



**V.L. ENTERPRISE PUBLIC COMPANY LIMITED**

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**REVIEWED REPORT AND INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019**

## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

I have reviewed the accompanying statement of financial position of V.L. Enterprise Public Company Limited as at June 30, 2019 and the related statement of comprehensive income for the three-month and six-month periods ended June 30, 2019, changes in shareholders' equity and cash flows for the six-month period ended June 30, 2019 and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting standards No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### SCOPE OF REVIEW

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### CONCLUSION

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".



(Ms. Thanyaphorn Tangthanopajai)

Certified Public Accountant

Registration No. 9169

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
August 13, 2019

V.L. ENTERPRISE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Notes	Baht	
		As at June 30, 2019	As at December 31, 2018
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	289,841,786.22	48,592,635.44
Trade and other receivables	6	73,109,127.14	84,258,834.69
Vessel supplies and spare parts	7	21,945,314.70	18,918,547.31
Other current assets		70,986.65	446,440.15
Total current assets		384,967,214.71	152,216,457.59
<b>NON-CURRENT ASSETS</b>			
Vessels and equipment	8	1,508,351,629.46	1,269,564,528.83
Intangible assets	9	1,992,847.34	2,180,125.80
Other non-current assets		57,100.00	36,400.00
Total non-current assets		1,510,401,576.80	1,271,781,054.63
<b>TOTAL ASSETS</b>		<b>1,895,368,791.51</b>	<b>1,423,997,512.22</b>



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

V.L. ENTERPRISE PUBLIC COMPANY LIMITED  
STATEMENT OF FINANCIAL POSITION (CONT.)  
AS AT JUNE 30, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Baht	
		As at June 30, 2019	As at December 31, 2018
<b>CURRENT LIABILITIES</b>			
Bank overdrafts and short-term loans from financial institutions	11	-	80,000,000.00
Trade and other payables		68,145,742.50	64,086,109.35
Current portion of liabilities under financial lease	12	950,785.66	250,463.88
Current portion of long-term loans from financial institutions	13	148,700,200.00	123,448,000.00
Corporate income tax payable		2,355,634.32	1,910,151.13
Other current liabilities		604,563.87	693,904.88
Total current liabilities		220,756,926.35	270,388,629.24
<b>NON-CURRENT LIABILITIES</b>			
Liabilities under financial lease	12	2,006,051.74	447,632.58
Long-term loans from financial institution	13	872,015,100.00	726,315,400.00
Deferred tax liabilities	10	10,692,334.86	10,180,922.89
Employee benefit obligations	14	4,782,139.99	3,646,015.00
Total non-current liabilities		889,495,626.59	740,589,970.47
<b>TOTAL LIABILITIES</b>		<b>1,110,252,552.94</b>	<b>1,010,978,599.71</b>



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



V.L. ENTERPRISE PUBLIC COMPANY LIMITED  
STATEMENT OF FINANCIAL POSITION (CONT.)  
AS AT JUNE 30, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Notes	Baht	
		As at June 30, 2019	As at December 31, 2018
<b>SHAREHOLDERS' EQUITY</b>			
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		13,051,000.00	13,051,000.00
Unappropriated		126,953,209.30	86,443,665.76
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>785,116,238.57</b>	<b>413,018,912.51</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,895,368,791.51</b>	<b>1,423,997,512.22</b>



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V.L. ENTERPRISE PUBLIC COMPANY LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

	Notes	Baht			
		For the three-month periods ended		For the six-month periods ended	
		June 30,		June 30,	
		2019	2018	2019	2018
		(Restated)	(Restated)		
REVENUES	18				
Freight charges		181,196,044.74	170,077,501.27	366,927,594.92	338,811,835.07
Other income					
Gain on disposal of assets		-	161,535.89	-	161,535.89
Others		113,231.41	289,196.02	691,105.49	886,053.22
Total revenues		181,309,276.15	170,528,233.18	367,618,700.41	339,859,424.18
EXPENSES					
Cost of freight	3	137,462,883.06	131,191,603.40	272,747,125.83	265,572,108.24
Administrative expenses	4	10,440,536.90	8,142,211.21	20,002,995.76	14,829,499.23
Management benefit expenses	4	3,065,984.51	2,961,449.65	6,109,002.18	6,418,446.86
Finance costs		12,631,476.01	10,162,511.91	24,820,851.54	20,184,611.17
Total expenses		163,600,880.48	152,457,776.17	323,679,975.31	307,004,665.50
Income before income tax expenses		17,708,395.67	18,070,457.01	43,938,725.10	32,854,758.68
Income tax expenses	15	623,061.83	1,939,454.66	3,429,181.56	2,398,379.92
Income for the period	3	17,085,333.84	16,131,002.35	40,509,543.54	30,456,378.76
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		17,085,333.84	16,131,002.35	40,509,543.54	30,456,378.76
Basic earnings per share (Baht per share)	19	0.03	0.03	0.06	0.09



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

V.L. ENTERPRISE PUBLIC COMPANY LIMITED  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

		Baht					
		Share capital	Share Premium	Surplus on	Retained earnings		Total
		issued and	on ordinary	business combination	Appropriated	Unappropriated	
		paid-up	shares	under common	- Legal reserves		
Notes				control			
Beginning balance as at January 1, 2019		300,000,000.00	-	13,524,246.75	13,051,000.00	86,443,665.76	413,018,912.51
Increase in share capital paid-up	16	100,000,000.00	231,587,782.52	-	-	-	331,587,782.52
Total comprehensive income for the period		-	-	-	-	40,509,543.54	40,509,543.54
Ending balance as at June 30, 2019		400,000,000.00	231,587,782.52	13,524,246.75	13,051,000.00	126,953,209.30	785,116,238.57
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
Increase in share capital paid-up	16	200,000,000.00	-	-	-	-	200,000,000.00
Dividend payment	17	-	-	-	-	(380,000,000.00)	(380,000,000.00)
Total comprehensive income for the period, restated	3	-	-	-	-	30,456,378.76	30,456,378.76
Ending balance as at June 30, 2018, restated		300,000,000.00	-	13,524,246.75	10,000,000.00	58,588,966.66	382,113,213.41



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



V.L. ENTERPRISE PUBLIC COMPANY LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	Baht	
	2019	2018
Notes	(Restated)	
<u>Cash flows from operating activities :</u>		
Income for the period	40,509,543.54	30,456,378.76
Adjustments to reconcile income for the period to net cash provided by (used in) operating activities :		
Depreciation and amortization	51,727,251.38	51,881,637.09
(Gain) loss on disposal of fixed assets	500,272.53	(161,535.89)
Unrealized (gain) loss on exchange rates	879,038.19	317,642.67
Employee benefit expenses	1,082,971.00	125,729.23
Interest income	(59,397.19)	(56,780.08)
Interest expenses	24,820,851.54	20,184,611.17
Income tax expenses	3,429,181.56	2,398,379.92
Income from operating before changes in operating assets and liabilities	122,889,712.55	105,146,062.87
(Increase) decrease in operating assets		
Trade and other receivables	11,149,707.55	4,000,227.67
Supplies and spare parts	(3,026,767.39)	(2,641,724.97)
Other current assets	375,453.50	(53,224.20)
Other non-current assets	(20,700.00)	-
Increase (decrease) in operating liabilities		
Trade and other payables	(16,215,292.41)	4,841,219.97
Other current liabilities	(89,341.01)	10,055,587.96
Cash generated from operations	115,062,772.79	121,348,149.30
Payment for income tax	(2,472,286.40)	(5,912,760.81)
Net cash provided by operating activities	112,590,486.39	115,435,388.49

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

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V.L. ENTERPRISE PUBLIC COMPANY LIMITED  
STATEMENT OF CASH FLOWS (CONT.)  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	Notes	Baht	
		2019	2018 (Restated)
<u>Cash flows from investing activities :</u>			
Cash paid for purchase of fixed assets		(284,399,264.58)	(5,551,028.67)
Cash paid for deposit of vessel purchase		-	(16,593,500.00)
Cash received a deposit under vessel sale agreement	8	16,075,904.00	-
Cash received from sales of fixed assets		-	200,700.00
Cash received from interest income		59,397.19	56,780.08
Net cash used in investing activities		<u>(268,263,963.39)</u>	<u>(21,887,048.59)</u>
<u>Cash flows from financing activities :</u>			
Cash received from share capital paid-up	16	350,000,000.00	200,000,000.00
Payments on directly attributable expenses of the initial public offering	16	(18,412,217.48)	-
Cash received from short-term loans from financial institution	11	20,000,000.00	-
Cash payment of short-term loans from financial institution	11	(100,000,000.00)	-
Cash received from long-term loans from financial institution	13	233,859,300.00	41,000,000.00
Cash payment of long-term loans from financial institution	13	(62,907,400.00)	(57,929,400.00)
Cash payment of finance lease liabilities		(226,259.06)	(87,731.68)
Cash paid for dividend		-	(300,000,000.00)
Cash paid for interest expenses		(24,512,697.55)	(20,354,255.57)
Net cash provided by (used in) financing activities		<u>397,800,725.91</u>	<u>(137,371,387.25)</u>
Net increase (decrease) in cash and cash equivalents		242,127,248.91	(43,823,047.35)
Cash and cash equivalents at the beginning of period		48,592,635.44	104,917,480.44
Adjustments to gain (loss) on translation of foreign currency		(878,098.13)	(191,366.11)
Cash and cash equivalents at the end of period		<u>289,841,786.22</u>	<u>60,903,066.98</u>
<u>Supplementary disclosure of cash flow statement data :</u>			
Non-cash items as follows :			
Interest expense recorded as cost of the assets		192,617.71	-
Purchase of fixed assets payable		3,943,081.50	198,645.50
Liabilities under financial lease agreements		2,485,000.00	-

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

V.L. ENTERPRISE PUBLIC COMPANY LIMITED  
NOTES TO INTERIM FINANCIAL STATEMENTS

JUNE 30, 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. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

2.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2018) Interim Financial Reporting, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2018.

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

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

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## 2.2 Thai Financial Reporting Standards that become effective in the current year

During the period, the Company has adopted the revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, 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. However, the new standard involves changes to key principles, as summarized below.

### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

## 2.3 Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard and accounting guidance for financial instruments, which is effective for fiscal years beginning on or after January 1, 2020. Key principles of these standards are summarized below.

### **The accounting guidance for financial instruments and Presentation for Insurance business**

Accounting practice was adjusted to have close content with TFRS 9 by dividing into 4 parts as follows:

1. The recognition of transaction and valuation of financial instrument which is developed closely to Thai Accounting Standard No.105 (revised 2016) accounting for investment in debt securities and equity securities and Thai Financial Reporting Standard No.9 financial instrument.
2. Impairment of financial asset which has content close to Thai Financial Reporting Standard No.9 financial instrument.
3. Accounting to prevent risk with content close to Thai Financial Reporting Standard No.9 financial instrument.
4. Information disclosure of financial instrument with content similar to Thai Financial Reporting Standard No.7 disclosure of financial instrument information.

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### TFRS 16 Leases

As the lease is significant transaction in many business in many industries. It's significant that user of financial statement should receive information on activity of the lease completely and able to compare which the former accounting method for lease agreement under accounting standard No.17 lease agreement require the lessee and lessor to classify lease agreement as financial lease or operating lease and record the account for both lease agreement differently. Such accounting method can't respond to the needs of the financial statement users as the accounting method does not objectively represent for the lease transaction in every case. For the lessee to recognize assets and liabilities that arise from operating lease which affects the lease agreement to be recognized as asset and liabilities in the statement of financial position. The use of asset and commitment that arises from the lease agreement under the definition of asset and liabilities affect the significant financial ratio to be distorted. New accounting method under financial reporting standard No.16 lease agreement requires the lessee to recognize the right to use asset as asset in the financial statements and recognize commitment that arises from lease agreement in the financial statements. Such accounting method affects the asset presentation and liabilities of the lessee as objective representation as well as increase the disclosure of information that reflects the financial risk and capital money of the lessee.

At present, the management of the Company is evaluating the impact of this standard to the financial statements in the year when it is adopted.

### 3. CORRECTION OF ACCOUNTING ERRORS

In presenting the financial statements for the six-month period ended June 30, 2019. The Company has corrected the accounting error in the financial statements for the year ended December 31, 2017 in the report dated November 13, 2018 regarding the vessel scrap value estimation with new information for the estimation of scrap value of the vessel since from the year 2015, the previous recorded using the prospective approach. The effect from such accounting error correction has an effect on the adjustment of increase (decrease) from previously reported for the six-month period ended June 30, 2018 as follows:

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	Baht		
	For the six-month period ended June 30, 2018		
	As previously reported	Adjustment Increase (Decrease)	Restated
<b><u>Statement of comprehensive income</u></b>			
<b><u>Profit or loss :</u></b>			
Cost of freight	252,644,741.30	12,927,366.94	265,572,108.24
Income tax expenses	4,983,853.31	(2,585,473.39)	2,398,379.92
Income for the period	40,798,272.31	(10,341,893.55)	30,456,378.76
Basic earnings per share (weighted average number of 339.23 million ordinary shares)	0.12	(0.03)	0.09

#### 4. RELATED PARTY TRANSACTIONS

The Company has certain 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 or companies:

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

For the three-month and six-month periods ended June 30, 2019 and 2018, the significant transactions with persons or related parties can be summarized as follows :-

		Baht			
		For the three-month periods ended		For the six-month periods ended	
		June 30,		June 30,	
	Pricing policy	2019	2018	2019	2018
<u>Related person</u>					
Office rental					
Mrs.Chutipa Klinsuwan	Agreed price	465,000.00	420,000.00	930,000.00	840,000.00
Consultant fee					
Mr.Taveesilpa Chinnapatthanawong	Agreed price	70,000.00	140,000.00	280,000.00	140,000.00

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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 three-month and six-month periods ended June 30, 2019 and 2018, management benefit expenses are as follows :-

	Baht			
	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Management personnel compensation				
Short-term employee benefits	2,989,471.00	2,920,458.30	5,974,552.00	6,336,274.46
Post-employment benefits	76,513.51	40,991.35	134,450.18	82,172.40
Total	<u>3,065,984.51</u>	<u>2,961,449.65</u>	<u>6,109,002.18</u>	<u>6,418,446.86</u>

**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of :-

	Baht	
	As at June	As at December
	30, 2019	31, 2018
Cash on hand	341,362.24	248,914.28
Cash at bank - current accounts	10,202,869.29	7,344,000.70
Cash at bank - savings accounts	279,297,554.69	40,999,720.46
Total	<u>289,841,786.22</u>	<u>48,592,635.44</u>

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

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6. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of :-

	Baht	
	As at June 30, 2019	As at December 31, 2018
<u>Trade receivables, classified by age analysis :-</u>		
<u>- Domestic</u>		
Not yet due	64,266,316.41	66,060,924.24
Overdue :		
Not over 3 months	1,739,972.86	6,179,606.10
Over 3 - 6 months	-	202,525.78
Over 6 - 12 months	-	-
Over 12 months	202,525.78	-
Total	66,208,815.05	72,443,056.12
<u>- Foreign</u>		
Not yet due	3,856,785.91	239,226.77
Overdue :		
Not over 3 months	-	891,301.69
Total	3,856,785.91	1,130,528.46
Total trade receivables	70,065,600.96	73,573,584.58
<u>Less</u> Allowance for doubtful accounts	-	-
Total trade receivables - net	70,065,600.96	73,573,584.58
<u>Other receivables</u>		
- Advance payable	-	126,048.00
- Prepaid expenses	2,976,915.34	3,025,777.63
- Listing expense	-	7,530,424.48
- Others	66,610.84	3,000.00
Total	3,043,526.18	10,685,250.11
Total trade and other receivables - net	73,109,127.14	84,258,834.69

For the six-month period ended June 30, 2019 and for the year ended December 31, 2018, no movements of allowance for doubtful accounts.

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**7. VESSEL SUPPLIES AND SPARE PARTS**

Vessel supplies and spare parts consisted of :-

	Baht	
	As at June 30, 2019	As at December 31, 2018
Fuel	12,651,555.83	11,079,611.24
Supplies and spare parts	9,293,758.87	7,838,936.07
<b>Total</b>	<b>21,945,314.70</b>	<b>18,918,547.31</b>

**8. VESSELS AND EQUIPMENT**

Movements of the vessels and equipment account for the six-month period ended June 30, 2019 are summarized as follows :-

	Baht
<b>At cost</b>	
Balance as at December 31, 2018	1,823,503,031.86
Acquisitions during the period	290,719,116.08
Disposals and write-off during the period	(4,536,204.01)
Balance as at June 30, 2019	<u>2,109,685,943.93</u>
<b>Accumulated depreciation</b>	
Balance as at December 31, 2018	553,938,503.03
Depreciation for the period	51,431,742.92
Accumulated depreciation on disposals and write-off	(4,035,931.48)
Balance as at June 30, 2019	<u>601,334,314.47</u>
<b>Net book value</b>	
Balance as at June 30, 2019	<u>1,508,351,629.46</u>
Balance as at December 31, 2018	<u>1,269,564,528.83</u>

Some vessels with net book value as at June 30, 2019 and December 31, 2018 of Baht 1,336.29 million and Baht 1,256.34 million, respectively, were pledged to guarantee against loan from financial institution (see Note 11 and 13).

For the six-month period ended June 30, 2019, the Company recorded interest as part of the cost vessels of Baht 987,191.81. 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 4.25% per annum.



As at June 30, 2019 and December 31, 2018, the Company had the fixed assets that have been fully depreciated but they are still in use, at cost of assets of Baht 414.64 million and Baht 412.62 million, respectively.

As at June 30, 2019, the Company entered into a vessel sale agreement V.L.16 with a foreign company with the contract value of USD 5.20 million. Such vessel has net value of Baht 157.68 million and is in process of operation which the schedule for delivery is within February 29, 2020 and the Company received a deposit under the agreement of Baht 16.08 million (USD 0.52 million) and recorded the deposit receipt as trade and other payables under “Current liabilities” in the statement of financial position.

#### 9. INTANGIBLE ASSETS

Intangible assets consisted of :-

	Baht			Book value as at June 30, 2019
	Book value as at January 1, 2019	Additions	Deductions	
<b>Cost</b>				
Computer program	3,187,154.66	108,230.00	-	3,295,384.66
<b>Less accumulated amortizations</b>				
Computer program	(1,007,028.86)	(295,508.46)	-	(1,302,537.32)
Intangible assets - net	<u>2,180,125.80</u>			<u>1,992,847.34</u>

#### 10. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities for the six-month period ended June 30, 2019 are summarized as follows :-

	Baht			Balance per book as at June 30, 2019
	Balance per book as at December 31, 2018	Revenue (expenses) during the period In profit or loss	In other comprehensive income	
<b>Deferred tax assets:</b>				
Employee benefit obligations	229,604.59	74,668.31	-	304,272.90
Total	<u>229,604.59</u>	<u>74,668.31</u>	-	<u>304,272.90</u>
<b>Deferred tax liabilities:</b>				
Depreciation of fixed assets	(10,410,527.48)	(586,080.28)	-	(10,996,607.76)
Total	<u>(10,410,527.48)</u>	<u>(586,080.28)</u>	-	<u>(10,996,607.76)</u>
Deferred tax assets (liabilities) - net	<u>(10,180,922.89)</u>			<u>(10,692,334.86)</u>

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

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

	Baht	
	As at June 30, 2019	As at December 31, 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 June 30, 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					
	As at June 30, 2019			As at December 31, 2018		
	Principal	Interest	Payments	Principal	Interest	Payments
Within one year	950,785.66	132,413.44	1,083,199.10	250,463.88	27,999.21	278,463.09
After one year but within five years	2,006,051.74	111,305.61	2,117,357.35	447,632.58	33,571.78	481,204.36
Total	2,956,837.40	243,719.05	3,200,556.45	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 June 30, 2019 and December 31, 2018, the Company has entered into three finance leases and two finance leases, respectively, as a hire-purchase agreements with local companies. The lease term ends in 2019 and 2022, with interest rate at 4.35% - 5.31% per annum.



**13. LONG-TERM LOANS FROM FINANCIAL INSTITUTION**

Long-term loans from financial institution consisted of :-

	Baht	
	As at June 30, 2019	As at December 31, 2018
Long-term loans at the beginning of the period	849,763,400.00	769,759,500.00
Received loans during the period	233,859,300.00	198,500,000.00
Repayment of loans during the period	(62,907,400.00)	(118,496,100.00)
Long-term loans at the end of the period	1,020,715,300.00	849,763,400.00
Less Current portion of long-term loans	(148,700,200.00)	(123,448,000.00)
Long-term loans - net	872,015,100.00	726,315,400.00

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.

The Company received a waiver letter of the default term of the loan agreement dated November 19, 2018, the lender agreed to be lenient for the Company to maintain the debt to shareholders' equity ratio not over 3.2 times.

**14. EMPLOYEE BENEFIT OBLIGATION**

Employee benefit obligations are as follows :-

**The statements of financial position**

	Baht	
	As at June 30, 2019 (For the six-month)	As at December 31, 2018 (For the year)
Defined benefit obligations at the beginning of the period	3,646,015.00	3,755,657.00
Current service cost and interest	238,029.96	326,392.00
Past service cost	898,095.03	-
Actuarial (gain) loss from defined benefit plans	-	(436,034.00)
Defined benefit obligations at the end of the period	4,782,139.99	3,646,015.00

**Expenses recognized in the statements of comprehensive income**

For the three-month and six-month periods ended June 30, 2019 and 2018

	Baht			
	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Current service costs				
Cost of Freight	80,183.68	20,068.49	99,373.89	40,048.08
Administrative expenses	844,514.60	1,804.76	849,146.93	3,508.75
Management benefit expenses	76,513.51	40,991.35	134,450.18	82,172.40
	1,001,211.79	62,864.60	1,082,971.00	125,729.23
Interest on obligation	31,773.06	18,733.26	53,153.99	37,466.53
Total	1,032,984.85	81,597.86	1,136,124.99	163,195.76

**Principal actuarial assumptions at the reporting date**

	%	
	For the six-month periods ended June 30,	
	2019	2018
Discount rate	2.18	1.87
Salary increase rate	5.48	5.38
Employee turnover rate	Classify by age rang	Classify by age rang
Mortality rate	100% of	100% of
	Thai mortality rate in 2017	Thai mortality rate in 2017
Disability rate	10% of	10% of
	Thai mortality rate in 2017	Thai mortality rate in 2017

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate. The law is effective from May 5, 2019 onwards. This change is considered a post-employment benefits plan amendment, resulting the Company recognize the increase in the employee benefit obligations of Baht 0.93 million. The Company reflected the effect of the change by recognizing past service costs as expenses in the statement of comprehensive income of the current period.



**15. INCOME TAX EXPENSES**

15.1 Major components of income tax expenses

For the three-month and six-month periods ended June 30, 2019 and 2018 consisted of :-

	Baht			
	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2019	2018	2019	2018
		(Restated)		(Restated)
Income tax expense (revenue) shown in profit or loss :				
Current tax expense :				
Income tax expense for the period	364,628.20	832,584.15	2,917,769.59	832,584.15
Deferred tax expense :				
Changes in temporary differences relating to the original recognition and reversal	258,433.63	1,106,870.51	511,411.97	1,565,795.77
Total	<u>623,061.83</u>	<u>1,939,454.66</u>	<u>3,429,181.56</u>	<u>2,398,379.92</u>

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

For the six-month periods ended June 30, 2019 and 2018 are summarized as follows :-

	Baht	
	2019	2018
		(Restated)
Accounting profit for the period	<u>43,938,725.10</u>	<u>32,854,758.68</u>
The applicable tax rate (%)	<u>20%</u>	<u>20%</u>
Tax expense at the applicable tax rate	<u>8,787,745.02</u>	<u>6,570,951.74</u>
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	210,189.56	132,091.40
Tax effect of income or profit that are not required in determining taxable profit:		
- The exemption of profit of the promoted business (BOI)	(3,390,468.41)	(4,264,413.62)
- Expenses deducted as expenses added in taxable	(2,178,284.61)	(40,249.60)
Total reconciliation items	<u>(5,358,563.46)</u>	<u>(4,172,571.82)</u>
Total income tax expense	<u>3,429,181.56</u>	<u>2,398,379.92</u>

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

For the six-month periods ended June 30, 2019 and 2018 are summarized as follows :

	2019		2018 (Restated)	
	Tax amount	Tax rate	Tax amount	Tax rate
	(Baht)	(%)	(Baht)	(%)
Accounting profit before tax expense for the period	43,938,725.10		32,854,758.68	
Tax expense at the applicable tax rate	8,787,745.02	20.00	6,570,951.74	20.00
Reconciliation items	(5,358,563.46)	(12.20)	(4,172,571.82)	(12.70)
Tax expense at the average effective tax rate	3,429,181.56	7.80	2,398,379.92	7.30

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.



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. DIVIDEND

### 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.

## 18. 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	59-0313-1-00-1-0	59-0312-1-00-1-0	60-0737-0-00-1-2	60-0721-1-00-1-0	60-0597-1-00-1-0	62-0240-1-00-1-0
Dated	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. 2018
Key privileges and benefits under the promotion certificate										
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 six-month periods ended June 30, 2019 and 2018 consisted of :-

	Freight charges (Baht)					
	2019			2018		
	BOI	Non BOI	Total	BOI	Non BOI	Total
Freight charges						
- Domestic	229,450,756.31	52,461,907.36	281,912,663.67	217,771,569.99	27,341,039.49	245,112,609.48
- Export	34,360,620.68	50,654,310.57	85,014,931.25	15,770,202.86	77,929,022.73	93,699,225.59
Other income	285,541.86	405,563.63	691,105.49	398,173.44	649,415.67	1,047,589.11
Total	264,096,918.85	103,521,781.56	367,618,700.41	233,939,946.29	105,919,477.89	339,859,424.18

#### 19. EARNINGS PER SHARE

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

	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2019	2018	2019	2018
		(Restated)		(Restated)
Income for the periods (Baht)	17,085,333.84	16,131,002.35	40,509,543.54	30,456,378.76
Weighted average number of ordinary shares (Shares)	657,458,564	476,923,077	714,285,715	339,226,519
Basic earnings per share (Baht per share)	0.03	0.03	0.06	0.09

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 the three-month and six-month periods ended June 30, 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.

#### 20. 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 performance assessment. 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.

Freight charges for the three-month and six-month periods ended June 30, 2019 and 2018, shown as follows:

	Baht			
	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Domestic freight charges	139,624,141.81	121,813,447.56	281,912,663.67	245,112,609.48
Export freight charges	41,571,902.93	48,264,053.71	85,014,931.25	93,699,225.59
Total net income from freight charges	181,196,044.74	170,077,501.27	366,927,594.92	338,811,835.07

Information about major customers

For the six-month periods ended June 30, 2019 and 2018, the Company had revenue from two and one major customers, respectively, from transportation service revenue exceeding 10%, totaling Baht 240.27 million and Baht 166.34 million, respectively.

**21. FINANCIAL INSTRUMENTS**

Forward foreign exchange contracts

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 June 30, 2019, the Company has outstanding forward foreign exchange buying contracts with as follows:

Currency	Foreign currency (Million)	Contract amount (Million Baht)	Fair value (Million Baht)
USD	5.65	176.57	173.55

**22. COMMITMENTS AND CONTINGENT LIABILITIES**

As at June 30, 2019, the Company had commitment and contingent liabilities as follows :-

- 22.1 The Company had contingent liability in respect of the letters of guarantee issued by the bank to Port Authority of Thailand and Harbour Department in the amount of Baht 820,000.00.
- 22.2 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.
- 22.3 The Company had commitments to shipbuilding contracts which consists of two contracts from a foreign company with the total contracts value in the amount of USD 15.70 million. The amount was paid under the agreement during the period for USD 3.925 million (Baht 126.42 million) which is the assets in progress and was presented under “Vessel and equipment” in the statement of financial position. As at June 30, 2019, the Company still had unsettled commitment under the agreement in the amount of USD 11.775 million.

**23. EVENTS AFTER THE REPORTING PERIOD**

At the Board of Directors’ Meeting No. 3/2019, held on August 13, 2019, the board approved to pay interim dividends from the retained earnings-unappropriated amounting to Baht 40 million at the rate of Baht 0.05 per share.

**24. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial statements were authorized for issue by the Company’s directors on August 13, 2019.

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