from related parties, and long-term loans.

The carrying amounts of the financial assets and financial liabilities approximate their fair value.

34 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, with the Group matching the employeesí 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.

35 Commitments and contingent liabilities

35.1 Capital commitments

The Group has capital commitments in respect of warehouse construction, ship building, and vessel equipment contracts but not yet recognised as liabilities as at 30 September as follows:

	Consolidated		Company	
	2011 Million	2010 Million	2011 Million	2010 Million
- USD	71.1	91.9	-	-
- YEN	-	3,688.4	-	-
- VND	19,535	-	-	-

35.2 Other commitments

a) 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	
	2011 Bahtí000	2010 Bahtí000	2011 Bahtí000	2010 Bahtí000
Not later than 1 year	60,204	784,575	-	-
Later than 1 year but not later than 5 years	11,619	55,546	-	-
Later than 5 years	31,913	16,042	-	-

b) Sale and purchase contracts for steam coal

As at 30 September 2011 and 2010, UMS, a subsidiary, had outstanding commitments relating to sale and purchase contracts for steam coal with foreign coal suppliers for certain metric tones. The coal price shall be adjusted which is subjected to the quality of coal, as specified by a formula in the agreements. As at 30 September 2011, UMS also had outstanding commitments relating to sale contracts for steam coal with domestic enterprises for certain metric tones at a fix price per contract (2010: Nil).

35 Commitments and contingent liabilities (Continued)

35.2 Other commitments (Continued)

c) Ship charter contracts

As at 30 September 2011, UMS had outstanding commitments relating to ship charter contracts with charterers at freight rates as specified in the contracts for 3 shipments (2010: 7 shipments).

d) Other commitments

As at 30 September 2011, a subsidiary of MMPLC has other commitments approximately Baht 63.9 million (2010: Baht 62.3 million).

35.3 Significant agreements

a) Vessel and rig charter contracts

	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Long-term charter-out contracts:				
Number of vessels and rigs	3	4	-	-
Period (months)	2 - 11	6 - 24	-	-
Long-term charter-in contracts:				
Number of vessels	1	6	-	-
Period (months)	3	2 - 14	-	-

b) Employee Joint Investment Program (EJIP)

On 21 January 2010, the Company entered into a memorandum of understanding with key executives of the Company and certain subsidiaries for the Employee Joint Investment Program (ìEJIPî). The objective of the EJIP is designed as a performance-based retention tool for key executives. The period of the EJIP is three years commencing 1 January 2010 until 31 December 2012. EJIP members shall contribute four percent of their monthly base salary on a specific date every month. EJIP members shall receive from the Company and some subsidiaries a contribution of seven percent of their monthly base salary. In each month, an EJIP memberís contribution and the Groupís contribution shall be used to purchase TTA ordinary shares on the Stock Exchange of Thailand within the specified determined dates. EJIP members have the right to sell their TTA shares one year after the end of the program period, or 31 December 2013.

The Groupís contributions to the EJIP members are charged to the statements of income in the year to which they relate.

35 Commitments and contingent liabilities (Continued)

35.4 Contingent liabilities

The Company and the Group have given the following guarantees in the normal course of business:

	30 September 2011			
	Consolidated		Company	
	Baht million	USD million	Baht million	USD million
Letter of guarantees issued by bank on behalf of the Group	32.6	1.3	-	-
Guarantee given by the Group to financial institutions to guarantee credit facilities and purchases of raw material	730.2	285.5	76.3	106.1

	30 September 2010						
	Consolidated				Company		
	Baht million	USD million	Yen million	QAR* Million	Baht million	USD million	Yen million
Letter of guarantees issued by bank on behalf of the Group	46.5	0.1	-	14.5	-	-	-
Guarantee given by the Group to financial institutions to guarantee credit facilities and purchases of raw material	1,080.2	169.7	817.0	14.5	119.0	60.1	817.0

36 Subsequent events

The Company

In November 2011, the Company repurchased and cancelled a portion of the outstanding bonds amounting to USD 3.10 million, representing 9.04% of the outstanding principal amount of the bonds. The aggregate principal amount of the convertible bonds outstanding after the repurchase and cancellation of the convertible bonds is USD 31.20 million with the conversion price of Baht 50.35 per share.

36 Subsequent events (Continued)

Subsidiaries - Soleado

In November 2011, Soleado acquired a 47.07% economic interest in SERI, the operating coal mining business in Philippines. The acquisition results in Soleado having 40% of all voting rights in SERI. The number of shares held by Soleado in SERI divided into 240,000,000 common shares and 266,787,012 preference shares. The preference shares carry 1.5 times economic interest of common shares. The price of common shares is USD 0.0395 per share and the price of preference shares is USD 0.0593 per share. The amount of investment by Soleado is USD 25.3 million, of which USD 5 million is new capital. USD 20.3 million comes from the conversion of the existing loan principal and interest to Merton Group that was on lent to SERI. Merton has assigned to Soleado its loan receivables from SERI, and such receivables amounting to USD 17.8 million plus accrued interest amounting to approximately USD 2.5 million and these receivables were converted into SERIís shares as mentioned above.

Subsidiaries - UMS

Samutsakornís Provincial Governor issued an order to all coal trading operators in the province to cease all operations from 13 July 2011 onwards until further notice. However, on 23 November 2011, Samutsakornís Provincial Governor issued an order allowing coal transportation which UMS will follow the order.

13 Income Structure

Baht in Millions

	Transport				Infrastructure				Energy			
	2011	%	2010	%	2011	%	2010	%	2011	%	2010	%
Revenues from services												
Freight charges	5,754.19	100.00%	10,157.15	100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Offshore service income	-	0.00%	-	0.00%	-	0.00%	-	0.00%	5,542.82	100.00%	3,476.37	100.00%
Service and commission income	106.17	30.83%	367.76	62.43%	238.25	69.17%	221.35	37.57%	-	0.00%	-	0.00%
Revenues from sales	-	0.00%	-	0.00%	6,249.44	100.00%	4,675.90	100.00%	-	0.00%	-	0.00%
Revenues from operations (before eliminations)	5,860.36	32.76%	10,524.91	55.69%	6,487.69	36.26%	4,897.25	25.91%	5,542.82	30.98%	3,476.37	18.39%

14 Audit Fees

1. Audit fees

The Company and its subsidiaries paid audit fees to audit firms for the last financial year of Baht 18,856,505.

2. Non-audit fees

The Company and its subsidiaries paid non-audit fees to audit firms for the last financial year of Baht 1,467,843, primarily relating to auditing the subsidiaries' compliance to the conditions in the Approved International Shipping Enterprise ("AIS") scheme, BOI's certificates, tax filling and tax advice.

Risk Management

TTA's risk management focuses on the following risk categories: strategic, operational, compliance, and financial risks. The risk overview highlights the main risks known to TTA, which could hinder it in achieving its strategic and financial business objectives. The risk overview may, however, not include all the risks that may ultimately affect TTA. Some risks not yet known to TTA, or currently believed not to be material, could ultimately have a major impact on TTA's businesses, objectives, revenues, income, assets, liquidity or capital resources.

Risk management forms an integral part of the business planning and review cycle. The company's risk and control policy is designed to provide reasonable assurance that objectives are met by integrating management control into daily operations and by ensuring compliance with legal requirements. It makes management responsible for identifying the critical business risks and for the implementation of fit-for-purpose risk responses.

Taking risks is an inherent part of entrepreneurial behaviour. A structured risk management process encourages management to take risks in a controlled manner. Strategic risks and opportunities may affect TTA's strategic ambitions. Operational risks include adverse unexpected developments resulting from internal processes, people and systems, or from external events that are linked to the actual running of each business. Compliance risks cover unanticipated failures to implement, or comply with, appropriate policies and procedures. Within the area of financial risks, TTA identifies risks related to foreign exchange, interest rate, fuel oil price fluctuation, and counterparty. TTA does not classify the risk categories themselves in order of importance.

Strategic risks

As TTA's business is global, its operations are exposed to economic and political developments in countries across the world that could adversely impact its revenue and income.

TTA's business environment is influenced by economic conditions globally and in individual countries where TTA conducts business. For example, the high degree of unemployment in certain countries and uncertainties with respect to the long-term high growth stability of the Chinese economy may result in lower demand and more challenging market environments across our businesses. Numerous other factors, such as fluctuation of energy and raw material prices, as well as global political conflicts, including the Middle East and other regions, could continue to impact macroeconomic factors and the international capital and credit markets. Economic and political uncertainty may have a material adverse impact on TTA's financial condition or results of operations and can also make TTA's budgeting and forecasting more difficult.

TTA may encounter difficulty in planning and managing operations due to unfavourable political factors including unexpected legal or regulatory changes, such as foreign exchange import or export controls, increased marine regulations, or restrictions on repatriation of returns from foreign investments. As emerging markets are becoming increasingly important in TTA's operations, the above-mentioned risks are also expected to grow and could have an adverse impact on TTA's financial condition and operating results.

TTA manages this risk through ongoing periodic review of the strategic plans defined by each business unit. Such review focuses on preserving or enhancing competitiveness, indentifying additional growth opportunities, and responding to industry, regulatory, or macroeconomic changes or trends, which impact each business. Every month, the Management Committee meets to monitor Group performance and exchange views on adjusting business plans and short-term strategies to ensure confidence in reaching defined goals. In addition to the internal skills brought to bear in this monitoring and review process, management also consults industry and financial experts and frequently interacts with a number of reliable institutions and other sources to check information creditability and analyse differences among various assumptions. This ongoing review enables corrective actions to be taken well in advance of significant changes, which might impact the performance of the Group.

As a number of our businesses are highly capital intensive, the timing, nature, pricing, and financing of investments in both existing businesses and new activities is critical.

Rigorous investment criteria have been established and are closely followed in the course of any new investment discussions. Risks in connection with investment decisions are minimised by the use of detailed guidelines and multi-level review of all significant investments. Any investment decision requires concurrence from the head of the line of business and the Executive Vice President – Corporate Finance and Accounting, before any approval is requested.

The recent or new acquisitions could expose TTA to integration risks and challenge management in continuing to reduce the complexity of the company.

The integration risks could be in areas, such as sales and service force integration, logistics, regulatory compliance, information technology, and finance. Integration difficulties and complexity may adversely impact the realisation of an increased contribution from acquisitions. TTA may incur significant acquisition, administrative, and other costs in connection with their integration.

Furthermore, organisational simplification and resulting cost savings may be difficult to achieve. Acquisitions may also lead to a substantial increase in long-lived assets, including goodwill. Write-downs of these assts due to unforeseen business developments may materially adversely affect TTA's earnings.

As the Group has grown and added activities both domestically and internationally, the complexity of our operations and the skills required to effectively manage such operations has grown as well.

The Group now has both majority-owned subsidiaries and associate companies, with a number of them listed on various stock markets. In addition to the regulatory and compliance risks (which are addressed below), the continuing growth of the Group, both in its existing businesses and through new investments, will create ongoing challenges to manage the various businesses and to ensure high quality human resources are in place to provide such oversight. To mitigate this risk, TTA has significantly increased efforts in the recruitment, training and development, and retention programmes to meet our anticipated personnel needs. The President and Chief Executive Officer discuss key human resources issues with all lines of business and business management functions regularly and leads a quarterly management meeting purely on human resource issues.

Operational risks

Transport group

Risks relating to shipping business

The dry bulk shipping company, as an owner and operator of ocean-going vessels operating without any geographical limitations, is exposed to risks of marine disaster, environmental mishaps resulting in substantial claims, cargo/property loss or damage and business interruptions due to accidents or other events caused by mechanical failure, human error, political action in various countries, labour strikes, terrorist actions, piracy, adverse weather conditions, and other such circumstances and events. This could result in increased costs or loss of revenues. However, to cover against most of these risks, which are standard for an international ship owner/operator, insurance covers are available in the international insurance industry. Accordingly, the dry bulk company is adequately covered against such aforesaid circumstances and events, although insurance premiums do vary with a company's perceived exposure to these risks.

The operations of the Company are subject to extensive and changing regulations. Non-compliance with these regulations may result in the detention of ships leading to loss of revenues or claims from charterers, significant expenses for ship modifications or changes in operating procedures. However, the Company is vigilant on these issues and maintains operations in compliance with internationally prescribed safety and technical standards.

The operations of the ships require skilled personnel to be employed as crew to operate its ships. Likewise, the management of the company requires skilled managers at the corporate level with appropriate technical knowledge and experience. Sourcing and retaining such personnel is crucial for the business operations of the dry bulk company. However, due to the adoption of fair and reasonable staffing policies, the Company has been successful in sourcing and retaining highly skilled and qualified personnel.

As the dry bulk company increases its level of contracts of affreightment (COA's), the exposure to changes in the oil price also rises. To mitigate this risk, the company actively hedges bunker requirements for its COA's. This allows the Company to lock a significant portion of its costs.

The shipping industry and market is cyclical, experiencing volatility in profitability, vessel values and freight rates, resulting from changes in the supply of and demand for shipping capacity.

In the Company's opinion, given the uncertainty and the extreme volatility in the market where rates can shoot up or collapse very quickly, it is always prudent to secure future earnings, at reasonably high freight rates whenever possible, as a cushion against a sudden and, more particularly, a sustained collapse of the freight rates in the spot market. To limit this volatility, the Group's objective is a diversified and balanced fleet employment. The Company employs a certain percentage of the fleet on period time charters, which are supplemented by COA's and tramp services. The demand side of the Company's business is generated by the quantity of cargo its vessels are required to transport. The generation of this demand is mainly dependent on world trade and economic growth. Severe depression in growth and trade could reduce the demand for ships. A significant reduction in demand, particularly in the next few years when a significant number of new ships are expected to enter the market, could lead to a fall in freight rates.

As with any commercial enterprise, the dry bulk company is exposed to counter-party risk. This is particularly true in times of financial hardship. However, the Company is always conscious of the counterparty risk associated with its period charters and takes appropriate evaluative steps before engaging in charters. Furthermore, regardless of credit-worthiness, the dry bulk company maintains rigid payment standards. It is for this reason that through the depressed market of the last year, the Company did not suffer any significant losses on account of defaults by charterers.

The Company's revenues are generated from a number of customers and the company is not dependent on any single customer for the majority of its business. As such, the Company is not exposed to any risk of concentration of its business with any one customer and any loss of business from one such customer shall not have any significant impact on the Company's business and will not results in sudden and significant loss of revenues.

World events could affect the Company's 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. In addition, diplomatic sanctions have affected shipping companies with contracts destined for mentioned countries. Any of these occurrences could have a material adverse impact on the Company's operating results and financial condition.

The continued level of piracy attacks and our experience over the last three years 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. Furthermore, we have purchased additional insurance coverage for protection against kidnap and ransom liabilities.

Energy Group

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.

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 Mermaid's offshore services. Any prolonged period of low drilling and production activity would likely have an adverse effect on the Company's business and operations.

Demand for the Group's offshore business is highly competitive and subject to fluctuations and the results of its offshore services segment operations may be volatile.

Demand for Mermaid'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. Mermaid's offshore services assets may be idle, or Mermaid may have to enter into lower rate contracts in response to market conditions in the future. Mermaid'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 Mermaid's subsea engineering services contracts are short-term in nature, changes in market conditions can quickly affect business. Further, as Mermaid'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, its results of operations may be volatile.

Our strategy is to secure a number of different assets on long-term contracts. This provides a guaranteed earnings stream that is not affected by spot market conditions and provides a hedge against market volatility.

The Group's offshore services business is subject to a number of operating risks.

Mermaid'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 Mermaid's or its clients' assets and equipment, environmental pollution, personal injury litigation, political consequences, and damage to Mermaid's reputation.

Mermaid's offshore services business is also subject to equipment failure risks, which may require long periods to repair and result in loss of revenue. 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 Mermaid's reputation.

Mermaid constantly invests substantial capital in the fleet, and insists upon a comprehensive maintenance and repair schedule, that minimises the risk of equipment failure. Furthermore, Mermaid 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 programs. In addition, clients also regularly inspect the fleet and provide their input to ongoing repair and maintenance programs.

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 Mermaid'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 and profitability. Further, given that Mermaid has two tender drilling rigs, the loss of any single existing client for the drilling business could thus have a material adverse impact on the drilling business and potentially Mermaid's revenues and profitability as a whole, if Mermaid is unable to secure new clients to replace such a client.

Mermaid's revenues and profitability 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.

Mermaid 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 due to reasons of Mermaid performance, nor has Mermaid ever been technically disqualified from bidding for new contracts by clients with whom it has worked previously.

Infrastructure group

Risks Relating to the Group's Coal Logistics Business

Transport related risks

UMS imports coal from Indonesia regularly. The modes used are dry bulk vessels or ocean going barges. There are two potential risks related to this - availability of vessels and fluctuations in freight rates during any given period.

UMS is well aware of these situations and addresses them through either fixed long term contracts with carriers and/or spot contracts. In the meantime, the Company's dry bulk shipping business provides weekly updates and analysis on freight rate movements, allowing UMS to make fast and informed decisions.

Risk related to coal procurement

Major factors that affect procurement and cost are:

i) Availability of supply at required specification/quality
ii) Prices of required specification/quality
iii) Exchange rates

Risks related to supply availability include mine capacity and demand requirements from major importers - specifically power plants from China, Japan, India and Korea. UMS is also exposed to specification and quality risks that occur in Indonesia on a regular basis. UMS identifies on an annual basis its import volume requirements, as well as the desired specifications and quality. While the volumes may not be at the levels of the major import countries mentioned, the major Indonesian suppliers do participate in our bids of 50% of the volume or more. At the same time, specifications and quality requirements are managed strictly through the coal sourcing agreements that include rejection limits and penalties.

From a pricing perspective, most of the coal indices are tied to world market rates. The price of coal will fluctuate based on global supply and demand. Therefore, price volatility of any of these factors will impact the cost of goods sold. UMS closely monitors coal price indexes and through a balanced long term fixed and spot coal sourcing agreements is able to manage the cost of goods sold.

Approximately 90 percent of UMS' cost of goods sold is denominated in US dollars, while all of its revenue is in Baht. This is due to the business model of importing coal from Indonesia and distributing it to domestic industries. Therefore, there is the potential of exposure to foreign exchange risk. When the Thai Baht depreciates, UMS' cost of imported raw materials will be higher. UMS manages this risk through a policy of using forward contracts for all costs of imports and is therefore able to considerably mitigate foreign exchange rate risk.

Risk from new competitors

New competitors continue to enter the coal distribution market in Thailand. Previously it was seen that coal trading requires relatively minimal investment in terms of equipment and machinery. Increased competition has resulted in price undercutting and overall narrowing of gross margins for coal traders.

UMS continues to retain its key strategies in order to differentiate its products from competitors. For example, UMS provides consultative recommendations to customers on the quality of coal to match each type of boiler by industry type, as well as provide advice to customers on technical and other services related enquiries.

In essence, UMS screens and improves coal quality to be optimal for each type of boiler that is used by small and medium sized manufacturers. This ensures high efficiency for customers. As a result, with a significant customer base, UMS is able to import large coal volumes though larger sized vessels and enjoy lower freight costs, compared to smaller tonnage and vessels.

More recently, with increasing community concerns related to coal processing, many local and provincial government bodies are strictly enforcing or adding additional protection requirements to protect communities and the environment. UMS upgrades its facilities on an ongoing basis to meet and exceed the requirements. UMS is ISO 14001 certified. This will create a significant barrier to entry for many new players who previously invested little. Ultimately they will need to make major investments in upgrading equipment/machinery, land for stockpiles, in order to be in compliance with the changing environmental protection requirement.

Risk from substitute products and market expansion

In general, primary energy resources used by domestic industries are fuel oil, natural gas, and coal. Fuel oil was the most popular choice among manufacturing companies due to its availability and ease of use (ease of maintenance). Natural gas is another choice for industry given its lower cost compared to fuel oil. Coal use as an energy source is still not widespread.

The consistently increasing price trend for fuel oil has resulted in cost increases for industry overall. At the same time, gas prices are also increasing and it is also evident that domestic gas supply is on a reducing trend. As a result, many industries are seeking for alternative sources of energy for production and management of production costs. While coal is also a viable low cost source, many manufacturers are also looking to other sources such as palm husks, wood chips and other bio mass fuels.

However, coal has a significant advantage in terms of cost over other sources of energy. Coal reserves are more abundant than any other natural energy related source and may be found in over 100 countries.

UMS expects that demand for coal will continue to increase. As cost of production becomes increasingly crucial for every industry, many are turning their attention to coal as an alternative source of energy. For existing manufacturers, any consideration to convert from existing fuel oil boilers to coal fired boilers will require capital investment. However, with all factors considered including, the cost of fuel, operating expenses, and maintenance cost, manufacturers could find favourable returns of converting from fuel oil to coal.

Risk from communities and related environmental impacts

Coal is classified into many types including anthracite, bituminous, sub bituminous, and lignite. When coal is combusted, the oxygen in the air will react with the coal and generate the gas sulphur dioxide. If SO_2 is inhaled or comes into contact with the skin, lung conditions and allergic reactions might result. At the same time, dust from coal could also cause allergies.

Currently, UMS imports bituminous and sub-bituminous coal that generates low sulphur (sulphur content is in the range of 0.1-1.5% while sulphur content in fuel oil is in the range of 0.1-3.0%). This creates less impact to the environment.

To minimise negative perceptions and the potential for adverse environmental impact to communities, UMS engages in a closed manufacturing process that complies with government regulations. Specifically, UMS reduces particulate dispersion with either a closed storage system, covering coal stockyards with plastic sheets, spraying water on coal stockpiles, building high fences around the warehouse, and planting trees around the land perimeter to trap particulates. UMS also covers trucks with plastic sheets and washes the truck tyres prior to dispatch in order to prevent coal falling onto roads.

Risks Relating to the Group's Fertiliser & Warehousing Business in Vietnam

Risk related fertiliser raw material prices

Global and domestic fertiliser raw material prices can be volatile and therefore Baconco may be exposed to inventory adjustments, especially when the market faces a downturn or reduced margins when the market is on an upward trend. This is especially true if Baconco is not able to adjust quickly its market pricing.

While this risk cannot be completely eliminated, it is mitigated and minimised by controlling with two approaches:

a) Maintain low inventories, therefore limiting exposure in a market down turn situation and

b) Firm pricing and discount policies together with customer management based on superior quality therefore enabling Baconco to retain margins when raw material prices increase.

Risk of fertiliser raw material procurement

Baconco purchases raw materials from both domestic and overseas sources. In general, supply is balanced with a 50/50 split domestic and foreign.

With Baconco's strategic policies of low inventory and just-in-time purchase of raw materials, it may be exposed to a higher probability of raw material shortage when global supply is tight.

Baconco has established long term relations with a number of large and medium sized suppliers internationally. These suppliers continue to be very supportive of the company based on our quality commitments, adherence to contractual obligations, and prompt payment for materials. Baconco's volume and in time purchases of raw materials from suppliers have always been met.

Domestic competition for fertiliser

Vietnam is a highly competitive market for fertilisers and agrochemicals. There is currently an overcapacity of NPK production in Vietnam (bulk blending and granulation). In the next several years, more projects are being planned.

Baconco has chosen a strategy of differentiation and concentrates on specialised products to limit exposure to competition. Overall, Baconco engages in over 50 different fertiliser formulas from generic market blends to highly specialised types. This is to ensure that Baconco stays ahead of the competition, which in general produces 10-15 product types.

Baconco also engages in multiple production processes, as well as value adding its products with some unique processes such as compaction, USP, and bio coating of fertilisers. Through this approach, Baconco is able to maintain the reputation of the brand and the image in the market as the high quality, high service provider with consistent innovations and is able to maintain its market share and margins.

On-time delivery of fertiliser

With Baconco's just-in-time production policy, finished products inventory is low. This could lead to a higher probability of delivery delay to customers.

Baconco manages this risk with a good supply chain approach - through consistent and efficient communications between sales operations and the production facility. The factory knows several weeks in advance the incoming orders. Combined with a preventative maintenance program for machineries and equipment, production capacities are consistently maintained. Finally through automated bagging lines and loading processes, product is delivered to customers without delays.

Foreign currency risks

Baconco purchases half of its raw material in USD and sells finished goods domestically in VND. Given there are constant devaluations of the VND by the Vietnamese government, foreign exchange risks exist.

As the VND is not a generally convertible currency, coverage is limited. This foreign exchange risk may be managed by maintaining low inventories (based on the company's strategic policies) and a cash sales/payment policy resulting in zero customer debt. This approach has permitted Baconco to pay suppliers promptly and reduce USD exposure.

Baconco is also engaged in exporting some of its production, thereby generating USD income, which is used to pay raw material suppliers.

Risks related to regulatory compliance

The Vietnamese government establishes specific standards for fertiliser formulas in order to protect consumers and penalties are enforced if products are not manufactured based on tested specifications. Baconco imports raw materials from reliable foreign and domestic suppliers and already has the reputation as a high quality producer of fertiliser. With the direction calls for innovation of production formulas, Baconco's products are always in compliance or above government stated standards.

COMPLIANCE RISKS

Risk from Regulatory Changes in Countries where TTA has investments

TTA takes all possible measures to protect its own legal position and prevent legal risks from arising.

A compliance program applies to our employees worldwide, which enjoins them to comply with laws and guidelines, and provides them with the relevant training and support. The core of the programme is the TTA Code of Conduct, which defines ethical behaviour guidelines. This is complemented by training and testing programs, and a Whistle Blower Line for reporting compliance violations.

Insofar as possible and practical, the Company limits liability and damage risks through insurance coverage, the type and scope of which is continually adjusted to meet current requirements.

Environment, Occupational Health, Safety and Security Risk

TTA adherence to high technical standards and rules of conduct minimises potential damage and thus ensures the continuity of plant and equipment. TTA updates these preventive measures regularly.
We systematically conduct health and environmental safety audits at all locations. Through inspections and consultation, we minimise the risks to people and the environment.

Risk from Social and Community Impacts

To address these risks, TTA monitors and analyses the impacts of changes in environmental and safety laws and regulations on our operations. We closely coordinate with government agencies, apply available information to develop work plans and response measures, and ensure ongoing community relations activities in operating areas with a constant focus on community participation.

FINANCIAL RISK

The principal financial risks are foreign exchange risk, interest rate risk, and counterparty risk. The Company uses instruments such as cross currency and interest rate swap contracts, foreign currency forward contracts, foreign currency collar contracts, and target redemption swap agreements to manage the key financial risks. The objective in using these financial instruments is to reduce the uncertainty over future cash flows arising from movements in exchange rates, and to manage the liquidity of cash resources. It is our policy not to enter into any foreign exchange or interest rate derivative transactions for speculative purposes.

Foreign Exchange Risk

International maritime, offshore services, third-party logistics, and fertiliser businesses utilise the US dollar as the major currency for commercial transactions and asset acquisitions. The Company's primary objective is to maximise the operating revenues and costs in US dollars. This ensures an appropriate balance of foreign currency revenues against foreign currency commercial expenditures, asset acquisitions, and loan obligations. Additionally, US dollar denominated loan facilities have been obtained to fund these US dollar generating businesses and investment. Residual exchange rate risks are managed through financial instruments, such as forward contracts and managing foreign-currency deposits.

TTA has executed derivatives such as cross currency and interest rate swaps to fix our financial costs. Cross currency and interest rate swap contracts protect the Company from movements in exchange rates and interest rates.

Although the vast majority operations are USD dominated, the Company's functional currency remains in Thai Baht. Therefore, foreign-exchange risk arises when transactions are denominated in a currency other than the Baht. Foreign-exchange gains or losses appear in Item 30 of the Notes to Financial Statements.

Interest Rate Risk

The Company seeks to manage its exposure to interest rate volatility and minimise its interest costs. Interest rate volatility is mitigated through actively managing the mix of fixed and floating interest rates on our borrowings and through the use of derivatives, such as interest rate swaps, on our longer-term borrowings. Furthermore, we actively manage the overall tenor of our loan portfolio matched with operation cash flow. The Group bears market risks relating to changes in US Dollar interest rates only for the US dollar loans with minimal fixed margins tied to a floating LIBOR.

Fuel Oil Price Fluctuation Risk

The fluctuation of fuel oil prices may significantly affect vessel operating expenses and subsequently may impact the Company's profit. In the past, the Company entered into swap agreements to the fixed price for fuel oil prices on COA's. This is especially important and effective to minimise the risk arising from future fuel oil price changes between the date a cargo contract is entered into and the date the cargo is carried. As the dry bulk shipping business secures more vessel operating days at fixed rates, the Company is expected to hedge the expected future fuel oil requirement for each long-term cargo contract by entering into bunker swap contracts or bunker forward contracts at the time of negotiation of each long-term cargo contract.

Counterparty Risk

Most of our dry bulk freight income is normally paid by clients in advance, or prior to the corresponding cargoes being released to them. As for coal sales, the largest customers are well-established public companies in Thailand and coal sales to each SME client is not significantly large. Fertiliser sales are all done in cash. We do not believe that the counterparty risk is significant, and that the cost of hedging such risk would outweigh the possible benefit. We therefore have not entered into any derivative contracts relating to this risk.

16 Shareholdings by Directors/Executives

Shareholdings by Directors as of 30 September 2011

	Name	As of 30 Sept. 10	Changes During Year	As of 30 Sept. 11
1.	Mr. Aswin Kongsiri	0	0	0
	Spouse	0	0	0
2.	M.L. Chandchutha Chandratat [1]	196,988	400,000	596,988
	Spouse	0	0	0
3.	Dr. Pichit Nithivasin	0	0	0
	Spouse	0	0	0
4.	Prof. Dr. Warapatr Todhanakasem[2]	0	0	0
	Spouse	0	0	0
5.	Prof. Athueck Asvanund[2]	0	0	0
	Spouse	0	0	0
6.	Mr. Oral Wilson Dawe	0	0	0
	Spouse	0	0	0
7.	Mr. Sak Euarchukiati	0	0	0
	Spouse	0	0	0
8.	Mr. Stephen Fordham	0	10,000	10,000
	Spouse	0	0	0
9.	Dr. Siri Ganjarerndee	0	0	0
	Spouse	0	0	0
10.	Mr. Peter Stokes	0	0	0
	Spouse	0	0	0
	Total	**196,988**	**410,000**	**606,988**

Note : [1] M.L. Chandchutha Chandratat's shareholding exclude shares from EJIP.
[2] Prof. Dr. Warapatr Todhanakasem and Prof. Athueck Asvanund became Director on 15 August 2011.

TTA Share Ownership by Executives (Individually and Through the Employee Joint Investment Programme)[1] as of 30 September 2011

	Name	As of 30 Sept. 10	Changes During Year	As of 30 Sept. 11
1.	M.L. Chandchutha Chandratat[1]	196,988	400,000	596,988
	Spouse	0	0	0
2.	Mrs. Penroong Suwannakudt	1,100	0	1,100
	Spouse	0	0	0
	Ownership by Individual Executives	198,088	400,000	598,088
3.	Ownership through EJIP by Executives[2]	167,624	138,952	306,576
Total direct and indirect TTA shareholdings by executives through EJIP		**365,712**	**538,952**	**904,664**

Note: [1] As long as shares are acquired under the Employee Joint Investment Programme ("EJIP"), the SEC has waived its requirement that an executive publicly disclose any TTA share purchases.
[2] TTA had nine executives as of 30 September 2010 and eight executives as of 30 September 2011.

Major Shareholders as of 27 December 2011 (The latest share register book closing date)

No.	Name	No. of Shares	Percentage
1.	Mr. Chalermchai Mahagitsiri	58,494,400	8.26
2.	UOB Kay Hian Private Limited	35,459,400	5.01
3.	Ms. Ausana Mahagitsiri	30,360,100	4.29
4.	Thai NVDR Co., Ltd.	25,536,565	3.61
5.	Mr. Prateep Tangmatitham	10,358,600	1.46
6.	State Street Bank Europe Limited	9,173,710	1.30
7.	Commander Apiwat Chanchaimongkol	6,600,000	0.93
8.	The Bank Of New York (Nominees) Limited	6,387,110	0.90
9.	State Street Bank And Trust Company	6,297,580	0.89
10.	Globlex Corporation Co., Ltd.	6,216,300	0.88
	Total	**194,883,765**	**27.53**

Policy On Dividend Payments

The timing and amount of dividends, if any, will depend on our operational results, 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 dividend distributions 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, Mermaid, and UMS. As listed companies on the SGX-ST and MAI, respectively, their Board of Directors must apply the same level of care and judgement when recommending dividends as the TTA Board. Mermaid's and UMS'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.

Introduction

The Board of Directors (the "Board" and each Board member, a "Director") recognises the critical importance of corporate governance in supporting TTA's sustainable growth, creating shareholder value, and securing trust from all stakeholders, including shareholders, customers, employees, and the general public.

The Board 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.

Good corporate governance requires a strong commitment from the Board and management, so that the proper behaviour and examples are established throughout the Company. TTA has continuously maintained and developed excellent corporate governance practices, which have been recognised by the Thai Institute of Directors ("IOD") in its CG assessment results in 2009 and 2010.

1. THE CORPORATE GOVERNANCE

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.

At the Board of Directors' meeting on 21 December 2011, the Board has established a Corporate Governance Committee (the "CG Committee") to review corporate governance practices and the Code of Conduct and to monitor compliance of the practices so that it remains within an ethical framework.

TTA's CG practices in 2011, in accordance with guidelines of the Stock Exchange of Thailand, cover 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.

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 a 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. Guidelines that allow shareholders to nominate directors are also posted on our website. For the 2012 Annual General Meeting of Shareholders, TTA allowed shareholders to submit agenda items and director nominations through 30 September 2011 to provide sufficient time to consider all agenda items. The policy to include agenda items and recommend director nominations is posted in TTA's website under Investor Relations.

(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 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 2011 AGM was held on 2 March 2011, because the first call of the 2011 AGM on 28 January 2011 did not achieve a quorum. TTA used the shareholders record date to give them more time to scrutinise meeting notices or request additional information ahead of the meeting. The notice to the 2011 AGM (rescheduled) was sent to shareholders and the SET on 9 February 2011, 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.

(iii) During the meeting

The Chairman of the Board presided over the 2011 AGM. Nine out of ten directors, including the chairpersons 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.

TTA has received excellent scores (ranging between 90-99) for the quality of AGM organisation since 2007. The assessment results were based on the assessment form of the SEC in conjunction with the Listed Companies Association and Thai Investors Association.

(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 2011 AGM were recorded and submitted to the SET on 16 March 2011, 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.

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 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. Since 2009, TTA has launched the "TTA Happy Everyday" programme, under which various activities, including meditation, yoga, and relaxing massages, are provided after office hours to all employees. We also encourage our employees to join corporate social responsibility programme such as aid to flooding victims in Thailand.

In the past year, TTA improved its performance management system with an aim to build performance-based culture that aligns compensation with results and performance. The Performance objectives were set to align with the TTA's strategy and were communicated and cascaded down the organisation.

In terms of development, quarterly People Development Forums ("PDF") were held and dedicated solely to determine executive development policies and guidelines and succession planning of key positions in TTA and its subsidiaries. The Learning and Development Center was created under the Group to provide knowledge and skill training in areas of business and people management. In addition, the Management Development Program ("MDP"), a systematic executive development programme sponsored by the President & Chief Executive Officer, was established and aims to provide intensive development for senior and middle management.

(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 2010, TTA reviewed its remuneration policy for senior executives to reflect our new strategic direction. In January 2010, TTA launched an Employee Joint Investment Programme ("EJIP") which is designed as a performance-based retention tool for key executives. 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.

For lenders, TTA treats lenders fairly, responsibly, and transparently. We do not conceal information, which may cause damages for the lenders. If TTA cannot fulfil one or more of its obligations, we seek to notify the lenders so that a resolution can be agreed upon together.

(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 page 62.

4. INFORMATION DISCLOSURE AND TRANSPARENCY

TTA delivers 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, Corporate Finance and Accounting, and the Stakeholder Relations Associate Director. 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 (88 meetings in 2011)
2. Quarterly meetings with analysts to discuss our most recent financial performance (4 meetings in 2011)

3. Investor conferences (6 conferences in 2011)
4. Road shows (2 road shows in 2011)

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.

To contact the Company's stakeholder relations unit, the general public may call 0-2250-0569 ext. 338 or e-mail Jiradej_n@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.

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. 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 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 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 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

TTA has 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 2011 consisted of the following persons:

Members of the Board of Directors as of 30 September 2011

Name	Position
1. Mr. Aswin Kongsiri	Chairman/Independent Director
2. M.L. Chandchutha Chandratat	President & Chief Executive Officer/Executive Director
3. Dr. Pichit Nithivasin	Vice Chairman (from 21 December 2011)/Independent Director
4. Prof. Dr. Warapatr Todhanakasem	Independent Director
5. Prof. Athueck Asvanund	Independent Director
6. Mr. Oral Wilson Dawe	Independent Director
7. Mr. Sak Euarchukiati	Independent Director
8. Mr. Stephen Fordham	Director
9. Dr. Siri Ganjarerndee	Independent Director
10. Mr. Peter Stokes	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. 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.

(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 Code of Conduct.

(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 five committees, namely the Audit Committee, the Nomination and Remuneration Committee, Investment Committee, Risk Management Committee and Corporate Governance Committee.

(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, Corporate Finance and Accounting. Details of the Company Secretary's functions are available on the Company's website at http://www.thoresen.com.

(ii) Audit Committee

As of 30 September 2011, the Audit Committee ("AC") comprised the following directors: Prof. Dr. Warapatr Todhanakasem (Chairperson), Dr. Siri Ganjarerndee, and Mr. Sak Euarchukiati. All AC members are independent directors. During the financial year that ended on 30 September 2011, the Audit Committee convened 9 meetings.

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, Corporate Finance and Accounting, Executive Vice President - Corporate Risk, and Compliance, and Internal Audit Senior Manager attend all key meetings prior to the release of our quarterly financial statements. During the year, the AC meets with the external auditors, Executive Vice President - Corporate Risk, and Compliance and the Internal Audit Senior 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, Corporate Finance and Accounting, Executive Vice President - Corporate Risk, and Compliance, and Internal Audit Senior 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 Senior 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 laws 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 i.e.
    - 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.
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.

- Opinion on the accuracy, completeness, and creditability of the Company's financial report.
- Opinion on the adequacy of the Company's internal control system.
- Opinion on the compliance with the law on securities and exchange, the SET's regulations, or the laws relating to the Company's business.
- 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.
- Opinion on the transactions that may lead to conflicts of interests.
- Number of the AC meetings and the attendance of such meetings by each committee member.
- 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 2011 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. Risk management activities and specific reports were reviewed quarterly
3. Internal controls were reviewed in the shipping business in areas of revenue cycle, ship management, crew management, bunkering, and dry docking.
4. 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.

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 2011 AGM, the shareholders approved the following items:

1. The appointment of Mr. Kajornkiet Aroonpirodkul, License No. 3445, or Mr. Chanchai Chaiprasit, License No. 3760, or Mrs. Nattaporn Phan-Udom, License No. 3430, of PricewaterhouseCoopers as auditors for the 2011 financial year.

2. The audit fee in the amount of Baht 3.16 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 31 January 2012.

(iii) Nomination and Remuneration Committee

At the Board of Directors meeting held on 26 November 2010, the Board approved that the Nomination Committee and the Remuneration Committee be combined into one committee called the Nomination and Remuneration Committee ("NRC") and on 13 May 2011, the Board approved the Nomination and Remuneration Committee Charter. The NRC comprises four (4) members being Dr. Pichit Nithivasin (Chairman), Mr. Stephen Fordham, Dr. Siri Ganjarerndee, and Mr. Sak Euarchukiati.

Before the combination of the two Committees, the Nomination Committee met three (3) times in 2011. The Remuneration Committee met twice in 2011. After the combination into NRC, the NRC met five (3) times in 2011. The NRC'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 of Directors as the Board of Directors prescribes;
2. Reviewing and making recommendations to the Board of Directors on all candidates nominated (whether by the Board of Directors, shareholders, or otherwise) for appointment to the Board of Directors, 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 of Directors as to the Directors who are to retire by rotation and to be put forward for re-election at each annual general meeting of the Company, having regard to the Directors' contribution and performance (such as their attendance, preparedness, participation and candour), including, if applicable, as independent Directors;
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 annual general meetings of the Company, sufficient information is provided to the shareholders so as to enable them to make an informed decision;
6. Identifying and nominate candidates for the approval of the Board of Directors to fill vacancies in the Board of Directors and sub-committee as and when they arise;
7. Reviewing all candidates nominated for appointment as the Company's chairman, or managing director;
8. Recommending to the Board of Directors a policy for the selection of the Chairman, develop a succession plan according to such policy, and review annually both the succession plan for the Chairman and the chief executive officer's succession plan proposed by management;
9. At least once every financial year, reviewing (and thereafter, making recommendations to the Board of Directors regarding) the Board of Directors 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;

10. Procuring that at least one-third (1/3) of the Board of Directors 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 of Directors, objective performance criteria (that allows comparison with the Company's industry peers) to evaluate the effectiveness of the Board of Directors as a whole. Once approved by the Board of Directors, the performance criteria shall not be changed without proper justification from the Board of Directors;

    The Chairman of the Board of Directors, in consultation with the Committee, will act on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board of Directors or seek the resignation of Directors;

12. Supporting a channel for minor shareholders to propose a candidate to be a director of the Company;

13. Recommending and proposing for the Board of Directors 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 of Directors for further approval by shareholders
    - Members of any special committee established by the Board of Directors;

14. Recommend and propose for the Board of Directors 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

15. Conduct the annual performance evaluation and report the results to the Board of Directors for acknowledgement, of the following;

    - President & Chief Executive Officer

16. Consider the Company's annual remuneration budget, and propose to the Board of Directors for final approval;

17. Continue to follow and evaluate the remunerations for directors and executives by taking into account the following factors and keeping the Board of Directors informed of the Committee'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 the Company successfully.
    - The pay and employment conditions are competitive within the industry and in comparable companies.

Since 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, Corporate 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 has been effective since 2010.

The NRC 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 NRC carefully reviews the Company's achievements and competitor results.

Executive compensation consists of salary, annual bonus, long-term incentives, which include TTA shares from the Employee Joint Investment Program ("EJIP"), 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.

The Board is actively engaged in orderly succession planning to enable its composition to be renewal without compromising its continued effectiveness. In 2011, the shareholders appointed Mr. Oral Wilson Dawe as a director to fill the directorship position vacated by M.R. Chandram S. Chandratat who passed away in November 2010.

(iv) Risk Management Committee

At the Board of Directors meeting held on 14 May 2010, the Board approved the appointment of the Risk Management Committee ("RMC") and on 14 December 2010, the Board approved the Risk Management Committee Charter. The RMC members comprise a minimum of four (4) members from the Company's Directors and executives. The Board of Directors shall appoint one non-executive Director. The other members shall be President & Chief Executive Officer, Executive Vice President, Corporate Finance & Accounting, and Executive Vice President, Corporate Risk, and Compliance

The RMC's main tasks include:

1. Reviewing the effectiveness of the Enterprise Risk Management system within the Group and be assured that material risks are identified and appropriate risk management processes are in place, including the formulation and subsequent updating of appropriate Group policies.

2. Evaluating the adequacy and effectiveness of administrative, operating, and accounting controls used by the Group.
3. Reviewing actual and potential material risk exposures.
4. Promoting and providing support to the execution of risk management program within the Group.
5. Monitoring the implementation of business unit and corporate risk management plans.
6. Reviewing business contingency planning processes within the Group and be assured that material risks are identified and appropriate contingency plans are in place.
7. Regularly coordinating with the Audit Committee by sharing information about risks and internal control potentially affecting the Company's business.
8. Deciding and providing recommendations on critical issues obtained from the risk management process.

There were 4 (four) RMC meetings in 2011 Financial Year.

(v) Investment Committee

At the Board of Directors meeting held on 14 May 2010, the Board approved the appointment of the Investment Committee ("IC") and on 14 December 2010, the Board approved the Investment Committee Charter. The IC members comprise a minimum of five members from the Company's Directors and executives. From the Board, two Directors who have some knowledge or experience of the proposed investment project will be appointed by the Chairman of the Board for each proposed project. Other members shall be President & Chief Executive Officer, the Executive Vice President, Corporate Finance and Accounting, and Executive Vice President, Corporate Strategy.

The IC's main tasks include:

1. Reviewing, evaluating, and recommending to the Board for approval of new diversification investments, if it determines that such investments would be in the best interests of the Company;
2. Review, considering, and making recommendations to the Board on the implementation of an Investment Policy and/or investment projects;
3. Reviewing, evaluating, and considering procedures that management has implemented to monitor compliance with an Investment Policy on each and any of the investment projects;
4. Providing guidance to management on analysing and structuring the proposed investment project prior the submission to the Board for approval;

There was no IC meeting in 2011 Financial Year.

(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. Moreover, such transactions are entered into on an "arm's length" basis and are conducted in the best interests of TTA and all shareholders.

Since 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.

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. 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

TTA's management has reviewed its risk policy, frameworks, and plans. The management and all staff have also been encouraged to be aware of the importance of risk and the significance of risk management so that everyone is prepared to mitigate or resolve the identified risk appropriately in a timely fashion. We are promoting a risk awareness culture, in which risk management is everyone's responsibility. A risk management structure has been systematically created. Risk management plans and measures have been formulated where both internal and external risk factors possibly affecting TTA's businesses and targets as well as operations are assessed. In addition, TTA has formulated its reporting and risk management monitoring procedures for appropriate responses to constant changes. Risk management monitoring plans are carefully reviewed before being reported to the Board on a quarterly basis.

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, including proper segregation of duties between the operations units, control units, and assessment units for the purpose of maintaining appropriate checks and balances. There is a proper level of control maintained on the utilisation of our property/assets. Moreover, an internal control system for the financial and accounting functions is clearly set up, which allows adequate reporting to the relevant management.

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 communication 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 the Board of Directors' 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 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 legally.

(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 2011, there were fourteen (14) 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 days before each meeting and relevant documents at least seven (7) 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 2011 are shown in the following table.

Details of Directors' Attendance Record in 2011 Financial Year

Name	Board Meetings			Audit Committee Meetings			Nomination Committee Meetings[/1]	Remuneration Committee Meetings[/2]	Nomination and Remuneration Committee Meetings	Risk Management Committee Meeting
	Regular Meeting	Special Meeting	Total	Regular Meeting	Special Meeting	Total				
1. Mr. Aswin Kongsiri	3/4	9/10	12/14	2/2	-	2/2	-	-	-	-
2. M.L. Chandchutha Chandratat	4/4	10/10	14/14	-	-	-	-	-	-	4/4
3. Dr. Pichit Nithivasin	4/4	9/10	13/14	-	-	-	3/3	2/2	3/3	-
4. Prof. Dr. Warapatr Todhanakasem**	0/0	1/2	1/2	-	1/1	1/1	-	-	-	-
5. Prof. Athueck Asvanund**	0/0	1/2	1/2	-	-	-	-	-	-	-
6. Mr. Oral Wilson Dawe*	1/2	5/7	6/9	-	-	-	-	-	-	2/3
7. Mr. Sak Euarchukiati	4/4	9/10	13/14	6/6	1/1	7/7	3/3	2/2	3/3	1/1
8. Mr. Stephen Fordham	3/4	9/10	12/14	-	-	-	3/3	-	3/3	-
9. Dr. Siri Ganjarerndee	4/4	9/10	13/14	6/8	-	6/8	2/3	1/2	3/3	-
10. Mr. Peter Stokes	3/4	9/10	12/14	-	-	-	-	-	-	-

Note : * Mr. Oral Wilson Dawe became a Board member in March 2011.
** Prof. Athueck Asvanund and Prof. Dr. Warapatr Todhanakasem became Board members in August 2011

[/1] the Nomination Committee meetings before the combination of Remuneration Committee and Nomination Committee in November 2010

[/2] the Remuneration Committee meetings before the combination of Remuneration Committee and Nomination Committee in November 2010

Details of Directors' Attendance Record of Directors who resigned during the 2011 Financial Year

Name	Board Meetings			Audit Committee Meetings			Nomination and Remuneration Committee Meetings	Risk Management Committee Meeting
	Regular Meeting	Ad-hoc Meeting	Total	Regular Meeting	Ad-hoc Meeting	Total		
1. Mrs. Pratana Mongkolkul	4/4	5/8	9/12	6/8	-	6/8	-	-
2. Mrs. Joey Horn	3/3	6/8	9/11	-	-	-	-	-

Note: Mrs. Pratana Mongkolkul resigned on 15 August 2011.
Mrs. Joey Horn resigned on 31 July 2011.

(G) BOARD ASSESSMENT AND ROTATION

The Board is composed of ten directors. 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. 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.

The Board conducted a formal evaluation of its own performance for the year that ended on 30 September 2011. The evaluation process was led by the Chairman of the NRC 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 (6) 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 had discussed the results and asked board committees to propose measures to improve the efficiency of the Board.

(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 2011 AGM. The Board, based on recommendations by the NRC, 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 2011

Remuneration in Cash

The Board's Remuneration

At the 2011 AGM, TTA's shareholders approved the remuneration of TTA's Board as follows:

- Total standard monthly fees for all nine non-executive directors shall be Baht 430,000. If an additional non-executive director is appointed to the Board, he/she will receive a standard monthly fee of Baht 35,000. The non-executive directors shall receive an attendance fee of Baht 45,000 per meeting. The Chairperson of the Board of Directors 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 Chairperson of the Nomination and Remuneration Committee shall receive an attendance fee of Baht 36,000 per meeting, which is equal to 1.20 times of the attendance fee of other members of the Nomination and Remuneration Committee members. Other Remuneration and Nomination Committee members shall each receive an attendance fee of Baht 30,000 per meeting.
- The Chairpersons of the Investment Committee and the Risk Management Committee shall each receive an attendance fee of Baht 18,000 per meeting, which is equal to 1.20 times the attendance fees of other members of the Investment Committee and the Risk Management Committee. Other members shall each receive an attendance fee of Baht 15,000 per meeting.
- Travelling allowance shall be paid to foreign directors who travel into Thailand to attend Board of Directors meetings or committee meetings as follows:

  - From Asia to Thailand: USD 500 per day

  - From Europe/USA and others to Thailand: USD 1,000 per day
- 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

$$= \frac{\text{TTA consolidated net profit – unrealised exchange gains or losses}}{\text{paid up share capital + share premium + legal reserve + retained earnings}}$$

Full remuneration and bonus details are prescribed in the table below.

Remuneration and Bonus for the Board and Board Committees for the 2011 Financial Year

Unit: Baht

Name	Board of Directors		Attendance Fees						Total (Standard and attendance fees)	Travel Allowance (only foreign directors) (USD)
	Standard Remuneration*	Bonus	Board of Directors	Audit Committee	Nomination Committee[/1]	Remuneration Committee[/2]	Nomination and Remuneration Committee	Risk Management Committee		
1. Mr. Aswin Kongsiri	1,595,000	-	648,000	80,000	-	-	-	-	2,323,000	-
2. M.L. Chandchutha Chandratat	-	-	-	-	-	-	-	-	-	-
3. Dr. Pichit Nithivasin	420,000	-	585,000	-	45,000	36,000	108,000	-	1,194,000	-
4. Prof. Dr. Warapatr Todhanakasem**	54,194	-	45,000	-	-	-	-	-	99,194	-
5. Prof. Athueck Asvanund**	54,194	-	45,000	-	-	-	-	-	99,194	-
6. Mr. Oral Wilson Dawe**	243,871	-	270,000	-	-	-	-	15,000	528,871	4,500
7. Mr. Sak Euarchukiati	420,000	-	585,000	240,000	45,000	30,000	90,000	-	1,410,000	-
8. Mr. Stephen Fordham	420,000	-	540,000	-	54,000	-	90,000	-	1,104,000	6,000
9. Dr. Siri Ganjarerndee	420,000	-	585,000	240,000	30,000	15,000	90,000	-	1,380,000	-
10. Mr. Peter Stokes	420,000	-	540,000	-	-	-	-	-	960,000	10,000
Total	**4,047,259**	**-**	**3,843,000**	**560,000**	**174,000**	**81,000**	**378,000**	**15,000**	**9,098,259**	**USD 20,500**

Note:
* Mr. Oral Wilson Dawe became a Board member in March 2011 and Prof. Dr. Warapatr Todhanakasem and Prof. Athueck Asvanund became Board member in August 2011.

/1 the Nomination Committee meetings before the combination of Remuneration Committee and Nomination Committee in November 2010

/2 the Remuneration Committee meetings before the combination of Remuneration Committee and Nomination Committee in November 2010

Remuneration and Bonus for the Board and Board Committees who resigned during the financial year 2011

Name	Board of Directors		Attendance Fees			Total (Standard and attendance fees)	Total Travelling Allowance (only foreign directors) (USD)
	Standard Remuneration*	Bonus	Board of Directors	Audit Committee	Remuneration and Nomination Committee		
1. Mrs. Pratana Mongkolkul	366,935	-	405,000	288,000	-	1,059,935	-
2. Mrs. Joey Horn	350,000	-	405,000	-	-	755,000	3,000
Total	**716,935**	**-**	**810,000**	**288,000**	**-**	**1,814,935**	**USD 3,000**

Remuneration of Executives

Remuneration of executives in the form of salary and bonus and other cash remuneration is as follows:

Unit: Baht millions	Executives during financial year/full-year equivalent people	2011	Executives during financial year/full-year equivalent people	2010
Total salary and bonus	9 persons/8.83 persons	Baht 68.29 million	9 persons/7.5 persons	Baht 57.00 million
Other remuneration (Provident fund contributions by TTA)	9 persons/8.83 persons	Baht 5.59 million	9 persons/7.5 persons	Baht 4.74 million

Note: One executive resigned in September 2011.
Two executives joined in July 2010.

(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 Memorandum and Articles of Association, recent presentations, the latest annual report, and board committees' charters, 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.

List of key courses in IOD which TTA's directors attended

Courses	No. of participants
The Role of Chairman	1
The Director Accreditation Program	2
The Director Certification Program	4
The Finance for Non-Finance Director Program	1

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 was approved by the Board on 12 February 2010 to implement the VMV framework, emphasising our four Core Values.

TTA has arranged Code of Conduct training to all employees to ensure that they understand good practices and has included the Code of Conduct training as part of the orientation for new employees.

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. 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.

19 Inside Information Control

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.

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. Major 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
				30 Sept. 2010	30 Sept. 2011	
1. Mermaid Maritime Public Company Limited	Asia Offshore Drilling Limited	TTA holds a 57.14% stake in Mermaid Maritime Public Company Limited and Mermaid Maritime Public Company Limited holds a 33.75% stake in Asia Offshore Drilling Limited. Both companies have a common director.	Mermaid Maritime Public Company Limited charged administrative, technical, and commercial management services to Asia Offshore Drilling Limited.	- (No transaction in 2010)	224,587,401.29 (Recorded as other income)	Price was negotiated between Mermaid Maritime Public Company Limited and Asia Offshore Drilling Ltd. It was fair and market based price as evaluated by third financial expet.
2. Soleado Holdings Pte. Ltd.	Merton Group (Cyprus) Ltd.	TTA holds a 100% stake in Soleado Holdings Pte. Ltd. and Soleado Holdings Pte. Ltd. holds a 24.3% stake in Merton Group (Cyprus) Ltd. Both companies are direct and indirectly held by TTA, respectively.	Soleado Holdings Pte. Ltd. lent USD 17.8 million to Merton Group (Cyprus) Ltd. As of 30 September 2011, the outstanding loan was USD 17.8 million, or equivalent to Baht 554.78 million. Soleado Holdings Pte. Ltd. charges an interest rate of 25% per annum on the loan.	49,364,841.00 (Recorded as interest income)	89,633,089.04 (Recorded as interest income) (The outstanding loan and interest have been converted into equity of SKI Energy Resources Inc.)	Interest rate was based on a mutual agreement and in line with the commercial risk for a pre-operating company in the Philippines.
3. Shipping group of companies	Fearnleys (Thailand) Ltd.	TTA holds a 99.99% stake in all dry bulk vessel owning companies and holds a 49% stake in Fearnleys (Thailand) Ltd. Both companies are direct and indirectly held by TTA, respectively.	Fearnleys (Thailand) Ltd. provided ship chartering services to the dry bulk shipping business.	42,500,923.01 (Inter-company transactions were eliminated, as Fearnleys (Thailand) Ltd. was a subsidiary last year and become an associate in 2011.)	31,205,039.34 (Recorded as vessel operating expenses)	Same price as normally charged to a third party
4. Soleado Holdings Pte. Ltd.	Petrolift Inc.	TTA holds a 100% stake in Soleado Holdings Pte. Ltd. and Soleado Holdings Pte. Ltd. holds a 40% stake in Petrolift Inc. Both companies are direct and indirectly held by TTA, respectively.	Petrolift Inc. declared a dividend of 0.1588 Philippine Pesos per share. As of 30 September 2011, the outstanding dividend to be paid to Soleado Holdings Pte. Ltd. was 68 million Philippine Pesos.	- (No transaction in 2010)	48,331,637.50 (Recorded as amount due from related parties. This amount was received in October 2011.	From profit of Petrolift Inc.

Companies	Related Party Companies/ Entities	Relationship	Description of Transactions	Transaction Amount (Baht)		Pricing Policy
				30 Sept. 2010	30 Sept. 2011	
5. Baconco Co., Ltd.	Thoresen-Vinama Agencies Co., Ltd.	TTA holds a 100% stake in Soleado Holdings Pte. Ltd. and Soleado Holdings Pte. Ltd. holds a 100% stake in Baconco Co., Ltd. TTA holds a 50% stake in Thoresen (Indochina) S.A. and Thoresen (Indochina) S.A. holds a 49% stake in Thoresen- Vinama Agencies Co., Ltd. Both companies are indirectly held by TTA.	Baconco Co., Ltd. lent USD 2 million to Thoresen-Vinama Agencies Co., Ltd. As of 30 September 2011, the outstanding loan was USD 2 million.	- (No transaction in 2010)	62,181,000.00 (Recorded as long term loan)	The loan principal is repayable within 2 years at USD 1 million per year plus 50% and 25% profit sharing of the bonded warehouse that is built by Thoresen- Vinama Agencies Co., Ltd. in the first and second year, respectively.
6. Thoresen Thai Agencies Public Company Limited	The Post Publishing Public Company Limited	TTA does not hold shares in The Post Publishing Public Company Limited. However, both companies have a common director.	The Post Publishing Public Company Limited charged for newspaper membership and advertisement.	254,476.00 (Recorded as administrative expenses)	352,946.00 (Recorded as administrative expenses)	Same price as normally charged to a third party
7. Thoresen Thai Agencies Public Company Limited	Prasit Patana Public Company Limited	TTA does not hold shares in Prasit Patana Public Company Limited. However, both companies have a common director.	Prasit Patana Public Company Limited charged for medical services.	41,637.80 (Recorded as administrative expenses)	39,700.00 (Recorded as administrative expenses)	Same price as normally charged to a third party

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.

Investments in other companies exceeding 10% of other companies' shares as of 30 September 2011 are as follows:

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding	Par Value
Transport Group						
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	Ordinary Preference	9,470,000 3,030,000	9,470,000 3,029,994	99.9	10
2	Thor Jupiter Shipping Co., Ltd.	Ordinary	974,000	973,993	99.9	100
3	Thor Wind Shipping Co., Ltd.	Ordinary	2,000,000	1,999,993	99.9	100
4	Thor Wave Shipping Co., Ltd.	Ordinary	2,000,000	1,999,993	99.9	100
5	Thor Harmony Shipping Co., Ltd.	Ordinary	3,500,000	3,499,993	99.9	100
6	Thor Dynamic Shipping Co., Ltd.	Ordinary	3,600,000	3,599,993	99.9	100
7	Thor Integrity Shipping Co., Ltd.	Ordinary	3,850,000	3,849,993	99.9	100
8	Thor Enterprise Shipping Co., Ltd.	Ordinary	6,300,000	6,299,993	99.9	100
9	Thor Energy Shipping Co., Ltd.	Ordinary	10,000,000	9,999,993	99.9	100
10	Thor Endeavour Shipping Co., Ltd.	Ordinary	11,000,000	10,999,993	99.9	100
11	Thor Merchant Shipping Co., Ltd.	Ordinary	200,000	199,994	99.9	100
12	Hermes Shipping Co., Ltd.	Ordinary	270,000	269,994	99.9	100
13	Thor Star Shipping Co., Ltd.	Ordinary	300,000	299,993	99.9	100
14	Thor Skipper Shipping Co., Ltd.	Ordinary	300,000	299,993	99.9	100
15	Thor Sailor Shipping Co., Ltd.	Ordinary	300,000	299,993	99.9	100
16	Thor Mariner Shipping Co., Ltd.	Ordinary	350,000	349,994	99.9	100
17	Thor Sun Shipping Co., Ltd.	Ordinary	400,000	399,993	99.9	100
18	Thor Spirit Shipping Co., Ltd.	Ordinary	400,000	399,993	99.9	100
19	Thor Sky Shipping Co., Ltd.	Ordinary	400,000	399,993	99.9	100
20	Thor Sea Shipping Co., Ltd.	Ordinary	400,000	399,993	99.9	100
21	Thor Trader Shipping Co., Ltd.	Ordinary	450,000	449,993	99.9	100
22	Thor Traveller Shipping Co., Ltd.	Ordinary	450,000	449,993	99.9	100
23	Thor Orchid Shipping Co., Ltd.	Ordinary	472,500	472,493	99.9	100
24	Thor Confidence Shipping Co., Ltd.	Ordinary	500,000	499,993	99.9	100

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding	Par Value
25	Thor Nautilus Shipping Co., Ltd.	Ordinary	500,000	499,993	99.9	100
26	Thor Mercury Shipping Co., Ltd.	Ordinary	600,000	599,994	99.9	100
27	Thor Triumph Shipping Co., Ltd.	Ordinary	600,000	599,993	99.9	100
28	Thor Lotus Shipping Co., Ltd.	Ordinary	630,000	629,993	99.9	100
29	Thor Jasmine Shipping Co., Ltd.	Ordinary	700,000	699,993	99.9	100
30	Thor Champion Shipping Co., Ltd.	Ordinary	750,000	749,993	99.9	100
31	Thor Venture Shipping Co., Ltd.	Ordinary	750,000	749,993	99.9	100
32	Thor Guardian Shipping Co., Ltd.	Ordinary	750,000	749,993	99.9	100
33	Thor Nautica Shipping Co., Ltd.	Ordinary	753,000	752,993	99.9	100
34	Thor Pilot Shipping Co., Ltd.	Ordinary	800,000	799,993	99.9	100
35	Thor Navigator Shipping Co., Ltd.	Ordinary	990,000	989,993	99.9	100
36	Thor Transit Shipping Co., Ltd.	Ordinary	1,000,000	999,993	99.9	100
37	Thor Alliance Shipping Co., Ltd.	Ordinary	1,060,000	1,059,993	99.9	100
38	Thor Commander Shipping Co., Ltd.	Ordinary	1,150,000	1,149,993	99.9	100
39	Thor Tribute Shipping Co., Ltd.	Ordinary	1,170,000	1,169,993	99.9	100
40	Thor Neptune Shipping Co., Ltd.	Ordinary	1,380,000	1,379,993	99.9	100
41	Thor Captain Shipping Co., Ltd.	Ordinary	1,530,000	1,529,994	99.9	100
42	Thor Nexus Shipping Co., Ltd.	Ordinary	1,857,000	1,856,993	99.9	100
43	Thor Master Shipping Co., Ltd.	Ordinary	1,880,000	1,879,993	99.9	100
44	Thor Transporter Shipping Co., Ltd.	Ordinary	2,000,000	1,999,993	99.9	100
45	Thor Nereus Shipping Co., Ltd.	Ordinary	2,128,000	2,127,993	99.9	100
46	Thor Nectar Shipping Co., Ltd.	Ordinary	2,541,000	2,540,993	99.9	100

Note : The registered office address of companies in items No. 2-46 is 26/32 Orakarn Building, 10th Floor, Soi Chidlom Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2250-0569

Type of Business : International Maritime Transportation

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding	Par Value
47	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
48	Thoresen Shipping Singapore Pte. Ltd. 78 Shenton Way, #04-02 Singapore 079120 Tel. : +65 6578-7000	Ordinary	111,300,000	111,300,000	100.0	S$ 1

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding	Par Value
49	Thoresen Shipping Germany GmbH Stavendamm 4a, 28195 Bremen, Germany Tel. : 421 336 52 22	Ordinary	25,000	25,000	100.0	Euro 1
50	PT Perusahaan Pelayaran Equinox Globe Building 4th & 5th floor Jalan Bancit Raya Kav.31-33, Jakarta Indonesia 12740 Tel: +6221 7918 7006	Ordinary	24,510	12,010	49.0	1,000,000 Rupiah
Type of Business : Ship Agency						
51	ISS Thoresen Agencies Ltd. 26/26-27 Orakarn Building, 8th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2254-0266	Ordinary	500,000	245,000	49.0	100
52	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	Ordinary	22,000	11,215	51.0	1,000
53	Thoresen Shipping FZE 1901-19th Floor, Golden Tower Opp. Marbella Resort, Al Buhairah Corniche Road, Sharjah, UAE. Tel. : 971-6-574 2244	Ordinary	1	1	100.0	550,550 Dirhams
54	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	Ordinary	2,500	1,250	50.0	US$ 100
Type of Business : Ship Brokerage						
55	Fearnleys (Thailand) Ltd. 26/55 Orakarn Building, 15th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2253-6160	Ordinary	135,000	66,144	49.0	100

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding	Par Value
56	Thoresen Chartering (Pte) Ltd. 78 Shenton Way, #04-02 Singapore 079120 Tel. : +65 6578-7000	Ordinary	100,000	100,000	100.0	S$ 1
Type of Business : Oil and GasTankering Business						
57	Petrolift Inc. 6th Floor, Mapfre Insular Corporate Center Madrigal Business Park I, 1220 Acacia Avenue, Ayala Alabang Muntinlupa City, Philippines	Ordinary	1,259,350,452	503,740,176	40.0/1	S$ 1 Philippines Peso
Energy Group						
Type of Business : Offshore Services						
58	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	Ordinary	784,747,743	277,823,871 170,590,470/1	57.14	1
Type of Business : Coal Mining Business						
59	Merton Group (Cyprus) Ltd. Nikou Kranidioti 7D, Tower 4, 3rd Floor Flat/Office 302, Egkomi, PC 2411 Nicosia, Cyprus	Ordinary	17,900	4,352	24.31/1	US$ 1
60	Qing Mei Pte. Ltd. 5 Shenton Way, 21-06 UIC Building Singapore 068808	Ordinary	6,336,096	2,112,032	33.33/1	US$ 1
Infrastructure Group						
Type of Business : Ship Supplies, Logistics, Ship Stevedoring and Transportation						
61	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	Ordinary	700,000	699,993	99.9	100

No.	Name of Company	Type of Shares	# of Issued Shares	# of Invested Shares	% of Holding	Par Value
62	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	Ordinary	750,000	382,496	51.0	100
Type of Business : Port Operations						
63	Sharjah Ports Services LLC P.O.Box 510, Port Khalid Sharjah, United Arab Emirates Tel. : 971-6-528 1327	Ordinary	26,000	12,740	49.0/2	100 Dirhams
64	Baria Serece Phu My Borough, Tan Thanh District Baria Vung Tau Province, Vietnam Tel. : +84.64.3876603	Ordinary	2,039,080	407,816	20.0/1	100,000 VND
Type of Business : Coal Logistics Business						
65	Unique Mining Services Public Company Limited 36/83 P.S. Tower Building, 24th Floor Soi Sukhumvit 21, Sukhumvit Road Klongtoey, Wattana, Bangkok 10110 Tel. : +66 (0) 2664-1701-8	Ordinary	153,454,064	136,083,041	88.68/3	0.50
Type of Business : Fertilisers Business						
66	Baconco Co., Ltd. Phu My I Industrial Park, Tan Thanh Town Baria Vung Tau Province, Vietnam Tel. : 064.893 400	"Paid up capital is VND 377,072,638,790 or USD 25,833,128.40"			100.0/1	-
Holding Group						
Type of Business : Holding Company						
67	Soleado Holdings Pte. Ltd. 78 Shenton Way, #04-02 Singapore 079120 Tel. : +65 6578-7000	Ordinary	130,000,000	130,000,000	100.0	S$ 1
68	Athene Holdings Ltd. 26/32 Orakarn Building, 10th Floor Soi Chidlom, Ploenchit Road, Lumpinee Pathumwan, Bangkok 10330 Tel. : +66 (0) 2254-8437	Ordinary	1,000,000	999,993	100.0	100

Note: /1 indirectly held by Soleado Holdings Pte. Ltd.
/2 indirectly held by Thoresen Shipping FZE
/3 indirectly held by Athene Holdings Ltd.

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 air and saturation diving and remotely operated vehicles, 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 Organisation ("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 such 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.

22 Glossary of Coal Terms

The following are definitions of key terms used in this annual report.

Anthracite	Coals with a volatile-carbon ratio equal to 0.12 or less. It has a bright black luster and is coal of the highest rank.
Ash	Inorganic residue after incineration of coal.
Bituminous Coal	A general term descriptive of coal intermediate in rank between sub bituminous and semi-anthracite and including coking coals. Bituminous coals may be either bright or dull and are usually banded in appearance.
Black Coal	A general term for coal of either sub-bituminous, bituminous or anthracite rank.
Brown Coal	Coal of the lowest rank, of a soft friable nature and high moisture in the air-dried sample.
BTU	(British Thermal Unit) the quantity of heat required to raise the temperature of one pound of distilled water 1°F at its point of maximum density.
Calorific Value	Quantity of heat produced when a unit weight of coal burns. Calorific value is measured in British thermal units per pound or calories per gram.
Carbons Content	The amount of carbon in coal.
Coal Blending	Coal that is mixed in predetermined and controlled quantities to give a uniform feed or product.
Coal Dust	Particles of coal that can pass a No. 20 sieve.
Coal Handling and Preparation Plant	A plant used to upgrade the quality of coal including crushing, sizing and drying - usually refers to the reduction of ash forming mineral in coal.
Coal Mine	An area of land and all structures, facilities, machinery, tools, equipment, shafts, slopes, tunnels, excavations and other property, real or personal, placed upon, under or above the surface of such land by any person, used in, or to be used in, or resulting from the work of extracting in such area bituminous coal, lignite, or anthracite from its natural deposits in the earth by any means or method and the work of preparing the coal so extracted and includes custom coal preparation facilities.
Coal Reserve	The economically mineable part of the coal resource, as defined in the JORC Code. It includes diluting materials and allowances for losses.
Coal Resource	Coal in the ground with reasonable prospects for eventual economic extraction, as defined in the JORC Code.
Coking Coal	Coal which is suitable for coke making and used in the production of metallurgical coke.
CV	Calorific Value basis (GAD, NAR, or GAR).
Energy Coal	Coal used to provide heat for steam rising as part of the electricity generation process.

GAD	Gross air dried.
GAR	Gross as received.
Hard Coking Coal	Coals which make hard coke when carbonised in the coke oven.
HGI	Hardgrove Grind ability Index - ease of pulverisation (e.g. 30 is very hard, 70 is soft).
JORC Code	2004 Australasian Code for Reporting Identified Mineral Resources and ore Reserves. Australian mining exploration and production companies are bound to produce Resource and Reserves Statements using the JORC Code in accordance with the listing Rules of the Australian Stock Exchange.
Lignite	A brownish-black coal composed of vegetable matter which has been altered more than in peat, but less than in sub-bituminous coal.
Metallurgical Coal	Coals which are consumed in the production of pig iron, either via the coke oven process, direct injection (PCI) or by direct reduction.
NAR	Net as received.
Peat	A dark brown or black deposit resulting from the partial decomposition of vegetal matter in marshes and swamps. It is the first step in the formation of coal.
Proximate Analysis	The analysis of coal or coke in terms of moisture, ash, volatile matter and (by difference) fixed carbon.
Recoverable Reserve	Similar to coal reserve, a term used to describe the amount of coal that can physically be mined from a reserve at an acceptable cost, as defined in the JORC Code.
Specific Energy (Calorific Value)	The energy in kilocalories released per kg of coal burned.
Steaming Coal	Coal used to provide heat for steam raising as part of the electricity generation process.
Sulphur	Forms sulphur dioxide during coal combustion.
Thermal Coal	Coals which are normally used for the generation of heat for steam raising and other general industry applications. These coals generally do not exhibit any coking properties and therefore would not make coke in a conventional coke oven. However, thermal coals can be used as PCI Coals provided they have levels of ash, moisture, volatile matter and sulphur which make them suitable for the production of blast furnace pig iron.
Ultimate Analysis	The analysis of a coal expressed in terms of carbon, hydrogen, nitrogen, sulphur and oxygen. High nitrogen and sulphur contents can create high levels of NOx and SOx which are serious pollutants.
VM (Volatile Matter)	the percentage of coal which is lost as volatile matter (gases) when coal is incinerated under standard conditions.

22 Glossary of Fertiliser Terms

The following are definitions of key terms used in this annual report.

Urea	the most common nitrogen fertiliser in the world. Formula CO(NH2)2, can be prilled or granular, and obtained by chemical process (natural gas into ammonia, and then urea).
DAP	very common phosphate fertiliser, the diammonium phosphate (NH4)2H2PO4 is obtained from the chemical transformation of natural rock phosphate (mining origin).
Potash	used to mention potassium chloride (KCL), salt of potassium obtained by mining and chemical transformation to refine and remove the sodium salts.
NPK	Stands for "Nitrogen Phosphorus Potassium", used to mention the compound fertilisers associating the three main fertilising nutrients, to be differentiated from the single fertilisers.
USP	"Urea Super phosphate": a patented chemical process using urea, sulfuric acid and rock phosphate, to manufacture a compound fertiliser NPK 20-10-0 + 15 CaO + 7S.
Blending	or "bulk blending" is a physical process mixing single fertilisers together to obtain NPK fertilisers.
Granulation	process using steam, water and heat to manufacture NPK fertilisers, thereafter called granulated fertilisers.
Compaction	process using heat and pressure to manufacture NPK fertilisers, thereafter called compacted fertilisers.

AS OF 30 SEPTEMBER 2011

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	Holding company with 3 lines of Business: Transport, Energy, and Infrastructure
Ordinary Shares:	
Registered Capital	Baht 833,004,413
Paid up Capital	Baht 708,004,413
No. of Issued Shares	708,004,413 ordinary shares
Par Value/Share	Baht 1
Convertible Bonds:	
Issued Convertible Bonds	US$ 169,800,000
Outstanding Principal Amount of Convertible Bonds	US$ 34,300,000
Type of Convertible Bonds	Five-year amortising bonds
Secondary Market of Convertible Bonds	The Singapore Exchange Securities Trading Limited (SGX)
Date of Listing Convertible Bonds in SGX	25 September 2007

Domestic Debentures:

Issued Domestic Debentures	Tranche 1: Baht 2,000,000,000, with 5-year term Tranche 2: Baht 2,000,000,000, with 7-year term
Date of Listing Domestic Debentures in Thai Bond Market Association	9 July 2010
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
Legal Advisor	Baker & McKenzie Ltd. 5th Floor, 22nd - 25th Floor, Abdulrahim Place 990 Rama IV Road Bangkok 10500, Thailand Tel: +66 (0) 2636-2000 Tinaphong Contract & Trial Office Co., Ltd. 160/564-565, 24th Floor, ITF-Silom Palace Silom Road., Suriyawong Sub-district Bangruk District, Bangkok 10500, Thailand Telephone: +66 (0) 2235-8516 Pramuanchai Law Office Co., Ltd. 2038-2042 Rama 6 Road Bangkok 10330, Thailand Telephone: +66 (0) 2219-2031-2 Watson, Farley & Williams (Thailand) Limited. Unit 902, 9th Floor, GPF Witthayu Tower B 93/1 Wireless Road, Bangkok 10330, Thailand Telephone: +66 (0) 2655-7800/78 Watson, Farley & Williams Asia Practice LLP 6 Battery Road #28-00 Singapore 049909 Telephone : +65 6532 5335

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