

2019

Annual Report

V.L. ENTERPRISE PLC



รายงาน ประจำปี 2562

บริษัท วี.แอล. เอ็นเทอร์ไพรส์ จำกัด (มหาชน)





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Vision

“The Company is excellent. Transportation of petroleum and chemical Region both domestic and international.”

Mission

1. Honestly business practices and adherence to good governance.
2. Quality service with safety standard, occupational health and the environment.
3. Develop quality personnel, experience and Professional operations.
4. Create investment value on a fair return.
5. Management Equalize stakeholder for reliability and satisfactory.



Message From the Chairman of the Board



“On behalf of Board of Directors of V.L. Enterprise Public Company Limited, I would like to take this opportunity to appreciate the shareholders, and related parties for continuous trust and support our operations in all aspects. For our business operation, the company commits to operate under the vision and mission that focus on transportation excellence, either in the nation or in the Asian region. In addition, the Board emphasizes on Good Governance and Safety standards in which we operate under the principles of international standards as well as environmental concern in order to build the foundation for forever sustainable growth”

ADM. Krisorn Chansuvanich
Chairman of the Board



ADM. Krisorn Chansuvanich

• Chairman of the Board

Date of Appointment : 12 May 2018

Shares holding (%)

0.12

Family Relationship among Executives

None

Education

- Naval War College (NWC) Class 30
- National Defense College of Thailand (NDC) Class 51

Training

- Top Executive Program, Capital Market Academy (CMA) Class 14
- The Executive Program in Energy Literacy for a Sustainable Future (TEA) Class 6
- SURFACE WARFARE OFFICER SCHOOL (SWOS) Program
- Director Accreditation Program (DAP) Class 130/2016

Experiences in the past 5 years

2018-Present Chairman of The Board/

V.L. Enterprise Public Company Limited/
To provide a transportation service of
petroleum and chemical products.

2015-Present Audit Committee/Independent director/

Forth Smart Service Public Company Limited/
To provide prepaid phone service and online
payment

2014-2019 Member of The National Legislative Assembly/
Parliament

2014-2015 National Council for Peace and Order (NCPO)/
Parliament

Naval Commander/Royal Thai Navy
Counselor of TMB Bank/TMB bank



Date of Appointment : 27 March 2018

Shares holding (%)

0.12

Family Relationship among Executives

None

Education

- Bachelor of Science Program in Electrical Engineering, Royal Thai Naval Academy
- Diploma in Naval Command And Staff College, Naval Command And Staff College

Training

- Long Gunnery Program, India
- Anti-Missile System Program, France
- Mine Hunting System Program, Germany and Italy
- Electronic Warfare Program, USA
- Marine Terminal Engineering Course, ExxonMobil
- Safety in Plant Design Course, ExxonMobil
- Risk Management Course, ExxonMobil
- ISO/ISM Lead Auditor Course, Singapore
- Business Management Course, PTT
- Director Accreditation Program (DAP) Class 149/2018

Experiences in the past 5 years

- | | |
|--------------|--|
| 2018-Present | Chairman Of the Audit Committee/
V.L. Enterprise Public Company Limited/
To provide a transportation service of petroleum
and chemical products |
| 2015-2017 | Marine Operation Division Manager/
PTT Public Company Limited/
Petroleum and Petrochemical Business |
| 2012-2017 | PTT Group Marine Standard Management Leader/
PTT Public Company Limited |
| 2012-2017 | Member/Oil Company International Marine
Forum, AP terminal Forum |
| 2012-2017 | Executive Director/Oil Industry Environmental
Safety Group Association (IESG) |
| 2012-2014 | Marine Operation Division Manager/
Terminal Operation Division Manager/
PTT Tank Terminal Company Limited/Energy |

Cdr. Somchart Vipismakul Rtn.

- **Independent Director**
- **Chairman Of the Audit Committee**
- **Chairman of Risk Management Committee**



Mrs. Chutipat Klinsuwan

- **Director**
- **Chief Executive Officer**
- **Nomination and Remuneration Committee**
- **Authorized Signatory Director**

Date of Appointment : 27 March 2018

Shares holding (%)

65.26

Family Relationship among Executives

None

Education

- Bachelor of Laws, Sripatum University
- Master of Political Science, Ramkhamhaeng University

Training

- Director Accreditation Program (DAP) Class 79/2009
- Director Certification Program (DCP) Class 250/2017
- Board Matters and trends Agenda Program Year 2017
- Board Nomination and compensation Program Year 2017
- CFO's Orientation Course for New IPOs Program Class 2/2017
- The Role of Chairman Program Year 2018
- Chief Transformation Officer (CTO) Program Year 2019

Experiences in the past 5 years

- | | |
|--------------|--|
| 2017-Present | Director and Chief Executive Officer/
V.L. Enterprise Public Company Limited/
The Role of Chairman Program Year 2018 |
| 2011 -2017 | Chairman of The Board / Chief Financial Officer/
V.L. Enterprise Public Company Limited/
To provide a transportation service of petroleum and
chemical products |
| 2011 -2017 | Chairman of The Board/
Chief Financial Officer/Chutipat Marine Oil Co., Ltd. |



Mr. Jarunpath Visansavadh

- **Directors**
- **Board of Director**
- **Board of Risk Management**
- **Board of Authorized Signatory**
- **Deputy Chief Executive Officer**

Date of Appointment : 27 March 2018

Shares holding (%)

0.01

Family Relationship among Executives

None

Education

- Bachelor's Degree of Merchant Marine, Marine Department

Training

- Director Accreditation Program (DAP) Class of 150/2018
- Company Security Officer-NK Classification Society
- Corrective & Preventive Action-Technology Promotion Association (Thailand-Japan)
- ISO 9000 Internal Audit-Technology Promotion Association (Thailand-Japan)
- ISM Code Internal Auditor-NK Classification Society
- "THERMOKING"
- "YANMAR"

Experience working in previous 5 year

- | | |
|--------------|---|
| 2018-present | Directors/Deputy Chief Executive/
V.L. Enterprise Public Company Limited/
To service shipping petroleum products and chemical |
| 2010-2017 | General Manager/
V.L. Enterprise Public company Limited/
To service shipping petroleum products and chemical |



Ms. Rakchanok Sumniaglum

- Director
- Executive Director
- Corporate Governance and Social Responsibility Committee
- Authorized Signatory Director
- Chief Financial Officer

Date of Appointment : 27 March 2018

Shares holding (%)

0.00

Family Relationship among Executives

None

Education

- Bachelor of Accounting (Second-Class Honors) Ramkhamhaeng University
- Bachelor of Laws, Chulalongkorn University
- Master of Accounting, Thammasart University
- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Training

- Director Accreditation Program (DAP) Class 149/2018
- CFO's Orientation Course for New IPOs Class 2/2560
- Refreshment of the Role and Expectation of A CFO Year 2561

Experiences in the past 5 years

- | | |
|--------------|--|
| 2018-Present | Director/ Chief Financial Officer/
V.L. Enterprise Public Company Limited/
To provide a transportation service of petroleum and chemical products. |
| 2016-2017 | Chief Financial Officer/
Onelink Technology Company Limited /Technology |
| 2015-2016 | Accounting & Finance Director/
Jubilee Enterprise Public Company Limited /Jewelry |
| 2013-2015 | Accounting & Finance Director/
Kasetthip Fertilizer Company Limited/
Production and distribution of Chemical fertilizer |



Mr. Yutthana Taepangthong

- Independent Director
- Chairman of Nomination and Remuneration Committee

Date of Appointment : 27 March 2018

Shares holding (%)

0.12

Family Relationship among Executives

None

Education

- Bachelor of Accounting, Bangkok University

Training

- Director Accreditation Program (DAP) Class 120/2015
- Director Certification Program (DCP) Class 233/2017
- Risk Management Program for Corporate Leaders (RCL) Class 9/2017

Experiences in the past 5 years

- | | |
|--------------|--|
| 2018-Present | Audit Committee/
V.L. Enterprise Public Company Limited/
To provide a transportation service of petroleum and chemical products. |
| Present | Director/Sanko Diecasting (Thailand) Public Company Limited/production of aluminum and galvanized steel parts |
| 2015-2018 | Company Counselor/Rich Sport Public Company Limited/
Distribution of shoes and apparel. |
| 2015-2018 | Director/Managing Director/
Advance Connection Corporation Public Company Limited/
Consumer product |
| 2013-2014 | Audit Committee/Electronic Industry Public Company Limited/
Design, Production, and Distribution of Semiconductor |
| 1994-2014 | Accounting and Financial Director/
Jubilee Enterprise Public Company Limited |



Mr. Taveesilpa Chinnapatthanawong

• **Directors**

Date of Appointment : 27 March 2018

Shares holding (%)

1.92

Family Relationship among Executives

None

Education

- Grade 9, AmnauySilpa School

Training

- Director Accreditation Program (DAP) Class of 254/2018

- Quality Management Seminar-UNCTAD

- Vessel Inspection-Exxon Mobil

- Terminal Information / Regulation- "SHELL"

- Safety Officer-SHAWPAT (Safety and Health at Work Promotion Association-Thailand)

- Understanding of ISM Code

- ISPS Code, Port State Control – NK Classification Society

- Risk Management-A/PR Seminar & Training

- Crisis Management and Media Handling Training

- Investigation & RCA Technique

- KPI's Technique

Experience working in previous 5 year

2019-present Directors/V.L. Enterprise Public Company Limited/

To service shipping petroleum products and chemical

2018-2019 Directors/Advisors/V.L. Enterprise Public Company Limited/

To service shipping petroleum products and chemical

2017-2018 Directors/Board of Directors/

V.L. Enterprise Public Company Limited/

To service shipping petroleum products and chemical

2008-2017 Board of Manager/Chutipha Marien Oil CO., LTD.

2016-2017 V.L. Enterprise Public Company Limited/

To service shipping petroleum products and chemical



Mr. Witaya Patarametagul

- **Independent Director**
- **Chairman of Corporate Governance and Social Responsibility Committee**

Date of Appointment : 27 March 2018

Shares holding (%)

0.00

Family Relationship among Executives

None

Education

- Bachelor of Business Administration (Marketing) Ramkhamhaeng University

- Master of Business Administration (Marketing), Pacific States University

- Master of Business Administration (Financial and marketing management) Sripatum University

- Master of science, Suan Sunadha Rajabhat University

- Doctor of Philosophy Program in Business Administration, Ramkhamhaeng University

Training

- Director Accreditation Program (DAP) Class 149/2018

Experiences in the past 5 years

2018-Present Audit Director/V.L. Enterprise Public Company Limited/

To provide a transportation service of petroleum and chemical products.

2014-Present Counselor/HVE Company Limited/ISO 17025 Laboratory

Corporate Social Responsibilities (CSR) Report

Policies

The Company has the guidelines to express its social responsibility which shall consist of Good Governance, Fair Conduct, Respect for Human Rights and Fair Labour Practices, Participation in Social Developments and Preparation of Social and Environmental Reports

1. Fair Conduct

The company is aware of integrity and fair conduct under the competition rules as well as under laws and regulations and related regulations. It believes that conducting business with fairness will build trust to related parties which will benefit the company's business in the long term. Therefore, the company will not accept any other benefits that it may obtain from the immoral operations. It also encourages its employees to be aware of the importance of legal compliance and fair competition. The company shall operate as follows;

- Not to request, accept or pay for any fraudulent benefits from the business partners.
- In the event that there is information about a fraudulent claim, receipt or payment, such information must be disclosed to the business partners and both parties will jointly resolve such matter immediately and fairly.
- The mutual commitment will be strictly complied. In case the party could not comply with any provision, the business partner shall be informed immediately and both parties will jointly find the solution.

2. Respect for Human Rights

The company conducts business with a respect to human rights by promoting and protecting the rights and liberties as well as equal treatment which are the foundation of human resource management and development. The company provides equal opportunities to all nations. And for the compensation management process, the company stands for the principles of performance based compensation, etc.

3. Fair Labour Practices

Human resources are an important business factor as they shall create added value and increase productivity. Therefore, the company shall treat its employees with respect to individuality and human dignity. The company shall improve the work environment for employees to serve a good quality of life and provide a human resource management system concentrating on fairness, while also encouraging their employees to show their capacities as well as giving them the opportunities to be trained and to increase their work skills. The company has proceeded as following;



- To carefully recruit and select the candidates whom will work with the company. To ensure that it shall provide appropriate and fair welfare and compensation. To continually develop and train its employees as well as promoting good quality of work and life including hygiene and safety at work
- To continually provide knowledge to the onboard employees either operational and management level such as onboard training, preparation for various tasks, or training at the Port, etc.



RISK ASSESSMENT Training Course



Firefighting training courses at The Shell, Ban Don

- To organize the activities that giving an award such as vessel inspection award in order to motivate the employees to operate their jobs continuously.



Receiving vessel inspection award

4 Participation in community or social development

The way to sustainably develop the strong communities and societies, it shall consist of something that supports the business operation. Thus, the company will organize social activities and participate in strengthening the community and society by giving educational support and developing human resource development as well as promoting employment promotion. It also organizes various community development projects as well as maintaining the local culture and traditions in which the following actions would be taken.

5. Anti-corruption

The company commits to conduct its business with honesty, transparency, and against all forms of corruption. It is aware of the serious threat of corruption that will damage free and fair competition as well as causing disruption in the development of economy and society. The anti-corruption policies were approved by the board of directors meeting No. 3/2018, dated 4 May 2018 under the following policies and guidelines.

1. The company shall communicate to all employees, both the management and staffs that they are required to comply with the company's anti-corruption policies and business ethics of the company as well as not to involve in corruption matter directly or indirectly
2. When the matter is considered to be corruption occurred, the company's management, employees and officers shall not neglect or ignore it. The supervisor or the person in charge should be informed



and such informant shall cooperate in the investigation of facts. If any inquiries occur, please consult a supervisor or the person in charge of the compliance to the company's code of conduct through various channels as specified in order to jointly monitor and maintain the company's benefits thoroughly and efficiently.

3. The company will fairly treat and protect the officer whom refuses or informs the corruption matters related to the company by implementing the measures for the protection of the complainants or whistleblower as specified in the Whistleblower Procedures in which the company will create a database to keep the confidentiality of the whistleblower impose the penalties for the person in charge of such information when it is disclosed. Only authorized persons can access such database.
4. A person whom commits corrupt act shall be deemed that he/she violates the company's ethics which shall be under the discipline measures as specified by the company's rules and regulation and he/she shall be punished according to law if such action is also violate the law.
5. The Company is aware of the importance of giving knowledge, educating and making the related persons understand about the compliance to the anti-corruption policy.
6. 6 To clarify the procedures when dealing with matters that are exposed to a high risk of corruption, all employees must be careful when dealing such specific matters

6. Political Contributions

1. The company is a politically neutral organization that promote the compliance to the law and democracy. The company does not have any guidelines to provide political contribution to any political party, directly or indirectly in order to gain the business advantage.
2. The directors, executives, or employees have rights and political freedom under the law, but will not take any actions that will cause the company to lose its neutrality or to be damaged as involve in political participation.
3. The directors, executives, or employees will not conduct political activities in the company including the use of any resources of the company to do so

7. Charitable Contribution, Donations and Aid Grants

For Charitable Contribution, Donations and Aid Grants, the company supports the community and society development in order to improve the quality of life, build the economy and strengthen communities and society through business processes or charitable donations with the purpose of public charities use only. However, charitable contributions may cause a risk to the company as such activities may involve in payment with no tangible return and may be used as an excuse or method of corruption. In order to avoid

the donation with a hidden agenda, the company has set policies and criteria regarding charitable contributions as well as the inspection process and control as follows

1. For any donations to any activities, they must be proven that such activities exist according to the said charitable project. In addition, there must be the operation that supports the achievement or they comply with the objectives of Corporate Social Responsibility (CSR). The clear evidence that is in compliance with company's regulations must be presented.
2. For any donations, they must be proven that they are for the benefit of the said charity, which has nothing to do with the benefits to any individual, or organization, unless it is an honor announcement subject to ordinary practices such as affixing a logo, announcing the name of a company at the venue or putting the name in the media for public relations etc.

8. Sponsorships

Sponsorships are a publication method of a company's business, which is different from charitable contributions. It could be done with the purpose of the promotion of the company's business, brand or reputation. However, there is a risk for these sponsorships as the payment for services or benefits are difficult to measure and monitor. Funds may be considered that it is related to bribery. Thus, the company sets the policies and criteria regarding financial support as well as the inspection process and control as follows;

1. For any financial support, it must be proven that the person requesting the financial support has actually carried out the activities under said project. In addition, there must be the operation that supports the achievement or they comply with the objectives of Corporate Social Responsibility (CSR).
2. For any financial support, it must be proven that the financial support or other benefits can be calculated in monetary form such as providing the accommodation and food, etc., and has nothing to do with the benefits to any individual, or organization, unless it is an honor announcement subject to ordinary practices.
3. As a financial supporter, the requisition form must be filled, specifying the name of receiver and the objective of such project. This form and all supporting evidence must be submitted to the company's authorized person for approval according to the authority level.

9. Gift, hospitality and other benefits

The company is aware that building good relationships with business partners is an important factor for the company's continual success. The employees can give or receive gifts and/or hospitality and/or any form of other benefits to/from any person if all of the following conditions are met;



1. Must not be the action that intend to influence, motivate, or compensate any individual in order to gain any advantage through improper act. In addition, it must not be exchange of any help or benefit, either obviously or not.
2. Must be comply with relevant laws
3. Must be given on behalf of the company, not under the any individual's name.
4. Not in a form of cash or cash equivalents (such as gift cards or vouchers)
5. Must be appropriate for the situation such as small gift for Songkran Festival, Chinese New Year or New Year which deem to be ordinary.
6. Must be reasonably typed and priced as well as being appropriate for the occasion such as during the bidding process, the employees shall not accept any gift or hospitality for any bidders
7. It is open and non-concealable giving. Employees are able to accept gifts with the value of no more than 3,000 Baht. In the event that they cannot reject and must be received a gift with a value of more than 3,000 baht, they must notify to the supervisor by completing the gift receipt report form and deliver such gift to the secretary of the chief executive officer which it can be used as a reward for employees or for charity donation, as appropriate.

“Activities for The benefit of the society”

The company pay an intention to the development of communities, the environment, as well as religious development, The community can use the venue in area to do activities freely. It is the way to develop the communities and temple to be prosperity.emple shall be refurbished and make it return to the good conditions as the monks could use this place to perform their religious activities

Therefore, in 2019, the company organized various activities that promote development in different areas as follows:

1. Granting scholarships to students who are smart , but have no money. This is to increase their educational opportunities, thus, the students would have a chance to improve themselves and to have knowledge for their future work. One scholarship, accounted to 50,000 Baht was granted to the Faculty of Education Srinakharinwirot University Prasarnmit



- Offering Kathin at Don Yai Noo Temple, Prachuap Khiri Khan Province: the activity is held on 9-10 November 2019, with Mr. Chutipra Klinsuwan as the co-chair with the employees of VL Enterprise Public Company Limited



- V.L. SEEDS Project is created to provide knowledge to any persons are lack of fund, but are interested in the maritime business. In addition, it would strengthen person to improve its abilities sustainably. It would expand its project from the supporting level and extended from operational level to management level

The budget of V.L. SEEDS Project could be divided into 10 scholarships, 5 for national crew and 5 for international crew, accounted to 493,600 Baht in total. The responsible person of the project is the HSSE & TRAINING department.



As of 31 December 2019, there were 7 scholarships to be given which were 2 national crews and 5 international crews and all completed their primary courses and now worked at vessels.



Report of the Audit Committee

Dear Shareholders,

The Audit Committee is delegated with the authority from the Board, comprising of 3 independent directors namely, Cdr.Somchart Vipismakul Rtn., Mr. Yutthana Taepangthong, and Mr. Witaya Patarametagul with the duties to provide independent oversight of the company's operation and internal control system to ensure that the operation of each units are efficient and under the laws as well as in compliance to regulations regarding on good operations and the management performs suitably, effectively and efficiently. The Audit committee also has a duty to review the company's financial statement report with the auditor to ensure that such report is reliable and disclose correct and full information as required by the relevant standards and rules. This is to ensure and create the reliability to the shareholders and stakeholders that the audit and governance is carefully, fairly and transparency conducted and the business is operated under good governance practices.

For year 2019, the Audit committee held 4 meeting where the quorum was met in each time.

For year 2018, the Audit Committee had performed its duties and considered the following matters;

1. Review of Quarterly and annual financial statements

The Audit Committee has viewed quarterly and annual financial report in which it already examined by the auditor. The auditor is invited to the meeting every time when the financial statements are discussed in order to ensure that the financial report is reliable, fully and completely according to the standards and changes to accounting policies before proposing to the board of directors for approval.

The Audit Committee has viewed that the financial reports of the Company are fairly accurate and complete and reliable and are prepared in accordance with the financial reporting standards

2. Review of appropriate and effectiveness on the internal control system

The Audit Committee has viewed the internal audit by examining the quarterly internal audit report made by internal auditor which covers all significant systems. They also had followed up and give the advice to the internal auditor to ensure that the administration department had corrected and improved according to the auditor's recommendations. Thus, the internal audit is done effectively and effectively.

The Audit Committee has viewed that the internal control system of the Company is sufficient and suitable. No significant defects that may affect the company's operation is found.

3. Review of related transactions or the transaction that maybe subject to conflict of interests

The Audit Committee has viewed related transactions or the transaction that maybe subject to conflict of interests between the company and its subsidiaries as well as disclosing such transaction as required by the regulations of the Stock Exchange of Thailand and The Office of the Securities and Exchange Commission to ensure that the company has the examination procedure that is fair and disclose sufficient information.

The Audit Committee has viewed that such transactions are under the reasonable normal business operation with sufficient, correct and full data disclosure.

4. Review of compliance with laws on securities and stock exchange, requirements of the Stock Exchange of Thailand and other related laws

The Audit Committee has viewed the operation whether it is strictly in compliance to the laws and guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand as well as other relevant laws in order to ensure the company's operation is fair and transparency. This will create the reliability to its shareholders, investors, and stakeholders.

5. The appointment of the auditor for the year 2019

The Audit Committee has reviewed and proposed the appointment of the auditor whom are dependent as well as the audit fee to the Board of Directors and then to the general meeting of shareholders as following details;

Name of auditing firm	Sobbanshi Thamniti Co., Ltd.
Name and registration Number of the Auditors	1. Ms. Thanyaphorn Tangtanopajai CPA Registration No. 9169 or 2. Mr.Peradate Pongsathiansak CPA Registration No. 4752 or 3. Mr. Phot Asawasantichai CPA Registration No.4891
Audit fee	1,000,000 Baht



(Cdr. Somchart Vipismakul Rnt.)
Chairman of the Audit Committee



Executive Report

Dear Shareholders,

After the company has been listed in the Stock Exchange of Thailand for the first year, the Executive Board realized the importance of management in which its will help the organization for sustainable growth as well as supporting the work as assigned by the Board of Directors and sub-committees in order to drive the organization to meet its highest goal.

In year 2019, the company held 12 executive committee meetings to consider important issues of the company and monitor the performance of the management as well as reporting the meeting resolution and recommendations to the Board of Directors for consideration regularly in order to develop and improve operational plans for its internal affairs as well as considering the investment expansion regarding to the purchase or sale of vessels, and discussion of an investment loan prior to the submission of the information to the board of directors for approval. The matters could be summarized as follows

- To acknowledge the company's performance in accordance with the policies, operational plan, and annual budget as specified and approved by the Board of Directors, including the acknowledgement of monthly financial statements
- To consideration the significant matters that are beneficial to the business operations of the Company and its subsidiaries, such as structural changes for effective management and appropriate for the current situation.

The Executive Committee has performed their duties to the best of their knowledge, carefully and transparency in order to maximize benefits to all stakeholders as well as for the sustainable development of the organization

(Mrs. Chutipra Klinsuwan)
Chief Executive Officer

Report of Risk Management Committee

Dear Shareholders,

The company is confident and aware of the importance of effective risk management and control in which it is enable the company to operate the business stably and continuously at the acceptable risks. It is used as the management tools to maximize the opportunities of success and minimize the opportunities of any failure and loss as well as reducing the uncertainty in the company's overall operating results which will lead to the achievement of the company's objectives.

The Board of Directors has appointed 4 risk management committees, consisting of Cdr. Somchart Vipismakul Rtn., Mr. Jarunpath Visansavadh, Ms. Rakchanok Sumniaglum, and Mr. Yutthana Punsiriphphat which the duties to set the policies, strategies, guidelines and framework for the organization's risk management in order to ensure that the company has appropriate and sufficient risk management.

In 2019, the Risk Management Committee held 2 meetings to set the organization's risk management policies that meet international standards, establish risk management manuals for the office and marine operations risk management, assess the risks of the organization, office, and marine operations, and control and follow up the operations and assessments to be subject to the specified criteria.



(Cdr. Somchart Vipismakul Rtn.)

Chairman of Risk Management Committee



Report of Nomination and Remuneration Committee

Dear Shareholders,

The Nomination and Compensation Committee consists of 3 directors namely Mr.Yutthana Taepangthong, Mrs.Chutipap Klinsuwan and Ms. Chatchaniya Kraichotichaito with the duties to promote good corporate governance and to help the directors for determining the criteria and procedure in the recruitment and the remuneration consideration for directors including recruiting, selecting and proposing suitable persons to be appointed as the company's directors as well as determining the remuneration for the directors in which the fairness, appropriateness and transparency are taken into consideration in order to build confidence and reliability to all stakeholders

In 2019, the Nominating and Compensation Committee held 3 meetings, in which the quorum were met for all meeting. The committee considered matters that could be summarized as follows

1. To consider the recruitment of the Chairman of the Board of Directors in which his/her qualifications should be according to the director's qualifications

The Nomination and Compensation Committee had considered, recruited, selected, and nominated persons to be in the position replacing those who are retired by rotation. The knowledge, capabilities, and experience were the qualifications that were fully taken into consideration whether they supported the development of the organization and then such knowledge was presented to the meeting of the Board of Directors for consideration and approval prior to the proposal to the shareholders' meeting for consideration and approval.

2. Consideration of director's remuneration and bonus

The Nomination and Remuneration Committee had considered the remuneration of the Board of Directors thoroughly in order to specify the appropriated amount of the remuneration and bonus under the framework that suitable for business management.

3. Consideration of remuneration for the Chief Executive Officer

The Nomination and Remuneration Committee had considered the criteria for determining the remuneration of the Chief Executive Officer which should be at an appropriate rate and in compliance with the company's performance as well as under comparable criteria with general industry practices.

The Nominating and Compensation Committee had performed all the duties according to the scope of duties and its authorities. It considers various issues carefully in which they were in compliance and suitable for the operation results and economic situation in order to build the trust with stakeholders.

(Mr. Yutthana Taepangthong)

Chairman of Nomination and Remuneration Committee

The nature of the business

V.L. Enterprise Public Company Limited ("the Company") supplies transportation services including petroleum and chemical products by sea transportation. The main products are divided into 5 categories which are crude oil, fuel oil, clear oil, lubricating oil and palm oil ("products"). In this regard, the company provides transportation services both domestically and internationally to its trading partner companies, primarily oil traders. At present, the company has 131 vessels for operation in which the average age of the fleet is 16.80 years with a total loading weight of 40,757 Deadweight Tonnage (D.W.T) and capable of carrying oil for transportation a total of 41,524 cubic meters.



For the transportation of products in the country, it is the transportation of petroleum products to trading partners who are major oil traders such as Esso (Thailand) Public Company Limited, BangChak Corporation Public Company Limited, Chevron (Thai) Company Limited, Shell Company of Thailand Limited, and IRPC Public Company Limited.

For international transportation, it will be transportation of petroleum and chemical products for major trading partners who are mainly engaged in palm oil and lubricating oil businesses in Southeast Asia.

1 The company has a policy to reduce the age of the fleet and increase the transportation volume by increasing the vessel payload capacity to meet the needs of customers. Therefore, the company sold the V.L.5, the 31 year old vessel that unable to provide its full efficiency service. The company also sold the V.L.16, the small vessel with a 2,388 Deadweight Tonnage (DWT) as a result of the board of directors meeting on the 18th of February 2019.

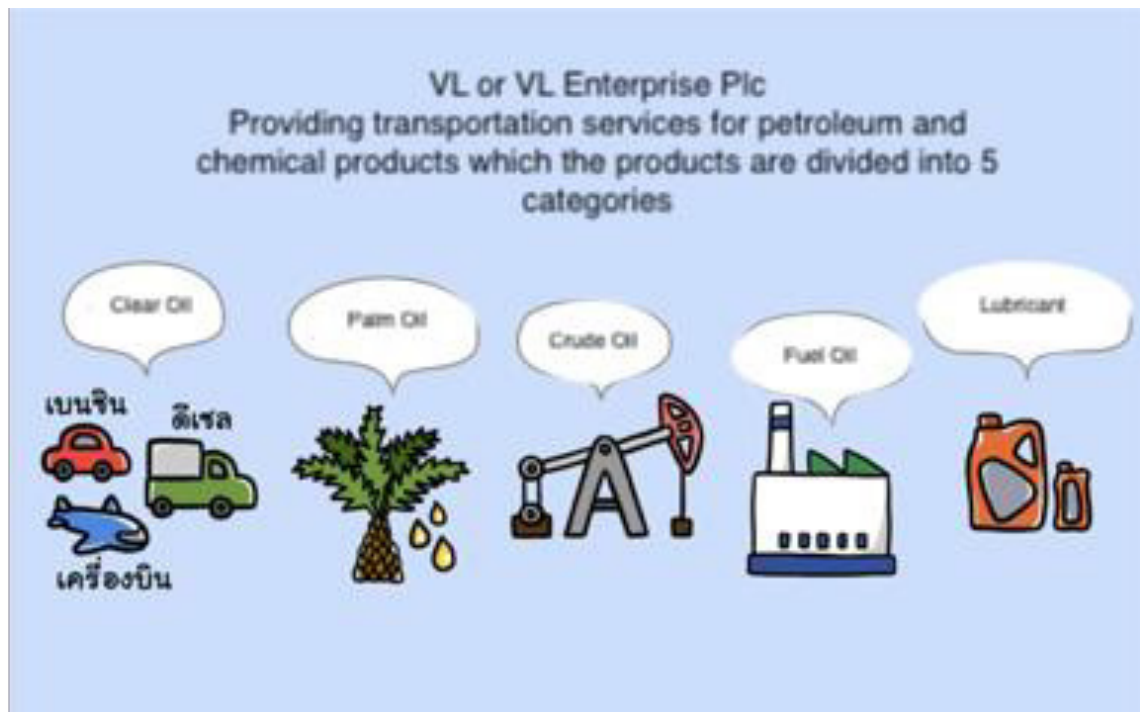
1 Clear oil including diesel oil, gasoline and jet fuel



2 Deadweight Tonnage (D.W.T) is the weight that a vessel can carry.

The following table shows the total revenue structure of the company according to the category of main products in 2017 - 2019.

Classified by product type	Year 2017		Year 2018		Year 2019	
	Cube	Percentage	Cube	Percentage	Cube	Percentage
Transport service income						
Crude oil	85.57	12.54	90.61	13.04	159.55	22.41
Fuel Oil	54.6	8.00	54.85	7.90	62.70	8.81
Clear oil	371.0	54.37	382.59	55.07	306.45	43.04
Lubricant	37.79	5.54	37.41	5.38	44.24	6.21
Petroleum products	548.96	80.44	565.46	81.40	572.94	80.46
Palm oil	130.31	19.10	125.28	18.03	121.52	17.06
Chemical products	130.31	19.10	125.28	18.03	121.52	17.06
Other service income	3.14	0.46	3.94	0.57	17.63	2.48
Total service income	682.41	100.00	694.68	100.00	712.09	100.00



The company has a fleet of vessels for conducting business as follows

Vessel Name	Vessel Registration Country	Vessel age as of 31 December 2019	Vessel payload (DWT) ¹	Capacity (m3) ²	Classification ³	Shipping Route
V.L.5	Thailand	30.85	2,223	2,445	TG ⁴	International
V.L.10	Thailand	30.02	2,972	3,092	TG ⁴	International
V.L.11	Thailand	25.52	2,464	2,381	IRS ⁴	Domestic
V.L.12	Thailand	23.27	2,409	2,744	IRS ⁴	Domestic
V.L.14	Thailand	25.35	1,569	1,582	TG ⁴	International
V.L.15	Thailand	25.15	2,817	2,899	NK ⁴	Domestic
V.L.16	Thailand	3.49	2,388	2,577	KR ⁴	Domestic
V.L.17	Thailand	2.66	2,405	2,459	KR ⁴	Domestic
V.L.18	Thailand	2.28	2,388	2,459	KR ⁴	Domestic
V.L.19	Thailand	11.38	5,470	5,501	KR ⁴	Domestic
Chutipa 5	Thailand	2.98	2,399	2,459	KR ⁴	Domestic
V.L. 20	Thailand	13.53	5,578	5,439	KR ⁴	Domestic
V.L. 21	Thailand	12.0	5,676	5,488	TG ⁴	International
Total			40,757	41,524		

Note: ¹ Deadweight Tonnage, the weight of the vessel that can be used for loading, everything including the product weight, fuel, fresh water, etc. that vessels can safely accept.

² Volume of load that vessels can safely transport in which the company will load 98% of the tank's volume.

³ Classification is a vessel classification association that inspects vessels to issue vessel classification certification as an evidence to show that the built vessel or the equipment installed on board is in accordance with the standards and regulations determined by the vessel classification society

⁴ TG = Thai Government, KR = Korean Register of Shipping, NK = Nippon Kaiji Kyokai, Japan, IRS = Indian Register of Shipping



Service delivery characteristics

The company provides ocean freight services, with all types of double-decked vessels which operated by vessel personnel with expertise and experience to provide transportation services to partners efficiently and safely. In this regard, the company will use a shipping vessel with a loading capacity of 1,569-5,676 DWT or a volume of 1,582-5,501 cubic meters per trip.

The company attaches importance to transportation standards, which emphasise safety as a key by adhering to the principles of the International Safety Management Code (International Safety Management Code, ISM Code) under the regulations of the International Maritime Organization, (IMO) and the company attaches great importance to product quality control. There are strict procedures to prevent product contamination and to effectively control the rate of oil loss during transportation.

In addition, the company has taken steps to protect against risks when transporting goods from unexpected events, which are Hull and Machinery Insurance (H&M Insurance) and other liability insurance, Protection and Indemnity Insurance (P&I Insurance), that covers important events that may affect business operations, such as oil spills, accidents and occurrence of loss of oil during transportation etc.

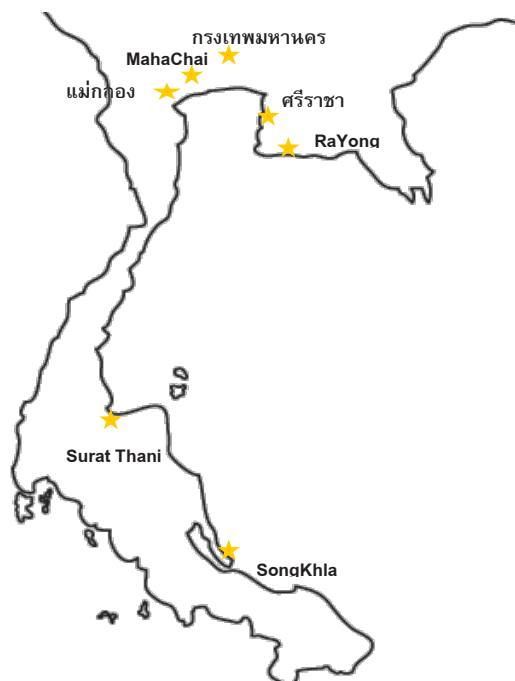
In addition, the company also takes into account the impact on natural resources and the environment, therefore, the company has taken steps to control pollution emissions during the transportation as much as possible, which for vessels that are newly built the company will use mechanics that can control emissions that have been certified to international standards (IMO Tier II). The types of services are provided both domestically and internationally, with services as follows

- **Service characteristics in the country**

The company provides transportation services for partners who operate oil refinery businesses and a large oil trader to transport goods which include crude oil, gasoline, diesel oil, jet fuel oil and lubricant oil through the sea channel from the origin port to the destination port as specified by the partner, the company will provide a vessel that meets the standards and specifications that the partner demands, taking into account the type of goods being transported including transportation routes. At present, the company has 9 vessels in the country.

The company is responsible for all transportation costs, including personnel expenses, fuel and engine oil costs, cost of formalities in and out of the harbour, vessel repair, maintenance fees and insurance etc.

The pictures and tables below show the transportation routes in the country as follows:



Domestic transport routes

Origin port of destination

1. Sriracha-MahaChai, Songkhla, Bangkok, Mae Klong, Surat Thani
2. Rayong - Mahachai, Songkhla, Bangkok, Mae Klong, Surat Thani
3. Bangkok - Mahachai, Mae Klong, Surat Thani

The company's shipping vessels will pick up the products from the refinery and oil depot at the port of origin in Thailand, with the main routes being Sriracha-Surat Thani, Sriracha-Mahachai, Sriracha - Bangkok or if the product is a crude oil, the company's container vessels will pick up from the floating crude oil depot to deliver the goods to the Bangkok oil depot.

In this regard, for international transportation, the company has 2 types of transport service business agreements, with the following details:

1. Contract of Affreightment ("COA")

Most of the revenue in the country comes from partners who want to continually transport goods. As the main trading partner is both the refinery and the major oil trader, the contract details will specify the terms of the contract for transportation are usually between 1-3 years. A list of vessels that a partner wants the minimum transport quantity of each type of product freight rates vary according to the price of diesel in front of the gas station in Bangkok, transportation route, including conditions such as responsibility in the event of product loss and compensation conditions in case of delays in port loading etc.

In addition, the company has entered into forward freight agreements by stipulating the time charter price. At present, the company has entered into the said agreement with 1 partner, with the requirement that 1 vessel be provided for charter transportation.

2. Spot Charter or "SPOT"

In order to ensure efficient transportation management, the company then manages the hulls that the COA partners do not use to transport and offer to other trading partners who want to ship the goods to various ports at that time. Transported must have the characteristics that the partner demands, which the supplier must specify the type and quantity of the goods to be transported, transit schedule and the place



to deliver goods to the company. In order to agree on the transportation service fee and make a quotation for the partners on a trip basis.

• **Service nature in foreign countries**

The company provides transportation services to business partners that operate palm oil and vegetable oil refinery businesses, palm oil processing plant, petroleum and chemical products trader in Southeast Asian countries to transport goods which are palm oil and various kinds of lubricant oil via sea channel from the origin port to the destination port, in which the company will procure vessels for transportation that meet the standards and specifications of the suppliers demand with consideration to the type of goods being transported, as well as transportation routes. Also, the company has a channel to find partners through a large broker that has a network covering partners in Southeast Asia. At present, the company has 2 vessels serving foreign goods.

The company is responsible for all transportation costs, including personnel expenses, fuel and engine oil costs, cost of formalities in and out of the harbour, vessel repair, maintenance fees and insurance etc.

The pictures and tables below show international transport routes.



International transport routes	
Origin port - destination port	
1.	Malaysia, -Philippines, Malaysia, Vietnam, Indonesia
2.	Indonesia, Philippines- Malaysia, Vietnam
3.	Sriracha -,Cambodia, Indonesia, Singapore
4.	Rayong, Cambodia - Indonesia
5.	Indonesia - Myanmar ¹

¹ New transport routes are available from April 2019

The company's shipping vessels will travel from Thailand to deliver products to international destinations. The main routes are Sriracha - Cambodia and Rayong - Indonesia which is the transportation of petroleum products, including clear oil and lubricant oil. In addition, the company also receives goods at the origin port in foreign countries, for example, Malaysia and Indonesia, which are the world's large manufacturers of palm oil that has been exported to various countries, which the company provides services on the following main routes including Malaysia - Philippines, Malaysia - Vietnam and Indonesia -

Philippines. However, most of the Company's international shipping routes are counterclockwise, which It is a route to transport palm oil products from exporters to importing countries.

In this regard, for international transportation, the company has 2 types of transport service business agreements, with the following details:

1. Contract of Affreightment ("COA")

There are only a few foreign partners that enter into contracts with the company in the form of COA. Most of the contracts with foreign partners are through brokers and will have a year-on-year period. The details of the contract will specify contract period, transportation route, minimum number of trips in transportation, list of shipping vessels that business partners require, product type shipping rate, conditions such as responsibility in the event of product loss compensation and conditions in case of delays in port loading.

2. Spot Charter or "SPOT"

Most of the foreign revenue will come from the revenue of one-way transportation services, in which the company will contact suppliers to find work through brokers and the supplier must specify the type and quantity of the goods to be transported transit schedule and the place to deliver goods to the company in order to agree on the transportation service fee and make a quotation to the partners on a one-off basis.

The proportion of revenue from transportation services classified by type of contract during 2017-2019

Contract type	2560 (Percent)			2561 (Percent)			2562 (Percent)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
COA	86.50	32.87	71.40	87.75	30.44	72.90	96.01	50.44	84.39
SPOT	13.50	67.13	28.60	12.25	69.56	27.10	3.99	49.56	15.61
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Proportion of transport volume during 2017-2019

Destination port	2560 (Percent)	2561 (Percent)	2562 (Percent)
Domestic	92.12	92.68	94.90
International	7.88	7.32	5.10
Total	100.00	100.00	100.00



Domestic vessel information, product type in transportation and contract type

Name	Capacity (Cubic meter)	Product	Contract	Revenue YTD/ 2019 (MB.)
VL 5 ¹	2,444.63	Fuel oil	SPOT	8.98
VL 11 ²	2,380.87	Clear Oil	COA	42.07
VL 12	2,743.86	Fuel oil	Time Charter	46.35
VL 14 ³	1,581.57	Lubricant, clear oil	COA	16.77
VL 15	2,898.80	Clear Oil	COA	41.62
VL 16	2,577.01	Clear Oil	COA	60.15
VL 17	2,459.02	Clear Oil	COA	46.82
VL 18	2,459.02	Clear Oil	COA	46.41
VL 19	5,500.96	Crude oil	COA	86.84
VL 20	5,438.98	Crude oil	COA	82.48
CTP 5	2,459.02	Clear Oil	COA	51.92

Information as of 30 September 2019

Vessel information that operates aboard, product type in transportation and contract type

Name	Capacity (Cubic Meter)	Product	Contract	Revenue YTD/ 2019 (MB.)
VL 5 ¹	2,444.63	Palm oil	SPOT	21.60
VL 11 ²	2,380.87	Clear oil	COA	10.03
VL 10	3,091.90	Palm oil	SPOT	56.98
VL 14 ³	1,581.57	Lubricant, Clear oil	COA	36.89
VL 21	5,487.94	Palm oil	COA	56.13

Information as of 30 September 2019

Note ¹ Vessel V.L.5 brought back to operate in the country in the 2nd quarter by shipping fuel oil.

^{2,3} Vessel V.L. 11 and the V.L.14 providing international services with domestic and international transportation routes.

Transport service procedures

After the company enters into a transportation service contract with a partner or after the partner agrees to hire the company to provide one-way services, the company will then have the following transport service procedures.

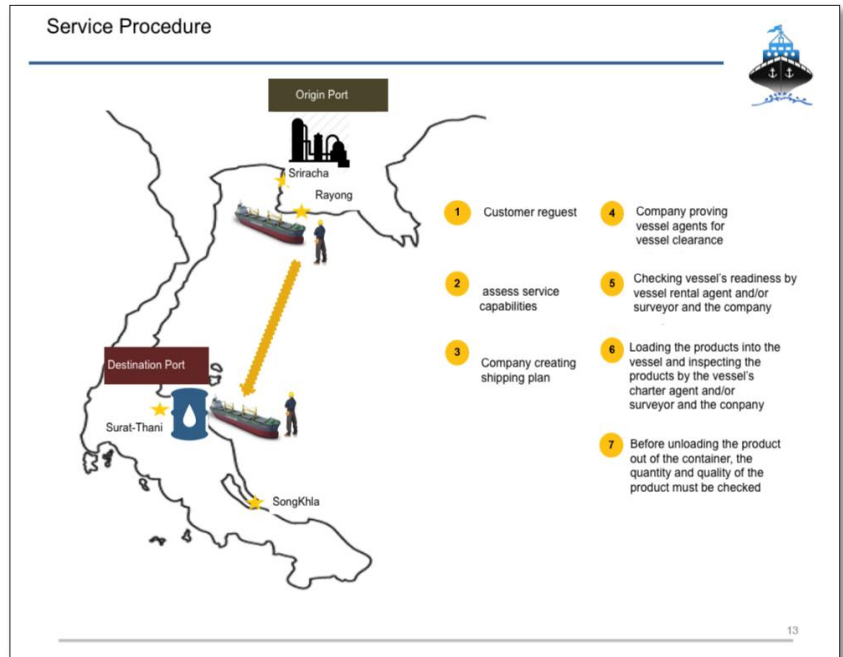
1. The company accepts the demand for the services of its partners, both directly and through brokers.

2. The company evaluates the ability to provide basic services by evaluating the amount of goods to be transported, shipping routes, duration and desired vessel size.

3. In the case that the company can provide services according to the wishes of its partners, the company will confirm with partners and continue with the plans.

4. The company procures agents to carry out vessel formalities and related documents of each shipment.

5. The company will bring the vessel to the port of origin according to the main shipping plan. After that, there will be an inspection procedure, vessel readiness, inspection of containers by a charterer and/or a third party surveyor (Cargo Surveyor) and the vessel's crew, then followed up with a product inspection by the charterer and/or the third party cargo surveyor and the company's personnel.



6. After the cargo is loaded into the vessel and before the vessel is taken out of the harbour, related parties are charterer and/or third party surveyor (Cargo Surveyor) and the company's personnel examine the quality and quantity of the final product and sealed with lead seal on the tank lid and valve as specified in which the partner will issue bill of lading or B/L.

7. When the vessel approaches the destination port, the quality and quantity of the product will be checked before taken out of the container and transferred by a charterer and/or a third party surveyor (Cargo Surveyor) and the company's personnel to ensure that the delivered goods still have the quantity and quality required by the partner. In addition, the company also has personnel at the headquarters, both the operations department and the marketing department, which are responsible for contacting and coordinating with vessel partners and sailors. In order to monitor and help solving various problems while traveling to allow the vessel to arrive at its destination safely and timely.



Sales and service income structure

By destination	Year 2017		Year 2018		Year 2019	
	Cube	Percentage	Cube	Percentage	Cube	Percentage
Revenue from transportation service						
Providing Domestic service	488.04	68.89	511.87	72.98	526.17	73.79
Providing International Services	191.23	26.99	178.86	25.50	168.28	23.60
Other service income	3.14	0.44	3.94	0.56	17.64	2.47
Total service income	682.41	96.32	694.68	99.04	712.09	99.86
Other income	26.05	3.68	6.74	0.96	0.98	0.14
Total income	708.46	100.00	701.42	100.00	713.07	100.0

The company is a provider of transportation of petroleum and chemical products both domestically and internationally. In 2017-2019, the company had the total revenue of 708.46 million baht, 701.42 million baht and 713.07 respectively.

Summary of financial information

Information as of 31 December 2019

Financial statements

Lists	31 Dec 17		31 Dec 18		31 Dec 19	
	(Financial Statements)		(Financial Statements)		(Financial Statements)	
	Million baht	Percentage	Million baht	Percentage	Million baht	Percentage
Financial Status						
Total assets	1,369.58	100.00	1,424.00	100.00	1,967.44	100.00
Total liabilities	837.92	61.18	1,010.98	71.00	1,182.08	60.08
Total shareholders' equity	531.66	38.82	413.02	29.00	785.37	39.92

Financial Statements - Statements of Comprehensive Income

Total revenue	708.46	100.00	701.42	100.00	713.07	100.00
Cost of sales and services	593.80	83.82	589.16	84.00	578.12	81.07
Comprehensive income for the year	73.41	10.36	61.36	8.75	80.76	11.33

Financial Statements - Financial Ratios

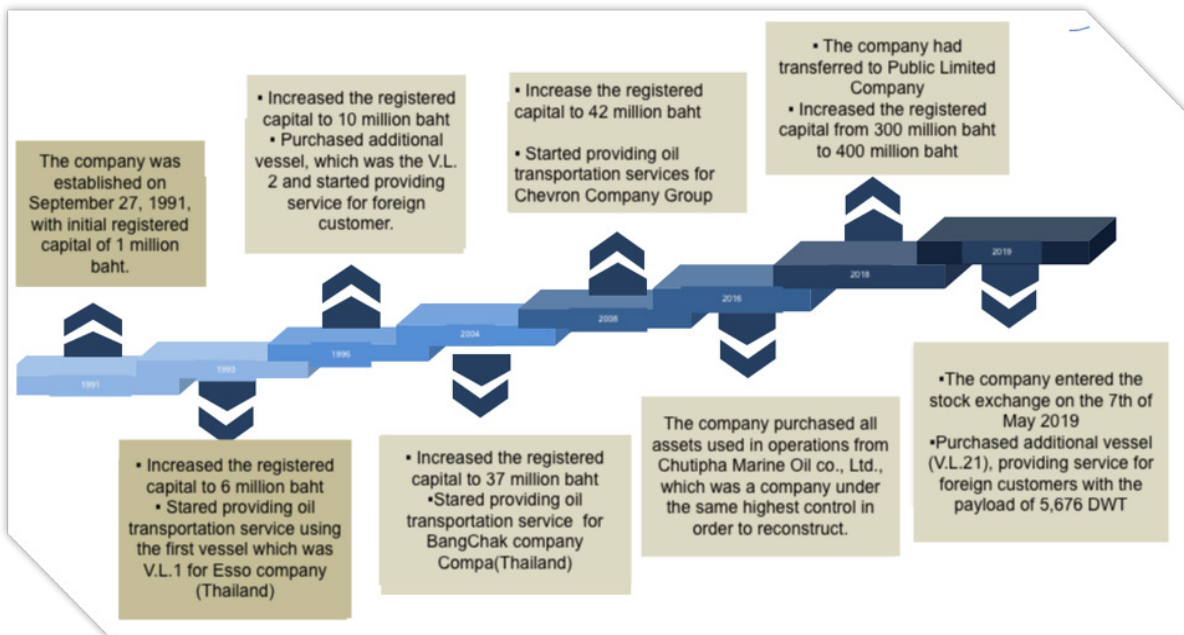
Lists	Fiscal year 2017	Fiscal year 2018	Fiscal year 2019
Profitability Ratio (Percentage)			
Gross margin	18.58	21.55	25.95
Operating profit margin	12.98	15.19	18.81
Other profit margins	3.68	0.96	0.14
Cash to profitability ratio	189.42	184.28	174.45
Net profit margin	10.39	8.70	11.33
Return on equity	13.53	12.92	13.48
Information per share (Baht)			
Par value per share	100	0.5	0.5
Book value per share	531.66	413.02	785.37
Basic earnings per share	0.37	0.13	0.11
Basic earnings per share (Fully Diluted)	0.09	0.08	0.10



Policy and business overview

Business Overview

V.L. Enterprise Public Company Limited (the "Company") engages in the business of transportation of petroleum and chemical products which is a freight transportation both domestically and internationally. The company was established in 1991 with the initial registered capital of 1,000,000 baht and later in the year 1993, increased the registered capital to 6,000,000 baht and started the oil transportation business using 1 vessel, which is the V.L.1, for Esso Company (Thailand) Public Company Limited, size is approximately 2,148 DWT¹. Afterward, the company has increased registered capital to expand the fleet in order to continually provide transportation service to major oil trading partners including BangChak Corporation Public Company Limited, Chevron Group (Thai) Company Limited, Shell Company of Thailand Limited and IRPC Public Company Limited. In addition, in 1996, the company saw the opportunity to expand business from the demand of petroleum and chemical products that are increasing and to also diversify business risks, the company started the business of transporting petroleum and chemical products for international partners in Southeast Asia.



¹ 1 DWT = Deadweight tonnage weight that a vessel can carry.

Since then, the company has continuously expanded its fleet until the 31st of December 2019, the company has 13¹ vessels in its operations, with a total loading capacity of 40,757 DWT² and a tank size (98%) equal to 41,524 cubic meters, with an average age of 16.80 years. The company has a registered and paid-up capital of 400 million baht. On 30 August 2018, the extraordinary general meeting of shareholders no. 3/2561 was approved as a public company.

The main products are divided into 5 categories which are clear oil (clear oil consisting of diesel oil, gasoline and jet fuel), palm oil, crude oil, fuel oil and lubricant oil. Which crude oil and fuel oil will be provided for transportation only in the country while lubricant oil and clear oil will provide domestic and international transportation services.

As for palm oil, the company will provide transportation services between countries. The proportion of revenue is ranked according to the products from the highest volume, which are clear oil, palm oil, crude oil, fuel oil and lubricant oil respectively.



In addition, service fees from

each product category will be different. Most of the revenue will fluctuate according to the quantity delivered and the price of diesel in front of the gas station which will have a minimum wage rate for gas service per trip or a fixed income that is a fixed monthly price or contract price per trip. However, for most domestic customers, it is the revenue from clear oil, which the transportation price will vary according to the diesel price in front of the gas station. In contrast, if it is a transportation to foreign customers, most of them are palm oil transportation. The service rate will be the market price and the service fee will vary according to the quantity of transport and distance between the port of origin and destination.

¹ The company has a policy to reduce the age of the fleet and increase the transportation volume by increasing the payload capacity of the vessel to meet the needs of customers. Therefore, the company sold the V.L.5, the 31 year old vessel that unable to provide its full efficiency service. The V.L.16, the small vessel with a 2,388 Deadweight Tonnage (DWT) was also sold as a result of the Board of Directors meeting on the 18th of February 2019.

² DWT = Deadweight tonnage weight that vessel can carry.



Competitive strategy

- The company has qualified and experienced personnel.

From the experience executive, Mrs. Chutipak Klinsuwan, Chief Executive Officer, who is co-founders of the company and has been with the company for over 20 years, including other executives who are personnel with expertise and experience in the shipping business for a long time, therefore, giving the company an advantage in conducting business in order to reach a customer or to negotiate with various departments correctly.

In addition, the company gives importance to the existing personnel and the selection of new personnel with knowledge, ability and expertise to join in order to provide transportation services for various products. Being driven as efficiently as possible with the characteristics of specialized business with rules regulations from many departments involved in business operations.

- Transportation standards that focus on safety

The company provides transportation services with all double-deck shell vessels. This vessel has a structure



to prevent oil spills in the event of an accident. Furthermore, the company has strictly complied with the operating principles of International Safety Management Code (ISM Code) which is a safety management system that is part of the International Convention for the Safety of Life at Sea,

"SOLAS", under the International Maritime Organisation, "IMO", the company received ISM compliance certification from an inspection agency called the Lloyd's Register. The company has also been recognized by the Oil Companies International Marine Forum (OCIMF), which the company has been hiring for a long time.



In addition, the company has a very low accident rate, in the year 2019, accidents occurred at 0.05 percent of the total number of trips operate in that year, in which the average damage amount that occurred was 0.16 million baht per time and the maximum damage value was not more than 0.46 million baht. However, the company has insurance measures that can cover damage that occurs.

- Provide quality service

The company has procedures in place to prevent contamination and deterioration of products during transportation. There are methods to prevent oil loss while transporting more than the criteria specified by the business partner. In the year 2019, the company had more oil loss than the business partner determined during transportation at 0.76 percent of the total number of trips operated in that year respectively.

Nonetheless, the damage value was low in which the average damage amount that occurred before was 0.1 million baht per time and the maximum damage value was not more than 0.36 million baht. However, the company has insurance measures that can cover damage that occurs.

- The fleet has a small average age

The company provides security-based services, which vessel age is an important part of efficient navigation. Younger vessels tend to have less maintenance than older vessels. As a result, the company is able to manage the fleet to provide services to its partners to maximize efficiency. Currently, the company has a small average fleet age of 16.80 years, compared to the age of vessels specified by certain ports at 25 years.

- The vessel has pollution control.



Not only the company giving importance to service in business operations, the company also takes into account the impact on the environment in which the company uses engines that control the emission of nitrogen oxide (NOx) and various pollution which has received the IMO Tier II¹ certification for newly built vessels.

- Have a good relationship with business partners for a long time.

With services that pay attention to safety and standards in every trip, the company has therefore maintained a good relationship with business partners for a long time and has resulted in them using the service continuously. The company's fleet is continuously expanding to meet the transportation needs of its partners. The company also has a marketing department to regularly contact and look after the partners, including listening to comments or suggestions from suppliers to improve and develop services.

¹ IMO Tier II is an environmental standard for all vessel engines.



Summary of the development of the vessel amount and its payload capacity of the company

End of year	Number of ships (ships)	Total payload (DWT)	Total capacity size (m3)
2536	1	2,148	2,416
2539	2	4,328	5,109
2541	3	6,656	7,382
2542	4	8,654	9,569
2544	4	8,729	9,597
2545	6	12,628	13,661
2547	6	15,693	15,678
2549	7	18,665	18,769
2552	8	21,129	21,150
2553	9	23,538	23,894
2555	10	25,107	25,476
2557	11	27,924	28,375
2558	11	28,314	28,766
2559	13	33,507	33,956
2560	12	31,403	32,475
2561	12	35,081	36,036
As of 31 December 2019	13¹	40,757	41,524

¹ The company has a policy to reduce the age of the fleet and increase the transportation volume by increasing the payload capacity of the vessel to meet the needs of customers. Therefore, the company sold the V.L.5, the 31 year old vessel that unable to provide its full efficiency service. The V.L.16, the small vessel with a 2,388 Deadweight Tonnage (DWT) was also sold as a result of the Board of Directors meeting on the 18th of February 2019.

The history, Change and Important Developments of company

1991	- V.L. Enterprise Company Limited ("Company") established on September 27th 1991 with registered capital starting at 1 million baht equivalent to 10,000 shares, with a par value of 100 per share.
1993	<p>- Mr. Taveesilpa Chinnapatthanawong Group and investors became a shareholders on company and increase the registered capital to 6 million baht, divided into 60,000 ordinary shares, with a par value of 100 baht per share Mr. Taveesilpa Chinnapatthanawong had a 82.50% stake.</p> <p>- In the year 1993, the company started the business of providing transportation services of Petroleum products and Chemicals for Esso (Thailand) Public Company Limited. The first boat is the V.L.1 ship with the weight load is equal to 2,148 DWT.</p>
1996	<p>The company increased the registered capital of 4 million baht to 10 million baht, divided into 100,000 ordinary shares with a par value 100 baht per by Mr. Taveesilpa Chinnapatthanawong and Mrs. Chutipa Klinsuwan holds a 44.50% stake after the capital increase and 51.00 percent respectively by the company to use the money to expand 1 tanker fleet, namely the V.L. 2 to bring transporting petroleum and chemical products to Esso (Thailand) Public Company Limited and transport to foreign partners.</p> <p>Resulting in an increase in the Company's fleet of tankers into 2 ships and with a total payload of 4,328 DWT.</p>
1998	<p>- The company increased the registered capital to 20 million baht, divided into shares 200,000 ordinary shares, with a par value of 100 baht per share, offering to shareholders with Mrs. Chutipa Klinsuwan as the holder of major shareholder of the company that held 97.50% of the shares.</p> <p>- On December 14th, 1998, the company increased the registered capital to 26 million Baht, divided into 260,000 ordinary shares with a par value 100 baht per each, offered for sale to existing shareholders by Mrs. Chutipa Klinsuwan was still the major shareholder of the company with a proportion of holding 98.08% stake in order to expand the fleet by buying VL 3 ships with the loading capacity of 2,328 DWT resulted in the Company having a fleet of vessels oil increased to 3 ships and increased total payload to 6,656 DWT.</p>
1999	The company had expanded another fleet by buying the VV. 4 with size 1,999 DWT , resulting in a stack tankers increased to 4 ships with a total payload of 8,654 DWT.
2000	The company increased registered capital to 30 million baht, divided into ordinary shares 300,000 shares with a par value of 100 baht per share, offering for sale to the shareholders, with Mrs. Chutipa Klinsuwan still being the shareholder parent company in which the proportion of shareholding was 98.33 percent.
2001	The company invested in a V.L.5 that had a size of 2,223 DWT to replace the V.L.1 that was sold out as of 2001, the company had the total fleet of 4 ships and had a total payload of 8,729 DWT.



2002

The company increased registered capital to 35 million baht, divided into ordinary shares 350,000 shares with a par value of 100 baht per share, offering to the existing shareholders, with Mrs. Chutipat Klinsuwan still being the shareholder of parent company that had 98.57% stake in order to invest in the purchase of 2 additional vessels, the V.L. 6 and V.L. 7 with a payload equal to 1,998 and 1,901 DWT, respectively. In 2002, the company had a fleet of 6 ships with a payload of total is 12,628 DWT.

2004-2006

- In 2004, the company increased registered capital to 37 million baht, divided into 370,000 ordinary shares with a par value of 100 baht per share, offering to the existing shareholders by Mr. Taveesilpa Chinnapatthanawong and Mrs. Chutipat Klinsuwan was a major shareholder of the Company with 16.89% and 82.16% respectively to invest in the V.L 8 with a payload of 5,246 DWT for instead of the sold V.L.2 ships. As a result, in 2004, the company had all 6 ships and had a total payload of 15,693 DWT. In addition, in 2004, the company began to provide transportation services Petroleum and chemicals products and signed the transport contract Advance products (Contract of Affreightment, "COA") with Bangchak Company Corporation Public Company Limited.

- In 2006, the company invested in a V.L.10 with a payload 2,972 DWT. As a result, in 2006, the company had a fleet of 7 ships with the total payload was 18,665 DWT.

2008-2009

- In year 2008, the company increased registered capital to 42 million baht, divided into ordinary shares of 420,000 shares with a par value of 100 baht per share, offering to the existing shareholders by Mr. Taveesilpa Chinnapatthanawong and Mrs. Chutipat Klinsuwan was still the major shareholder of the company with 37.84% and 61.22% respectively and began to provide transportation services for petroleum and chemical products and entering into a Contract of Affreightment,"COA") with the Chevron Group

- In the year 2012, the company had invested in the purchase of V.L.11 ships with a weight in the amount of 2,464 DWT. As of 2009, the company had a total fleet 8 ships, the total payload was 21,129 DWT.

2010-2012

- In year 2010, the company increased registered capital to 47 million baht, divided into 470,000 ordinary shares with a par value of 100 baht per share, offering to the existing shareholders by Mr. Taveesilpa Chinnapatthanawong and Mrs. Chutipat Klinsuwan was still the major shareholder of the company with 35.62% and 63.63% shareholding to invest the V.L. 12 with a payload equal to 2,410 DWT. As of the year, the company had a fleet of 9 ships with a total payload of 23,538 DWT.

- In year 2012, the company invested in a V.L.14 with a payload equal to 1,569 DWT. As a result, in the year 2012, the Company had a total fleet 10 ships, the total payload was 25,107 DWT.

2014	<p>The company increased registered capital to 62 million baht, divided into ordinary shares into 620,000 shares with a par value of 100 baht per share, offering to the existing shareholders by Mr. Taveesilpa Chinnapathanawong and Mrs. Chutipap Klinsuwan were still the major shareholder of the company with a proportion of 37.81% and 61.87% of shares to invest in the purchase of V.L15 with a payload equal to 2,816 DWT and in 2014, the company started to provide transportation services for petroleum and palm chemical products to the major palm oil trader in Malaysia. Therefore, as of 2014, the company had a fleet of 11 ships with a payload of 27,924 DWT.</p>
2015	<p>The company increased registered capital to 100 million baht, divided into ordinary shares 1,000,000 shares, with a par value of 100 baht per share, offering to the existing shareholders by Mr. Taveesilpa Chinnapathanawong and Mrs. Chutipap Klinsuwan were still the major shareholder of the company with a proportion of 37.81% and 61.99% shareholding to expand fleet of ships and use to revolve money by purchasing V.L.16 to replace V.L.6 that was sold out due to due date following company's policy. In year 2015, The company had fleet of 11 ships with payload of 28,314 DWT.</p>
2016	<ul style="list-style-type: none"> - The company has expanded the fleet by purchasing the V.L17 and V.L18. To provide transportation services for petroleum and chemical products in country as required by Esso (Thailand) Public Company Limited and sale of V.L4 that used to transportation services in country and abroad due to due date following company's policy. - The company purchases all operating assets, including Chutipap5, remaining consumable supplies for ships and transfers personnel from Chutipap Marine Oil Company Limited, which is a company under the same maximum control, in order to restructure of the group of companies. As of the end of 2016, the company had a fleet of 13 ships with total payload of 33,507 DWT.
2017	<p>Proceeded to register the dissolution of Chutipap Marine Oil Company Limited in order to eliminate the conflict of interest Benefit on August 1, 2017 and liquidation was completed on November 9, 2017, and the company sold the VL 3 ship which ran abroad at the age of the ship and sold the VL 8, which ran in the country, with the purchase of the V.L19 to replace the heaviest payload in the fleet with a size of 5,470 DWT. As a result, in 2017, the Company has a total of 12 ships with a total payload of 31,403 DWT.</p>



2018

- Mr. Taveesilpa Chinnapatthanawong, the major shareholder, made the sale. All 378,081 shares to Mrs. Chutipat Klinsuwan¹ increase the percentage of shares held by Mrs. Chutipat Klinsuwan to 99.80%. Mr. Taveesilpa Chinnapatthanawong and Platinum Marine Group Company Limited made an agreement not to compete with the companies to eliminate conflicts of interest².
- The company has increased the registered capital of 300 million baht, divided into 3,000,000 ordinary shares with a par value of 100 baht per share by offering to the existing shareholders, with Mrs. Chutipat Klinsuwan being the major shareholder of the company with the proportion of holding 99.93 percent.
- On August 30, 2018, the Extraordinary General Meeting of the Company No. 3/2018 passed a resolution to convert into a public limited company and increase the registered capital from 300 million baht to 400 million baht and resolved to adjust the par value of the shares. From the value of 100 baht per share to the value of 0.50 baht per share and the issuance of shares 200 million new ordinary shares with a par value of 0.50 baht per share. The new ordinary shares will be allocated to be offered to Initial public offering (IPO) in an amount not exceeding 200 million shares with a par value of 0.50 baht per share.
- In July, the company had bought the V.L. 20 which is a ship that has The largest payload in the fleet, which is 5,578 DWT, and in September, the company sold the V.L.7 ship that ran in the country at the expiration of the date, so as of December 31, 2018, the company has a total of 12 ships with total payload of the ship is 35,081 DWT.

2019

- **On 18 February 2019, at the board meeting, The company has approved the purchase of second-hand boats from Japan using the name V.L.21 has a payload of 5,676 DWT. Increased to 13 ships with a total payload of 40,757 DWT by receiving the ship on February 20, 2019.**
- **On 7 May 2019, the company opened to sell ordinary shares to IPO for the first time on the MAI Stock Exchange.**

Note: ¹ Reasons Mr. Taveesilpa Chinnapatthanawong ("Mr. Taveesilpa ") sold all shares to Mrs. Chutipat Klinsuwan, since Mr. Taveesilpa is unhealthy and therefore wants to reduce his obligations into work.

² The Platinum Marine Group Company Limited was established in 2004. In order to operate the transportation service provider business, Natural gas, according to data from Juristic Person Database by Platinum Marine Company Group Limited that has no income since 2014.

Industrial Status and Competition

The Company is an entrepreneur engaging in the business of transportation of petroleum products. The main macro factors affecting the operations of transportation service include the volume of petroleum product supply, the volume of petroleum product demand, the refinery capacity of domestic partners and global crude oil price.

Global Petroleum Industry Overview

Petroleum is one of the world's main sources of energy which evolves daily life of each human being, including commutation and transportation. It is also an essential element for generating electricity and developing global industry. Thus, the oil demand will consistently expand for the next 5 years, and the U.S. will be capable for producing oil to support the majority of oil demand which will globally increase.

International Energy Agency (IEA) anticipated the 2018 oil market trends, as to which the global strong economic growth will still support the consistent oil consumption until 2023. Apart from the U.S. increasing production, the oil production from Canada, Brazil and Norway will also support the increase of oil demand until 2020, in spite of 25% decrease of investment in oil industry in 2015 and 2016 and being steady last year. Such decrease was in line with the drop of oil price, which was lower than 30 dollars in 2016. Later, the oil price increased, as the Organization of Petroleum Exporting Countries (OPEC), in collaboration with Russia and other producing countries, decreased their production capacity last year.

The U.S. will produce 17 million barrels/day of crude oil, condensate and fluid natural gas, and it will become the world's biggest petroleum producer, by increasing its producing capacity from 13.2 million barrels/day in 2017, while the OPEC will increase its producing capacity only by 750,000 barrels/day until 2023.

It is anticipated that the world overall oil producing capacity will increase by 6.4 million barrels/day, and will reach at the point of 107 million barrels/day. The U.S. will produce oil amounting to 60% of the world overall increasing producing capacity. The world overall oil demand will increase by 6.9 million barrels/day, and will reach at the point of 104.7 million barrels/day at the said period. Half of such demand is from China and India. However, the oil demand will not recently reach the peak point, the demand will decelerate to 1 million barrels/day within 2023.

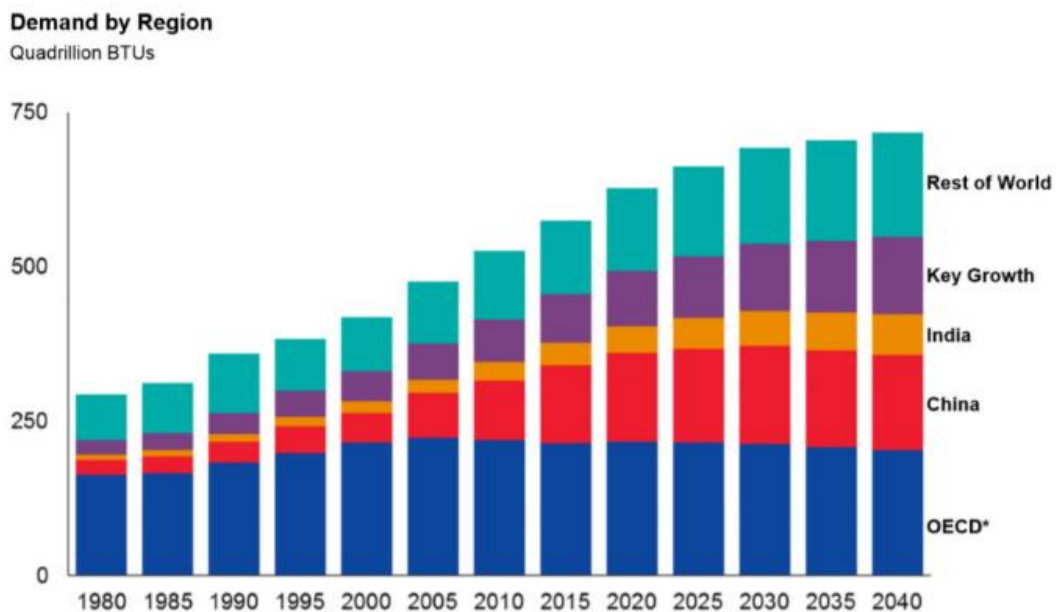
It is also anticipated that the U.S. will export more oil after it has been exporting 2 million barrels/day during the previous weeks. The export is anticipated up to 5 million barrels/day within 2023 after the construction of pipelines and new exporting stations.



Global Trends of Energy Demand

The countries in the Organization for Economic Co-operation and Development (OECD - which is the international organization of developed countries) have declining tendency of energy demand due to the structure of economic growth depending on less energy and obviously effective energy conservation. This results in the obvious decrease of energy consumption. At the meantime, other Non-OECD countries, including China and India, which are key growth countries, and other countries are still in need of more energy supply, while various countries have policy in reducing energy consumption. However, due to the economic structure substantially depending on energy and the increase of the middle-class population who mainly drives the energy consumption, China, India and the countries of which their economy is expanding, when considering the proportion of future demand, will play more major roles. In this regard, the developing countries (Non-OECD) will drive the expansion of global energy demand, as illustrated in this picture:

Source: Office of Energy Policy and Plan, B.E. 2560 – 2564 (2017-2021)



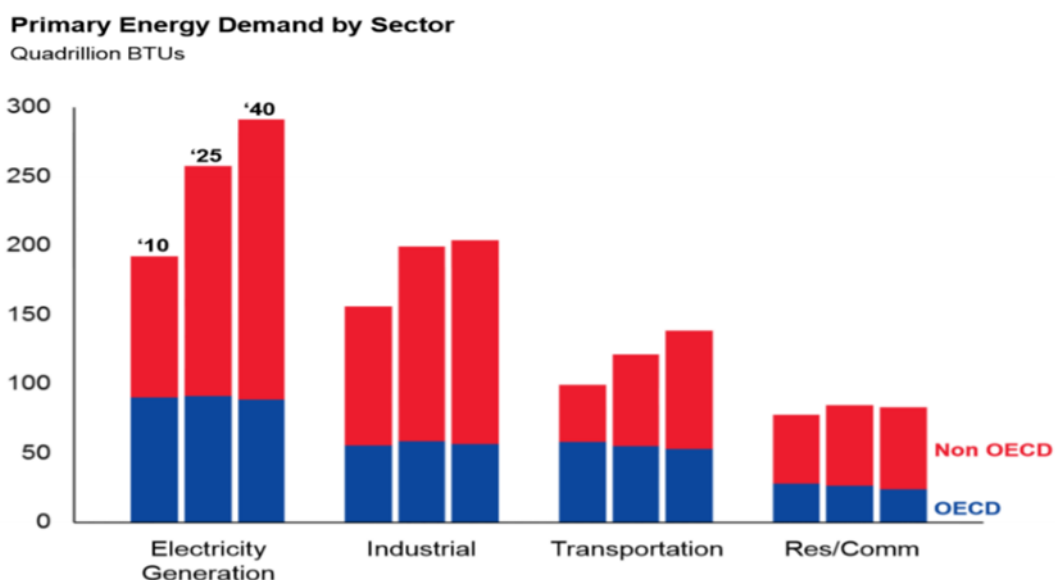
Nevertheless, Non-OECD countries, especially those in Asia, will mainly drive the future energy demand, the demand of Asian Non-OECD countries tends to decrease, comparing to the expansion of global energy demand in the past, which expanded in the average rate of 7% annually in the period of years 2000-2013. It is anticipated that the demand will decrease to the average rate of 2.5% annually in the period of years, as result of the decelerated rate of economic growth.

In the transportation sector, the consistent expansion is expected. While the residential and commercial sectors will expand until the year 2025 and will be steady afterwards. Non-OECD countries play major roles in driving the expansion of energy demand for the transportation sector and for using in the

residential and commercial sectors, due to the increase of number of population, the economic expansion and the increase of middle-class population in this group of countries.

Overview in OECD countries, in almost all sectors, the consumption of energy is not expanded, or negatively expanded in some sectors, such as transportation and residential and commercial sectors, where the demand has been consistently decreased since the year 2010. Specifically, after the year 2025, the energy consumption of OECD countries will decrease in each sector, as illustrated in the following picture:

Source: Office of Energy Policy and Planning B.E. 2560 – 2564 (2017 – 2021)



As per the transportation sector, where the energy consumption will consistently expand in the future, the primary demand for this group of countries is the energy consumption of light-duty road vehicles, such as sedans, and trucks, airplanes, trains and cargo vessels in the commercial transportation sector. The commercial energy consumption will expand to the proportion of the energy consumption in the year 2040.

However, the energy consumption in Non-OECD countries expands more for the fuels used in the commercial transportation sector, where diesel is the primary fuel, and the expansion is consistent, as it is the fuel suitable for large-size engines requiring high power. Meanwhile, the use of gas in large-size vehicles tends to increase according to the direction of energy source.

Overview of Petroleum Industry in Thailand

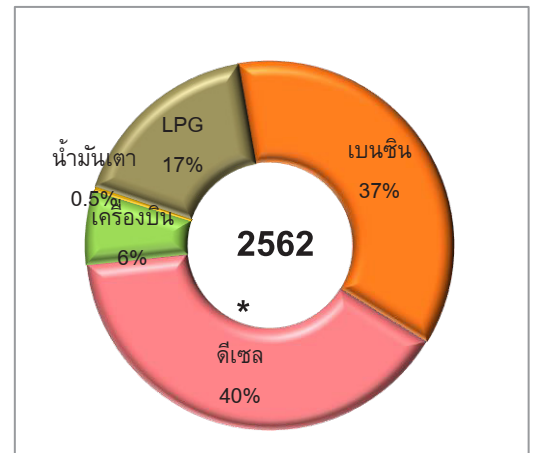
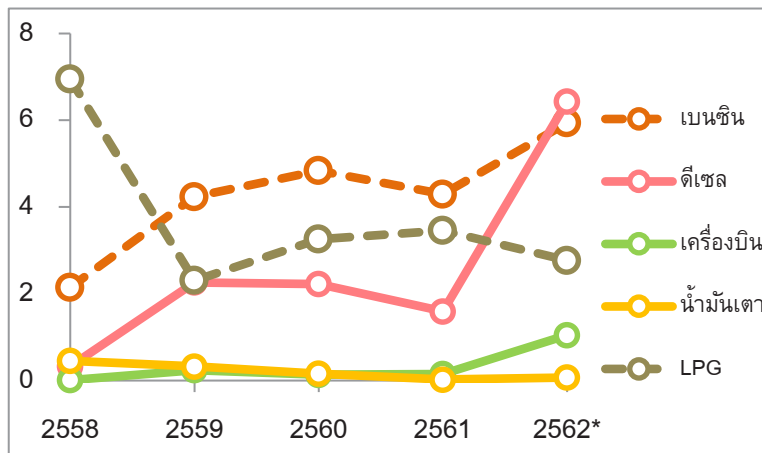
With regard to the structure of refinery industry in Thailand, the refinery capacity is in the second rank in ASEAN, after Singapore. The current capacity is approximately 1,235 million barrels/day. There are 7 refineries and all of them are complex refineries. These refineries include PTT Global Chemical (PTTGC),



Thai Oil (TOP), IRPC Public Company Limited (IRPC), ESSO, Star Petroleum Refining Public Company (SPRC), Bangchak Petroleum (BCP) and RPCG.

• **Imported fuels**

In the past 5 years, the overall fuel importation to Thailand has been consistently growing due to the increase of domestic demand of fuels, in response to the expansion of economy and the expansion of consumption of the private sector. In 2019*, 16 million barrels/day of fuels were imported to Thailand, as displayed in the following table:



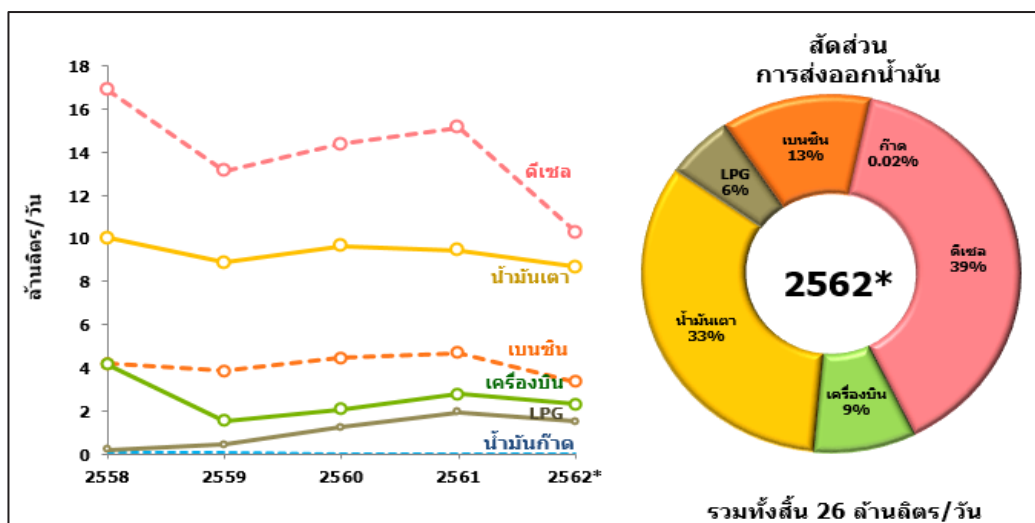
Source: Office of Energy Policy and Planning, Ministry of Energy

* Information as of January – November 2019

• **Exported Fuels**

The volume of exported fuels during 2015-2019

Unit: Million Litres /Day



Source: Office of Energy Policy and Planning, Ministry of Energy

* Information as of January – November 2019

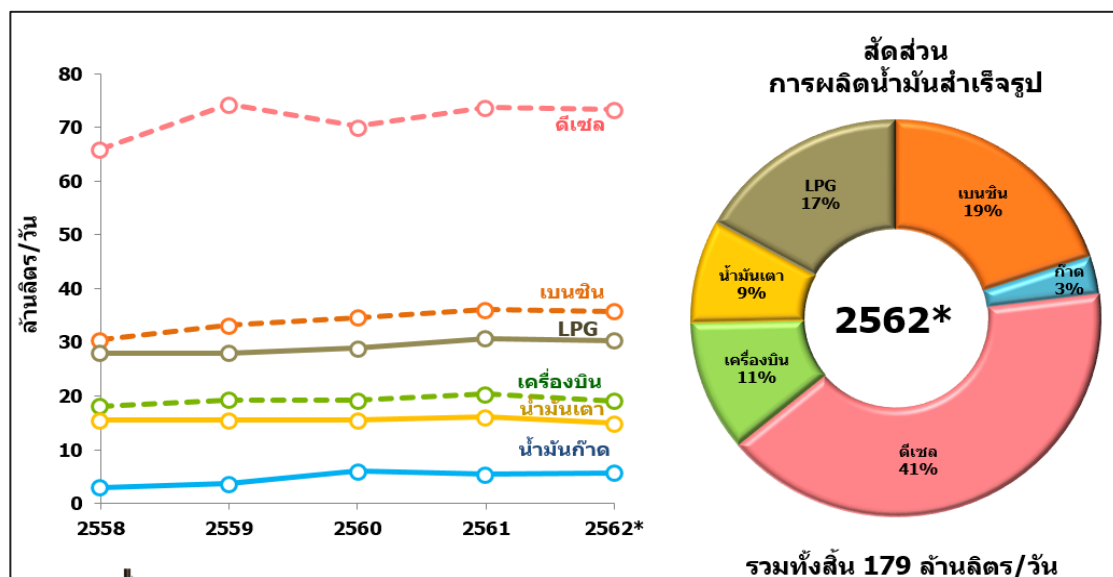
In 2019, 26 million litres/day of fuels were exported. The most exported fuels were diesel (39%), fuel oil (33%) and gasoline (13%), accordingly. According to the overview of the fuel exportation in 2019 (January – November 2019), it declined at 21.8% when comparing to that in the preceding year.

• **Fuel Production**

A total volume of produced fuels increased, which was in line with the volume of consumption in the preceding year. The increase of gasoline consumption was in line with the expansion of the number of vehicles and inexpensive retail price of fuels. The consumption of kerosene and jet fuel increased, in accordance with the expansion of the number of tourists. The increase of diesel consumption was resulted by the increasing demand in the agricultural transportation sector, due to the expansion of agricultural products.

Chart representing the volume of fuel products produce during 2015-2019

Unit: million litres/day



Source: Office of Energy Policy and Planning, Ministry of Energy

* Information as of January-November 2019

With regard to the refinery industry status in Thailand, the decelerating refinery price has made pressure on overall profits of the industry, however, the fuel consumption, which consistently grows, has made the high rate of refineries' production capacity. The key indications of the refinery industry status in Thailand are as follows:

Domestic oil price rises in accordance with the rising price of petroleum products in the global market.

- The ex-refinery price in Thailand increased 9-15% in 2018, however, the crude oil base price rose 30.5% from that of the preceding year. This situation decreased the margin between the ex-refinery price of gasoline and the Dubai crude oil price, from Baht 4.2 per litre in the preceding year, to Baht



3 per litre, while the margin between the ex-refinery price of diesel and the Dubai crude oil decreased, from Baht 4.4 per litre in the preceding year, to Baht 4 per litre.

- The domestic retail price rose in accordance with the ex-refinery price, while the collected fuel funds and the marketing fee are steady. Gasoline price rose 5.3%, at the average price of Baht 36.1 per litre, and diesel price rose 10.5%, at the average price of Baht 28.3 per litre.

Demand of petroleum products which is consistently growing both in domestic and neighboring country markets

- The domestic consumption of petroleum products is still expanding, with material supporting factor, which is the retail price which is not very high. The expansion of the transportation sector and the consistent expansion of overall economy and of the tourism sector can be seen from the domestic consumption of petroleum products in 2018, which expanded 3.0% from that of the previous year.

The details of which are as follows:

- 1) The consumption of oil in the transportation sector: the consumption of gasoline increased 3.3% and the consumption of gasohol consistently increased 10%.
- 2) The demand in the industry sector supported the increasing consumption of diesel at 1.5% and the expansion of LPG consumption was at 4.4%.
- 3) The growth of the tourism sector supported the increasing consumption of jet fuels at 5.2%, according to the increasing number of flights 6.5% in 2561.
- 4) The consumption of fuel oil increased at 4.2%.

The exportation of petroleum products expanded at 6.9%, especially the exportation of petroleum products to neighboring countries.

Palm Oil Industry Status

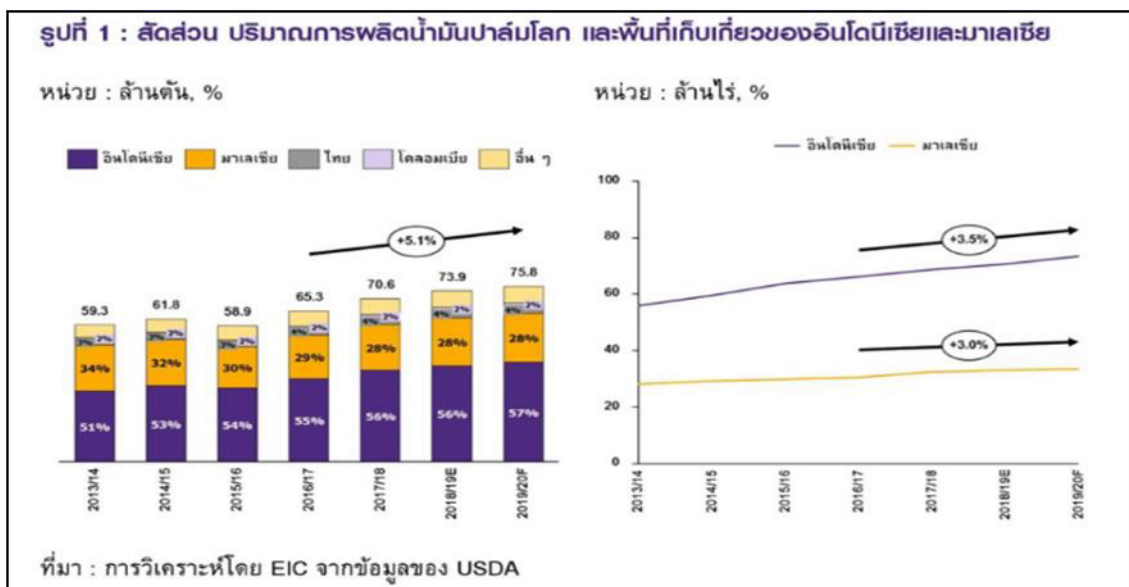
Status of Production, Marketing and Price of Palm Oil in Foreign Markets

As the demand for consumption of palm oil tends to increase at the rate higher than the production volume, which is caused by the increased mixture of biodiesel in diesel by the main producers, such as Malaysia and Indonesia, as well as the increasing trend of palm oil consumption in the importers, such as India and China. This situation results in the decreased stock of oil palm in Indonesia and Malaysia, and decreases the global palm oil stock, from 10.4 million tons in 2019 to 9.6 million tons in 2020. Such situation will cause the rise of global average palm oil in 2020 to 2,550-2,650 Malaysian ringgit/ton, from 2,129 Malaysian ringgit/ton in 2019. The analyzer viewed that the palm oil price will increase at the average percentage of 17.9%-24.5%.



Indonesia's production capacity was 45.5 million tons in 2019 and it is estimated that it will rise to 45.75 million tons by this year. Malaysia's production capacity was 19.86 million tons in 2019, rising from 2018 at the percentage of 1.85%. These two countries are the world's biggest palm oil producers, where their production is more than 90% of all exporters.

Due to the trade wars between China and the U.S., India and Malaysia, and the EU and Indonesia, all the export markets of palm oil in Asian region are affected. Although Malaysian gained advantages from the trade war between China and the U.S. in 2018, after China had ordered soy beans from the U.S., the palm oil supply in Malaysia decreased.

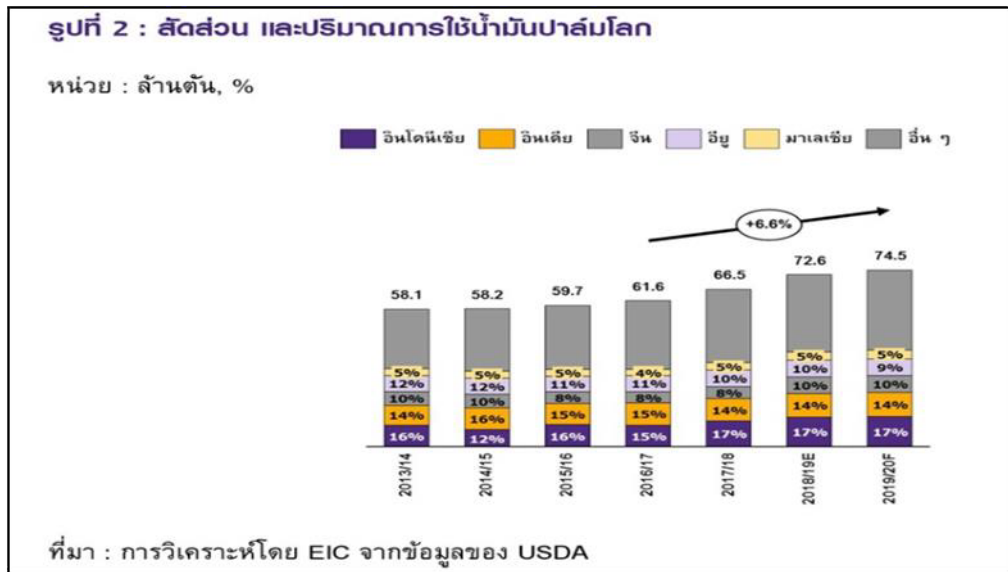


Source: Finance and Banking Analysis

The global demand for palm oil in 2020 tends to rise 2.6%, from 72.6 million tons in 2019 to 74.5 million tons, comparing by each year. This was primarily resulted from the rising consumption volume in India, China, Malaysia and Indonesia. The key palm oil importers, such as India and China tend to consume more palm oil as per the consumption of their population. While the EU tends to import slightly less palm



oil due to its policy in decreasing the use of biofuels, which are rooted from plants causing the use of space storing high volume of carbon (oil palm is also categorized in this group of plants), in the transportation sector.



Source: Finance and Banking Analysis

Risk Factors

The Company is currently engaged in the business of product transportation, inbound and outbound. The Company is at risk in its business operations, as it may happen in any kind of business. The details of its risks are as follows:

Risks from the Company's operations

1. Dependency on its principal partners

The majority of the Company's revenue from transportation service is derived from its principal partners. In 2017-2019, the proportion of its revenue derived from the service provided for its 2 principal partners is more than 10% of its revenue derived from providing services. The revenue from one of its principal partners, namely Esso (Thailand) Public Company Limited ("ESSO"), was in the proportion of more than 30%, as in 2017-2019, the revenue derived from ESSO was at the average of 44.89% of the Company's revenue derived from services provided. If it happened that this partner ceased its business operations, or there is a circumstance that its business operations temporarily halted, or the partner terminated the services provided by the Company, these circumstances would cause significant effects to the Company's performance results. Nevertheless, the Company realizes such risk and believes that such partner is a long-time business operators in the industry, and the demand of petroleum products for transportation companies remains consistent, it is expected that the cease of business operations will never happen. Moreover, in the course of the Company's potential in providing services mainly with quality and safety, experience, and good and long relationship with such partner who has consistently increased its use of the Company's services for more than 20 years and renewed service contracts, the Company believes that the risk caused by contract termination is low, since the terms of current contracts with its principal partners is 3 years.

2. Dependency on its personnel

Since the business of transportation of petroleum products, chemicals and oil products is a specific business relying on personnel with specific knowledge and experience in performance, including the personnel engaging in vessel procurement and on-board operations. The Company depends on the personnel with knowledge in fleet management, vessel procurement, maritime transport operations, law and regulations compliance (domestic rules and rules of international maritime organizations. Since the transported goods are categorized as chemicals and hazardous materials, if any default occurs, this may widely cause damage to persons and environment. As a result, the Company highlights on its personnel. The Company's personnel and the personnel to be recruited by the Company must have qualifications required by respective rules and regulations. Even though the current turnover rate of on-board personnel is quite high, as the turnover rate of the Company's on-board personnel in 2018 and 2019 was 43.65% and



33.75% respectively. Most of on-board positions with a quite high turnover rate are of general crews (oil engineers who are on-shift staff in the engine room or steersmen who control steering wheels), who are not key personnel managing on-board operations. However, the Company is able to recruit substitutes on time, and this will not affect the Company's performance.

The Company makes its best effort in keeping its personnel in order to mitigate risks resulting to the Company's business operations. The Company provides welfares for its personnel. Apart from the personnel's fixed salaries and health care package, the Company also provides pension payment, and educational support for the personnel so that they will apply knowledge learned for developing the Company. The Company also provides trainings to its personnel so that they can increase their knowledge and skill for self-development.

3. Dependency on principal distributors

Fuel is one of primary costs in operating the business of petroleum and chemicals transportation. In 2017-2019, the fuel cost is at the average proportion of 39.04% of the whole costs. At each procurement of fuels, the Company always compares the prices and performs quality assessment. The Company chooses the principal distributor who offers reasonable price, together with such distributor's service history. In 2017-2019, the Company procured fuels from Navy Inter Trade Company Limited and its affiliates, in the proportion of, compared to the total purchasing value, 40.79%, 30.18 and 18.44%, respectively, which is higher than the average proportion of 25%. However, fuels are general goods distributed by several distributors. When one distributor cannot sell fuels to the Company, fuels can be procured from other alternative distributors.

4. Fluctuation of oil price

Apart from the Company's revenue which is related to the oil price, oil is one of the primary costs in operating transport services. The oil price is one of key factors and can make significant impact to the Company's performance results. The oil price depends upon the global oil demand and supply, which is out of the Company's control. However, the Company's majority revenue derived from services provided varies by the varied ex-station retail diesel price in Bangkok. In spite of some parts of the Company's revenue which are lumpsum payment under no less than one year contract, the Company is unable to push all the rising cost burden, according to the rising oil price, to its partners. In 2017-2019, the Company's revenue which did not vary by the oil price was at the average proportion of 14.49% of all the revenue derived from services provided. However, the Company controls the oil consumption volume by setting the reasonable vessel speed. As a result, the Company will acknowledge the oil consumption volume of each service route. For the partners under the lumpsum payment contract, the Company will set the routes at each month cycle. If the partners require services other than specified in the contract, the partners shall be responsible for all fuel expenses. Moreover, the Company will consider the return to be earned prior to entering the contract, as to whether it is worthwhile, by estimating the revenue derived from services provided together with all the

costs spent on such route. The fuel cost used in the estimation will refer to the past fuel price. In the case where the oil price, during the terms of contract, fluctuates over the estimation, the Company may negotiate with the partners to adjust the service fees. Therefore, this risk will not significantly affect the Company's performance results.

5. Effects from Graving Dock Plan

Pursuant to the requirement of the Marine Department, under the Thai laws, each vessel shall be inspected at graving dock every 36 months. Moreover, the Classification Society, under the universal rules, requires that each vessel shall be inspected 2 times, within 60 months, at graving dock. It is required that the first inspection be done within 36 months. An inspection at the graving dock takes 15 to 21 days. During the inspection time, the Company is not able to use tankers which are under inspection for transportation. This results in a decrease of revenue at such period of time. Plus, there are costs incurred from the service at the graving dock. If there are several tankers being serviced at the graving dock at the same time, this will give effects to the Company's performance results of such year. However, the Company has managed the timetable of its fleet in order to give the least effects to its revenue from services provided. It plans to have tankers serviced at the graving docks in conformity with the timetable of each tanker so as not to substantially affect the Company's business operations.

The timetable of fleet serviced at graving docks from 2019 – 2021 is as follows:

Dry Docking	Year 2019				Year 2020				Year 2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Number of tankers	1	1	1	2	1	1	1	0	2	

6. Fluctuation of Currency Exchange Rate

The Company has prepared the consolidated financial statements in Thai Baht currency. The Company's revenue derived from its overseas transportation services was paid in the currency of US dollar. The Company's revenue derived from its overseas services in 2018 and 2019 was Baht 178.86 million and Baht 168.28 million respectively, or at the proportion of 25.75% and 23.63% respectively, of all its revenue derived from services provided. The Company cannot avoid the effects from the fluctuation of currency exchange, however, the Company has some costs to be paid in the US dollar currency. Therefore, the Company will be able to mitigate some effects caused by the fluctuation of currency exchange, by preventing with its natural hedge. The Company's costs in the US dollar currency in the profits and loss statement in 2018 and 2019 are in the proportion of 50.27% and 43.63%, respectively, of its revenue in the US dollar



currency. While purchasing high-value things in other currency, such as tanker purchase, the Company will enter into futures contracts for such currency.

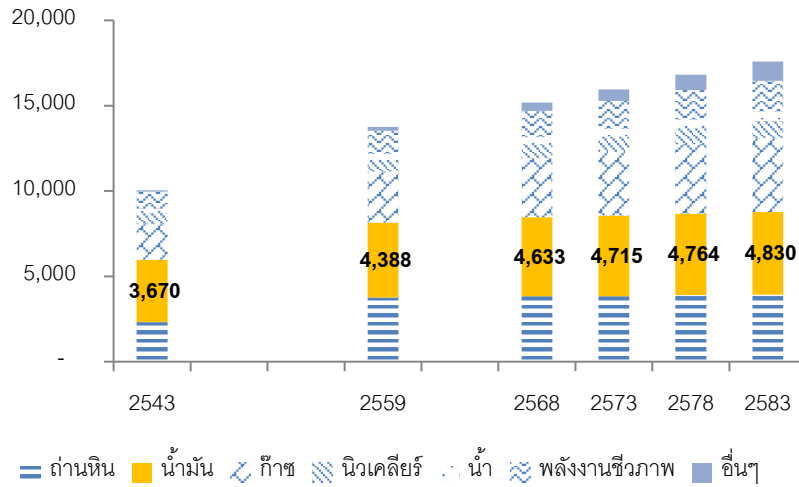
7. Purchase of tankers

The Company's primary assets for business operations are tankers, which has quite high value to be invested, along with quite high costs incurred during the tanker building. Even though second-handed tankers are to be purchased, the costs of renovation are also quite high. Generally, prior to purchasing a new tanker, the Company will make agreement with its partners who require tankers for additional services. The Company will also have feasibility study made in order to assess the worthiness of such investment. However, such assessment is only a forecast of future returns, which is that the revenue and costs will be in accordance with the contract made with partners, and the costs will be similar to those at present. If the actual figures are not in line with the forecast, or there is any circumstance causing significant change, the actual revenue may be different from that having been forecast. Moreover, the Company may be at risk if the Company fails to arrange tankers for partners on time. This may affect the Company's reputation and confidence in its future service provided.

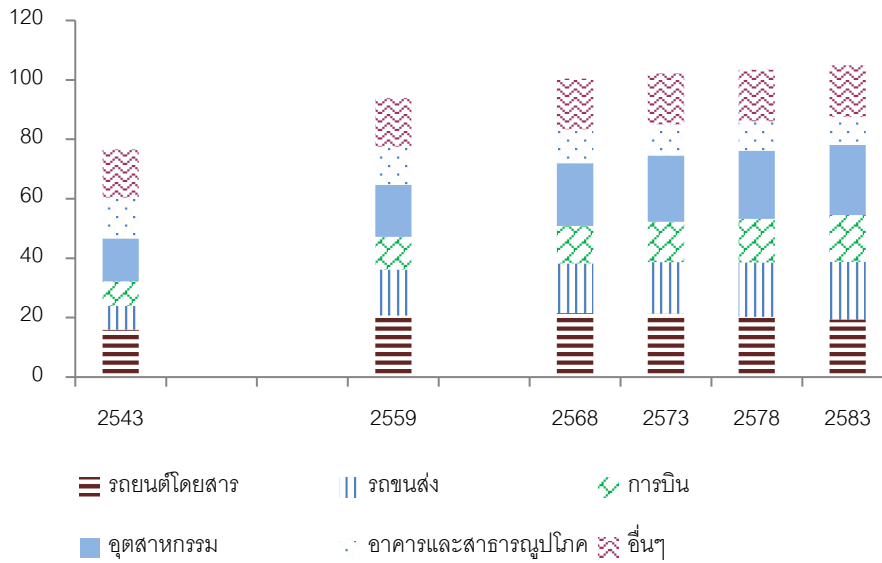
However, the Company prepares its annual investment budget sheets and reviews them annually, so that it can adjust its business plan in accordance with situations and market status changed, and the risk from the new tanker investment will be mitigated.

8. Changes of future demand for energy

At present, the Company gained revenue from the transportation of crude oil and petroleum products in 2017-2019, totaling 80.44%, 81.40% and 80.46%, respectively, of its revenue derived from all services provided. If there is any change of demand for energy used for economic activities or for household consumption, from oil and oil products to other products, this will give significant effects to the Company's performance results. The main factors resulting in demand for energy include domestic and international economic condition, technology innovation, population growth and energy consumption policy. Currently, the ratio of alternative energy consumption is higher. However, considering from the statistics of domestic oil consumption, the ratio is consistently growing. According to the estimation of International Energy Agency (IEA), the oil consumption from 2016 to 2040 will be consistently growing, even though the proportion of all energy consumption will decrease. The Company has diversified the risk on revenue, by transporting palm petroleum and chemical products, one of alternative energy, and by closely monitoring market conditions so as to be able to adjust its business operation plan on time.



This chart illustrates the estimation of future energy consumption. It shows that the oil consumption will be consistently growing, although the proportion of oil consumption, when compared to the consumption of all energy, will decrease.



Source: International Energy Agency (IEA)

This chart displays the estimation of future oil demand, which will be growing, grouped by the type of major uses.



9. Amendment of laws and regulations relating to business operations

With the business operation condition having risks which affect environment and persons in a large scale, the business shall be operated under several laws and regulations, domestically and internationally. If there is any significant variation in laws or regulations, this may give impact on the Company's business operations, as the Company may have more additional expenses in its operations. Besides, if the Company's permits are revoked, or the Company cannot renew any of its permits, this will give significant impact to the Company's business and performance results.

The Company has strictly complied with the conditions required in the renewal of permits, respective laws and regulations, including following news so as to adjust the business plan in response to the potential changes. The Company's designated person ashore, namely Mr. Yuttana Poonsiripat, is responsible for keeping update of domestic and international laws and regulations with which the Company must comply. The Company's human resources department is responsible for keeping update of labor laws, and providing trainings for personnel in order to keep personnel updated of the amendment of laws and regulations. This will prevent the Company from the risk affecting its business operations.

10. Business competition

In spite of a few number of entrepreneurs in the transportation of petroleum and chemical products, as this business requires a great number of investment funds and personnel's experience, the direct competitors in this industry are of high potential. If the competitors have plans to expand their business and increase their capacity in order to provide transport services for the Company's main partners, the Company will lose its major revenue. It is believed that the partners will consider the capacity in providing services, the safety of transportation, the control of product quality during the transportation and the relationship between the partners and the Company. The Company always has a good record in providing transport services and develops its standards of services. The Company also has marketing department which takes care of partners. If the Company, in the future, still keeps its standards, the possibility for its major partners choosing the services from competitors will be quite slim.

11. Accidents occurring during the operations

Even though the Company highlights the standards of transport services, especially the safety, accidents may occur, either from the negligence of on-board operators or the factors which are not caused by the Company's operations, such as the negligence of operators from other entities. Accidents may cause loss of property which is damaged, injury or effects to the Company's confidence, which may result in the temporary halt of services. This will affect the Company's revenue. From the past statistics, the Company has very low rate of accidents. In 2017-2019, the percentage of accidents was 0.36%, 0.29%, and 0.06%, respectively, of the number of services provided in such years. The value of damages was not high. However, the Company has insurance covering such damages.

The Company has methods to mitigate the risk from occurrence of accidents, by prioritizing trainings provided for on-board personnel so that they perform duties in accordance with rules. The Company has annual training schedule in order to make its personnel principally be aware of safety while providing services. The Company encourages its personnel making near miss reports, while performing their on-board duties, on whatever may cause potential accidents so as to prevent any negative circumstance. There are also random inspection regularly made on the on-board personnel performance by the operation, technique, safety and personnel departments, at least twice per year per tanker. This inspection is made for checking the performance of on-board personnel, safety system and function of engines, in order to mitigate the risk from accidents as possible and to ensure effective services provided. Besides, the Company prioritizes the strict compliance of rules required by governmental agencies and international maritime organizations, for example, the personnel recruited shall have qualifications as required by regulations. With regard to tankers, the Company has proactive plan of maintenance, including services at graving docks, and has each tanker insured. The insurance package includes Hull and Machinery Insurance (H&M Insurance), and Protection and Indemnity Insurance (P&I Insurance), covering the damage to tankers, persons affected and environment.

12. Natural Disaster

The Company only operates its business on maritime product transportation. If any disaster occurring at the Company's route of transportation prolongs, the Company will not be able to provide its services. This will give significant effects to the Company's performance. The Company cannot avoid this risk, however, it can be mitigated by regularly checking the weather forecast prior to each navigation. If the main route cannot be used, the Company has surveyed alternative routes in order to continue its transport services. If any natural disaster occurs in the course of navigation and causes damage to tankers or other Company's property, the Company has arranged the insurance packages, including Hull and Machinery Insurance: H&M Insurance, and Protection and Indemnity Insurance: P&I Insurance, covering damages incurred and mitigating impact to the Company.

13. Piracy

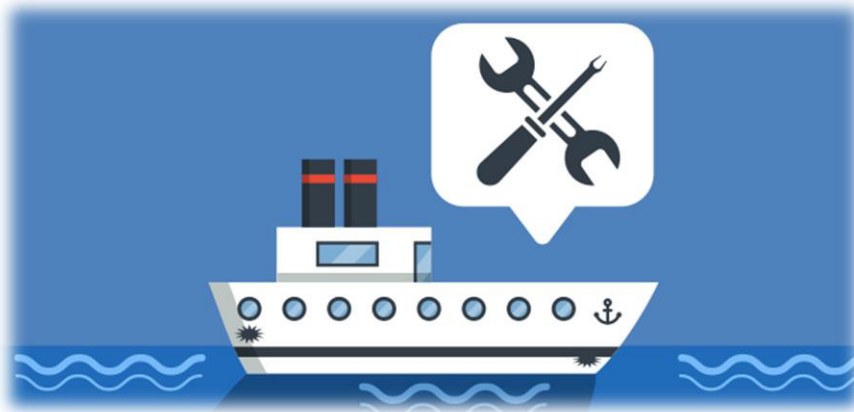
Since the products transported by the Company are valuable, there is a risk from potential piracy during the navigation. The piracy not only causes damage to products, but also makes the Company loss of revenue from its partners. Moreover, the Company may be sued by the partners claiming for compensation of their lost goods. The majority of the Company's routes are domestic routes with low risk of piracy. However, the Company has established measures for preventing piracy risk, by avoiding the routes where the piracy regularly takes place at night. If there is no avoidance of such routes, the Company has measures for preventing piracy as follows:



1. A vault is built for valuable property.
2. Each tanker is equipped with binoculars for checking the navigation parameters.
3. When entering into the piracy area, the Company will notify the Thai Maritime Enforcement Command Center (Thai MECC).
4. Exterior balustrades are additionally installed for preventing piracy, and a package of Protection and Indemnity Insurance: P&I Insurance is arranged for covering the occurrence of piracy once the goods are lost.

14. Insufficient insurance coverage

The package of Hull and Machinery Insurance (H&M Insurance) and Protection and Indemnity Insurance (P&I Insurance) is arranged for each tanker owned by the Company, which covers the damages to tankers in the case of accidents, oil leakage, damages to partners' cargo, piracy and injury of on-board personnel. The insurance coverage will cover the property used for operating business. However, a potential incident may be more severe than being covered by the insurance package, such as warfare.



The Company entered into the Hull and Machinery Insurance (H&M Insurance) in order to prevent damage potentially occurring to its property used for business operations. The majority of insurance coverage covers the book value of tankers.

No	Tanker Name	Insured Period	Coverage
1	V.L.5	October 5, 2019 – October 5, 2020	16,200,000
2	V.L.10	April 26, 2019 – April 26, 2020	45,000,000
3	V.L.11	August1, 2019 – August 1, 2020	26,730,000
4	V.L.12	May 4, 2019 – May 4, 2020	26,730,000
5	V.L.14	September18, 2012 – September18, 2020	40,500,000
6	V.L.15	April 2,2019 – April 2, 2020	45,000,000
7	V.L.16	July 11, 2019 – July 11,2020	100,000,000
8	V.L.17	June 18, 2019 – June 18, 2020	110,000,000
9	V.L.18	October 20, 2019– October 20, 2020	110,000,000
10	V.L.19	June 7, 2019 – June 7, 2020	180,000,000
11	Chutipa 5	December 27, 2019 –December 27, 2020	100,000,000
12	V.L.20	July 23, 2019 –July 23, 2020	135,000,000
13	V.L.21	March 4, 2019 - March 4, 2020	125,000,000

Protection and Indemnity Insurance (P&I Insurance) is also arranged for preventing damage to personnel, goods transported, environment and the third party. The key insurance coverage includes the damage from contamination caused by transported goods, damage accidentally caused by transported goods to the third party and damage to passengers or on-board personnel.





No	Tanker Name	Insured Period	Coverage (US dollar)
1	V.L.5	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
2	V.L. 10	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
3	V.L. 11	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
4	V.L. 12	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
5	V.L. 14	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
6	V.L. 15	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
7	V.L. 16	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
8	V.L. 17	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
9	V.L. 18	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
10	V.L. 19	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
11	Chutipa 5	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
12	V.L. 20	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹
13	V.L. 21	February 20, 2020 – February 20, 2021	1,000,000,000-3,000,000,000 ¹

15. Compliance with regulations of financial institutions

With regard to the additional investment for expanding its business or for revolving in business operations, the Company has used its revenue derived from business operations, the owner's capital and loans from financial institutions for additional investment. The Company considerably depends on loans from financial institutions. In 2017-2019, the total liabilities per shareholders' equity equals to 1.58 times, 2.45 times and 1.51 times, respectively. The Company must comply with the loan terms, together with conditions required by financial institutions and make payment of loan principal and interest according to the payment schedule. When the payment is due but the Company fails to make payment, financial institutions are entitled to demand the immediate full amount of payment, and to restrain the grant of loans to the Company. There is also additional condition of maintaining liabilities per shareholders' equity at the rate of not exceeding 2.5 times. Currently, the Company received a grace letter respiting the maintenance of liabilities per shareholders' equity at the rate of not exceeding 3.2 times. Considering from the proportion on the financial statements of the year 2018, in 2019, the financial institutions granted the same grace to the Company in maintaining liabilities per shareholders' equity at the rate of not exceeding 3.2 times. The Company anticipates that further to obtaining funds raised from the initial public offering (IPO), such proportion will decrease and maintain at the rate not exceeding that required by the financial institutions. The Company has the Chief of Executive Officers for accounting and finance monitor the maintenance of

proportion of liabilities per shareholders' equity as required by the financial institutions, and report the same to the Board of Directors every quarter. The Company has had sufficient cash flow, therefore, there is no default record with the financial institutions. Moreover, the Company has financial plans and believes that, in the future, if there is no external factor negatively and significantly affecting the Company's business operations, the Company will be able to manage its working capital in order not to be in default with the financial institutions.



Shareholders

1. List of major shareholders

The Company's shareholding structure as of the date of submission of shareholders' information (XO date) on December 31, 2019, is as follows:

Shareholders	Persons	Total shares	Percentage
Thai Shareholders	1,751	796,900,000	99.61
Foreign Shareholders	4	3,100,000	0.39
Total	1,755	800,000,000	100.00

Source: Thailand Securities Depository Company Limited

List of the first top ten major shareholders as of the date of submission of shareholders' information (XO date) on December 31, 2019, as follows:

No.	List of Major Shareholders	No. of Shares (shares)	Shareholding Proportion (Percentage)
1	Mrs. Chutipra Klinsuwan	522,098,200	65.262
2	Mr. Yuttichai Pranee	24,004,600	3.001
3	Mr. Taveesilpa Chinapattanawong	15,395,900	1.925
4	Mr. Mangkorn Benjarattanaporn	13,750,000	1.719
5	Thai NVDR Company Limited	9,689,603	1.211
6	Mr. Issara Waramit	7,450,000	0.931
7	Mr. Chinachote Kraichotichai	6,861,200	0.858
8	Miss Sudarat Yangyuen	5,566,100	0.696
9	Miss Chatchaniya Kraichotichai	4,513,600	0.564
10	Mr. Pairote Supateepmongkol	4,414,500	0.552

Source: Thailand Securities Depository Company Limited

Dividend Payment Policy

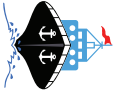
The Company has policy in dividend payment made to its shareholders at the rate of not less than 40% of net profits of the Company's specific financial statements, after setting off with taxes and legal and other reserve funds. Nevertheless, such dividend payment may vary by the Company's performance, financial condition, liquidity, business expansion, demand for working capital used in operations, future investment and business expansion plan, market condition, suitability and other factors relating to the Company's operations and management, under the condition that the Company must have sufficient cash in hand for its business operations and such operations shall give the best interest to the shareholders, as deemed appropriate by the Company's Board of Directors and/or shareholders.

The resolution of the Company's Board of Directors Meeting on dividend payment shall be approved by the Shareholders meeting, except for the interim dividend payment which shall be approved by the Board of Directors Meeting and notified the Shareholders meeting at the subsequent meeting.

Summary of Interim Dividend Payment in 2019

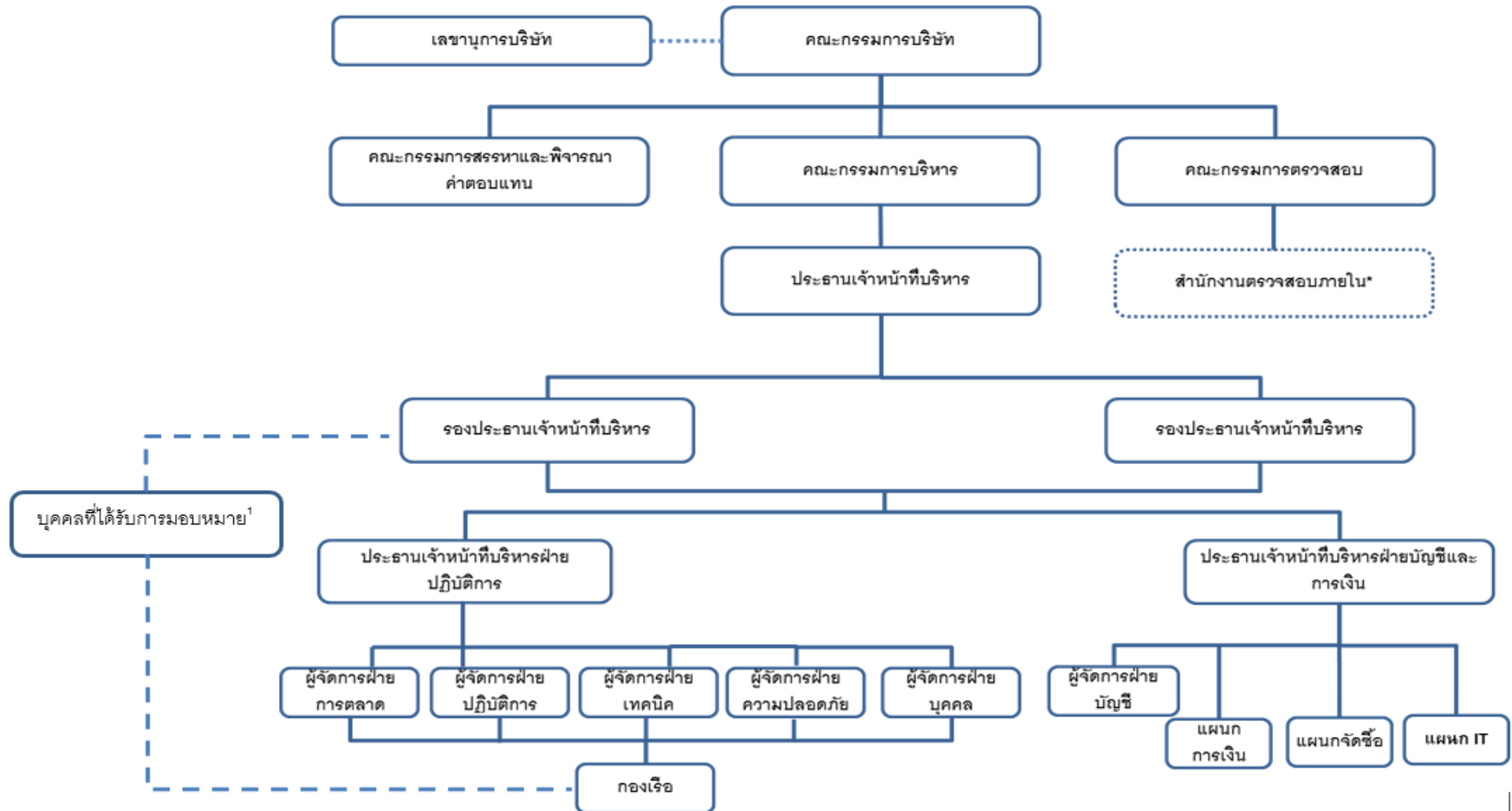
As per the resolutions of the Board of Directors' Meeting No. 3/2019 dated August 13, 2019, the Meeting approved the interim dividend payment from the accumulated and unallocated profits of the undertakings promoted by the Board of Investment (BOI), at the rate of Baht 0.05 per share or in the total amount of Baht 40 million. The interim dividend payment has been paid on September 10, 2019.

On February 21, 2020, the Company's Board of Directors approved the submission, to the Annual General Meeting of Shareholders, of the annual dividend payment at the rate of Baht 0.07. Therefore, the remaining of dividend to be paid in the amount of Baht 0.02, totaling Baht 16 million.



1. Management Structure

Organization chart as of December 31, 2019



¹The authorize person is Mr. Yutthana Poonsiripipat

As of December 31, 2019, the Company's management structure consist of the Board of Directors and 5 Committees, as follows:

1. Auditing Committee
2. Recruitment and Remuneration Committee
3. Risk Management Committee
4. Corporate Governance and Social Responsibility Committee
5. Executive Committee

8.1 The Company's Board of Directors

Under the Company's Articles of Association, the Company shall have a Board of Directors in order to perform the Company's management. The Board shall include at least 5 directors and no less than half of all directors shall be Thai nationals and reside in Thailand. The Board of Director shall include independent directors, at least in the number of one-third of all directors, but no less than 3 independent directors, as per the Board of Directors' Charter.

The Company's Board of Directors consists of 8 directors, as of December 31, 2019, as listed below:

No	Names	Positions
1	Admiral Krisorn Chansuvanich	Chairman of the Board of Directors/ Independent Director
2	Commander Somchart Vipismakul	Chairman of the Auditing Committee/ Independent Director
3	Mr. Yutthana Taepangthong	Auditing Director/Independent Director
4	Mr. Witaya Patametagul	Auditing Director/ Independent Director
5	Mrs. Chutipa Klinsuwan	Director/Chief of Executive Officer
6	Mr. Taveesilpa Chinnapatthanawong	Director
7	Miss Rakchanok Sumnianglum	Director
8	Mr. Jarunpath Visansavadh	Director

The Company's Secretary is Miss Onumar Thongsuwan, who has the certificate of Company Secretary Course from Thai Institute of Directors (IOD), class 60/2560 (2017)

Qualifications of the Company's Directors

1. Directors shall have knowledge, capacity and experience beneficial to the business operations, be honest, in good faith and with ethics in operating business, and have sufficient time for fully dedicating their knowledge and capacity and performing duties for the Company.
2. Directors shall be fully qualified and have no prohibited characteristics under the Public Limited Company Act and the laws relating to securities and stock exchanges. They shall have no



characteristics indicating the lack of suitability to be confident in managing the undertakings whose shares held by the public, as required by the Securities and Exchanges Commission (“SEC”). Directors shall be listed on the database of directors and executives of companies issuing securities under the Notifications of the Capital Market Supervisory Board re: Requirement on the list of persons recorded on the database of directors and executives of companies issuing securities.

3. Directors shall neither operate business with identical characteristics and in competition with the Company’s business, nor become partners or directors of other legal entities with identical characteristics and in competition with the Company’s business, whether or not for their own interest or interest of others, unless they have acknowledged the Shareholders meeting prior to the appointment resolution.
4. Directors shall notify the Company, without any delay, if they have, either direct or indirect interest in the contract entered into by the Company, or hold more or fewer of shares in the Company or affiliates.

The Company’s current directors have no prohibited qualifications, as follows:

1. No record in maliciously committing offences concerning property
2. No record of transactions which may cause conflicts of interest with the Company in the year of 2019.

Composition and Recruitment of the Company’s Directors

1. The Company shall have a Board of Directors, with no less than 5 directors. No less than half of all directors shall be Thai nationals and reside in Thailand. Those directors shall be qualified as required by the laws.
2. The Board of Directors shall include independent directors, at least in the number of one-third of all directors, but no less than 3 independent directors. Independent directors shall be independent from the control of executives and major shareholders, and shall neither be involved in, nor have interest in finance and management. They shall have all qualifications under the Requirement on qualifications of independent directors as prescribed in the Notifications of the Capital Market Advisory Board No. Thor Chor. 39/2559 re: Application for Permission and Grant of Permission for Offering Newly Issued Shares (“Notification Thor Chor. 39/2559”)
3. The Board of Directors shall consist of no less than 3 auditing directors, provided that auditing directors shall be fully qualified under the Notification Thor Chor. 39/2559, and have the scope of duties and responsibilities as required by the SET.
4. It is required that the Shareholders Meeting appoint directors under the following requirements and methods:

- 4.1.1 A shareholder has one vote per one share.
- 4.1.2 Each shareholder shall exercise all the votes according to the number of shares held by such shareholder. A shareholder may vote for one or several directors, but cannot divide their votes to each director.
- 4.1.3 Persons who receive highest votes arranged in order from higher to lower in a number equal to that of directors to be appointed are elected directors of the company. In the event of a tie at a lower place, which would make the number of directors greater than that required, at such election, the Chairman of such Shareholders Meeting shall have additionally one casting vote.
5. At each Annual General Meeting of Shareholders, one third of directors shall retire from their office. If the number of retiring directors cannot be divided by three, the number of retiring directors shall be close to one third (1/3) of all directors. The retiring directors may be re-elected if the Meeting votes for such re-elected directors. The retiring directors, at the first and second years after the Company's incorporation, shall be selected by drawing. At the subsequent years, the directors who have held the longest terms in their office shall retire.
6. Any director resigning from his/her office shall submit a resignation letter to the Company. The resignation shall be effective from the date on which such resignation letter received by the Company.
7. In the case where any director office is vacated by any reason other than his/her term expiration, the Board of Directors shall elect, at the subsequent Board of Directors Meeting, a person having qualifications and having no prohibitions under the laws, to be director, except that the term of such director remains less than two months. Such elected director shall be in the office according to the remaining term. The votes for election of substitute director shall be no less than three quarters of all the remaining directors.
8. The Shareholders meeting may vote, with the votes of no less than three quarters of shareholders attending the Meeting and having voting rights and the total number of shares held no less than half of shares held by those attending the Meeting and having voting rights, for removal of directors prior to their term expiration.
9. Directors may or may not be shareholders of the Company.
10. The Board of Directors shall elect one director to be the Chairman of the Board of Directors. It may deem appropriate that the Board of Directors elect one or several directors to be Vice Chairman/ Vice Chairmen. Vice Chairmen shall have duties required in the Articles of Association and entrusted by the Chairman of the Board of Directors.

Scope of Duties of the Company's Board of Directors

1. To perform duties in accordance with laws, objectives and the Company's Articles of Association, as well as resolutions of the Shareholders meeting, and to honestly perform their duties and protect the



Company's interest, as well as to ensure that the Company comply with laws relating to the Company's business operations, and laws regarding anti-bribery or anti-corruption.

2. To consider and approve the business policies, goals, business strategies and annual budgets, as well as to monitor and supervise the management and organization of the Company's management to be in line with the policies, business plans and budgets and effectively.
3. To ensure the preparation of the Company's annual report and to be responsible for the preparation and disclosure of the Company's financial statements reflecting the financial status and performance results of the preceding year and submitting the same to the Shareholders meeting for consideration and approval.
4. To ensure and supervise the management under the Company's principle of good corporate governance, and ensure that such policy be effectively implemented, so as to be confident that the Company is equally responsible for every group of concerned persons.
5. To consider the appointment of directors recruited from the persons having qualifications and having no prohibited characteristics as required in the Public Limited Company Act B.E.2535 (1992) and the laws regarding securities and exchanges, as well as notifications and/or regulations relating to the position of directors, in the case where a director office is vacated due to any cause other than retirement.
6. To consider the appointment of independent directors and auditing directors, recruited from the persons having qualifications and having no prohibited characteristics for being independent directors and auditing directors under the laws regarding securities and exchanges, as well as notifications and/or regulations relating to stock exchanges, and to determine their power and duties.
7. To consider the determination of organization and management structure. They are empowered to appoint and determine the remuneration of Auditing Committee, Chief of Executive Officer, and other committees, as deemed appropriate, to determine the scope of power and duties of Auditing Committee, Chief of Executive Officer, and committees appointed, and to revise and amend their power as deemed necessary and appropriate. The authorization as per the scope of power and duties determined shall not be the authorization or sub-authorization enabling Auditing Committee, Chief of Executive Officer, and such committees consider and approve transactions which may have conflicts, interest or other conflict of interest with the Company, except for the approval of transactions under the policy and requirements already considered and approved by the Shareholders Meeting or the Board of Directors.
8. To approve the structure of salaries, budgets, adjustment of salaries and other remuneration, or formula for adjustment of other remuneration of executives and employees.

9. To consider the appointment or reshuffle of directors or executives or appropriate persons to be representative directors in subsidiary companies and/or joint venture companies invested or co-invested by the Company
10. To consider the appointment of Company's Secretary, and determine the scope of power, duties and responsibilities of Company's Secretary.
11. To consider the recruitment and confirm the proposal of the list of Company's audit, and to consider and determine the appropriate remuneration as proposed by the Auditing Committee, prior to propose the same to the Shareholders Meeting the Annual General Meeting for consideration and approval.
12. To consider, determine and make amendment of the list of authorized directors for the Company.
13. To appoint any third party to operate the Company's business under the control of the Board of Directors, or to empower such person and/or within the period of time as deemed appropriate by the Board of Directors, provided that the Board of Directors may revoke, withdraw, amend or adjust such power. However, such authorization shall not be the authorization or sub-authorization enabling such person consider and approve transactions with which he/she or a third party who may have conflicts, interest or other conflict of interest with the Company (as defined in the Notifications of the Capital Market Advisory Board and/or the SET and/or other notifications of respective agencies), except for the approval of transactions under the policy and requirements already considered and approved by the Shareholders Meeting or the Board of Directors.
14. To ensure that the Company has an efficient and appropriate accounting system, reliable financial reports, and sufficient and appropriate internal control and internal system audit, as well as the amendment of policies and procedures which are significantly related to the accounting.
15. To consider and approve the risk management policy which covers the whole organization, and monitor the arrangement of risk management process, so as to appropriately mitigate effects to the Company's business.
16. To consider and approve transactions gained or disposed of assets, except that such transactions must be approved by the Shareholders Meeting. Such approval shall be in accordance with the notifications, Articles of Association, and/or regulations relating to the Stock Exchange.
17. To consider and approve related transactions between the Company and a third party, or propose the shareholders to approve related transactions if such transactions require the Shareholders Meeting's approval, and to disclose this information to the SET and to ensure that this is undertaken as required by the Articles of Association and/or related regulations.
18. To consider and approve the inter in dividend payment to the shareholder, when it is viewed that the Company has sufficient profits to do so, and notify the Shareholders Meeting of such dividend payment at the subsequent meeting of shareholders.



19. To ensure that the disclosure of information be done appropriately, and the information is accurately, appropriately and punctually disclosed to persons with interest, persons with conflicts of interest and related persons.
20. The risk management and money deposit.
21. Each Company's director has duties to strictly keep the Company's confidential information, especially internal information which has not been disclosed to the public or information which gives effect to the business operation or share price.
22. The following matters can be undertaken by the Board of Directors when approved by the Shareholders Meeting:
 - Any matter, as required by the laws, to be approved by Shareholders Meeting, and
 - Any matter, with which any director has interest, and is in the state that it must be approved by the Shareholders Meeting, as stipulated by the laws, the SEC or the SET notifications.
23. The decision made by the Board of Directors for carrying out the following matters can be done with the approval of the Shareholders Meeting, with the votes no less than three quarters of total votes of the shareholders attending and having voting rights:
 - Sales or transfer of the Company's business, wholly or some material parts, to any third party;
 - Purchasing or receiving the transfer of other company, to be owned by the Company;
 - Preparation, amendment or termination of contract regarding the lease of the Company's business, wholly or some material parts, entrusting a third party to manage the Company's business, or merging the business with that of a third party with the objective of sharing profits and loss;
 - Amendment of the Memorandum of Association or Articles of Association of the Company;
 - Increase or decrease of capital, or issuance of debentures of the Company;
 - Merger or windup of the Company
 - Other matters as stipulated under the laws relating to securities and exchanges and/or notifications of the SET and/or the SEC and/or the Capital Market Advisory Board, which require the approval of the Board of Directors' Meeting and the Shareholders Meeting with the aforesaid number of votes
24. The Board of Directors shall arrange a meeting for acknowledgement of the Company's performance results at least every three months.

Term of directorship and appointment of the Company's director

The appointment of the Company's directors shall be made by the Shareholders Meeting, under the following requirements:

1. The appointment of shall be made in accordance with concerning articles and laws. However, the recruitment must be transparent and clear. Education and experience in profession of such recruited persons, as well as qualifications and lack of prohibited characteristics shall be take into account. The details of that information must be sufficient for the purpose of decision making of the Board of Directors and the shareholders. The same requirements are also applied for the recruitment of the Company's director for vacated office of directors.

2. At the election of directors, each shareholder has 1 vote per 1 share held to elect one or several directors, but they cannot distribute their votes. Therefore, the shareholders cannot distribute their votes at the election of directors under paragraph one of Section 70 of the Public Limited Company (only NON-CUMULATIVE VOTING)

3. Each term of the Company's Board of Directors lasts 3 years. The retiring director by term may be re-elected. In addition to vacating office on expiration of term of office, directors shall vacate office upon
 - (a) death;
 - (b) resignation;
 - (c) dispossession of qualifications or possession of disqualifications under the Public Limited Company Act and/or the laws on securities and exchanges;
 - (d) the meeting of shareholders resolving to remove from directorship;
 - (e) the court issuing an order to remove.
 - (f) Any director who wishes to resign from office shall tender a letter of resignation to the company, and resignation shall take effect on the date on which the letter of resignation reaches the company. The director who has resigned from office may notify the Registrar for information of his resignation from office.

Company's Authorized Directors

The Company's authorized director, as per the Letter of Certification issued by Department of Business Development, Ministry of Commerce as of September 7, 2018, is Mrs. Chutipra Klinsuwan, affixing her signature together with Miss Rakchanok Sumnianglum or Mr. Jarunpath Visansavadh, totaling 2 persons, and the Company's Seal affixed.



In 2019, details of the meetings of the Board of Directors, the Auditing Committee, the Executive Committee, the Working Group of Corporate Governance and Social Responsibility, the Working Group of Risk Management, and the Recruitment and Remuneration Committee are as follows:

Names of Directors	Summary of the 2019 Board of Directors Meeting					
	Board of Director	Auditing Committee	Executive Committee	Governance and Social Responsibility Working Group	Risk Management Working Group	Recruitment and Remuneration Working Group
	Total : 4 meetings	Total : 4 meetings	Total: 12 meetings	Total: 1 meeting	Total: 2 meetings	Total:3 meetings
Admiral Krisorn Chansuvanich	4/4	-	-	-	-	-
Commander Somchart Vipismakul	4/4	4/4	-	-	2/2	-
Mr. Yutthana Taepangthong	4/4	4/4	-	-	-	3/3
Mr. Witaya Patarametagul	4/4	4/4	-	1/1	-	-
Mr. Taveesilpa Chinnapatthanawong	4/4	-	-	-	-	-
Mrs. Chutipa Klinsuwan	4/4	-	12/12	-	-	3/3
Mr. Jarunpath Visansavadh	4/4	-	12/12	1/1	2/2	-
Miss Rakchanok Sumnianglum	4/4	-	12/12	1/1	2/2	-

Committees

Auditing Committee

The Auditing Committee as of December 31, 2019 consisted of 3 directors, as follows:

Name		Position
1. Commander Somchart	Vipismakul	Independent Director/ Chairman of Auditing Committee
2. Mr. Yutthana	Taepangthong	Independent Director/ Auditing Director
3. Mr. Witaya	Patarametagul	Independent Director/Auditing Director

Mr. Yutthana Taepangthong was the Auditing Director who has knowledge and experience in auditing financial statements and Miss Onumar Thongsuwan was the Secretary of Auditing Committee.

Scope of Power and Duties of the Auditing Committee

1. To audit financial reports in order to ensure that they are accurate and reliable, and disclose sufficient information, by coordinating with external auditors and the executives who are responsible for the preparation of quarterly and annual financial reports.
2. To audit the Company's internal control system in order to ensure that it is appropriate and effective, possibly to advise an audit or review on any transaction which deems necessary and material, and to propose the Board of Directors the advice on revision of material and necessary internal control system, by auditing with external auditors and the Internal Audit Department.
3. To consider the independency of internal audit department, to give advice on working plans and performance results, budgets and manpower of the Internal Audit Department, and to give approval on appointment, transfer or terminate of employment of Internal Audit Head.
4. To audit the compliance under the laws on securities and exchanges or requirements of the SET, policies, rules, regulations, articles and other laws relating to the Company's business.
5. To consider and recruit, and propose the appointment of independent person to be auditor, and to consider and propose the remuneration of auditor to the Board of Directors, as well as to attend a meeting without the attendance of the Management, at least once per year, with the auditor.
6. To audit the Company's internal audit plan, in accordance with general accepted procedures and standards.
7. To consider the disclosure of the Company's information, in the case of related transactions or transactions with may have conflict of interest, to be accurate and complete in accordance with laws and requirements of the SET, so as to ensure that such transactions are reasonable and for the best interest of the Company.
8. To audit for ensuring that the Company has appropriate and effective risk management system.



9. To report the performance of the Audit Committee to the Board of Directors at least 4 times a year.
10. To jointly give opinion in the consideration of appointment, removal and performance assessment of staff in the Internal Audit Department.
11. In performing under the scope of duties, the Auditing Committee is empowered to invite the Management, executives or concerning employees of the Company, to give opinion, attend meetings or deliver documents which are deemed related or necessary.
12. To be empowered to employ consultants or independent experts, as deemed appropriate in the working scope and with the Company's expenses under the Company's regulations, to give opinion or consultancy in case of necessity.
13. To prepare the Auditing Committee's report and disclose the same in the Company's annual report, provided that such report is signed by the Chairman of the Auditing Committee and at least the following information contained:
 - (a) Opinion on accuracy, completeness, reliability of the Company's financial reports;
 - (b) Opinion on sufficiency of the Company's internal control;
 - (c) Opinion on compliance under the laws on securities and exchanges, requirements of the SET or laws relating to the Company's business;
 - (d) Opinion on the appropriateness of the auditor;
 - (e) Opinion on reports which may have conflicts of interest;
 - (f) Number of Auditing Committee meetings, and attendance of each auditing director;
 - (g) Opinion or overall remarks gained by the Auditing Committee in performing under the Charter; and
 - (h) Other particulars which are deemed that shareholders or general investors should know, under the scope of duties and responsibilities entrusted by the Board of Directors
14. To regularly consider, revise and amend the Auditing Committee Charter.
15. To perform other works assigned by the Board of Director, within the scope of duties and responsibilities of the Auditing Committee.

Office Term of the Auditing Committee

The details on the office term of the Auditing Committee are as follows:

1. Each office term of the Auditing Committee last 3 years, and the office term is in accordance with the Company's directorship, provided that the retiring auditing director may be re-elected as deemed appropriate by the Board of Directors.
2. In addition to the retirement from office, auditing director will vacate their office when:

- (a) Death;
 - (b) Resignation;
 - (c) Disqualified as auditing director under the Charter or requirements of the SET; or
 - (d) Retirement from the Company's director office
3. Any auditing director wishing to resign from his/her office shall tender a letter of resignation to the Chairman of the Board of Directors, by giving written notice at least 1 month in advance, with the reason of resignation. The Company will notify and deliver a copy of resignation letter to the SET. In the case where the whole Auditing Committee vacate office, such Auditing Committee shall remain in office as long as necessary to operate business of the company until the new board of directors assume office.
4. In the case of a vacancy of auditing director for reason other than expiration of term of office, the Board of Directors shall appoint a person possessed of full qualifications as the replacement auditing director within 90 days, so as to have a number of auditing directors as required by the Company's Board of Director. The replacement auditing director shall hold only for the remainder of term of office of the auditing director whom be replaces.

Recruitment and Remuneration Committee

The Company's Recruitment and Remuneration Committee as of December 31, 2019 consisted of 3 directors, as follows:

Name		Position
1. Mr. Yutthana	Taepangthong	Chairman of Recruitment and Remuneration Committee
2. Mrs. Chutipa	Klinsuwan	Recruitment and Remuneration Director
3. Miss Chatchaniya	Kraichotichai	Recruitment and Remuneration Director

Miss Onumar Thongsuwan was the Secretary to the Recruitment and Remuneration Committee.

Executive Committee

The Executive Committee as of December 31, 2019 consisted of 3 directors, as follows:

Name		Position
1. Mrs. Chutipa	Klinsuwan	Chairman of Executive Committee
2. Mr. Jarunpath	Visansavadh	Executive Director
3. Miss Rakchanok	Sumnianglum	Executive Director

Remark: Mr. Taveesilpa Chinnapatthanawong terminated contract in performing duties as Executive Director on April 30, 2019, as he had other business to be taken care of and was not able to perform his duties as assigned by the Company.



The employment contract with Mr. Khanchai Chompoonuch expired on June 30, 2019.

Risk Management Working Group

The Risk Management Working Group as of December 31, 2019 consisted of 4 directors, as follows:

Name		Position
1. Commander Somchart	Vipismakul	Chairman of Risk Management Working Group
2. Mr. Jarunpath	Visansavadh	Member of Risk Management Working Group
3. Miss Rakchanok	Sumnianglum	Member of Risk Management Working Group
4. Mr. Yuttana	Poonsiripipat	Member of Risk Management Working Group

Corporate Governance and Social Responsibility Working Group

The Corporate Governance and Social Responsibility Working Group as of December 31, 2019 consisted of 4 directors, as follows:

Name		Position
1. Mr. Witaya	Patarametagul	Chairman of Corporate Governance and Social Responsibility Working Group
2. Mr. Jarunpath	Visansavadh	Member of Corporate Governance and Social Responsibility Working Group
3. Miss Rakchanok	Sumnianglum	Member of Corporate Governance and Social Responsibility Working Group
4. Mr. Yuttana	Poonsiripipat	Member of Corporate Governance and Social Responsibility Working Group

Executives

The Executive Group as of December 31, 2019 consisted of 5 executive officers, as follows:

Name		Position
1. Mrs. Chutipa	Klinsuwan	Chief Executive Officer
2. Mr. Jarunpath	Visansavadh	Deputy Chief Executive Officer
3. Mr. Jittipong	Morasert	Chief Operating Officer
4. Miss Rakchanok	Sumnianglum	Chairman Accounting and Finance Officer

The employment contract with Mr. Khanchai Chompoonuch expired on June 30, 2019. The Company is currently under the recruitment of an appropriate recruitment.

Company's Secretary

The Board of Director Meeting No. 2/2561 which convened on March 28, 2018 resolved to appointed Miss Onumar Thongsuwan as Company's Secretary, and determined the scope of duties and responsibilities of the Company's Secretary as follows:

1. To prepare and keep documents, directors' registration, Board of Directors' meeting invitation, Board of Directors' meeting report, the Company's annual report, Shareholders meeting invitation and Shareholders meeting report.
2. To keep and store the report of interest relating to the management of the Company's business notified by directors or executives, and to deliver copies of interest report under Section 89/14 to the Chairman of Board of Directors within 7 days from the date on which the Company received such report.
3. To execute other matters as required by the Capital Market Supervisory Board.
4. To take care of the Board of Directors activities, give initial advice regarding laws and regulations and the Company's rules, as requested by the Board of Directors, and regularly monitor the compliance, as well as notify the Board of Directors of the updated requirements and/or laws which are significant to the Company's business operation.
5. To manage the holding of the Board of Directors Meeting and Shareholders Meeting in accordance with the laws, the Company's Articles of Association and related rules.
6. To record the Shareholders Meeting report and Board of Directors Meeting report, and monitor the compliance of the resolutions of Shareholders Meeting and Board of Directors Meeting.
7. To coordinate with the regulating agencies, including the SEC, and supervise the disclosure of information and information report to the regulators and the public accurately and completely.
8. To arrange an orientation for newly elected directors
9. Other duties as assigned by the shareholders and/or the Board of Directors.

Director's Remuneration

1. Monetary Remuneration

The Extraordinary Meeting of Shareholders No.1/2562 held on February 18, 2019, determined the remuneration of the Company's directors and the auditing directors, as follows:



- **Annual meeting fee for directors**

The Company made this payment to each director who is not employee, and attended the meetings in person. This meeting fee includes the 2019 Annual General Meeting and Extraordinary Meeting of Shareholders.

Position	Board of Directors	Audit committee	Annual General Meeting/ Extraordinary Meeting
Chairman of the Board of Directors	30,000 Baht /person/meeting		30,000 Baht / person/ meeting
Director	12,000 Baht /person/meeting		12,000 Baht / person/meeting
Chairman of Audit committee		20,000 Baht /person/ meeting	
Audit director		12,000 Baht / person/meeting	

- **Monthly Allowance**

N/A

- **Annual Allowance**

The Meeting resolved to determine the annual allowance for directors in the following amount:

	2018	2019
Total amount	1,200,000	1,200,000

- **Personal remuneration as the members of Board of Directors and Audit committee**

Name		Board of Directors (Baht)		Audit committee (Baht)	
		2018	2019	2018	2019
Admiral Krisorn	Chansuvanich	180,000	120,000	-	-
Commander Somchart	Vipismakul	108,000	48,000	140,000	80,000
Mr. Yutthana	Taepangthong	108,000	48,000	84,000	48,000
Mr. Witaya	Patarametagul	108,000	48,000	84,000	48,000
Mr. Taveesilpa	Chinnapatthanawong	72,000 ¹	48,000		-
Mrs. Chutipap	Klinsuwan ²	-	-	-	-
Mr. Jarunpath	Visansavadh ²	-	-	-	-
Miss Rakchanok	Sumnianglum ²	-	-	-	-
Total		576,000	312,000	308,000	176,000

Remark: ¹ The Company started to pay the meeting fee for the directors since the Board of Directors Meeting No.3/2561, and paid the same to Mr. Taveesilpa Chinnapatthanawong as Mr. Taveesilpa had resigned, as employee, from the Company, which was effective from May 1, 2018.

²Directors who are executive directors and obtain fixed salaries, will not obtain meeting fee.

Executives' Remuneration

The Company paid the remuneration for its executives (excluding the accountant, as the accountant is not at the same level as other 4 executives), in the form of salaries, annual bonus and other remuneration, such as co-pay for pension funds.

	2018	2019
Number of executives (person)	5	4
Total executives remuneration (million Baht)	12.18	9.85

2. Other remuneration

- N/A -



8.5 Number of Employees

As per the number of employees as of December 31, 2018 and as of December 31, 2019, the Company, excluding its executive, had a total of 275 and 282 employees, respectively. The details of its employees, as per departments, are as follows:

Department / Key Unit	Number of Employees	
	2018	2019
Personnel Department	8	7
Marketing Department	3	4
Accounting and Finance Department	6	6
Procurement Department	2	3
IT Department	2	2
Operations Department	6	7
Technique Department	4	4
Security Department	3	5
On-board personnel	240	244
Consultant	1	-
Total	275	282

Employee Remuneration

The Company's employee remuneration for the years 2018 and 2019 was in the total amount of Baht 117.63 million and Baht 127.48 million, respectively. The employee remuneration includes salaries, bonus, meal expenses, co-pay for social security and other welfares.

- **Significant change of number of employees in the period of 2017 – 2019**
- N/A –

Labor Dispute in the Past Years

The Company has no labor unions, and none of its employees are members of labor unions. Its employees have never tendered any demand for determining agreements on employment conditions. Therefore, the Company has never had any material labor dispute.

Policy on Human Resources and Personnel Development

The Company takes into account of the importance of its human resources, as they are important for business operations. The Company has determined the requirements for recruiting appropriate personnel and promote the human resources development in order to increase knowledge, capacity and skills of working, as well as attitude. Internal trainings by executives or heads of departments and external trainings by knowledgeable and expertise trainers are provided to employees.

Pension Funds

The Company established pension funds, under the Pension Funds Act B.E.2530, for all of its employees on June 29, 2009.

Employees and the Company have made co-pay for the funds at the rate of 3 of each employee salary. Employees will obtain the Company's co-pay in accordance with the regulations and rules of the pension funds, and according to their working period with the Company. The Company appointed the fund manager in order to manage the funds as required by the Pension Funds B.E.2530.

The Company made c-pay for pension funds for the years ending on December 31, 2019 and 2018, in the total amount of Baht 1,529,219.00 and Baht 1,174,137.33, respectively.



Corporate Governance

Corporate Governance Policy

The Company realized that the importance of Good Corporate Governance reflects the effective, transparent and verifiable management system. This can make shareholders, investors, persons with interest and related persons be confident, and will bring the Company stability and growth. In order to ensure the transparency of its performance and increase efficiency in management, as well as increase confidence among shareholders, general investors, related persons in long term, the Company has consistently promoted the good corporate governance in organization, and believes that the Company's Board of Directors and Management leverage the corporate governance and compliance, under the good corporate governance principle, in line with universal standards. The Company established guidelines covering 5 sections, as follows:

Section 1 Shareholders' rights

The Company realizes and prioritizes the rights of shareholders, as it will never take any action in order to infringe or deprive of the shareholders' rights. The Company will respect the fundamental rights of shareholders and strictly preserve such rights. The fundamental rights of shareholders include the trading or transfer of shares, right to receive share certificates, right to profits earned from the Company's business, right to sufficient information of the business, right to give opinion and vote at the Shareholders Meeting for jointly making decision in material policies of the Company, right to removal of directors, right to appointment of auditor and determination of auditing fee and other matters giving effects to the Company, such as allocation of dividend payment, determination or amendment of the Articles and Memorandum of Association, decrease or increase of capital and approval for special transaction.

In this regard, the Company will make arrangements in order to promote and facilitate the shareholders' exercise of rights, as follows:

1. The Company holds Annual General Meeting of Shareholders every year, by holding the same within 4 months from the date ending previous accounting year.
2. The Company will not take any action in limiting the shareholders' opportunity in studying the Company's information.
3. The Company will facilitate the shareholders to fully exercise their right to attend and vote in the meeting and will not take any action in limiting the shareholders' right to attend the meeting.
4. The Company will give opportunity to shareholders to deliver questions prior to the Meeting date, by determining the clear rules on delivering prior questions and notifying the shareholders of these rules upon the delivery of Shareholders meeting invitation.
5. At the Shareholders Meeting, the Company will give opportunity to each shareholder equally, in independently giving opinion or suggestion or asking question in each relating agenda item prior to

the votes for resolution. There will be concerning directors, executives and auditors of the Company attending the Shareholders Meeting for answering the questions.

6. At the Shareholders Meeting, the Company will arrange the votes for each item, in the case where such agenda item contains several items to be considered, such as the election of directors.
7. The Chairman of the Meeting will make appropriate allocation of time and support the shareholders in having opportunity to give opinions and ask questions regarding the Company.
8. The Company will give opportunity to shareholders to exercise their rights to elect each director, by proposing the names of persons to be elected as directors at the Shareholders Meeting, and attaching the brief biodata of those persons to be elected and useful information for shareholders' approval.
9. The Company determined that the allocation of profits to shareholders in the form of dividends shall be approved by the Shareholders Meeting at each Annual General Meeting of Shareholders.
10. The Company has policy in transparently, accurately and completely disclosing information to shareholders, by not discriminating any group of shareholders. Each shareholder is entitled to gain access of and receive information, news, performance results, and management policy of the Company, which are disclosed sufficiently, consistently, punctually and equally, by contacting the Company or receiving such information through various channels.

Section 2 Equal treatment to shareholders

The Company determined that each shareholders shall be equally treated, no matter whether they are major or minority shareholders, executive or non-executive shareholders, or Thai or foreign shareholders.

The details of which are as follows:

1. The Company will notify the SET of the schedule of the Shareholders meeting, together with agenda items and opinions of the Board of Directors and disseminate such meeting schedule on the Company's website, at least 28 days prior to the Shareholders meeting date. The Company will prepare and deliver the invitation letter, in Thai and English language, as well as disclose that information on the SET website and the Company's website.
2. The Company will give opportunity to shareholders and their proxies attending meeting in giving opinion or suggestion, and asking question at each agenda item with appropriate and sufficient time. The Chairman of the Meeting will conduct the meeting according to the agenda items determined, and will ensure that executives did not add any agenda item unnecessarily without giving prior notice to the shareholders, especially material agenda item which the shareholders require time to study prior to making decision.
3. The Company will facilitate minority shareholders to propose the names of persons to be elected as director or additional agenda items prior to the Shareholders meeting date, by determining prior clear



requirements on methods of proposal of the person to be elected as director made by the minority shareholders.

4. The Company will determine the methods of proposal of the person to be elected as director made by the minority shareholders.
5. Shareholders should not unnecessarily add any agenda item without prior notice, especially material agenda item which other shareholders nettime to study prior to making decision.
6. The Company will establish written measures to keep and prevent the use of the Company's internal information, and notify everyone in the organization of such measures for further compliance.
7. The Company will have directors give reports on interest, at least prior to the consideration of concerning agenda item, and such interest must be recorded in the Board of Director Meeting report.

Section 3 Roles of persons with interest

In the corporate governance system, there are several groups of persons with interest, including customers, employees, partners, shareholders or investors, creditors and community where the Company is located, society or government and other groups of persons with interest, such as competitors and independent auditors. The Board of Directors established the policy in treating each group of persons with interest, by taking their right under the laws or agreements with the Company into account, as follows:

1. Shareholders;
2. Employees;
3. Partners, competitors and creditors;
4. Customers or employers;
5. Community, society and environment

Section 4 Disclosure of information and transparency

The Company prioritizes the disclosure of information for making decision on investment, management, and decision on any action for each person with interest. The Company thus has duties to give information to each related party fairly, with appropriate, accurate, reliable and punctual information. Each group of persons with interest gain access to information equally, as follows:

1. The Board of Directors or the person entrusted by the Board of Directors shall have duty to disclose the information under the requirements through the SET channel, both periodic reports, such as financial statements, form of annual information (form 56-1) and annual report (form 56-2), and non-periodic reports, and disseminate the information on the Company's website, completely, consistently and punctually.
2. The Company will establish investor relations in order for communication, sharing information and answering to questions of shareholders, investors, analyzers, press and concerning government

agencies, so that such persons will obtain the Company's information accurately, completely and transparently.

3. The Company will arrange the preparation of summary report on the policy of corporate governance, business ethics and policy of risk management, which were previously approved, as well as the compliance results and the cases with compliance failure together with reasons thereof. The report will be made through various channels, such as the Annual Report and the Company's website.
4. The Company will prepare the Management discussion and analysis, or MD&A) disclosed in the financial statements of each quarter, so that investors acknowledge the information and better understand, in addition to the information on figures in the financial statements, the changes happened to the Company's financial condition and performance results in each quarter.
5. The Company will disclose the roles and duties of the Company's Board of Directors and Committees, number of meetings held and number of attendances in the preceding years and opinion from their performance, as well as consistent trainings and profession development of the Board of Directors in the Annual Report.
6. The Board of Directors should determine the disclosure of each type of remuneration obtained by each director, including details of executive's remuneration in form of annual information (form 56-1) and annual report (form 56-2).
7. The Board of Directors that there is disclosure of auditing fee and other fees as the auditor provided services.

Section 5 The Board of Directors' responsibilities

The Board of Directors is responsible for shareholders on the Company's business operations and corporate governance in compliance with laws, objectives, the Company's Articles of Association and the Shareholders Meeting resolutions.

1. Structure of the Board of Directors

The Board of Directors consists of 8 directors, and 4 of them are independent directors. This makes appropriate balance in consideration and votes for each matter in accordance with the practice of good corporate governance for listed companies under the SEC requirements. The Company's directors are experts from various areas, including navigation industry, laws, accounting and finance, which are related to and support the Company's business. Moreover, the Company appointed the Company's Secretary for giving advice ^{at} laws and regulations which the Board of Directors must know and perform their duties in taking care of the Company's activities, and for coordinating the compliance with the Board of Directors' resolutions. In addition, the Board of Directors appointed committees for assisting in the Company's corporate governance.



2. Committees

The Board of Directors decentralizes its power for effective and transparent management, by appointing 3 committees, as follows:

2.1 Audit committee, for relieving duties of the Board of Directors in considering matters in accordance with the good corporate governance principle. In 2019, there were 4 meetings held for auditing the financial statements with the auditor, and attended by Mr.Yutthana Taepangthong, the Audit director who has knowledge and experience in auditing the financial statements.

2.2 Executive Committee, for assisting in considering and screening specific matters for further decision made by the Chief of Executive Officer and for ensuring the effective operations. In 2019, there were 12 meetings held for screening the information on performance results in each month.

2.3 Recruitment and Remuneration Committee, for recruiting appropriate personnel for positions, considering forms and requirements on remuneration payment for the Board of Directors and top executives, ensuring transparency in recruitment of directors and executives to be fit for the Company and fairly considering the payment requirements. In 2019, there were 3 meetings held.

3. Roles, Duties and Responsibilities of the Board of Directors

3.1 Duties and responsibilities of the Board of Directors

The Board of Directors has major roles in determining visions, strategies, policies and material plans of the Company. It will consider risk factors and set appropriate management scheme. It also ensures that the accounting system, financial reports and auditing are reliable, and determines the Company's ethics in order to be guideline, along with the Articles of Association and regulations of the Company, for the Board of Directors, executives, employees and workers in performing and behaving.

3.2 Good corporate governance policy

The Company has made the corporate governance policy in writing as reference and compliance of directors, executives and employees. This reflects an effective, transparent, verifiable management system, and builds confidence to shareholders, investors, persons with interest and related persons.

3.3 Business ethics

The Board of Directors has intention to promote the operation and management with morals, ethics and law compliance, and with social and economic responsibilities. This will also promote the good corporate governance system, by materially binding honesty, justice and transparency. It also highlights to make good benefits to shareholders and take into account of persons with interest. Therefore, the Company established ethics as guideline of business operations for the compliance of directors, executives and employees. This will result in good image of the Company and confidence of society.

3.4 Conflicts of interest

The Board of Directors carefully manages the conflicts of interest, by having measures and procedures for approval of relating party transactions. In the case where a relating party transaction is not

regular business transaction, the Company will have the Auditing Committee give opinion on necessity and appropriateness of such transaction.

The Company will disclose relating party transactions in the remarks attached to the financial statements audited by the Company's audit. If the Company's ordinary shares have been listed on the SET, the Company will disclose such relating party transactions in the form of annual information (form 56-1) and annual report (form 56-2) in accordance with requirements and laws on securities and exchanges.

3.5 Internal control system

The Company consistently prioritizes the internal control as it realizes that the internal control system is the material mechanism in making confidence of the Management in mitigating the business risk, making efficient and effective business operation and appropriately allocating its resources for attaining objectives. The Board of Directors assigned the Audit committee to review, supervise, audit and make assessment of the Company's internal control system, and submit the same to the Board of Directors, in order to determine the corporate governance scheme and internal control for various areas, such as organization and environment, risk management, control of the Management's operations, information, communication and monitoring system, for efficiency and effectiveness.

In 2019, the Company employed the T. Group Advisory Company Limited ("Advisor Company") to make assessment of the Company's internal control under the requirements of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and the internal audit, in order to independently certify that the Company has the management and operations under the good corporate governance.

3.6 Risk management policy

1. To promote the culture of risk management in order to make mutual understanding, conscious and responsibilities on risks, control and impacts of risks to the Company in the management and operation processes of the whole Company.
2. To have process, guidelines and measures in risk management with quality and appropriateness under universal principle and sufficiency, and to indicate, analyze, make assessment of, classify, manage, monitor, report and communicate information regarding risks consistently and regularly, for compliance in the whole Company.
3. To make assessment on quality, including reputation and image of the Company, and on quantity including losses, decrease of income and increase of expenses, by considering chances of occurrence and impacts.
4. To establish the risk limit in order to limit possible damages to the level acceptable by the Company, and to establish circumstances or risk level giving warning sign to operators for taking any action in order to prevent risks exceeding the established risk limit.
5. To have operation regulations in writing for the compliance of executives and operators, as the control of risks form operations.



3.7 Channel for giving leads

The Company arranged the channels for giving leads, lodging complaints or giving opinions or suggestion indicating that any person with interest is affected or has risk from effects, which may cause damage to each group of persons with interest, relating to the Company's business operation, or the Company's performance of employees regarding violation of laws, regulations, articles or business ethics, as well as behavior leading to misconduct, discrimination and negligence. Complaints and leads of violation in details, by identified or unidentified escalator, may be tendered to the Chairman of Audit committee, together with reliable information in writing so that such matter will be further investigated, through 4 channels:

- 1) By mail or the Company's opinion box
Section managers [the assigned sections] or office of the Chief Executive Officerหรือ
Address : V.L. Enterprise Public Company Limited
41 Asoke-Dindaeng Road, Makkasan Sub-District, Ratchatevi District,
Bangkok10400
- 2) By E-Mail) / Email channel supervised by the Company's Secretary
whistleblowing@vltanker.com
- 3) The Company's website
WWW.VLTANKER.COM
- 4) Email addresses of independent director, as follows:
 1. Commander Somchart Vipismakul (somchart.v@vltanker.com)
 2. Mr. Yutthana Taepangthong (yutthana.t@vltanker.com)

3.8 Board of Directors' report

The Audit committee has duties to audit the financial reports to ensure their accuracy and reliability, and disclosure of sufficient information. It coordinates with the external auditor and executives who are responsible for preparation of quarterly and annually financial reports, and submits financial reports to the Board of Directors every quarter. The Board of Directors is responsible for the consolidated financial statements and financial information reports displayed in the Annual Report.

4. Board of Directors Meeting

- 4.1 The Board of Directors shall hold meetings for acknowledgement of the Company's performance at least every three months. At the meeting, directors must give opinion and exercise their discretion independently. Director should attend each meeting, unless there is unexpected circumstance which shall be notified to the Secretary of the Board in advance. The Company must include number of attendance of directors in the Annual Report. The Secretary

to the Board of Directors shall deliver the meeting invitation to each director, informing the date, time, venue and agenda item of the meeting, 7 days prior to the meeting date, and collect documents attached from directors and the management in order to deliver the same to the Board of Directors in advance for preserving rights or benefits of the Company. The Board of Directors may notify of the meeting schedule by other methods, or reschedule the meeting to earlier date. In 2019, the Company held 4 Board of Directors meetings. Each meeting was attended by 8 directors, constituting forum. The summary of attendance of each director, is as follows:

Number of Attendance		
Marshall Kraisor	Chansuwanich	4/4
Commander Somchart	Wipitmakul	4/4
Mr.Yuttana	Taepangthong	4/4
Mr.Wittaya	Pattaramethakul	4/4
Mr.Taweesilp	Chenapattanawong	4/4
Mrs.Chutipat	Klinsuwan	4/4
Mr. Charunpat	Wisarnsawat	4/4
Miss Rakchanok	Samnianglam	4/4

- 4.2 The Board of Directors Secretary will record matters in the meeting in order to prepare the meeting report, which contains complete matters, within 15 days from the meeting date, and submit the same for the Chairman of the Board of Directors' signature. The Secretary to the Board shall arrange a good storage of meeting reports, to be easy for searching, and keep all of them confidential.
- 4.3 The Board of Directors meeting shall be held in accordance with the requirements of laws and Articles of Association. In a meeting of the board of directors, the presence of not less than one half of the total number of directors is required to constitute a forum. In the case where the chairman of the board is not present at the meeting or is unable to perform his duty and if there exists a vice-chairman, the vice-chairman shall preside over the meeting. If there is no vice-chairman or if there is one but he is unable to perform the duty, the meeting shall elect one among themselves to preside over the meeting.
- 4.4 Any director who has interest in any agenda item has no right to vote in such agenda item.
- 4.5 The decisions at the Board of Directors meeting shall be by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall give the casting vote. However, the



opinion of other directors whose votes are against or silent shall be recorded in the meeting report.

4.6 The Secretary to the Board of Directors shall prepare the meeting report and deliver to the concerned persons within 7 days for reviewing and certifying in the subsequent meeting.

Self-Assessment of the Board of Directors

In order to increase efficiency in performing duties of the Company's Board of Directors, the Company has the Board of Directors make assessment of themselves, by having directors make assessment of the performance of the whole Board of Directors, so that the Board of Directors collectively consider the performance and problems. Such assessment will be analyzed for making further measures in order to revise the performance efficiency of the Board of Directors.

6. Remuneration of directors and executives

The Company has policy in clearly and transparently determining the monetary remuneration of directors, and such determination will be submitted for approval of the Shareholders Meeting at the Annual General Meeting of Shareholders. The criteria in determining the remuneration of the Board of Directors is as follows:

- (1) It is appropriate and in line with the scope of duties and responsibilities of each director.
- (2) The remuneration is at the convince able level which can retain the directors who have knowledge, capacity and quality to perform their duties for the Company.
- (3) The composition of remuneration is clear, transparent and easy to understand.
- (4) It is at the level comparable to the remuneration in the same or similar industry.

7. Development of Directors and Executives

The Company supports its Board of Directors and top executives attend seminars or courses which are beneficial to their performance of duties, and have regular meetings for exchanging opinions with Board of Directors and executives of other organizations, so as to bring knowledge and experience to further develop the Company. Each director has had trainings of the Thai Institute of Directors: IOD, as follows:

1. Admiral Krisorn Chansuvanich, Chairman of the Board of Directors
 - Director Accreditation Program (DAP), class 130/2559
2. Commander Somchart Vipismakul. Chairman of Independent Director Committee and Independent Director
 - Director Accreditation Program (DAP), class 149/2561
 - Course: How to develop a risk management plan (HRP), on November 25-26, 2019
3. Mrs. Chutipra Klinsuwan, Chief Executive Officer and Executive Director
 - Director Accreditation Program (DAP), class 79/2552

- Course: Board Matters and Trends Agenda (BMT), class 4/2560
 - Board Nomination and compensation Program (BNCP), class 2/2560
 - Director Certification Program (DCP), class 250/2560
 - The Role of Chairman Program (RCP), class 42/2561
 - Chief Transformation Officer (CTO), year 2562
4. Mr. Yutthana Taepangthong, Independent Director
 - Director Accreditation Program (DAP), class 120/2558
 - Director Certification Program (DCP), class 233/2560
 - Risk Management Program for Corporate Leaders (RCL), class 9/2560
 5. Mr. Witaya Patarametagul, Independent Director
 - Director Accreditation Program (DAP), class 149/2561
 6. Mr. Taveesilpa Chinnapatthanawong, Director
 - Director Certification Program (DCP), class 254/2561
 7. Miss Rakchanok Sumnianglum, Chief Accounting and Finance Officer and Executive Director
 - CFO's Orientation Course for New IPOs, class 2/2560
 - Director Accreditation Program (DAP), class 149/2561
 - Course: Refreshment of the Role and Expectation of A CFO year 2561
 8. Mr. Jarunpath Visansavadh, Deputy Chief Executive Officer
 - Director Accreditation Program (DAP), class 150/2561

Auditor's Remuneration

In the year ending on December 31, 2019, the Company paid the auditing fee in the amount of Baht 1,000,000 per year to Dhammaniti Auditing Company Limited. The list of auditors to be appointed is as follows:

1. Miss Thanyaphorn Tangtanopajai, auditor license No.9169;
2. Mr. Peradate Pongsathiansak, auditor license No.4752; or
3. Miss Arisa Chumwisut, auditor license No. 9393

The persons or business in relation to the auditors and the audit company are not the related persons or business with the Company, and have neither relation nor transaction which may cause conflict of interest with the Company.



Internal Control and Risk Management

The Company consistently prioritizes the internal control as it realizes that the internal control system is the material mechanism in making confidence of the Management in mitigating the business risk, making efficient and effective business operation and appropriately allocating its resources for attaining objectives. The Board of Directors assigned the Audit committee to review, supervise, audit and make assessment of the Company's internal control system, and submit the same to the Board of Directors, in order to determine the corporate governance scheme and internal control for various areas, such as organization and environment, risk management, control of the Management's operations, information, communication and monitoring system, for efficiency and effectiveness, as follows:

1. Organization and Environment

The Company takes into account of having good organizational structure and environment, which is material foundation of the effective internal control system. Therefore, it is necessary to have a mechanism driving the Company's internal control to goals, and make everyone aware of and understand key details of the internal control system, as follows:

1. The Company's Board of Directors managed to determine the clear goal of business operations, by holding a meeting of the Management in order to consistently establish the Company's operation plan to drive the Company's business to its goals. The plan was established as its annual budget, and notified thereof to executives of each department for having their performance managed in line with the established goals.
2. The Company make thorough revision of the goal setting of each duty performed, by revising the past performance results, economic condition and other factors in order to efficiently perform the work assigned and give appropriate incentives or returns to employees.
3. The Company established its organization structure, in taking into account of the efficiency in managing the organization and notified of the same to all employees.
4. The Company prepared the Code of Conduct of directors and employees, as well as the policy on anti-corruption.
5. The Company established policies and regulations in approval of financial transactions, procurement and asset management in order to prevent misconducts.
6. The Company has policy regarding the good corporate governance and established rules and operating plans, by taking into account of the fair treatment in business operation, with persons related or with interest.
7. The Company has its organization structure promoting governance and balancing mechanism, and also has process of recruitment, human resources development, assessment and successor plan.

2. Risk Management

1. The Company determined its clear objectives, at the organization level and activity level, to be coherent, so that the work can be completed on the annual approved budget and existing resources. In addition, the Company has had risk assessment and management suitable for circumstance.
2. The Company has the risk management system covering risk factors relating to visions, goals, business strategy, finance and operations.
3. There are consistent meetings to assess the risk in business operation and analyze the cause of such risk.
4. A circumstance causing risk must be monitored in order to establish measures to prevent or mitigate such risk.
5. Guidelines under the risk management policy must be notified to the head of each department so as to acknowledge each employee for compliance, and the compliance under the risk management guidelines must be monitored.

3. Control of the Management's Operations

The Company has policy and working procedures of the Management in order to ensure that the established policy is responded and complied with everyone in the Company. The details of which are as follows:

1. The Company has defined the clear scope of power and duties and the authorized amount of the Management.
2. The Company has concise and clear measures in monitoring the entering into transactions with its major shareholder, directors, executives or related persons, as it is established that the related party transaction between the Company and the person who may have conflicts must be made under reasonable conditions or normal business conditions. If the transaction is made under the requirements approved by the Board of Directors, the Management is empowered to approve such transaction, and must prepare the summary report submitted to the Audit Committee and the Board of Directors at each quarter. If there is a transaction other than normal transaction, it is required that such transaction be proposed to the Audit Committee for consideration of appropriateness and further proposed to the Board of Directors and/or Shareholders Meeting, as the case maybe, for approval prior to entering into such transaction, provided that the approval, by focusing the Company's benefit, must be made by the persons who have no interest in such transaction.
3. In the case where a transaction is made with concerned person in a long-term basis, the Company requires that the compliance under the agreed condition be monitored and reported to the Audit Committee for making revision of appropriateness of transaction throughout the term of such transaction. Moreover, the Audit Committee will consider a



measure preventing the concerned person take advantage or benefits of the Company for their own interest.

4. Information System and Communication

The Company has the information management system covering the performance at the level of organization, financial report, operation units and policy compliance, as well as regulations for control, in order to ensure that there is efficient communication for better achievement of organization's objectives and goals.

The information communication to concerned persons is very essential and will result in effectiveness of the internal control system, as follows:

1. The Company sufficiently makes available of essential information for the Board of Directors in making decision, especially significant information. An invitation to the meeting, along with attached documents will be delivered to directors for prior consideration at least no less than 7 days so that the Board will have sufficient time to study such information, except for any urgency which prevents the prior delivery of documents with no less 7 days.
2. The Company requires that the meeting report of the Board of Directors be recorded with appropriate details, which are material for making decision of each matter, and questions, opinions and remarks of directors on each matter, together with the opinions of director at the meeting, must be also recorded.
3. The Company has stored all documents attached to accounting record and accounts in groups and easy for verification. The Company also establish the accounting policy in accordance with the Company's primary business operations and not in violation of the generally accepted accounting principles.

5. Monitoring System

The Company has consistent assessment and monitoring system on the work performed, and it consistently verifies, revises and adjusts its internal control system, in order to be coherent with changing circumstances and to have defaults fixed in time. Materially, the Company monitors and assesses its internal control system by considering its actual performance. The Company regularly holds meetings in order to consider ongoing performance whether it is different from its established goals, as well as to propose necessary procedures so that the Company will have defaults fixed within appropriate period of time.

Related Party Transaction

Persons/Juristic Persons who may have conflicts/ business manner	Characteristics and details of transactions	Value of related transaction as of December 31, 2019 (Baht)	Necessity and Reasonability of Transaction
1. Mrs.Chutipra Klinsuwan - Authorized Director of the Company/Chief of Executive Officer/ Executive and Major Shareholder of the Company	To lease buildings to the Company for being used as the headquarters and office in Sriracha Office lease fees	1,860,000.00	<p>The Company leased buildings, including office at Asoke, Bangkok and office at Sriracha, Chonburi, to be used as office building in operating the Company's business. Currently, the Company pays lease fees at the total amount of Baht 155,000 per month, including Baht 140,000 per month for lease of Asoke office and Baht 15,000 per month for lease of Sriracha office. The Company hired the appraiser approved by the SEC to identify the reference market price, and such monthly lease fees are 1.63% higher than the market price from reference book.</p> <p>- <u>Opinion of the Audit Committee</u></p> <p>Such transaction was made for the benefit of the Company's business operation and such lease fees are reasonable and close to the market price.</p>
2.Mr. Taveesilpa Chinapatthanawong - Director of the Company and Independent Director	Consultant fee	280,000.00	<p>- The Company paid the consultant fee at the rate of Baht 70,000 per month. For the year 2019, the Company paid the consultant fee from January to April 2019, as Mr. Taveesilpa had other business and was not able to give consultancy for the following period as agreed.</p> <p>- <u>Opinion of the Audit Committee</u></p> <p>Such transaction was made under the contract agreed by both parties.</p>



Details and characteristics of relationship of persons or business which may have conflicts of interest on the related-party transactions made with the Company

Person/Juristic person which may have conflicts	Characteristics of Relationship
Mrs. Chutipra Klinsuwan	<ul style="list-style-type: none">● A major shareholder of the Company, holding shares in the proportion of 65%● Authorized director of the Company, Chief of Executive Officer, Executive
Mr. Taveesilpa Chinapattthanawong	<ul style="list-style-type: none">● Former consultant and Executive of the Company

Measures or Procedures of Approval for Related-Party Transaction

In the case there are related-party transactions between the Company and its related persons, persons with conflicts of interest, persons with interest or who may have future conflicts of interest, which are commercial agreements, in the same manner as person of ordinary prudence may enter into with any general party in the same circumstance, with bargaining power freed from influence of being directors, executives, or related persons, with normal commercial conditions or market price, under reasonable conditions, verifiable and not causing the shift of benefits, the Company's executives can normally carry out under the requirements approved by the Board of Directors, and prepare the summary of which to be submitted to the Audit Committee at each quarter.

Measures and procedures of approval for related party transactions for the case where such transactions are not normal commercial transactions, the Company will have the Audit Committee give opinions regarding necessity and appropriateness of such transactions. In the case where the Audit has no expertise in considering possible related party transactions, the Company will have independent appraiser, specific independent experts or auditors give opinions on such related party transactions to the Audit Committee, so that the Audit Committee may use such opinions in their decision making and further giving opinions to the Board of Directors or the Shareholders Meeting, as the case may be, for approval of such transactions, prior to entering into the transactions. The Company will disclose the related party transactions in the remarks attached to the financial statements audited by the Company's auditor. If the Company's ordinary shares have been listed on the SET, the Company will disclose such related party transactions in the form of annual information (form 56-1) and annual report (form 56-2) in accordance with requirements and laws on securities and exchanges. The approval of such related party transactions shall be made in accordance with the laws on securities and exchanges and Articles of Association, notifications, notices or requirements of the SET, therefore the persons who may have conflicts or interest in the related party transactions will have no rights to vote for resolutions on such related party transactions.

In order to ensure that the related party transactions between the Company and related persons are handled accurately, transparently and ready to be sufficiently disclosed, the Company thus set the policies and procedures for related party transactions, as follows:

1. It is required that directors and executives notify the Company of relation or related party transactions in the business which may cause conflicts of interest.
2. Directors and executives shall avoid entering into related party transactions which may cause conflicts of interest with the Company. If it is necessary to make transactions which are not in the normal business operation or have commercial conditions different from those made with general customers or third parties, and those transactions are under the power of approval of the Company's Shareholders Meeting, the Company shall comply with the notifications of the SET, the Capital Market Advisory Board and the SEC, as per Item 3 of the requirements. However, if the related party transactions which are under the power of approval of the Board of Directors, or the small-scale transactions but proposed for approval of the Board of Directors, in addition to the compliance with Item 3 of the requirements, directors and /or executives will be able to enter into such transactions with the Company upon approval granted by the Board of Directors Meeting with the votes of no less than $\frac{3}{4}$ of all the directors attending the meeting and having no interest in such matter. However, no directors nor executives with related interest attend the approval of such transactions, and such transactions shall not contain any conditions or specific requirements other than the normal ones under the Company's requirements.
3. If the Company has related party transactions within the scope of the requirements of the SET, the Capital Market Advisory Board and the SEC, it shall strictly comply with those requirements.
 - 3.1 In the case of related party transactions under the approval of the Management, the respective units are responsible for considering such transactions under the procedures of approval granted as per the Company's regulations. After the Management has approved such transactions, the respective units shall propose these transactions to the Audit Committee for reviewing their reasonability.
 - 3.2 In the case of related party transactions which are under the approval power of the Board of Directors or Shareholders Meeting, the respective units shall submit details, necessity and reasonability of transactions to the Audit Committee, prior to proposing such transactions to the Board of Directors for entering into them, or submit to the Board of Directors, prior to proposing to the Shareholders Meeting for approval.
4. The Company will disclose the transactions which may have conflicts of interest or related party transactions under the requirements of the SET, the Capital Market Advisory Board and the SEC, by disclosing in the annual information form and annual report, or any other



form, as the case maybe, and will disclose the information of related transactions and related party transactions with the Company under the accounting standards requirements.

5. It is required that the related transactions be audited, as per the audit plan, by the internal audit department, which reports to the Audit Committee, and there are measures to control, review and monitor for randomly auditing transactions whether they are accurate as per contracts, policies or conditions.

Policy or trends of related transactions in the future

In the future, if it is necessary that the Company enters into related party transactions with, persons who may have conflicts of interest with the Company, the Company will establish conditions, to be in line with the normal commercial manner and with market price which can refer to conditions or prices occurring with the same business entered into by the Company and a third party. The Company will have the Audit Committee give opinions on prices, returns and necessity and appropriateness of such transactions. In the case where the Audit has no expertise in considering possible related party transactions, the Company will have independent appraiser, specific independent experts or auditors give opinions on such related party transactions to the Audit Committee, so that the Audit Committee may use such opinions in their decision making and further giving opinions to the Board of Directors or the Shareholders Meeting, as the case may be, for approval of such transactions, prior to entering into the transactions. The Company will disclose the related party transactions in the remarks attached to the financial statements audited by the Company's auditor. If the Company's ordinary shares have been listed on the SET, the Company will disclose such related party transactions in the form of annual information (form 56-1) and annual report (form 56-2) in accordance with requirements and laws on securities and exchanges. The approval of such related party transactions shall be made in accordance with the laws on securities and exchanges and Articles of Association, notifications, notices or requirements of the SET.

With regard to related transactions in the future, directors shall comply with regulations prescribed and directors shall not approve any transaction which they may have conflicts of interest in any other manner with the Company, and they shall disclose such transactions to the Board of Directors for consideration. The Company shall comply with the laws on securities and exchanges, Articles of Association, notifications, notices or requirements of the SET, and shall strictly comply with the SET requirements on the disclosure of information of related party transactions and acquisition or disposal of the Company's assets, and under the accounting standards required by the Accounting Profession Assembly. In addition, the Company will not enter into any related party transaction, which is not the Company's normal business operation, with the concerned company.

The Company anticipates that, in the future, the lease of buildings for its headquarters and office in Sriracha will remain in order to support the Company's business operations. The Company will ensure that the lease fee is at the market price rate and on general commercial conditions, or at the price and on the conditions which are comparable with the service provided by a third party entrepreneur.

Material financial information

Summary of Financial Information

The auditor gave opinions for the financial statements of the year ending on December 31, 2019, as follows:

The financial statements represented the Company's financial conditions as of December 31, 2018 and performance results and cash flows for the year ending on the same day, which are accurate in material and under the financial report standards.

List of Auditors for the Company's financial statements

The auditors for the Company's financial statements are as follows:

Accounting Period	Approved Auditors	License No.	Company
Audited financial statements for the year ending on December 31, 2017	Miss Thanyaphorn Tangtanopajai	9169	Dhammaniti Audit Company Limited
Audited financial statements for the year ending on December 31, 2018	Miss Thanyaphorn Tangtanopajai	9169	Dhammaniti Audit Company Limited
Audited financial statements for the year ending on December 31, 2019	Miss Thanyaphorn Tangtanopajai	9169	Dhammaniti Audit Company Limited



Summary of Financial Conditions and Primary Performance Results of the Company

As of December 31, 2017 to December 31, 2018 and ending on December 31, 2019

Financial Statements – Statements representing the financial conditions

Particulars	December 31, 2017		December 31, 2018		December 31, 2019	
	(financial statements)		(financial statements)		(financial statements)	
	Million Baht	Percentages	Million Baht	Percentages	Million Baht	Percentages
Assets						
Current assets						
Cash and cash equivalents	104.92	7.66	48.59	3.41	269.31	13.69
Account receivables and other	69.98	5.11	84.26	5.92	71.40	3.63
Consumables for tankers	15.43	1.13	18.92	1.33	20.57	1.04
Assets as held for sales	0.00	0.00	0.00	0.00	149.25	7.59
Other current assets	0.15	0.01	0.45	0.03	0.14	0.01
Total current assets	190.48	13.91	152.22	10.69	510.67	25.96
Non-current assets						
Tankers and equipment	1,176.62	85.91	1,269.56	89.16	1,455.01	73.95
Intangible assets	2.44	0.18	2.18	0.15	1.71	0.09
Other non-current assets	0.04	0.00	0.04	0.00	0.06	0.00
Total non-current assets	1,179.10	86.09	1,271.78	89.31	1,456.78	74.04
Total assets	1,369.58	100.00	1,424.00	100.00	1,967.45	100.00
Liabilities and Shareholders equity						
Current liabilities						
Overdraft and short-term loans from financial institutions	0.00	0.00	80.00	5.62	0.00	0.00
Trade-accounts payable and other account payable	50.30	3.67	60.69	4.26	46.93	2.39
Purchase of fixed assets payable	0.18	0.01	3.40	0.24	82.04	4.17
Deposit received from sales of fixed assets	0.00	0.00	0.00	0.00	32.14	1.63
Liabilities under financial lease with payment due within 1 year	0.18	0.01	0.25	0.02	0.96	0.05
Long-term loans with payment due within 1 year	115.30	8.42	123.45	8.67	160.62	8.16
Income tax payable	5.58	0.41	1.91	0.13	2.85	0.14
Other current liabilities	0.50	0.04	0.69	0.05	0.72	0.04
Total current liabilities	172.04	12.56	270.39	18.99	326.26	16.58
Non-current liabilities						
Liabilities under financial lease	0.11	0.01	0.45	0.03	1.52	0.08
Long-term loans	654.46	47.79	726.32	51.01	838.02	42.59
Liabilities on deferred income tax	7.56	0.55	10.18	0.71	11.25	0.57
Obligations on employees benefits	3.75	0.27	3.65	0.26	5.02	0.26
Total non-current liabilities	665.88	48.62	740.59	52.01	855.82	43.50
Total liabilities	837.92	61.18	1,010.98	71.00	1,182.08	60.08

Financial Statements– Statement representing financial conditions (Cont’)

Particulars	December 31, 2017		December 31, 2018		December 31, 2019	
	(financial statements)		(financial statements)		(financial statements)	
	Million Baht	Percentages	Million Baht	Percentages	Million Baht	Percentages
Shareholders equity						
Capital stock						
Registered capital						
Ordinary shares: 800,000,000 shares, Par value: Baht 0.50	-	-	400.00	100.00	400.00	100.00
Issued and paid-up shares						
Ordinary shares: 800,000,000 shares, Par value: Baht 0.50	-	-	-	-	400.00	20.33
Ordinary shares: 600,000,000 shares, Par value: Baht 0.50	100.00	7.30	300.00	21.07	-	-
Share premium	-	-	-	-	231.59	11.77
Premium from merger under the same control	13.53	0.99	13.53	0.95	13.53	0.69
Retained earnings						
Allocated –Legal reserves	10.00	0.73	13.05	0.92	17.09	0.87
Retained earnings - Unallocated(loss)	408.13	29.80	86.44	6.07	123.16	6.26
Total shareholders equity	531.66	38.82	413.02	29.00	785.37	39.92
Total liabilities and shareholders equity	<u>1,369.58</u>	<u>100.00</u>	<u>1,424.00</u>	<u>100.00</u>	<u>1,967.45</u>	<u>100.00</u>



Financial Statements – Statements of Comprehensive Income

Particular	Accounting Year 2017		Accounting Year 2018		Accounting Year 2019	
	(financial statements)		(financial statements)		(financial statements)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Income						
Income from transportation	682.41	96.32	694.68	99.04	712.09	99.86
Profits from sales of assets	8.96	1.27	5.29	0.75	-	-
Income from damage compensation	15.27	2.16	-	0.00	-	-
Other income	1.82	0.26	1.45	0.21	0.98	0.14
Total income	708.46	100.00	701.42	100.00	713.07	100.00
Expenses						
Capital from transportation	555.61	78.42	544.99	77.70	527.33	73.95
Executive expenses	25.43	3.59	31.11	4.44	39.17	5.49
Executive remuneration	12.76	1.80	13.07	1.86	11.62	1.63
Total expenses	593.80	83.82	589.16	84.00	578.12	81.07
Profits before finance costs and income tax expenses	114.66	16.18	112.25	16.00	134.95	18.93
Finance costs	32.69	4.61	44.16	6.30	46.86	6.57
Profits before income tax	81.97	11.57	68.09	9.71	88.09	12.35
Income tax expenses	8.36	1.18	7.07	1.01	7.33	1.03
Income for the year	73.61	10.39	61.01	8.70	80.76	11.33
Other comprehensive income for the year :	(0.20)	(0.03)	0.35	0.05	-	-
Total annual comprehensive income	73.41	10.36	61.36	8.75	80.76	11.33
Basic earnings per share (Baht per share)	73.61		0.13		0.11	
Basic earnings per share (Fully Diluted): (Baht per share)	0.09		0.08		0.10	

Financial Statements – statements of Cash Flow

Particular	Accounting	Accounting	Accounting
	year 2017	year 2018	year 2019
	(financial statements)	(financial statements)	(financial statements)
	Million Baht	Million Baht	Million Baht
<u>Cash flow from operating activities</u>			
Income for the year	73.61	61.01	80.76
Adjustments to reconcile income for the year to net cash provided by (used in) operating activities			
Depreciations and Amortization	102.05	102.30	106.29
Allowance for doubtful accounts	-	-	0.20
(Gain) loss on disposal of fixed assets	(8.97)	(5.29)	1.20
Unrealized (gain) loss on exchange rates	0.10	0.05	1.55
Employee benefit expenses	0.31	0.25	1.27
Interest income	(0.05)	(0.08)	(0.19)
Interest expenses	32.65	44.17	46.86
Income tax expenses	8.36	7.07	7.34
Income from operating before changes in operating Assets and liabilities	208.10	209.48	245.28
(Increased) decreased in operating assets			
Trade and other receivables	(29.87)	(14.30)	12.65
Supplies and spare parts	(0.09)	(3.48)	(1.65)
Other current assets	(0.05)	(0.30)	0.30
Other non-current assets	-	-	(0.02)
Increased (decreased) in operating liabilities			
Trade and other payables	(6.85)	11.05	(17.56)
Other current liabilities	(0.07)	0.20	0.03
Cash generated from operations	171.17	202.65	239.03
Payment of obligations on employees benefits	(0.35)	-	-
Payment for income tax	(2.98)	(8.21)	(5.33)
Net cash provided by operating activities	167.84	194.44	233.70
<u>Cash flow from investing activities</u>			
Cash received from overdraft	0.72	-	-
Cash paid for purchase of the fixed assets	(303.25)	(197.57)	(357.19)
Cash received a deposit under vessel sale agreement	-	-	32.13
Cash received from sales of the fixed assets	48.58	11.90	-
Cash received from interest income	0.05	0.08	0.19
Net cash used in investing activities	(254.61)	(185.59)	(324.87)



Financial Statements – Statements of Cash Flow (cont')

Particular	Accounting year	Accounting year	Accounting year
	2017	2018	2019
	(financial statements)	(financial statements)	(financial statements)
	Million Baht	Million Baht	Million Baht
Cash flows from financing activities :			
Cash received from share capital paid-up	-	200.00	350.00
Payments on directly attributable expenses of the IPO	-	-	(18.41)
Cash received from overdraft	0.72	-	-
Cash received from short-term loans from financial institution	-	80.00	20.00
Cash received from short-term loans from financial institution	-	-	(100.00)
Cash received from long-term loans from financial institution	359.00	198.50	281.85
Cash payment of long-term loans from financial institution	(81.03)	(118.50)	(132.97)
Cash payment of finance lease liabilities	(0.17)	(0.20)	(0.70)
Cash paid for dividend	-	(380.00)	(40.00)
Cash paid for interest expenses	(32.32)	(44.90)	(46.52)
Net cash provided by (used in) financing activities	150.48	(65.10)	313.24
Net increased (decreased) in cash and cash equivalents	64.42	(56.24)	222.08
Cash and cash equivalent at the beginning of the year	40.56	104.92	48.60
Adjustments to gain (loss) on translation of foreign currency	(0.06)	(0.08)	(1.36)
Cash and cash equivalents at the end of the year	104.92	48.60	269.31

Financial Statements – Financial Ratio

Particular	Unit	Accounting year 2017	Accounting year 2018	Accounting year 2019
Liquidity ratio				
Liquidity ratio	time	1.11	0.56	1.57
Quick ratio	time	1.02	0.49	1.04
Cash flow ratio	time	1.83	1.37	1.35
Account receivable turnover ratio	time	12.56	9.87	10.14
Average collection period	day	28.67	36.47	35.51
Account payable turnover ratio	time	10.23	9.51	9.50
Average payment period	day	35.19	37.84	37.89
Cash cycle	day	(6.52)	(1.37)	(2.38)
Profitability ratio				
Gross profit margin	percentage	18.58	21.55	25.95
Operating profitability ratio	percentage	12.98	15.19	18.81
Other profitability ratio	percentage	3.68	0.96	0.14
Cash profitability ratio	percentage	189.42	184.28	174.45
Net profit ratio	percentage	10.39	8.70	11.33
Return on equity ratio	percentage	13.53	12.92	13.48
Efficiency ratio				
Return on asset ratio	percentage	5.92	4.37	4.76
Return on fixed asset ratio	percentage	16.01	13.35	13.73
Asset turnover ratio	time	0.57	0.50	0.42
Financial policy ratio				
Debt to equity ratio	time	1.58	2.45	1.51
Interest coverage ratio	time	5.23	4.59	5.10
Obligation coverage ratio - Cash basis	time	(0.35)	(0.28)	(5.74)
Dividend coverage ratio	Percentage	129.06	622.82	49.53
Share information				
Par value	Baht	100	0.5	0.5
Book value	Baht	531.66	413.02	785.37
Earning per share	Baht	0.37	0.13	0.11
Earning per share (Fully Diluted)	Baht	0.09	0.08	0.10



11. Analysis and Explanation of the Management for the year 2019

Performance in the year 2019

The Company operates the business of maritime transportation of petroleum and chemical products. The Company provides transportation services on various routes, domestically (major ports) and internationally (Southeast Asia countries) for its customers who operate the business of oil refinery, oil trading, lubricant trading and palm oil. At the beginning of 2019, the Company purchased one second-handed tanker, with load weight of 5,676 Deadweight Tonnage (D.W.T). As a result, the Company, as of December 31, 2019, has a total number of tankers used for its business operations, 13¹ tankers. The Company's fleet average service year is approximately 16.80 years, with the total load weight of 40,756 Deadweight Tonnage (D.W.T), and with the total oil containing capacity (98%) for transportation of 41,524 cubic meters. During the year 2019, the Company had a new tanker, with the size of 2,800 Deadweight Tonnage (D.W.T), built and received this tanker on January 9, 2020.

The primary transported products can be divided into 5 categories, including distillate fuel (including diesel, gasoline and jet oil), palm oil, crude oil, fuel oil and lubricant. Crude oil and Fuel oil is transported only domestically, while lubricant and distillate fuel is transported both domestically and internationally, and palm oil is only transported internationally. The proportion of income ranges from the highest; distillate fuel, palm oil, crude oil, fuel oil and lubricant, respectively. The service fees earned from each category of products are different. Most of income will vary by the volume of transportation and ex-station diesel price. The minimum service fee for each freight, or fixed income which is monthly or freight lump sum pay, are earned by the Company. Most of income earned from domestic customers is derived from distillate fuel, of which the transportation fee varies by ex-station diesel price. The majority of transportation to overseas customers is made for palm oil. The service fee is at market price, which varies by the volume of products transported and distance from origin to destination.

¹ The Company has policy to decrease the service years of its fleet and increase the volume of load weight, in response to the customers demand. Therefore, the Company sold the tanker V.L. 5, which its service years is 31 years and it cannot provide full capacity of service. In addition, it sold the tanker V.L. 16, which is a small size

tanker with load weight of 2,388 Deadweight Tonnage (D.W.T), in accordance with the resolution of the Board of Directors Meeting dated February 18, 2019.

Analysis of Performance

1. Income from service provided

The Company is a service provider for transportation of petroleum and chemical products, domestically and internationally. In 2018-2019, the Company had the total income of Baht 701.42 million and Baht 713.07 million, respectively. The income derived from services provided are as follows:

Divided by destination	2018		2019		Increase/(Decrease)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Income from transportation service						
Domestic Service	511.87	72.98	526.17	73.79	14.30	2.79
Overseas Service	178.86	25.50	168.28	23.60	(10.58)	(5.92)
Income from other services	3.94	0.56	17.64	2.47	13.70	347.72
Total income from services	694.68	99.04	712.09	99.86	17.41	2.51
Other income	6.74	0.96	0.98	0.14	(5.76)	(85.46)
Total income	701.42	100.00	713.07	100.00	11.65	1.66

The Company income derived from service provided consistently grew up in the past years. In 2018-2019, the income from service provided by the Company was in the amount of Baht 694.68 million and Baht 712.09 million, respectively. In 2018, when comparing to the year 2019, the Company's income increased in the amount of Baht 17.41 million or at the rate of 2.51%. The income derived from services provided can be categorized as follows:

1. Income from domestic services was in the amount of Baht 511.87 million in 2018 and Baht 526.17 million in 2019. The income in 2019 increased from that in 2018 in the amount of Baht 14.30 million or at the rate of 2.79%. This was caused by an increase of one tanker with the size of 5,000 DWT, which is at service for the customers of Bangchak Corporation Public Company Limited.

2. Income from overseas services was in the amount of Baht 178.86 million in 2018 and Baht 168.28 million in 2019. The income in 2019 decreased from that in 2018 in the amount of Baht 10.58 million, or at the rate of 5.92%. This was caused by a tanker being serviced at the graving dock and a new tanker commencing its freight service in April 2019.

3. Income from other services was in the amount of Baht 3.94 million in 2018 and Baht 17.64 million in 2019. In 2019, the income increased from that in 2018 in the amount of Baht



13.70 million, or at the rate of Baht 347.72 million. This was resulted from the harbor for loading/reloading.

2. Service cost

In 2019, the Company had the total service cost in the amount of Baht 527.33 million, which decreased from that in 2018 in the amount of Baht 17.66 million or 3.24%. This was resulted from efficient cost management.

3. Gross profit and gross profit margin

Particular	2018		2019		Increase/ (Decrease)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Gross Profit	149.69	21.55	184.76	25.95	35.07	23.43

The Company had gross profit in the amount of Baht 149.69 million in 2018 and Baht 184.76 million in 2019, or at the rate of 21.55% and 25.95% of income derived from service provided. The gross profit in 2019 increased, from that 2018, Baht 35.07 million, or at the rate of 23.43%.

4. Other income

The Company had other income in the amount of Baht 6.74 million in 2018 and Baht 0.98 million in 2019, or at the rate of 0.96% and 0.14 %, respectively, as in 2018 the Company had profit from the sales of assets.

5. Expenses

The Company's executive expenses can be divided as follows:

Particular	Accounting Year 2018		Accounting Year 2019		Increase/ (Decrease)	
	Million Baht	percentage	Million Baht	percentage	Million Baht	percentage
Expenses						
Transportation Cost	544.99	78.45	527.33	91.21	(17.66)	(3.24)
Administration Cost	31.11	4.48	39.17	6.78	8.06	25.91
Administration Remuneration	13.07	1.98	11.62	1.63	(1.45)	(11.09)
Total Expenses	589.17	84.91	578.12	81.19	(11.05)	(1.88)

The total expenses of the Company was in the amount of Baht 589.17 million in 2018, and Baht 578.12 million in 2019, or at the rate of 84.91% and 81.19%, respectively. In 2019, the expenses

decreased in the amount of Baht 11.05 million, or at the rate of 1.88%, which was resulted from the decrease of transportation cost and administration remuneration.

The Company had administration expenses in the amount of Baht 31.11 million in 2018 and Baht 39.17 million in 2019, which increased in the amount of Baht 8.06 million, or at the rate of 25.91%. The primary administration expenses of the Company are expenses relating to employees, which tend to rise in accordance with the expanded business of transportation.

6. Financial Cost

The Company had financial cost in the amount of Baht 44.16 million in 2018 and Baht 46.86 million in 2019, which increased in the amount of Baht 2.7 million, or at the rate of 6.11%. This was caused by loans for new tanker building.

7. Net Profit

The Company had net profit in the amount of Baht 61.01 million in 2018 and Baht 80.76 million in 2019, or at the net profit margin of 8.70 % and 11.33 %, respectively.

Statements of Financial Position

Information as of December 31, 2019

Particular	December 31, 2017		December 31, 2018		December 31, 2019	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Financial Position						
Total assets	1,369.58	100.00	1,424.00	100.00	1,967.45	100.00
Total liabilities	837.92	61.18	1,010.98	71.00	1,182.08	60.08
Total shareholders' equity	531.66	38.82	413.02	29.00	785.37	39.92
Financial Statements-Comprehensive Income Statements						
Total income	708.46	100.00	701.42	100.00	713.07	100.00
Capital from sales and services	593.80	83.82	589.16	84.00	578.12	81.07
Annual comprehensive income	73.41	10.36	61.36	8.75	80.76	11.33

1. Total assets

The Company's total assets as of December 31, 2017, December 31, 2018 and December 31, 2019 was in the amount of Baht 1,369.58 million, Baht 1,424.00 million and Baht 1,967.45 million, respectively. The Company's total assets in 2019 increased in the amount of Baht 543.45, which is equivalent to 38.16% when compared to that of the preceding years, due to the increase of tankers in each year.



2. Total liabilities

The Company had the total liabilities as of December 31, 2017, December 31, 2018 and December 31, 2019 in the amount of Baht 837.92 million, Baht 1,010.98 million and Baht 1,182.08 million, respectively. The total liabilities increased at the rate of 16.92%, or in the amount of Baht 171.10 million, which was mainly caused by long-term loans from financial institutions for purchasing or building new tankers.

3. Total shareholders' equity

The Company had the total shareholders' equity as of December 31, 2017, December 31, 2018 and December 31, 2019 in the amount of Baht 531.66 million, Baht 413.02 million and Baht 785.37 million, respectively. The total shareholders' equity of the Company increased, as a result of the Company's performance and initial public offering (IPO). This resulted in the Company's increased paid-up capital in the amount of Baht 400 million, and Baht 231.59 million of share premium from the sales of ordinary shares with the price higher than the par value.

Cash Flow Statements

The Company's cash flow is as follows:

Particular	Accounting	Accounting	Accounting
	year 2017	year 2018	year 2019
	(financial statements)	(financial statements)	(financial statements)
	Million Baht	Million Baht	Million Baht
Net cash derived from operating activities	167.84	194.44	233.70
Net cash used in investing activities	(253.90)	(185.59)	(324.87)
Net cash used in fundraising activities	150.48	(65.10)	313.24
Net increased (decreased) cash and cash equivalents	64.42	(56.24)	222.08
Cash and cash equivalents as of the beginning of year	40.56	104.92	48.59
Adjusted income (loss) from currency exchange	(0.06)	(0.08)	(1.36)
Cash and cash equivalents as of the end of year	104.92	48.59	269.31

Cash Flow from Operating Activities

The Company had the cash flow from operating activities in the amount of Baht 167.84 million in 2017, Baht 194.44 million in 2018, and Baht 233.70 million, respectively.

In 2018 and 2019, the net cash flow from operating activities consistently increased from that in 2017, with positive figures. This was primarily caused by decreased account receivable and other receivable, and increased income.

Cash Flow from Investing Activities

In 2017, 2018 and 2019, the Company had net cash flow derived from (used in) investing activities in the amount of Baht (253.90) million, Baht (185.59) million and Baht (324.87) million, respectively. In 2019, the cash flow was used in investing activities, upon the purchase of assets.

Cash Flow from Fundraising Activities

In 2017, 2018 and 2019, the Company had net cash flow derived from (used in) fundraising activities in the amount of Baht 150.48 million, Baht (65.10) million and Baht 313.24 million, respectively. In 2019, the Company had total cash flow from fundraising activities in the amount of Baht 313.24 million, which was derived from the increased capital and IPO. In addition, the Company paid dividends on September 10, 2019 at the rate of Baht 0.05 per share, and repaid the loans in the amount of Baht 49.64 million.

Liquidity Ratio

In 2017, 2018 and 2019, the Company had liquidity ratio of 1.11 times, 0.56 time and 1.57 times, respectively. It showed that in 2018, the Company had much higher liquidity ratio, as this was resulted from its cash and cash equivalents received from the IPO, as well as its growing income.



The Board of Directors' responsibility report to the financial report

Attn: Shareholders

The Board of Directors is aware of duties and responsibilities, as directors of the listed company, to the financial report of V.L. Enterprise Public Company Limited. The financial statements were prepared under the financial reporting standards (TFRS), and the appropriate accounting policy was selected and consistently complied with. The discretion was carefully exercised and the estimation was reasonably made.

In preparation of the financial statements, material information is sufficiently disclosed in the remarks attached to the financial statements. Explanation, analysis, financial position and performance of the Company are also contained therein, so as for the benefit of shareholders and general investors. Such financial statements were audited and the approved independent auditors gave opinions, with no conditions, on these financial statements. In addition, the Board of Directors has promoted that the Company comply with the good corporate governance principle, and prevented misconducts or material irregularities.

The Audit Committee of the Company, consisting of independent directors, has duty to conduct an audit on the quality of the financial report and internal control system. The opinion of the Audit Committee is displayed in the aforementioned annual report, which was prepared and accurately and appropriately disclosed in material matters under the generally accepted accounting principle.

Admiral Krisorn Chansuvanich
Chairman of the Board of Directors

Mrs. Chutipak Klinisuan
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
V.L. Enterprise Public Company Limited

Opinion

I have audited the financial statements of V.L. Enterprise Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of V.L. Enterprise Public Company Limited as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Revenue recognition on freight charges

The Company has the revenue from providing freight charges in the amount of Baht 712.08 million that is the significant amount. There is also the complicated determination of the freight charges rate which several related factors such as the price of oil according to the market situation at that time, the size of the vessel being transported, transportation route, type and amount of oil transported and including the Company providing domestic and export freight charges that some has



different environments may affect the internal control system, existing, accuracy and completeness of revenue recognition from providing freight charges. Therefore, I consider this matter as the significant matter in my audit.

Risk response by the auditor

I have assessed and understood the revenue recognition system, testing the significant control regarding existence and accuracy, completion of revenue recognition by inquiring the management and responsible persons, understand and sampling test the compliance with the controls designed by the Company, audit the service agreement to check the revenue recognition complied with the conditions specified in the agreement, testing the calculation of the freight charges according to the service agreement, compare the maritime operations report with the revenue service recognition of the accounting department, check the evidence of services from third parties, test the calculation of freight in proportion to the lapse time of the voyage compared to the total time of the last voyage of every vessel that freight charges are recognized correctly and completely according to the accounting period and comparative analysis of revenue separate by vessel to check for possible irregularities in the revenue recognition throughout the accounting period.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Ms.Thanyaphorn Tangthanopajai.

(Ms.Thanyaphorn Tangthanopajai)

Certified Public Accountant

Registration No.9169

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 21, 2020

Statements of financial position

V.L. Enterprise Public Company Limited

As of December 31, 2019

Assets			
		Baht	
	Notes	2019	2018
CURRENT ASSETS			
Cash and cash equivalents	5	269,313,304.77	48,592,635.44
Trade and other receivables	6	71,402,691.07	84,258,834.69
Vessel supplies and spare parts	7	20,567,843.56	18,918,547.31
Assets held for sale	8	149,245,767.94	-
Other current assets		137,824.90	446,440.15
Total current assets		510,667,432.24	152,216,457.59
NON-CURRENT ASSETS			
Vessels and equipment	8	1,455,008,717.14	1,269,564,528.83
Intangible assets	9	1,712,603.26	2,180,125.80
Other non-current assets		57,100.00	36,400.00
Total non-current assets		1,456,778,420.40	1,271,781,054.63
TOTAL ASSETS		1,967,445,852.64	1,423,997,512.22



Liabilities and Shareholders' Equity

		Baht	
	Notes	2019	2018
CURRENT LIABILITIES			
Bank overdrafts and short-term loans institutions	11	-	80,000,000.00
from financial institutions			
Trade and other payables		46,930,320.45	60,684,964.51
Purchase of fixed assets payable		82,042,653.90	3,401,144.84
Deposits received from sales of fixed assets		32,136,000.00	-
Current portion of liabilities under financial lease	12	960,266.97	250,463.88
Current portion of long-term loans from financial institutions	13	160,625,200.00	123,448,000.00
Corporate income tax payable		2,846,142.79	1,910,151.13
Other current liabilities		722,242.93	693,904.88
Total current liabilities		326,262,827.04	270,388,629.24
NON-CURRENT LIABILITIES			
Liabilities under financial lease	12	1,519,609.28	447,632.58
Long-term loans from financial institution	13	838,024,083.80	726,315,400.00
Deferred tax liabilities	10	11,249,508.04	10,180,922.89
Employee benefit obligations	14	5,024,115.18	3,646,015.00
Total non-current liabilities		855,817,316.30	740,589,970.47
TOTAL LIABILITIES		1,182,080,143.34	1,010,978,599.71

Liabilities and Shareholders' Equity (Cont')

		Baht	
		2019	2018
SHAREHOLDERS' EQUITY			
Share capital	16		
Registered share capital			
800,000,000 ordinary shares of Baht 0.50 each		400,000,000.00	400,000,000.00
Issued and fully paid-up share capital			
800,000,000 ordinary shares of Baht 0.50 each		400,000,000.00	
600,000,000 ordinary shares of Baht 0.50 each			300,000,000.00
Share premium on ordinary shares	16	231,587,782.52	
Surplus on business combination under common control		13,524,246.75	13,524,246.75
Retained earnings			
Appropriated - Legal reserve	17	17,089,000.00	13,051,000.00
Unappropriated		123,164,680.03	86,443,665.76
TOTAL SHAREHOLDERS' EQUITY		785,365,709.30	413,018,912.51
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,967,445,852.64	1,423,997,512.22

Comprehensive Income Statements

REVENUES	19		
Freight charges		712,086,127.81	694,677,216.12
Other income			
Gain on disposal of assets		-	5,288,340.69
Others		985,936.63	1,450,081.41
Total revenues		713,072,064.44	701,415,638.22
Expenses			
Cost of freight		527,330,239.81	544,989,382.68
Administrative expenses	4	39,170,174.96	31,108,119.76
Management benefit expenses	4	11,618,985.01	13,067,087.26
Financial cost		46,857,187.87	44,164,253.51
Total expenses	15	624,976,587.65	633,328,843.21
Income before income tax expenses		88,095,476.79	68,086,795.01
Income tax expenses	15	7,336,462.52	7,073,544.35
Income for the year		80,759,014.27	61,013,250.66



Statements of Changes of Shareholders' Equity

		Baht					
		Share capital	Share Premium	Surplus on	Retained earnings		Total
		issued and paid-	on ordinary	combination under	Appropriated	Unappropriated	
		up	shares	common control	- Legal reserve		
Notes							
	Beginning balance as at January 1, 2018	100,000,000.00	-	13,524,246.75	10,000,000.00	408,132,587.90	531,656,834.65
16	Cash received from share capital paid-up	200,000,000.00	-	-	-	-	200,000,000.00
18	Dividend payment	-	-	-	-	(380,000,000.00)	(380,000,000.00)
	Total comprehensive income for the year	-	-	-	-	61,362,077.86	61,362,077.86
17	Legal reserve	-	-	-	3,051,000.00	(3,051,000.00)	-
	Ending balance as at December 31, 2018	300,000,000.00	-	13,524,246.75	13,051,000.00	86,443,665.76	413,018,912.51
16	Cash received from share capital paid-up	100,000,000.00	231,587,782.52	-	-	-	331,587,782.52
18	Dividend payment	-	-	-	-	(40,000,000.00)	(40,000,000.00)
	Total comprehensive income for the year	-	-	-	-	80,759,014.27	80,759,014.27
17	Legal reserve	-	-	-	4,038,000.00	(4,038,000.00)	-
	Ending balance as at December 31, 2019	400,000,000.00	231,587,782.52	13,524,246.75	17,089,000.00	123,164,680.03	785,365,709.30

Cash Flow Statements

	Baht	
	2019	2018
<u>Cash flows from operating activities</u>		
Income for the year	80,759,014.27	61,013,250.66
Adjustments to reconcile income for the year to net cash provided by (used in) operating activities		
Depreciations and amortization	106,288,130.70	102,302,959.37
Allowance for doubtful accounts	202,525.78	-
(Gain) loss on disposal of fixed assets	1,203,930.41	(5,292,840.69)
Unrealized (gain) loss on exchange rates	1,547,269.24	52,973.79
Employee benefit expenses	1,270,911.21	251,458.93
Interest income	(185,597.80)	(83,953.32)
Interest expense	46,857,187.87	44,164,253.51
Income tax expense	7,336,462.52	7,073,544.35
Income from operating before changes in operating assets and liabilities	245,279,834.20	209,481,646.60
(Increased) decreased in operating assets		
Trade and other receivables	12,648,671.79	(14,298,659.20)
Supplies and spare parts	(1,649,296.25)	(3,484,470.15)
Other current assets	308,615.25	(295,867.20)
Other non-current assets	(20,700.00)	-
Increased (decreased) in operating liabilities		
Trade and other payables	(17,564,638.49)	11,054,237.04
Other current liabilities	28,338.05	195,469.04
Cash generated from operations	239,030,824.55	202,652,356.13
Payment for income tax	(5,331,885.71)	(8,208,987.01)
Net cash provided by operating activities	233,698,938.84	194,443,369.12



Cash Flow Statement (Cont')

	Notes	Baht	
		2019	2018
Cash flow from investing activities			
Cash paid for purchase of the fixed assets	8	(357,186,840.92)	(197,571,324.47)
Cash received a deposit under vessel sale agreement		32,136,000.00	-
Cash received from sales of the fixed assets		-	11,899,053.00
Cash received from interest income		185,597.80	83,953.32
Net cash used in investing activities		(324,865,243.12)	(185,588,318.15)
Cash flows from financing activities :			
Cash received from share capital paid-up	16	350,000,000.00	200,000,000.00
Payments on directly attributable expenses of the IPO	16	(18,412,217.48)	-
Cash received from short-term loans from financial institutions	11	20,000,000.00	80,000,00.00
Cash payment of short-term loans from financial institution	11	(100,000,000.00)	-
Cash received from long-term loans from financial institutions	13	281,846,883.80	198,500,000.00
Cash payment of long-term loans from financial institution	13	(132,961,000.00)	(118,496,100.00)
Cash payment of finance lease liabilities		(703,220.21)	(200,600.28)
Cash paid for dividend		(40,000,000.00)	(380,000,000.00)
Cash paid for interest expenses		(46,527,919.47)	(44,903,330.74)
Net cash provided by (used in) financing activities		313,242,526.64	(65,100,031.02)
Net increased (decreased) in cash and cash equivalents		222,076,222.36	(56,244,980.05)
Cash and cash equivalents at the beginning of the year		48,592,635.44	104,917,480.44
Adjustments to gain (loss) on translation of foreign currency		(1,355,553.03)	(79,864.95)
Cash and cash equivalents at the end of the year		269,313,304.77	48,592,635.44
<u>Supplementary disclosure of cash flow statement data :</u>			
Non-cash item:			
Interest expense recorded as cost of the assets		3,209,990.81	-
Purchase of fixed assets payable		82,042,653.90	3,401,144.84
Liabilities under financial lease agreements		2,485,000.00	614,249.87

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. GENERAL INFORMATION

(a) Address and legal status

The Company was incorporated as a limited company under Thai law and was registered with the Ministry of Commerce on September 27, 1991 and converted from the Company under the provision of the Civil and Commercial Code to be a Company in accordance with the Public Company Act B.E.2535 on September 7, 2018. The head office is located at 41 Asoke-Dindang Rd., Makkasan, Ratchatevee, Bangkok, 10400.

(b) Nature of the Company's operations

The Company operates a tanker fleet business and provides logistical cargo shipping locally and regionally.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re: the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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

2.2 Recognition of revenues and expenses

Freight charges of each voyage are generally recognized as revenues at the completion of the voyage. Where a voyage is incomplete as of the financial statements, freight charges are recognized as revenue in proportion to the lapsed time of the voyage.

The Company recognizes expenses on the accrual basis.

2.3 Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits at financial institutions with an original maturity of 3 months or less and excluded cash at banks which are used for guarantee.

2.4 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are initially recognized by the invoice amount and subsequently measured at the remaining amount less an allowance for doubtful accounts (if any) based on a review of all outstanding amounts at year end. The allowance for doubtful accounts is the difference



between the carrying amount of trade accounts receivable and the amount expected to be collectible. Bad debts are immediately recognized in the income statement as part of administrative expenses.

The Company provides an allowance for doubtful accounts to care for the estimated losses that may be incurred in the collection of receivables. The estimated losses are based on historical collection experience and a review of the current status of the existing receivables.

2.5 Vessel supplies and spare parts

Vessel supplies and spare parts mainly comprise bunker, vessel supplies, and spare parts which are stated at cost and determined on the first-in, first-out basis.

2.6 Vessels and equipment and depreciation and amortization

Vessels and equipment are stated at cost less accumulated depreciation and accumulated amortization and allowance on decline in value (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful lives of the assets as follows:-

	<u>Years</u>
Vessels and vessels improvement	6 - 25
Leasehold improvement	5
Fixture and vessels and office equipment	5
Vehicle	5

The estimated useful lives of vessel are based on the remaining useful lives at the acquisition date. Depreciation is calculated on the cost of the vessels less their estimated residual values.

Expenditure in overhauling the vessel is a capital expenditure when incurred and will be amortized by the straight-line method over a period of 30 months. When significant specific dry-docking costs are incurred prior to the expiry of the amortization periods, the remaining costs of the previous dry-docking are written off immediately.

The Company has reviewed the residual value and useful life of the assets at least every year end.

The depreciation for each component is calculated on the separate components when each component has significant cost component has compared to the total cost of that asset.

Depreciation is included in determining income.

Vessels, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

2.7 Intangible assets

Intangible assets are stated at cost less accumulated amortization and allowance on decline in value (if any). Intangible assets are amortized in the statement of income on a straight-line

basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Software	3 - 10	years
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2.8 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

2.9 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.

2.10 Impairment of assets

Vessels and equipment and other assets are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statements of comprehensive income. Impairment loss is reversed to other income wherever there is any indication that the impairment loss recognized may no longer exist or may have decreased.

2.11 Foreign currency conversions

Foreign currency transactions during the year are translated into Baht at the rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currency outstanding on the reporting date are translated into Baht at the rates ruling on the reporting date. Exchange gains and losses are recorded as income or expense in the current period.

2.12 Provisions

A provision is recognized in the financial statements when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.



2.13 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates 20% of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exempt or disallowable from income tax calculation. The tax privileges include exemption from income tax on profits from the promoted activities.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company expects to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will no longer have the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

2.14 Using of accounting estimation

Preparation of financial statements in conformity with generally accepted accounting principles in Thailand requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

2.15 Finance lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations in proportion to the outstanding balance.

2.16 Employee benefits

Short-term employment benefits

The Company recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and policy of the Company and other employee benefit plans (if any). The Company treats these severance payment obligations as a defined benefit plan.

The Company calculates liabilities for post-employment benefits of the employees by using the discount rate by the Projected Unit Credit Method. The independent actuary has assessed the obligations under the actuarial principles. Such estimate is based on the assumptions relating to the discount rate, future salary increase rate, change in the number of staff, mortality rate and inflation rate.

The actuarial gains and losses based on the actuarial principles for post-employment benefits of the employees are recognized immediately in other comprehensive income.

2.17 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.



Vessels and equipment/Depreciation

In determining depreciation of vessels and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

3.2 Financial reporting standards that will become effective in the future

During the year, the Federation of Accounting Professions issued a number of the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting

guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial Reporting Standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

TFRS 16 Leases

These TFRSs supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. RELATED PARTIES TRANSACTIONS

The Company has certain transactions with related parties. The part of assets, liabilities, revenue, cost and expense of the Company occurred from transactions with related parties. These related parties are related through common shareholdings and/or directorships. The effects of these transactions are reflected in the accompanying financial statements on the basis determined by the Company and the parties concerned.



Nature of relationships between the Company and related companies:

Name of persons or related company	Nature of relationships
<u>Related person</u>	
Mrs.Chutipa Klinsuwan	The Company's shareholders and directors
Mr.Taveesilpa Chinnapatthanawong	The Company's directors

For the years ended December 31, 2019 and 2018, the significant transactions with persons or related parties can be summarized as follows:-

	Pricing policy	Baht	
		2019	2018
<u>Related persons</u>			
Office rental			
Mrs.Chutipa Klinsuwan	Agreed price	1,860,000.00	1,680,000.00
Consultant fee			
Mr.Taveesilpa Chinnapatthanawong	Agreed price	280,000.00	560,000.00

Management benefit expenses

Management benefit expenses represent the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange Act.

For the years ended December 31, 2019 and 2018, management benefit expenses are as follows:-

	Baht	
	2019	2018
Management benefit expenses		
Short-term employee benefits	11,348,599.00	12,902,932.16
Post-employment benefits	270,386.01	164,155.10
Total	<u>11,618,985.01</u>	<u>13,067,087.26</u>

5. CASH AND CASH EQUIVALENTS

	Baht	
	2019	2018
Cash on hand	312,604.05	248,914.28
Cash at bank - current accounts	7,831,111.35	7,344,000.70
Cash at bank - savings accounts	<u>261,169,589.37</u>	<u>40,999,720.46</u>
Total	<u>269,313,304.77</u>	<u>48,592,635.44</u>

Savings accounts carry interest at the floating rates which are set by the banks.

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of:-

	Baht	
	2019	2018
<u>Trade receivables</u> , classified by age analysis :-		
- <u>Domestic</u>		
Not yet due	60,182,834.38	66,060,924.24
Overdue :		
Not over 3 months	244,986.78	6,179,606.10
Over 3 - 6 months	-	202,525.78
Over 6 - 12 months	-	-
Over 12 months	202,525.78	-
Total	60,630,346.94	72,443,056.12
- <u>Foreign</u>		
Not yet due	6,500,065.49	239,226.77
Overdue :		
Not over 3 months	-	891,301.69
Total	6,500,065.49	1,130,528.46
Total trade receivables	67,130,412.43	73,573,584.58
<u>Less</u> Allowance for doubtful accounts	(202,525.78)	-
Total trade receivables - net	66,927,886.65	73,573,584.58
<u>Other receivables</u>		
- Advance payable	230,000.00	126,048.00
- Prepaid expenses	4,141,445.52	3,025,777.63
- Listing expense	-	7,530,424.48
- Others	103,358.90	3,000.00
Total	4,474,804.42	10,685,250.11
Total trade and other receivables - net	71,402,691.07	84,258,834.69

For the years ended December 31, 2019 and 2018, the movements of allowance for doubtful accounts were as follow

	Baht	
	2019	2018
Allowance for doubtful accounts		
Beginning balance	-	-
Increase (decrease) during the year	202,525.78	-
Bad debts written off during the year	-	-
Ending balance	202,525.78	-

7. VESSEL SUPPLIES AND SPARE PARTS

Vessel supplies and spare parts consisted of:-



	Baht	
	2019	2018
Fuel	12,283,897.61	11,079,611.24
Supplies and spare parts	8,283,945.95	7,838,936.07
Total	20,567,843.56	18,918,547.31

8. VESSELS AND EQUIPMENT

8.1 For the year 2019, vessels and equipment consisted of:-

	Baht						
	Vessels and vessels improvement	Vessels dry-docking	Leasehold improvement	Fixture and vessels and office equipment	Vehicle	Assets in progress	Total
Cost							
As at January 1, 2019	1,719,739,673.46	60,120,143.79	3,579,342.27	37,144,143.34	1,796,729.00	1,123,000.00	1,823,503,031.86
Acquisition of assets	144,248,665.34	28,595,923.47	-	3,839,182.20	3,550,000.00	261,372,493.81	441,606,264.82
Transfers in (out)	(186,957,350.00)	(4,129,478.48)	-	(1,241,716.50)	-	-	(192,328,544.98)
Disposal/write-off	-	(13,199,675.98)	-	(688,448.21)	-	-	(13,888,124.19)
As at December 31, 2019	1,677,030,988.80	71,386,912.80	3,579,342.27	39,053,160.83	5,346,729.00	262,495,493.81	2,058,892,627.51
Accumulated depreciation and accumulated amortization							
As at January 1, 2019	497,993,743.60	25,521,431.06	2,163,018.69	27,640,463.54	619,846.14	-	553,938,503.03
Additions	74,974,527.96	26,483,383.92	293,361.69	3,636,090.85	325,013.74	-	105,712,378.16
Transfers in (out)	(39,212,829.26)	(3,131,615.46)	-	(738,332.32)	-	-	(43,082,777.04)
Disposal/write-off	-	(12,121,354.88)	-	(562,838.90)	-	-	(12,684,193.78)
As at December 31, 2019	533,755,442.30	36,751,844.64	2,456,380.38	29,975,383.17	944,859.88	-	603,883,910.37
Net book value							
As at December 31, 2019	1,143,275,546.50	34,635,068.16	1,122,961.89	9,077,777.66	4,401,869.12	262,495,493.81	1,455,008,717.14

8.2 For the year 2018, vessels and equipment consisted of:-

	Baht						
	Vessels and vessels improvement	Vessels dry-docking	Leasehold improvement	Fixture and vessels and office equipment	Vehicle	Assets in progress	Total
Cost							
As at January 1, 2018	1,591,803,413.91	36,187,988.34	2,112,530.21	35,499,271.58	4,561,729.00	-	1,670,164,933.04
Acquisition of assets	170,227,187.13	23,932,155.45	1,466,812.06	3,720,462.54	819,000.00	1,123,000.00	201,288,617.18
Transfers in (out)	-	-	-	(81,350.00)	-	-	(81,350.00)
Disposal/write-off	(42,290,927.58)	-	-	(1,994,240.78)	(3,584,000.00)	-	(47,869,168.36)
As at December 31, 2018	1,719,739,673.46	60,120,143.79	3,579,342.27	37,144,143.34	1,796,729.00	1,123,000.00	1,823,503,031.86
Accumulated depreciation and accumulated amortization							
As at January 1, 2018	453,626,392.28	7,461,598.66	2,112,529.21	26,364,554.34	3,975,089.58	-	493,540,164.07
Additions	80,293,031.88	18,059,832.40	50,489.48	3,069,835.22	228,754.56	-	101,701,943.54
Transfers in (out)	-	-	-	(40,648.53)	-	-	(40,648.53)
Disposal/write-off	(35,925,680.56)	-	-	(1,753,277.49)	(3,583,998.00)	-	(41,262,956.05)
As at December 31, 2018	497,993,743.60	25,521,431.06	2,163,018.69	27,640,463.54	619,846.14	-	553,938,503.03
Net book value							
As at December 31, 2018	1,221,745,929.86	34,598,712.73	1,416,323.58	9,503,679.80	1,176,882.86	1,123,000.00	1,269,564,528.83

Depreciation and amortization expenses of vessels and equipment which are included in the statements of comprehensive income

	Baht	
	2019	2018
Depreciation and amortization	105,712,378.16	101,701,943.54
Gain (loss) on disposal of fixed assets	(1,203,930.41)	5,292,840.69

Some vessels with net book value as at December 31, 2019 and 2018 of Baht 1,300.16 million and Baht 1,256.34 million, respectively, were pledged to guarantee against bank loan and loan from financial institution (Note 11 and 13).

For the year ended December 31, 2019, the Company recorded interest as part of the cost vessels of Baht 3,209,990.81. Borrowing costs are the actual amount of the loan specifically for the vessel by calculating from the capitalization rate which is the weighted average of the loans that were borrowed for specific purposes at the rate of 4.00% - 4.25% per annum.

As at December 31, 2019 and 2018, the Company has fully depreciated assets which are still in use as follows:-

	Baht	
	2019	2018
<u>At cost</u>		
Vessels and vessels improvement	409,917,049.69	389,381,954.06
Leasehold improvement	2,112,530.21	2,112,530.21
Fixture and vessels and office equipment	21,864,188.13	20,144,285.51
Vehicle	977,729.00	977,729.00
Total	434,871,497.03	412,616,498.78

As at December 31, 2019, the Company has an agreement to sell vessel V.L.16 with a foreign company with the contract value of USD 5.20 million. The Company received a deposit under the agreement of Baht 32.14 million (USD 1.04 million) and recorded such deposit as deposit received from sales of fixed asset under "Current liabilities" in the statement of financial position. Such vessel has a book value of Baht 149.25 million and is classified as asset held for sale under "current assets" in the statement of financial position. The Company has delivered such vessel to the buyer and already receipt the remaining on February 5, 2020.



9. INTANGIBLE ASSETS

Intangible assets consisted of:-

	Baht				Book value as at Dec 31, 2019
	Book value as at Jan 1, 2019	Additions	Deductions	Transfers in (Transfers out)	
<u>Cost</u>					
Computer program	3,187,154.66	108,230.00	-	-	3,295,384.66
<u>Less accumulated amortizations</u>					
Computer program	(1,007,028.86)	(575,752.54)	-	-	(1,582,781.40)
Intangible assets-net	<u>2,180,125.80</u>				<u>1,712,603.26</u>

	Baht				Book value as at Dec 31, 2018
	Book value as at Jan 1, 2018	Additions	Deductions	Transfers in (Transfers out)	
<u>Cost</u>					
Computer program	2,807,702.66	298,102.00	-	81,350.00	3,187,154.66
<u>Less accumulated amortizations</u>					
Computer program	(365,364.50)	(601,015.83)	-	(40,648.53)	(1,007,028.86)
Intangible assets-net	<u>2,442,338.16</u>				<u>2,180,125.80</u>

	Baht	
	2019	2018
Amortization is included in the statement of comprehensive income	575,752.54	601,015.83

10. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2019 and 2018 are summarized as follows :-

	Baht			Balance per book as at December 31, 2019
	Balance per book as at December 31, 2018	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Account receivables	-	40,505.16	-	40,505.16
Employee benefit obligations	229,604.59	72,784.30	-	302,388.89
Total	229,604.59	113,289.46	-	342,894.05
Deferred tax liability:				
Depreciation of fixed assets	(10,410,527.48)	(1,181,874.61)	-	(11,592,402.09)
Total	(10,410,527.48)	(1,181,874.61)	-	(11,592,402.09)
Deferred tax assets (liabilities) - net	(10,180,922.89)	(1,068,585.15)	-	(11,249,508.04)

	Baht			Balance per book as at December 31, 2018
	Balance per book as at December 31, 2017	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Employee benefit obligations	339,476.63	(22,665.24)	(87,206.80)	229,604.59
Total	339,476.63	(22,665.24)	(87,206.80)	229,604.59
Deferred tax liability:				
Depreciation of fixed assets	(7,900,836.65)	(2,509,690.83)	-	(10,410,527.48)
Total	(7,900,836.65)	(2,509,690.83)	-	(10,410,527.48)
Deferred tax assets (liabilities) - net	(7,561,360.02)	(2,532,356.07)	(87,206.80)	(10,180,922.89)

11. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institution consisted of:-

	Baht	
	2019	2018
Short-term loans at the beginning of the period	80,000,000.00	-
Received loans during the period	20,000,000.00	80,000,000.00
Repayment of loans during the period	(100,000,000.00)	-
Short-term loans - net	-	80,000,000.00

The short-term loans above are in form of promissory notes with a local financial institution with the interest rate at Prime Rate.

As at December 31, 2019 and December 31, 2018, the Company has bank overdrafts and short-term loans from financial institution totaling credit lines of Baht 30 million and Baht 90 million, respectively, were guaranteed by some vessels.

12. FINANCE LEASE LIABILITIES

Finance lease liabilities are as follows:-

	Baht					
	2019			2018		
	Principal	Interest	Payments	Principal	Interest	Payments
Within one year	960,266.97	107,505.03	1,067,772.00	250,463.88	27,999.21	278,463.09
After one year but within five years	1,519,609.28	63,806.08	1,583,415.36	447,632.58	33,571.78	481,204.36
Total	2,479,876.25	171,311.11	2,651,187.36	698,096.46	61,570.99	759,667.45



The ownership of the vehicle purchased under finance lease agreements will be transferred to the Company when the final installment is paid.

As at December 31, 2019 and 2018, the Company has entered into two finance lease as a hire-purchase agreements with local companies. The lease term ends in 2022, with interest rate at 5.03% - 5.31% per annum.

13. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

Long-term loans from financial institution consisted of:-

	Baht	
	2019	2018
Long-term loans at the beginning of the year	849,763,400.00	769,759,500.00
Received loans during the year	281,846,883.80	198,500,000.00
Repayment of loans during the year	(132,961,000.00)	(118,496,100.00)
Long-term loans at the end of the year	998,649,283.80	849,763,400.00
<u>Less</u> Current portion of long-term loans	(160,625,200.00)	(123,448,000.00)
Long-term loans - net	<u>838,024,083.80</u>	<u>726,315,400.00</u>

Vessels	Loan (Million Baht)	Interest rate (%)	Payment condition	Balance as at December 31, 2019
1.) V.L.12				
<u>For</u>				
Vessel purchase	64.46	1 st -18 th month: interest at the rate Prime rate - 1.00% per annum From the 19 th month onwards : interest at the rate Prime rate - 0.75% per annum	Repayable 93 monthly as follows: The 1 st - 92 th Baht 661,000 93 th Baht 643,000	Already paid in May 2019
Maintenance and Vessel improvement	16.00	1 st - 18 th month: interest at the rate Prime rate - 1.00% per annum From the 19 th month onwards : interest at the rate Prime rate - 0.75% per annum	Repayable 93 monthly as follows: The 1 st - 92 th Baht 172,000 93 th Baht 76,000	Already paid in July 2019
2.) V.L.14				
<u>For</u>				
Vessel purchase	59.88	1 st - 60 th month: interest at the rate Prime rate - 1.25% per annum From the 61 st month onwards : interest at the rate Prime rate - 0.75% per annum	Repayable 69 monthly as follows : The 1 st - 68 th Baht 868,000 69 th Baht 858,300	Already paid in September 2019

Vessels	Loan (Million Baht)	Interest rate (%)	Payment condition	Balance as at December 31, 2019
3.) V.L.15 <u>For</u> Vessel purchase	50.18	Prime rate - 0.75% per annum	Repayable 57 monthly at Baht 880,300	Already paid in March 2019
4.) V.L.16 <u>For</u> Vessel purchase	141.82	Prime rate - 0.75% per annum	Repayable 108 monthly as follows : The 1 st - 107 th Baht 1,313,200 108 th Baht 1,307,600 (Requiring payment of the first installment in August 2016)	Baht 87,978,800.00
5.) V.L.17 <u>For</u> Vessel purchase	166.00	Prime rate - 0.75% per annum	Repayable 108 monthly as follows : The 1 st - 107 th Baht 1,550,000 108 th Baht 150,000 (Requiring payment of the first installment in June 2017)	Baht 117,950,000.00
6.) C.T.P.5 <u>For</u> Vessel purchase	133.66	Prime rate - 0.75% per annum	Repayable 120 monthly as follows : The 1 st - 119 th Baht 1,113,900 120 th Baht 1,105,900 (Requiring payment of the first installment in January 2017)	Baht 93,559,600.00
7.) V.L.18 <u>For</u> Vessel purchase	166.00	Prime rate - 0.75% per annum	Repayable 108 monthly as follows : The 1 st - 107 th Baht 1,550,000 108 th Baht remaining payment (Requiring payment of the first installment in May 2018)	Baht 135,000,000.00
8.) V.L.19 <u>For</u> Vessel purchase	225.00	Prime rate - 1.25 per annum	Repayable 93 monthly as follows : The 1 st - 92 th Baht 2,420,000 93 th Baht remaining payment (Requiring payment of the first installment in September 2017)	Baht 157,240,000.00
Vessel improvement	9.00	Prime rate - 1.25 per annum	Repayable 33 monthly as follows : The 1 st - 32 th Baht 273,000 33 th Baht remaining payment (Requiring payment of the first installment in January 2018)	Baht 2,448,000.00



Vessels	Loan (Million Baht)	Interest rate (%)	Payment condition	Balance as at December 31, 2019
9.) V.L.20				
<u>For</u>				
Vessel purchase	148.50	Prime rate - 2.00 per annum	Repayable 93 monthly as follows : The 1 st - 92 th Baht 1,597,000 93 th Baht remaining payment (Requiring payment of the first installment in November 2018)	Baht 126,142,000.00
Maintenance and Vessel improvement	9.00	Prime rate - 2.00 per annum	Repayable 33 monthly as follows : The 1 st - 32 th Baht 273,000 33 th Baht remaining payment (Requiring payment of the first installment in February 2019)	Baht 5,997,000.00
10.) V.L.21				
<u>For</u>				
Vessel purchase	126.28	Prime rate - 2.10 per annum	Repayable 93 monthly as follows : The 1 st - 92 th Baht 1,358,000 93 th Baht remaining payment (Requiring payment of the first installment in July 2019)	Baht 118,131,000.00
Maintenance and Vessel improvement	9.00	Prime rate – 2.10 per annum	Repayable 33 monthly as follows : The 1 st - 32 th Baht 273,000 33 th Baht remaining payment (Requiring payment of the first installment in August 2019)	Baht 7,635,000.00
11.) V.L.22				
<u>For</u>				
Vessel purchase	224.64	Prime rate - 2.00 per annum	Repayable 108 monthly at Baht 2,080,000 (Requiring payment of the first installment in March 2020)	Baht 146,567,883.80
				Baht 998,649,283.80

The long-term loans above were guaranteed by each vessel.

Other important conditions under the agreement

The Company has to comply with the loan covenants and important terms such as maintain a proper debt-to-equity ratio not more than 2.5 times and grant beneficiary of the asset protection insurance to the lender and not to sell, distribute, transfer, mortgage, pledge, transfer claim entitlement and lay down collateral by any means that will commit an obligation. It does not decrease share capital.

14. EMPLOYEE BENEFIT OBLIGATION

Employee benefit obligations are as follows:-

The statements of financial position

	Baht	
	2019	2018
Defined benefit obligations as at January 1	3,646,015.00	3,755,657.00
Past service costs	898,095.03	-
Current service cost and interest	480,005.00	326,392.00
Actuarial (gain) loss from defined benefit plans	-	(436,034.00)
Defined benefit obligations as at December 31	5,024,115.03	3,646,015.00

Expenses recognized in the statements of comprehensive income

For the years ended December 31, 2019 and 2018

	Baht	
	2019	2018
Current service costs		
Cost of freight	117,094.33	80,185.50
Administrative expenses	883,430.72	7,118.33
Management benefit expenses	270,386.01	164,155.10
	1,270,911.06	251,458.93
Interest on obligation	107,188.97	74,933.07
Total	1,378,100.03	326,392.00

Principal actuarial assumptions at the reporting date

	%	
	2019	2018
Discount rate	2.18	2.18
Salary increase rate	5.48	5.48
Employee turnover rate	Classify by age range	Classify by age range
Mortality rate	100% of Thai mortality rate in 2017	100% of Thai mortality rate in 2017
Disability rate	10% of Thai mortality rate in 2017	10% of Thai mortality rate in 2017

A sensitivity analysis of the key assumptions used in the calculation

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations for the years ended December 31, 2019 and 2018 are summarized below:

	Baht	
	Present value of employee benefit obligations	
	2019	2018
<u>Discount rate</u>		
Increased rate 0.50	4,984,453.00	3,599,129.00
Decreased rate 0.50	5,065,795.00	3,694,787.00



	Baht	
	Present value of employee benefit obligations	
	2019	2018
<u>Salary increase rate</u>		
Increased rate 0.50	5,071,443.00	3,692,115.00
Decreased rate 0.50	4,978,680.00	3,601,246.00
<u>Turnover rate</u>		
Increased rate 0.50	4,961,332.00	3,599,246.00
Decreased rate 0.50	5,090,554.00	3,695,356.00

The Labor Protection Act was enacted in the Government Gazette on April 5, 2019, with additional compensation rates for employers terminating employment. For employees who have worked consecutively for 20 years or more, they are entitled to compensation not less than the final rate of 400 days. The Company therefore revised in the project for post-employment benefits plan in 2019 to comply with the revised Labor Protection Act. From the revised of such project, the Company has recognized the increase of the provisions for retirement benefits and past service costs.

15. INCOME TAX EXPENSES

15.1 Major components of income tax expenses

For the years ended December 31, 2019 and 2018 consisted of:-

	Baht	
	2019	2018
Income tax expense shown in profit or loss :		
Current tax expense:		
Corporate income tax expense for the year	6,267,877.37	4,541,188.28
Deferred tax expense :		
Changes in temporary differences relating to the original recognition and reversal	1,068,585.15	2,532,356.07
Total	7,336,462.52	7,073,544.35
Income tax expense shown in other comprehensive income :		
Deferred tax expense :		
Profit (loss) from actuarial estimates	-	87,206.80
Total	-	87,206.80

15.2 A numerical reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2019 and 2018 are summarized as follows:-

	Baht	
	2019	2018
Accounting profit for the year	88,095,476.79	68,086,795.01
The applicable tax rate (%)	20%	20%
Tax expense at the applicable tax rate	17,619,095.36	13,617,359.00
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	554,416.32	368,928.70
Tax effect of income or profit that are not required in determining taxable profit :		
- The exemption of profit of the promoted business (BOI)	(8,651,452.11)	(6,865,570.23)
- Expenses deducted as expenses added in tax	(2,185,597.05)	(47,173.12)
Total reconciliation items	(10,282,632.84)	(6,543,814.65)
Total income tax expense	7,336,462.52	7,073,544.35

15.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2019 and 2018 are summarized as follows:-

	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	88,095,476.79		68,086,795.01	
Tax expense at the applicable tax rate	17,619,095.36	20.00	13,617,359.00	20.00
Reconciliation items	(10,282,632.84	(11.67)	(6,543,814.65)	(9.61)
)			
Tax expense at the average effective tax rate	7,336,462.52	8.33	7,073,544.35	10.39

16. SHARE CAPITAL

16.1 At the General Meeting of Shareholders No. 1/2018, held on April 19, 2018, the shareholder unanimously approved to increase the Company's registered capital from Baht 100,000,000.00 to Baht 300,000,000.00. The objective is to support the business expansion in the future. The increased of share capital in the amount of Baht 200,000,000.00 was issued by 2,000,000 ordinary shares at Baht 100.00 each. The Company had registered the capital increase with the Ministry of Commerce on April 30, 2018 and fully paid-up.

16.2 At the Extraordinary Meeting of Shareholders No. 3/2018, held on August 30, 2018, the shareholder unanimously approved as follows:

16.2.1 To approve the transformation of the Company from limited company to public company in order for listed the Company's shares on the Market for Alternative Investment (MAI). The



Company had registered the transformation from limited company to public company to the Ministry of Commerce on September 7, 2018.

- 16.2.2 To approve the share split by reducing share value from par value of Baht 100.00 per share to par value of Baht 0.50 per share. It had resulted to the increase in the number of shares from 3,000,000 shares to 600,000,000 shares. To approve the Company's registered capital increase from 600,000,000 shares at par value of Baht 0.50 per share to 800,000,000 shares at par value of Baht 0.50 per share. The Company had registered the change in share value and capital increase with the Ministry of Commerce on September 7, 2018.

As at December 31, 2018, the Company has 800,000,000 registered ordinary shares at par value of Baht 0.50 per share. Totaling the registered capital of Baht 400,000,000.00. The 600,000,000 ordinary shares at par value of Baht 0.50 per share are paid-up in full amount with the issued and paid-up capital of Baht 300,000,000.00.

During May 7 - 9, 2019, the Company has offered to sell the new issued shares in the initial public offering 200,000,000 shares by selling new shares to the subscribers at Baht 1.75 per share. The Company received the share payment Baht 350 million on May 10, 2019 and registered for the paid-up capital increase with the Ministry of Commerce on May 13, 2019 and the Stock Exchange of Thailand receives the ordinary shares of the Company as registered securities on the Stock Exchange of Thailand and begins trading on May 21, 2019. The Company has directly related expense to the public offering Baht 18.41 million is shown deducted from the share premium received from the shareholders. The share premium on ordinary shares Baht 231.59 million is shown as a separate item under "Shareholder's equity" in the statement of financial position. This share premium on ordinary shares is not dividend distributable.

17. LEGAL RESERVE

In compliance with the Public Company Act B.E.2535 (1992), the Company sets aside a legal reserve for at least 5% of its net profits until the reserve equaled 10% of the authorized share capital. This reserve is not available for dividend distribution.

18. DIVIDEND

For the year 2019

At the Board of Directors' Meeting No.3/2019, held on August 13, 2019, the board approved to pay interim dividend from retained earnings-unappropriated under promotional privileges by the Board of Investment (BOI) in the amount of Baht 40,000,000.00 at the rate of Baht 0.05 per share.

For the year 2018

At the Extraordinary Meeting of shareholders No.1/2018, held on March 27, 2018, the shareholders unanimously approved to pay dividend from retained earnings for the year ended December 31, 2017 in the amount of Baht 380,000,000.00 at the rate of Baht 380.00 per share.

19. PRIVILEGES AND BENEFITS UNDER INVESTMENT PROMOTION

The Company has been granted promotional privileges by the Board of Investment under Investment Promotion Act B.E. 2520 for the business of mass transportation and large goods as follows :-

	Vessel V.L.12	Vessel V.L.14	Vessel V.L.15	Vessel V.L.16	Vessel V.L.17	Vessel V.L.18	Vessel CTP.5	Vessel V.L.19	Vessel V.L.20	Vessel V.L.21
Promotion certificate number	1483(2)/2010	2287(2)/2011	2679(2)/2013	1707(2)/2015	59-0313-1-00-1-	59-0312-1-00-	60-0737-0-00-	60-0721-1-00-	60-0597-1-00-	62-0240-1-00-
Dated	0	0	0	0	0	1-0	1-2	1-0	1-0	1-0
Key privileges and benefits under the promotion certificate	3 May. 2010	19 Oct. 2011	25 Nov. 2013	8 Jun. 2015	26 Feb. 2016	26 Feb. 2016	4 Jul. 2017	3 Jul. 2017	14 Aug. 2018	5 Mar. 2019
1. Exemption of import duty on machinery (vessel) subject to import within date	3 Nov. 2012	19 Apr. 2014	25 May. 2016	8 Dec. 2017	26 Aug. 2018	26 Aug. 2018	24 Feb. 2016	3 Jan. 2020	14 Feb. 2021	5 Sep. 2021
2. Exemption of corporate income tax on net profit derived from the promoted business for a period Of 8 years, starting from the date income is first derived from such operation - dated	23 Jul. 2010	21 Nov. 2012	1 Dec. 2014	9 Sep. 2015	17 Aug. 2016	1 Dec. 2016	29 May 2017*	10 Aug. 2017	30 Sep. 2018	4 Apr. 2019
3. Others	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate

* For vessel CTP.5 has been granted promotional privileges until February 20, 2024 which the original privileges before the transfer of business under the promotion certificate number 2169(2)/2012 on August 24, 2012.

The Company has to comply with the conditions and restrictions as specified in the promotion certificate.

Freight charges for the years ended December 31, 2019 and 2018 consisted of:-

	Freight charges (Baht)					
	2019			2018		
	BOI	Non BOI	Total	BOI	Non BOI	Total
Freight charges						
- Domestic	433,058,549.37	97,401,640.64	530,460,190.01	439,270,781.11	76,543,272.77	515,814,053.88
- Export	93,022,990.46	88,602,947.34	181,625,937.80	35,289,982.86	143,573,179.38	178,863,162.24
Other income	627,732.35	358,204.28	985,936.63	1,161,422.88	5,576,999.22	6,738,422.10
Total	526,709,272.18	186,362,792.26	713,072,064.44	475,722,186.85	225,693,451.37	701,415,638.22



20. EXPENSE BY NATURE

Significant expenses by nature are as follows:-

	Baht	
	2019	2018
Fuel oil expenses	197,082,007.48	223,439,506.88
Repair and maintenance expenses	18,071,209.71	20,434,104.97
Employee benefit expenses	140,456,851.34	131,480,140.86
Depreciation and amortization	106,288,130.70	102,302,959.37
Port due expenses	51,901,659.63	52,413,282.41
Other	64,319,540.92	59,094,595.21
	578,119,399.78	589,164,589.70

21. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares which are issued and paid-up during the year as follows :-

	2019	2018
Net profit for the year (Baht)	80,759,014.27	61,013,250.66
Weighted average number of ordinary shares (Share)	729,315,068	454,794,521
Basic earnings per share (Baht per share)	0.11	0.13

During the year 2018, the Company had changed the par value from Baht 100.00 per share to Baht 0.50 per share. The purpose is to compare the weighted average number of ordinary shares used to calculate the earnings per share for year ended December 31, 2018. The adjustment has been applied to reflect the change in the number of shares in the current period as if the share split has occurred from the beginning for the year 2018 that had been compared.

22. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E.2530.

Under the provident fund plan, employee's and Company's contributions are equivalent to certain percentages of the employee's basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E. 2530.

The Company's contributions for the years ended December 31, 2019 and 2018 amounted to Baht 1,529,219.00 and Baht 1,174,137.33, respectively.

23. FINANCIAL INSTRUMENTS

23.1 Financial risk management

The Company manages its financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company does not hold or issue derivative financial instruments for speculative or trading purposes.

23.2 Credit risk

The Company is exposed to credit risk primarily relating to trade accounts receivable. The management of the Company manages this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

23.3 Interest rate risk

The Company is exposed to interest rate risk which relates primarily to its cash at banks. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation of market interest rate would not provide significant effect to their operations and cash flows; therefore, no financial derivative instrument was used to manage such risks.

As at December 2019 and 2018, the carrying amount of significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Baht			
	2019			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	261,169,589.37	-	8,143,715.40	269,313,304.77
Trade and other receivables	-	-	71,402,691.07	71,402,691.07
<u>Financial liabilities</u>				
Trade and other payables	-	-	46,930,320.45	46,930,320.45
Purchase of fixed assets payable	-	-	82,042,653.90	82,042,653.90
Deposit received from sales of fixed assets	-	-	32,136,000.00	32,136,000.00
Liabilities under financial lease agreements	-	2,479,876.25	-	2,479,876.25
Long-term loans from financial institution	998,649,283.80	-	-	998,649,283.80



	Baht			Total
	Floating interest rate	Fixed interest rate	Interest - free	
2018				
<u>Financial assets</u>				
Cash and cash equivalents	40,999,720.46	-	7,592,914.98	48,592,635.44
Trade and other receivables	-	-	84,258,834.69	84,258,834.69
			9	
<u>Financial liabilities</u>				
Trade and other payables	-	-	60,684,964.51	60,684,964.51
			1	
Purchase of fixed assets payable	-	-	3,401,144.84	3,401,144.84
Liabilities under financial lease	-	698,096.46	-	698,096.46
Long-term loans from financial institution	849,763,400.00	-	-	849,763,400.00
	0			

23.4 Foreign currency risk

The Company's exposure to foreign currency risk relates to transactions in foreign currency, which the Company has currently not hedged by derivative financial instruments.

As at December 31, 2019, the company had foreign currency as follows:

Transaction	Currency	Foreign amount (Unit)	Fair value (Baht)
Cash and cash equivalents	USD	1,574,979.10	47,212,675.98
Trade and other receivables	USD	216,837.26	6,500,065.49
Trade and other payables	USD	1,223,123.35	37,098,921.27
	JPY	122,060.00	34,128.34

23.5 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for necessary reserve and to reduce the impact of the fluctuations in cash flow.

23.6 Fair value of financial instruments

The Company uses the market approach to measure the fair value of assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (e.g. prices) or indirectly (e.g. derived from prices)

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

24. SEGMENT INFORMATION

The Company operates the main business operation that reports on a single segment which is the oil tanker fleet transportation service. The operating results were regularly reviewed by the highest operation decision maker that is the managing director who decides on the allocation of resources to the segment and evaluates performance. The Company evaluates the performance results of the operating segment by using the basis for profit or loss of the operating segment which is the same basis used to measure profit or loss from operation in the financial statements. Therefore, all revenues, profits from operation and assets that are presented in the financial statements are already reported by the operating segment.

Geographic Information

The Company's freight services provide both domestic and international shipping services in Southeast Asia shown as follows:

	Baht	
	2019	2018
Domestic Freight Charges	530,460,190.01	515,814,053.88
Export Freight Charges	181,625,937.80	178,863,162.24
Total net income from freight charges	<u>712,086,127.81</u>	<u>694,677,216.12</u>

Information about major customers

As at December 31, 2019 and 2018, the Company had revenue from two major customers from transportation service revenue exceeding 10%, totaling Baht 457.36 million and Baht 435.00 million, respectively.

25. FINANCIAL INSTRUMENTS

The Company has entered into forward foreign exchange contracts to manage exposure to fluctuations in foreign currencies of trade receivables, other receivables, trade payables and other payables denominated in foreign currencies.

As at December 31, 2019, the Company has outstanding forward foreign exchange buying contracts as follows:

Currency	Foreign currency (Million)	Contract amount (Million Baht)	Fair value (Million Baht)
USD	10.08	310.85	303.80



26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows:

	Baht			Balance as at December 31, 2019
	Balance as at December 31, 2018	Cash flows Increase (decrease)*	Non-cash Translation Increase	
Short-term loans from financial institutions	80,000,000.00	(80,000,000.00)	-	-
Long-term loans from financial institutions	849,763,400.00	148,885,883.80	-	998,649,283.80
Liabilities under finance lease agreement	698,096.46		2,485,000.00	2,479,876.25
		(703,220.21)		
Total	930,461,496.46	68,182,663.59	2,485,000.00	1,001,129,160.05

	Baht			Balance as at December 31, 2018
	Balance as at December 31, 2017	Cash flows Increase (decrease)*	Non-cash Translation Increase	
Short-term loans from financial institutions	-	80,000,000.00	-	80,000,000.00
Long-term loans from financial institutions	769,759,500.00	80,003,900.00	-	849,763,400.00
Liabilities under finance lease agreement	284,446.87	(200,600.28)	614,249.87	698,096.46
Total	770,043,946.87	159,803,299.72	614,249.87	930,461,496.46

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

27. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2019, the Company had commitment and contingent liabilities as follows:-

- 27.1 The Company had contingent liability in respect of the letters of guarantee issued by the bank to Port Authority of Thailand in the amount of Baht 2,470,000.
- 27.2 The Company had commitments and obligations to the contract of hiring 5 oil tankers with both local and foreign companies for the period of 1 - 3 years at the specified rates in the contracts.
- 27.3 The Company had commitments to Shipbuilding contract from a foreign company with the contract value in the amount of USD 7.85 million.

28. EVENTS AFTER THE REPORTING PERIOD

- 28.1 On January 6, 2020, the Company has entered into a vessel sale agreement V.L.5 with a domestic company with the contract value of Baht 10.65 million and the Company has delivered such vessel to the buyer and already receipt the remaining on January 15, 2020.

28.2 At the Board of Directors' Meeting No.1/2020, held on February 21, 2020, the Board approved to submit for approval at the 2020 Annual General Meeting of the Shareholders of the Company, for the appropriation of 2019 annual dividend at the rate of Baht 0.07 per share, totalling Baht 56 million, from the profit from retained earnings-unappropriated under promotional privileges by the Board of Investment (BOI) after deducting the interim dividend of Baht 0.05 per share. The balance of dividend at the rate of Baht 0.02 per share, totalling Baht 16 million is subject to the approval of the shareholders at the 2020 Annual General Meeting.

29. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statements of financial position as at December 31, 2019 and 2018, the debt-to-equity ratios were 1.51:1 and 2.45:1, respectively.

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's directors on February 21, 2020.



Auditor Fee

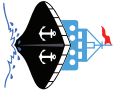
In the year ending on December 31, 2019, the Company paid auditor fee to Dhammaniti Audit Company Limited for auditing in the amount of Baht 1,000,000 per year. The list of auditors to be appointed is as follows:

1. Miss Thanyaphorn Tangthanopajai, auditor license no. 9169; or
2. Mr. Peradate Pongsatiansak, auditor license no. 4752; or
3. Mr. Pote Asawasantichai, auditor license no. 4891

The persons or business relating to the auditors and audit office are not related party persons or business with the Company, and have no relation or transactions which may cause conflicts of interest with the Company.

Details of Directors, Executives, Controlling Persons and Secretary of the Company

No.	Name / Position	Age (year)	Education/ Training History	Shareholding Proportion (%)	Family Relationship between Executives	Working Experience in the past 5 years		
						Duration	Position	Name of Entity / Company / Type of Business
1	Admiral Krisorn Chansuvanich/ Chairman of the Board of Directors and Independent Director	63	<ul style="list-style-type: none"> - Naval War College(NWC), class 30 - National Defence College of Thailand (NDC), class 51 - Top Executive Course, Capital Market Academy(CMA), class 14 - Top Executives Course, Thailand Energy Academy(TEA) class 6 - Training at SURFACE WARFARE OFFICER SCHOOL (SWOS) - Director Accreditation Program (DAP) class 130/2016 	0.12	N/A	Present	Chairman of the Board of Directors	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2015 - Present	Audit director/Independent Director	Forth Smart Service Public Company Limited/บริษัท/telephone top-up services
						2015 – Present	Member of National Legislative Assembly (NLA)	House of Representatives
						2014 - 2015	Member of National Council of Peace and Order(NCPO)	House of Representatives
							Naval Commander	Royal Thai Navy
							Advisor to Thai Military Bank PCL	Thai Military Bank Public Company Limited



No.	Name / Position	Age (year)	Education/ Training History	Shareholdin g Proportion (%)	Family Relationship between Executives	Working Experience in the past 5 years		
						Duration	Position	Name of Entity / Company / Type of Business
2	Commander Somchart Vipismakul/ Chairman of Audit director Board and Independent Director	61	<ul style="list-style-type: none"> - Bachelor Degree of Science (Electrical Engineering) Royal Thai Navy Cadet Academy - Naval Command Certificate, Naval Command and Staff College - Long Gunnery Course, India - Anti-Missile System Course, France - Mine Hunting System Course, Germany and Italy - Electronic Warfare Course, U.S.A. - Marine Terminal Engineering Course, ExxonMobil - Safety in Plant Design Course, ExxonMobil - Risk Management Course, ExxonMobil - ISO/ISM Lead Auditor Course, Singapore - Business Management Course, PTT - Director Accreditation Program (DAP) Class 149/2018 	0.12	N/A	Present	Chairman of Auditing Board	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2015-2017	Manager of On-board Operations	PTT Public Company Limited / synergy of petroleum and petrochemicals
						2012-2017	PTT Group Marine Standard Management Leader	PTT Public Company Limited
						2012-2017	Member	Oil Company International Marine Forum, AP terminal Forum
						2012-2017	Executive Director	Oil Industry Environmental Safety Group Association - IESG)
						2012-2014	Manager of On-board Operations/ Manager of Cargo Operations	PTT Tank Terminal Company Limited/ Energy

No.	Name / Position	Age (year)	Education/ Training History	Shareholding Proportion (%)	Family Relationship between Executives	Working Experience in the past 5 years		
						Duration	Position	Name of Entity / Company / Type of Business
3	Mr. Yutthana Taepangthong/ Audit Director and Independent Director	57	<ul style="list-style-type: none"> - Bachelor's degree of Accounting, Bangkok University - Director Accreditation Program (DAP), class 120/2015 - Director Certification Program (DCP), class 233/2017 - Risk Management Program for Corporate Leaders (RCL), class 9/2017 	0.12	N/A	Present	Audit director	V.L. Enterprise Public Company Limited/ Transportation of petroleum products and chemicals
						Present	Director	Sanko Diecasting Public Company Limited/ business of aluminium and galvanized iron parts
						Present	Consultant	Rich Sport Public Company Limited/ sales of shoes and apparels
						2015-2018	Director/ Managing Director	Advance Connection Corporation Public Company Limited /Consuming products
						2015-2018	Director	Saraburi Solar Company Limited /Electric Generating Plant
						2015-2018	Director	ACC Electric Company Limited/Electrical Appliance
						2015-2018	Director	ACC Landmark Company Limited/Real Estate Property



No.	Name / Position	Age (year)	Education/ Training History	Shareholding Proportion (%)	Family Relationship between Executives	Working Experience in the past 5 years		
						Duration	Position	Name of Entity / Company / Type of Business
			-			2015-2018	Director	Bangpakong Solar Power Company Limited/ Electric Generating Plant
						2015-2018	Director	C.E.A. (Chiangmai) Company Limited/ Food supply
						2015-2018	Director	ACC Green Energy Company Limited/ Electric Generating Plant
						2015-2018	Director	W Solar Company Limited/ Electric Generating Plant
						2013-2014	Audit Director	Industrial Electronics Public Company Limited/ design, manufacture and sales of semiconductor equipment

No.	Name / Position	Age (year)	Education/ Training History	Shareholding Proportion (%)	Family Relationship between Executives	Working Experience in the past 5 years		
						Duration	Position	Name of Entity / Company / Type of Business
4	Mr.Witaya Patarametagul / Audit Director and Independent Director	60	<ul style="list-style-type: none"> - Bachelor's degree of Business Administration (Marketing) Ramkamhaeng University - Master's Degree in Business Manage,(Marketing) Pacific States University - Master's Degree of Business Administration (Monetary and Marketing Administration), Sripatum University - Master's Degree of Science, Suansunanta Rachapat University - Philosophy Doctor's Degree of Business Administration, Ramkamhaeng University - Director - Accreditation Program (DAP) class 149/2018 	0.00	N/A	Present	Audit Director	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2014 – Present	Consultant	HVA Company Limited/ Testing Laboratory for ISO 17025 standards



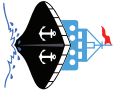
No.	Name / Position	Age (year)	Education/ Training History	Shareholding Proportion (%)	Family Relationship between Executives	Working Experience in the past 5 years		
						Duration	Position	Name of Entity / Company / Type of Business
5	Mrs.Chutipa Klinsuwan/ Director and Chief Executive Officer	63	<ul style="list-style-type: none"> - Bachelor's Degree of Law, Sripatum University - Master's Degree of Political Science, Ramkanhaeng University - Director Accreditation Program (DAP) class 79 /2009 - Director Certification Program (DCP) class 250/2017 - The Role of Chairman 2018 - Board Matters and trends Agenda 2017 - Board Nomination and compensation program 2017 - CFO's Orientation Course for New IPOs 2/2017 	65.26	N/A	2017 – Present	Director and Chief Executive Officer	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2011 – 2017	Chairman of Board of Director/Chairman of Accounting and Finance Committee	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2011 – 2017	Chairman of Board of Directors/Chairman of Accounting and Finance Committee	Chutipa Marine Oil Company Limited

No.	Name / Position	Age (year)	Education/ Training History	Shareholding Proportion (%)	Family Relationship between Executives	Working Experience in the past 5 years		
						Duration	Position	Name of Entity / Company / Type of Business
6	Mr. Taveesilpa Chinapathanawong/ Director/Executive Director	61	<ul style="list-style-type: none"> - Mattayom 3, Amnuaysilp School - หลักสูตร Director Certification Pro - - gram (DCP) class 254/2561 	1.92	N/A	Present	Director/ Consultant	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2017 – 2018	Director/ Vice Chairman of Executive Committee	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						1996-2017	Managing Director	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2011-2013	Managing Director	Chutipa Marine Oil Company Limited
7	Mr. Jarunpath Visarnsavadh/ Director/ Vice Chairman of Executive Committee	61	<ul style="list-style-type: none"> - Equivalent to Bachelor's /Degree of Merchant Marine Navigation, Marine Department - Director Accreditation Program (DAP) class 150/2561 	0.01	N/A	Present	Director/ Vice Chairman of Executive Committee	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2556-2560	Chief Operation Officer	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products



No.	Name / Position	Age (year)	Education/ Training History	Shareholding Proportion (%)	Family Relationship between Executives	Working Experience in the past 5 years		
						Duration	Position	Name of Entity / Company / Type of Business
8	Miss Rakchanok Samnianglam /Director/ Chairman of Accounting and Finance Committee	48	<ul style="list-style-type: none"> - Bachelor's Degree of Accounting, Ramkamhaeng University - Bachelor's Degree of Law, Chulalongkorn University - Master's Degree of Accounting, Thammasat University - Master's Degree of Business Administration, Graduate Institute of Business Administration of Chulalongkorn University - Director Accreditation Program (DAP) class 149/2018 - CFO's Orientation Course for New IPOs class 2/2560 - Refreshment of the Role and Expectation of A CFO 2018 	0.00	N/A	Present	Director/ Chief Accounting and Finance Officer	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2016-2017	Chief Accounting and Finance Officer	One link Technology Company Limited/ Technology
						2015-2016	Director of Finance Department	Jubilee Enterprise Public Company Limited/ Ornaments
						2013-2015	Director of Accounting and Finance Department	Kasetthip Fertilizer Company Limited/Manufacturer and Distributor of chemical fertilizers

No.	Name / Position	Age (year)	Education/ Training History	Shareholding Proportion (%)	Family Relationship between Executives	Working Experience in the past 5 years		
						Duration	Position	Name of Entity / Company / Type of Business
10	Mr. Jittipong Moraprasert/Chief Operation Officer	51	- Bachelor's Degree of Engineering Program in Marine Engineering, Merchant Marine Training Center	0.016	N/A	2018-Present	Chief Executive Operation Officer	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2015-2018	Technique Manager	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2014-2015	Technique Deputy Manager	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
11	Miss Narisa Thongmanee/ Accountant	36	- Bachelor's Degree of Accounting, Walailak University - Master's Degree of Accounting Prince Songklanakarin University	0.005	N/A	2017 – Present	Accountant	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2015-2017	Accounting Manager	Thai Union Seafood Company Limited/ Manufacture of frozen food
						2013-2015	Accounting Manager	Boutique Corporation Public Company Limited/ Real Estate Property
						2011 – 2013	Senior Accounting Officer	RSM Advisory Company Limited / (Audit, Accounting, Tax and Consulting)



No.	Name / Position	Age (year)	Education/ Training History	Shareholding Proportion (%)	Family Relationship between Executives	Working Experience in the past 5 years		
						Duration	Position	Name of Entity / Company / Type of Business
12	Miss On-Uma Thongsuwan Company's Secretary	35	-Bachelor's Degree of Tourism and Hotel, Bangkok University - Company Secretary Program (CSP) อนุมัติ 87/2018	0.017	N/A	Present	Company Secretary	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2016-2017	Human Resources Senior Officer	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products
						2015-2016	Public Relation Officer	V.L. Enterprise Public Company Limited, transportation of petroleum and chemical products

General Information and other important information

COMPANY INFORMATION

Company Name	:	V.L. Enterprise Public Company Limited
Securities Initial	:	VL
Type Of Business	:	Maritime tankers transporting petroleum and chemical products
Head Office Location	:	41 Asoke-Dindaeng Road, Makkasan Sub-District, Ratchatevi District, Bangkok 10400
Company Register No.	:	0107561000391
Website	:	www.vltanker.com
Tel	:	0-2254-6604-5
Fax	:	0-2254-8749
Registered Capital	:	Baht 400,000,000
Paid-Up Registered Capital	:	Baht 400,000,000
Number Of Shares	:	800,000,000 shares
Par Value	:	Baht 0.50

CONSULTANCY CONTRACT

Contractor	:	Mr. Taveesilpa Chinapatthanawong
Hirer	:	V.L. Enterprise Public Company Limited
Terms Of Contract	:	3 years from May 1, 2018 to April 30, 2021 ¹
Main Work Scope	:	<ol style="list-style-type: none">1. Provide consultancy and advice relating to maritime tankers transporting petroleum and chemical products, and other businesses relating to the Company's current undertakings2. Provide consultancy relating to the Company's undertakings, to executives, officers and personnel of the Company, including attend meetings as requested by the Company
Consultancy Fee	:	Baht 70,000 per month with fee adjusted for each subsequent year
Other Key Terms	:	Each party is entitled to terminate the contract by giving written notice in a period of no less than 30 days.

Remark: ¹Mr. Taveesilpa Chinapatthanawong terminated the contract, effective from April 30, 2019, for the reason of having other businesses to be taken care of, therefore, he could not allocated his time to perform duties as required by the Company.



SECURITY REGISTRAR

Company	:	Securities Depository (Thailand) Company Limited
Head Office Location	:	93 Stock Exchange of Thailand Building, Ratchadapisek Road, Dindaeng, Bangkok 10400
Tel	:	02-229 -2800
Fax:	:	02-359-1259

AUDITOR

Company	:	Dhammaniti Auditing Company Limited
Head Office Location	:	178 Dhammaniti Building, Soi Permsap (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok 10800
Tel	:	02-596-0500
Fax	:	02-596-0539

LEGAL ADVISOR

Company	:	Insight Legal Company Limited
Head Office Location	:	89/369 Moo 5, 345 Road, Bangtanai Sub-District, Pakkred District. Nonthaburi 11120
Tel	:	094-916-4567



V.L.

V.L. Enterprise Public Company Limited

41 Asoke-Dindaeng Road, Makkasan Sub-District, Ratchatevi District, Bangkok 10400

Tel: 02-254-6604-5 Fax: 02-254-8749

www.vltanker.com



2019

Annual Report

V.L. ENTERPRISE PLC

บริษัท วี.แอล. เอ็นเทอร์ไพรส์ จำกัด (มหาชน)