



# RAJA FERRY PORT



Raja ferry port.,Ltd sign contract for appoint distributor and assure vendition of increase in common stock capital on 12<sup>nd</sup> Nov,2015 At The Stock Exchange in Thailand

## Message from the committee chairman

Dear Shareholders

Since the inauguration of ferry and harbor service in 1981, it has been 35 years that we are determined to develop the organization to maintain the quality of services by targeting to expand services to regional and international level in the future.

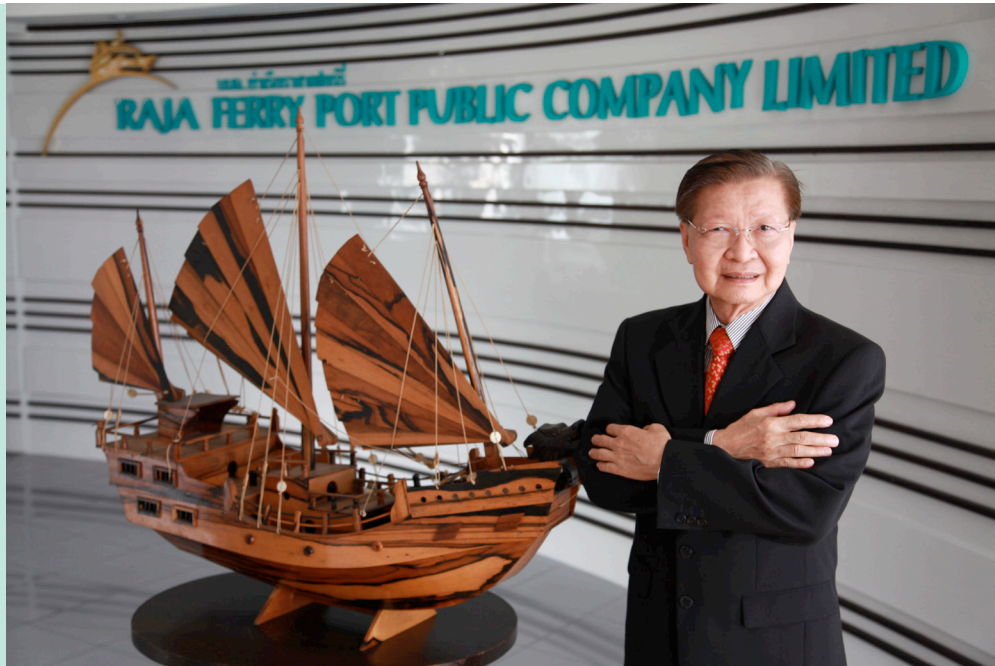
The company would like to thank all of you for giving confidence in services of ferry of Raja Ferry for 35 years although the company launched capital-increase ordinary share for 38 million shares in the stock exchange in November 2015, it has been considerably responded and that the Company is motivated to develop the enterprise for further progression. The company would use such amount of fund raising to settle liabilities, purchase new ferry and reserve it as the circulating capital in the business so that it is able to provide services to customers in both commercial and tourism terms that are substantially increasing in Samui and Pangan Islands.

For the overall operation of year round 2015, the company had income from sale and services of 622 million Baht with net profit of 78 million Baht. The number of service round in 2015 increased from 2014 for 6.52%.

In the future, the company still believes in growth potential of the ferry services business and growth of Samui, Pangan islands including islands in Andaman. The company is determined to develop services for every customer group with continuous investment in term of ferry fleets, database system and information technology as well as human resource development and cooperation with business allies to increase income and strengthen it in the future.



(Teeradej Tangpruetkul)





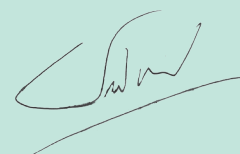
## Report of Board of Director

For 35 years of Raja Ferry, the Company started providing services of ferry with expertise and many personnel who have longed experiences. We have learned and grown together with the community and been ready to move forward to be the leader of transport business and maritime shipping in regional section with universal standard services in the future.

In 2015, the company had net profit of 78 million Baht with income from sale and services of 622 million Baht decreasing from 2014 for 6.46%. the main cause was decreasing fare according to the decrease of oil price while the number of transport rounds in 2015 increased from 2014 for 6.52% indicating that the number of users substantially increased and is likely to grow in the future including the routes of Donsak- Samui-Donsak, Donsak-Pangan-Donsak and Samui-Pangan-Samui that the company provided services during high season in December 2015 as well as the new routes in Andaman Sea that will be expanded in near future.

Speaking of the trend of business operation of Raja Ferry, the Company emphasizes on logistic and tourism. With 35 year experiences, the company understands the overall needs of customers including the people in community and customers in AEC that are likely to increase. The services of the company that will be transacted together with business allies will be provided as one stop service and it is the strength of business operation. In 2016, the company will start adding service commute vehicle to facilitate and increase alternatives of travel for the customers.

The board of director is determined to perform duties with prudence, carefulness and integrity with full capacity by recognizing the ultimate benefit of the company and justice to shareholders and stakeholders in every party, and supervising the work systems of the company to be operated in accordance with the law and corporate. Governance following the objectives and regulations of the company. Nevertheless, it is to strengthen stability and growth with business sustainability.



(Apichart Chayophat)



## Financial Hightlights

(Unit: Million Baht)

	2013	2014	2015
Incomes from ferry service	569.13	610.25	572.62
Incomes from selling of foods and products in convenience stores	53.07	54.81	49.62
Other incomes	25.70	11.37	16.03
Total incomes	647.90	676.43	638.27
Total expenses	578.61	591.10	559.96
Net profit	69.29	85.33	78.30
Total assets	719.23	732.69	1,161.71
Total liabilities	352.95	301.21	208.43
Total shareholders' equity	366.29	431.48	953.27
Register and paid up capital	132.00	132.00	170.00
Net profit margin (%)	10.69	12.61	12.27
Primary earning per share	0.52	0.65	0.57
Earning per share (Time)	1.01	0.80	4.65
Collection period (day)	9.80	10.87	9.67
Return on Equity (%)	20.86	21.37	11.31
Return on total assets (%)	9.34	11.75	8.27
Debt to Equity ratio (Time)	0.96	0.70	0.22
Dividend payout ratio (%)	0.00	24.75	178.02 *

\* Board of Directors agree to purpose to shareholder to approve dividend 0.82 Baht per share then the rights to receive dividend is uncertain because it's pending for approval by the Annual General Meeting of Shareholders of the year 2016 on April 6, 2016



## Board of Directors:

Name	Position
1. Mr.Dheeradej Tangprapruetkul	Chairman of the board
2. Admiral Peerajit Surakaga	Vice chairman and independent director
3. Mr.Apichart Chayopas	Director
4. Mr.Apichon Chayopas	Director
5. Mr.Pitak Kiatdejpreecha	Director
6. Mr.Phanich Pongpirodom	Independent Director
7. Mr.Chatree Siripanichkorn	Independent Director and chairman of audit committee
8. Mr.Anand Ketpitaya	Independent Director and a member of audit committee
9. Mr.Pornchai Wiriyatanasakul	Independent Director and a member of audit committee

## Board of Executive Directors:

Name	Position
1. Mr. Apichart Chayopas	Managing Director
2. Mr. Surapol Sripen	Deputy Managing Director Administration
3. Miss Sunantha Charonwong	Deputy Managing Director Finance and Planning
4. Mr. Jittiphan Sakulsuraekpong	Deputy Managing Director Ferryboat and Pier Operation
5. Miss Sasipat Boonchu	Deputy Managing Director – Business Development



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# Vision and Company Philosophy

## Vision:

to be the leader of transport business and maritime shipping in regional section with universal standard services in the future.



### **Raja Ferry Port Public Company Limited (the “Company”)**

aims to provide ferry services for passenger and freight ferry to Koh Samui and Koh Phangan, which is a major tourist attraction in Surat Thani province, Thailand. By providing excellent service standards and provide very good standard fleet of ferry services and ports which customers are convenient and easy to use. The company is committed to improving the efficiency of operations and ensuring customers to use the service quickly, timely and safe so that customers get the most satisfaction with the service is impressive. The company also focuses on maintaining its environmental impact continues and compliance with laws and regulations. The business operations of the company to sustainable growth in the future orientation of the Company’s operations in order to achieve the goals set. The company will operations as follow:

**Core Values :**  
Growth, learning,  
with community

**1.** The Company will provide ferry services with effective supply and availability of service to customers. The company is a ferry services that has the most number of ferry crossing for travel between Don Sak district - Koh Samui. Surat Thani, Don Sak district - Phangan District Surat Thani And between Koh Samui - Koh Phangan district. The Ferry Division of 12 aircraft, the company has focused on providing quality services to international standards, the Company has been certified ISO 9001: 2008 for providing ferry services and pier from United Registrar of Systems (Thailand) Co., Ltd. ( "URS" ) in order to be able to respond to customer needs quickly, effectively and safely, on time and satisfaction to our customers include trust in the use of its services continuously.

**2.** Control operating costs by modifying the ferry services to suit each customer's needs at different times in order to allow companies to manage the cost of oil, which is the major cost of freight more efficiently, the Company has provided the fuel that comes from a mix of diesel and fuel oil based formulas invented by the company and improve the engine with the fuel consumption so companies can effectively manage the cost of fuel. The company is also able to produce biodiesel from used vegetable oil to reduce fuel costs in the event that oil prices in the world market soared.

**3.** Create and maintain good relations with trade partners to cover all distribution channels, as airline, rail and bus transport company dealers and leading companies both domestic and abroad. the company also has its own distribution channels via the website. Surat Thani and Nakhon Si Thammarat airport counters in the building. Customer service center by phone and the company's own office. The channel paid the fare by cash, credit cards, ATMs and online banking systems Krungsri Ayudhya Bank which provide customers with the ease of use of services and payments.



4. Recognizing the importance of engaging environment and improving the quality of life and well-being of nearby communities. To be able to coexist with sustainable measures to control the pollution potential of the business including water quality monitoring in the sea port and control of wastewater discharge from the ferry and pier and control activities causing scattered dust, etc. The company has taken the practice to meet pollution control standards set by the Marine Department, the agency that oversees state environmental regulations. For the neighboring communities, the company has organized activities that benefit the community in various occasions, such as attending sporting

events and Children's Day, the company also aims to create a community by hiring local people as employees discounts and benefits of the service to the elderly, monks and students, police officers, including the sale of membership cards to people in the area receive a discount from the ferry services.

5. Maintain a quality management system according to the ISO quality certification and to develop even further in order to be leading in ferry services provider forever.

## Corporate Social Responsibilities :



### Policy Overview

The company is committed to operating as a role model for society with ethics and good corporate governance. To benefit the social and environmental sustainability in order to achieve this goal. The Company has established a corporate governance and business ethics. And outlined a policy of social responsibility, and the guidelines below:

## 1. The operation and preparation of report

1. The company intends to operate as a model of good governance in the ferry services business in Thailand. By building credibility with investors and stakeholders to conduct business. Add value and promote the sustainable growth of the organization including the management as well as global governance and benefit the communities that live together in Thailand. The principle responsibility for decisions and their actions. Transparency and disclosure are straightforward. Treats all parties equally and fairly. The value of the business in the long term for all stakeholders and the promotion of best practices for the company's growth will be coupled with the quality of life of employees, Community and society by following the orientation as follow:

- Abide by the contract terms or conditions between the company and suppliers or creditors. In case the company can not abide by the agreement must be negotiated with suppliers

and creditors in advance. To work together to find a solution and to prevent damage.

- Operating partners equitably and fairly on the basis of the received compensation that is fair to both parties.

- Do not run or does not provide any benefit that dishonest with suppliers and creditors.

- Reporting the correct, complete and timely provided to all interested parties, including creditors.

- Working by the rules of the competition.

- No find out the confidential information of competitors by dishonest means or inappropriate.

- Do not damage the reputation of competitors by the accused in the attacks with not true information.

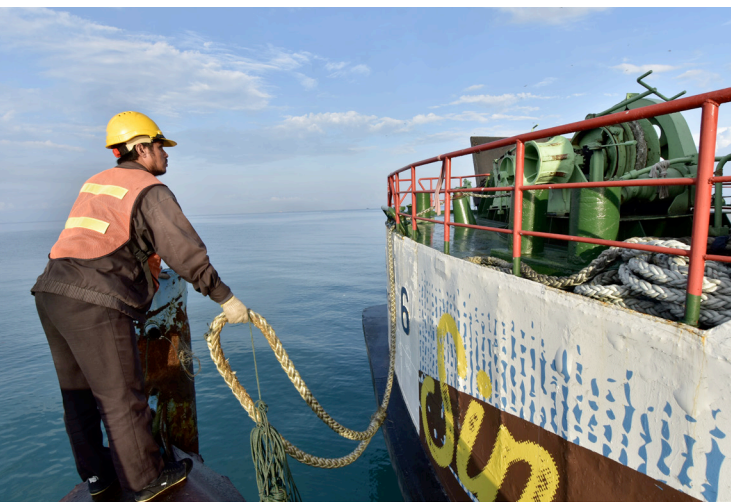


2. The company's role and responsibilities as a ferry service for passengers and freight based on honesty, trust and commitment to the satisfaction and confidence of our customers receive quality service, punctuality, safety at fair prices. The guidelines are as follows:

- Working by the terms or conditions to customers.
- Commitment to the satisfaction and confidence to our customers to get the best quality service under appropriate security. The standard provides higher continuous and serious.
- Disclosure of information about the services accurate timely at the right time and without any distortion including maintaining good relationships and sustainable.

- Provide customer service systems to serve customer dissatisfaction and complaints in order to respond to customer needs quickly.

3. The company has a focus on human resources as the most valuable resources, which will lead the company's business can grow steadily. The Company has a policy of equal treatment and good practice on key personnel. To promote the quality of work life better, incentives to work and develop the ability to work hard and continuously. The attention to welfare improving the way nature works workplace equipment provider and protector. In accordance with the Labor Law of Thailand and regulations related to occupational health and safety at work regulations. To keep employees safe from.



accidents and diseases caused by work. Over the past years the company has operated as follows.

- Provide orientation to new employees to support employees to understand the organization's work and comply with company policy in the same direction.



- Returns the appropriate knowledge, skills and responsibilities and the performance of individual employees by reasonable wage and other benefit.
- Appointment and removal The reward and punish employees must act with impartiality, good faith and on the basis of knowledge, ability and suitability including actions of that staff.
- Provide benefits such as shelter, food, health check, provident fund, etc.
- Allow employees to learn and develop their skills by attend training courses and seminars outside the company.
- Caring for the environment to work in ports and on ferries throughout the life, health, physical safety and property of employees.

- Follow the Law and regulations related to staff strictly.

4. The company supports activities that benefit the community and society and encourage employees to get involved with volunteer work and community activities. In order to develop environment and the community to make a better living and coexistence and harmony The Company encourages participation in strengthening the community. Whether it's promoting the scholarship of children, staff and the community around the company. The local employment and projects to develop a strong community, the company provides communications and public relations project or activity to social and environmental, social and community stakeholders. As well as the opportunity for stakeholders to be involved in a project or activity. The company has appropriate procedures to ensure the implementation of its business carried on by the use of sustainable resources as follow :

- Attention to social and community activities by focusing on the development social community and environment. include saving natural resources Including support activities for public.
- Awareness of social responsibility and the environment in the company include employees continuously.
- Cooperate and strictly follow the law, rules and regulations.
- Quick response and effectively to events that affect the environment and the community because of the company's operations. By cooperating fully with government authorities and Related Agencies.



5. Companies have realized that the port operations and ferry services to transport passengers may have a negative impact on the environment. The company has a social responsibility with a focus on the environment, including water and air and noise as well as provide a variety of security measures. To protect and preserve the ecology and environment of the communities in which the company operates. Including corporate culture with the awareness of employees and workers at the port and on the ferry to love and cherish the natural resources of the community and the nation, the company has adopted and implemented to reduce the environmental impact below.

- Track and monitor the quality of effluent discharged from the pier on a monthly basis include water quality monitoring in the sea port every three months and report the results to determine the Marine Department to consider

all effective monitoring effluent from outsiders that have passed the standard of the Industry Department.

- Provide Monitoring System Wastewater Treatment (SATS) every three months to ensure that such a system can work effectively.

- Prepare a container of garbage at various points to be enough for use within the port area and impose a ban on dumping waste water and chemicals into the sea.

- Provide a large tree planting projects to prevent the leaching of soil erosion, air and noise pollution.

6. The company plans to conclude its work, social responsibility and report to the Board annually. To provide a framework for working budget and the operations of the company.



## 2. Activities for social and environment (after process)

The company has activities to benefit society and the environment continues by setting a limit for the preparation of projects each year, a number not exceeding one million baht, Deputy Managing Director - Planning and Finance is responsible for overseeing and monitoring the amount. Before the authority to approve the size limit has been set. All projects must report to the Audit Committee and Board of Directors on a quarterly basis, the environmental, social and community activities can be summarized as follows.

### •The safety and accident project

The company has prepared various activities to promote safety and accidents that may occur to the living body and assets of the company's customers by giving organizations that concern safety and accident involvement with the company in administration. And security and prevent all types of crime, such as surveillance, security and surveillance to prevent crime around pier and on ferryboat of the company. Inspection vessels and monitoring the safety of passengers on board. The practice of emergency management plans monitoring devices for security and activities to promote learning, accidents and so on.

### • Social project

The company has a policy that is based on social activity of society with a mission "to society," a society or social promotion. and philanthropy both direct and indirect The religious and cultural traditions, such as local ceremony, Red Cross activities and activities help siblings three southernmost provinces. Marathon for charity activity against drugs and the project was not cheating when grow up and so on.





- **Community relationship**

The company has supported the education of students and schools in Don Sak district, Samui district and Koh Phangan and ongoing The Scholarship to the morale of young people with perseverance to learn and have good grades. It helps ease the burden of parents. As part of the development of the country, the company also sponsors youth activities such as sporting events and events for children in the local area. The strengthening of the youth as a major force in developing countries in the future, the Company also promotes activities to social assistance and create a legal relationship with the community, whether directly or indirectly. The objective is to jointly develop the community. Human Resource Development and improve the environment, such as reforestation in the community together. Campaign to ban fishing in the spawning season. The campaign to stop the discharge of sewage into the sea to get people in the community to work with and expanding its customer base to the community and so on.



- **To anti-corruption**

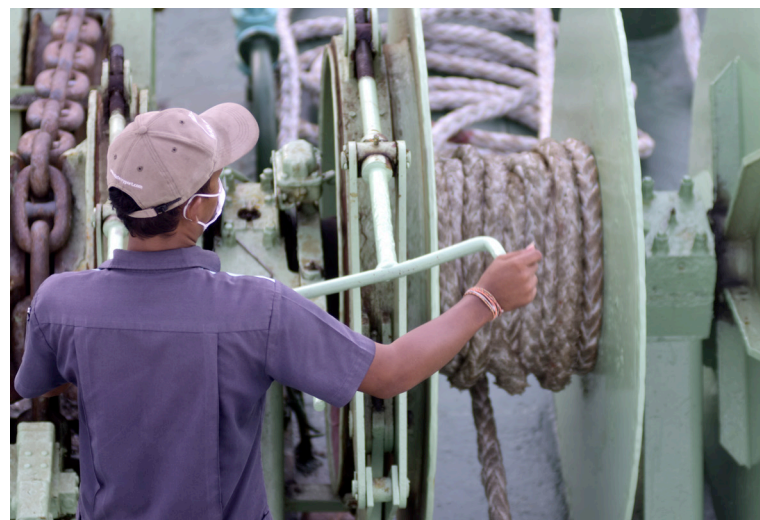
The company has a focus on prevention have been involved in corrupt. The company has established a policy in writing and approved by resolution of the Board of Directors Meeting No. 1/2015 held on February 27, 2015, which covers anti-corruption functions. The directors, management and all employees understand the ethical standards that company use to conduct business. The follow up to the ethics seriously. The guidelines can be summarized as follows.

- In a competitive business strategy requires a fairly transparent adherence to ethics and compliance with the relevant laws strictly.
- The company has communications public relations to build knowledge and understanding to those associated with the company policy on the fight against corruption.

- Directors, management and employees may accept or give gifts as conventional. The gift was or not influence any business decision related companies.

- If the directors, executives and employees do not comply with the anti-corruption court corruption will be subject to disciplinary penalty. Meanwhile, the company does not reduce the penalty or negative effects on employees who refuse corrupt.

- The company will evaluate the risk of corruption corrupt potential in the process regularly. Including finding appropriate solutions and define reporting channels clues complaints to the independent directors of the Company. In the case of the actions implied corruption or misconduct.



However, to be clear, in compliance with such policies. The Board of Directors Meeting No. 3/2015 held on June 17, 2015 has approved the practice of such policies. By requiring company not to pay compensation in any form. To receive any remuneration or service. That exceeds the compensation that government agencies or entities that have defined or disclosed to the public if the company will have to pay such compensation. The company has to pay in the name of government agencies or entities only. The offer is valid from 17 June 2015 onwards.

## The Company's key developments



The company's key developments since 2007 can be summarized as follows:

### 2007:

- The company increased paid-up capital from 100 million baht to 120 million baht.
- The company became a public company limited on 27 December 2007 under the name 'Don Sak-Samui Port Asset Management Plc' and changed par value of the share from 10 baht per share to 1 baht per share and increased registered capital from 120 million baht to 160 million baht.

- The company received ISO 9001:2000 certification for port facility management and ferry boat operation.

## 2008:

- The company relocated its head office from Samui Island, Surathani to 25/1 Mu 8, Mitraparb Road, Don Sak District , Surathani 84220.

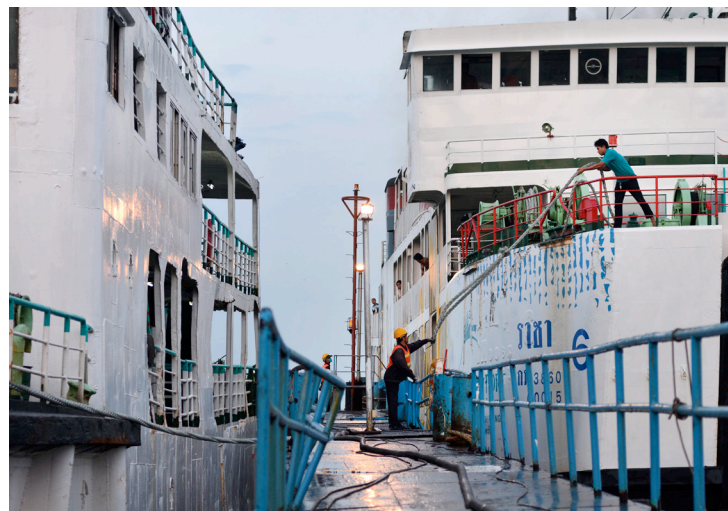
- The company restructured its business by integrating together the ferry boat service and port facility management. In addition, the company bought land and building which has become the Don Sak port with an area of 62-3-99 rais comprising 21 plots of land from related companies for 120 million baht. The transaction value is below the appraised value of 148 million baht.

## 2009:

- The company cancelled the lease of the old port at Pa-ngan Island which belongs to the local municipality that used to service its boats and instead lease a new multi-function port that also belongs to the local municipality to service its boats. The company also renovated its old port to become parking lots for its customers on the island.

## 2010:

- The company purchased 3 ferry boats from third parties under BOI privileges that brings the total number of ferry boats owned by the company to 14.



- The company operates new ferry routes between Samui Island and Pa-ngan Island and later canceled the route in 2011 due to the revenue and expenses were not in line with the forecast.

- The company invested in the ticket management system (TMS) which enable it to provide ticketing services automatically.

### 2011:

- The company obtained ISO 9001:2008 certification for ferry boat operations and port facility management

- The company changed its name from 'Don Sak-Samui Port Asset Management Plc.' to 'Raja Ferry Port Plc'.

- The company entered into an agreement to sell a plot of land on Wang Nogisland for 75.5 million baht, equivalent to the appraised value, to a related company in order to restructure its business profile to own only assets that are strictly used for the business. The company received an initial deposit of 21 million baht and the remaining amount in December 2013.

- The company purchased plant and machinery for making biodiesel and for mixing diesel and bunker oil from a related company and bought vehicles and land from the related company for locating the above-mentioned plant & machinery.

- The company constructed 2 new ferry port facilities at Samuiisland which

brings the number of owned ports at Samui to 4. The new ports began operation in 2013.

- The company invested and developed Enterprise Resources Planning system (ERP) for managing and planning its human resource asset.

### 2012:

- The company increased paid-up capital from 120 million baht to 132 million baht to sell to existing shareholders in the same shareholding proportion.

- The company sold 1 ferry boat (i.e. Wang Nog) to a third party for 10 million baht, resulting in the reduction of ferry fleet to 13.

### 2013:

- The extraordinary general shareholders meeting no. 1/2013 mandated to increase registered capital from 132 million baht to 170 million baht, divided into 170 million common shares at 1 baht par value by increasing 38 million common shares for sale to the public. The ordinary general shareholder meetings in 2014 and 2015 ratified the decision to increase the sale of above shares to the public.

- There was a fire accident on Wang Ngern ferry boat while undergoing annual maintenance. The company filed an insurance claim and received 9 million baht as compensation from the insurance company. This resulted in the reduction of ferry boat in operation to 12.

## 2014:

- Opened 'Doi-Chang' coffee shop on franchise basis.
- Expanded office area in Bangkok by renting the 3<sup>rd</sup> floor of the Veronica Hotel from a related company for use as an office to serve customers.

## 2015:

- Offering ordinary share for public 38,000,000 shares, 12 Baht per share on MAI stock Market on November 12, 2015 then the company have paid up capital 170,000,000 Ordinary shares.
- Start ferry service between Koh Samui and Koh Phagan on December 1, 2015.



# Income Structure and type of business

## Income Structure:

Nature of Incomes	2013		2014		2015	
	M Baht	%	M Baht	%	M Baht	%
Income from ferry service provision:						
- Scheduled Ferry Services;	526.71	81.30%	566.43	83.74%	528.57	82.81%
- Chartered Ferry Services;	42.41	6.55%	43.82	6.48%	44.04	6.90%
<b>Total incomes from ferry service provision</b>	<b>569.13</b>	<b>87.84%</b>	<b>610.25</b>	<b>90.22%</b>	<b>572.61</b>	<b>89.71%</b>
Incomes from other service*	0.28	0.04%	0.19	0.03%	-	-
<b>Total incomes from ferry service provision and incomes from other services</b>	<b>569.41</b>	<b>87.88%</b>	<b>610.44</b>	<b>90.24%</b>	<b>572.61</b>	<b>89.71%</b>
Incomes from selling of foods and products in convenience stores	53.07	8.19%	54.81	8.10%	49.62	7.77%
<b>Total incomes from sale and service provision</b>	<b>622.47</b>	<b>96.08%</b>	<b>665.24</b>	<b>98.35%</b>	<b>622.23</b>	<b>97.49%</b>
Other incomes**	25.43	3.92%	11.19	1.65%	16.03	2.51%
<b>Total Incomes</b>	<b>647.90</b>	<b>100.00%</b>	<b>676.43</b>	<b>100.00%</b>	<b>638.26</b>	<b>100.00%</b>

Notes:

\* "Incomes from other services" means incomes that the Company has calculated the fees relating to provision of passengers to buses that are third parties; but, at present, the Company has terminated this service since 2015.

\*\* Other incomes include incomes from operation of passenger boat ticket reservation services through allied airlines, incomes from signboard advertising fees at ports and in ferries, incomes from advertising fees in guide maps, profits from disposal of assets, incomes from sale of scraps, incomes from operating costs, incomes from rentals of stalls and ATM machines, interest income and other incomes, etc.

## Income structure by area of service

Service Areas	2013		2014		2015	
	M Baht	%	M Baht	%	M Baht	%
Incomes from ferry service provisions:						
-Don Sak District- KohSamui District;	389.78	60.16%	418.73	61.90%	369.80	57.94%
-Don Sak District- KohPha-Ngam District;	179.35	27.68%	191.51	28.31%	201.84	31.62%
-KohSamui District-KohPha-Ngan District*	-	-	-	-	0.97	0.15%
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Notes:

\* In 2010, the Company has launched the ferry service provision in the route between KohSamui District-KohPha-Ngan District; and has later terminated the service provision in this route in late 2011; whereas, incomes generated in 2012 were from the provision of chartered ferry services between KohSamui District-KohPha-Ngan District in the last trip;

\*\* "Incomes from other services" means incomes that the Company has calculated the fees relating to provision of passengers to buses that are third parties; but, at present, the Company has terminated this service since 2015.

\*\*\* Other incomes include incomes from operation of passenger boat ticket reservation services through allied airlines, incomes from signboard advertising fees at ports and in ferries, incomes from advertising fees in guide maps, profits from disposal of assets, incomes from sale of scraps, incomes from operating costs, incomes from rentals of stalls and ATM machines, interest income and other incomes, etc.

## Nature of Products and service:

### 1. Business of Ferry Services for Carriage of Passengers and Water Transport:

The route of the ferry has two main routes between Don Sak district - Koh Samui. Surat Thani and the Don Sak district - Koh Phangan district. Surat Thani. Later, on November 13, 2015, the Board of Directors has resolved to launch a ferry service between Koh Samui and Koh Phangan district. Devoted to serving tourists during the high season, Christmas and New Year. It was the third increase maritime routes with a fleet of 12 aircraft to ferry services sailing trip on a service per schedule and service by charter. Ferries Division of the company to carry passengers with vehicles of different types

and general merchandise at the same time as providing navigational regular-way trip time (Scheduled Ferry Service) will be available beginning at 05:00 am. - 20:30 pm. As at March 1, 2016, the company offers a total of 48 times a day (a total route Samui - Phangan add ferry boat two flights during the March 1, 2016 - April 30, 2016), while providing maritime charter (chartered ferry Service. ) We will ship for passengers wishing to travel in groups or cargo with special effects such as gas, oil and hazardous materials, etc., ferry fleet is as follows.

#### Sailing Schedule Donsak – Koh Samui Route

Donsak Depart	Koh Samui Arrive	Koh Samui Depart	Donsak Arrive
5.00	6.30	5.00	6.30
6.00	7.30	6.00	7.30
7.00	8.30	7.00	8.30
8.00	9.30	8.00	9.30
9.00	10.30	9.00	10.30
10.00	11.30	10.00	11.30
11.00	12.30	11.00	12.30
12.00	13.30	12.00	13.30
13.00	14.30	13.00	14.30
14.00	15.30	14.00	15.30
15.00	16.30	15.00	16.30
16.00	17.30	16.00	17.30
17.00	18.30	17.00	18.30
18.00	19.30	18.00	19.30
19.00	20.30	19.00	20.30

Lanes between Don Sak district - Koh Samui. Surat Thani is the ferry service between Port of Bandon International District is located in Don Sak district. Surat Thani Pier and Samui International District is located in Lipa Noi. Samui Surat Thani. This route has a distance of about 35 kilometers and takes about 1 hour 30 minutes, which provides maritime services every day and ferry service every 1 hour, the company began its first flights from Don Sak District Surat Thani. Beginning at 5:00. until the last 19:00. And the ferry trip from Koh Samui, Surat Thani from 05.00. till last at 19.00. The company can also arrange boat in time to support in case the customer has used the service over the long weekend, as usual. or season, etc.

### Sailing Schedule Donsak – Koh Phangan Route

Donsak Depart	Phangan Arrive	Phangan Depart	Donsak Arrive
-	-	5.00	7.30
06.30	9.00	6.30	9.00
10.00	12.30	10.00	12.30
12.00	14.30	-	-
13.00	15.30	13.00	15.30
16.00	18.30	15.00	17.30
18.00	20.30	17.00	19.30



Lanes between Don Sak district - Phangan district Surat Thani is the ferry service between Port of Bandon International district is located in Don Sak district, Surat Thani and multi-purpose wharf district of Koh Phangan is located in the Phangan district Surat Thani. The company is the only ferry service that can provide passenger and cargo vehicles to the island district and pay the fees / charges compliance with municipal by law of Koh Phangan in order to service the passenger and transport on the island. Such a route distance of about 50 kilometers and

takes about 2 hours 30 minutes, which provides maritime services every day. And offers both inbound and outbound ferry boat number 12 on the day. The company started serving the first ferry from Don Sak District Surat Thani from 06.30. Till the last 18:00. The ferry started out first district of Koh Phangan, Surat Thani from 05.00. until last at 17.00. the company can provide extra ferry trips in the event of a customer using the service, such as over the long weekend. or season, etc.

#### Sailing Schedule Koh Samui – Koh Phangan Route

Koh Samui Depart	Koh Phangan Arrive	Koh Phangan Depart	Koh Samui Depart
-	-	7.00	8.30
9.00	10.30	-	-
-	-	11.00 *	12.30
13.00 *	14.30	-	-
		15.00	16.30
17.00	18.30		

Remark : \* Koh Samui – Koh Phangan Route time 13.00 น. and Koh Phangan – Koh Samui time 11.00 service during March 1, 2016 – April 30, 2016

Route between Koh Samui - Koh Phangan district, Surat Thani is the ferry service between Port Samui International, located in Lipa Noi, Samui, Surat Thani and multi-purpose wharf district of Koh Phangan is located in Phangan district Surat Thani. Such a route distance of about 20 kilometers and takes about one and a half hours every day. The company began service from Koh Samui From 09.00 till the last 17:00. The ferry trip from the first time of Koh Phangan start from 07.00. till last at 15.00. The company can also provide extra ferry trips in the event of a customer using the service, such as over the long weekend. Or season, etc.

In addition, 3 port undertakings of the company located Donsak and Koh Samui is licensed to operate the seaport and a certificate of inspection port (formerly “license wharf”) exceeds 500. gross tonnage (except berths 3 and 4 on Koh Samui, a certificate of inspection berth no larger than 500 gross tons) by the Marine Department. for use as a ferry port for passengers and freight. The Company is the owner of the land of that 2 port. Later on the Marine Department provided opportunities for entrepreneurs who have practiced with a license to use the docks less than 500 gross tons, but a structure that accommodates vessels up to 500 tons. The company can file change objectives, the Company has filed a change in the purpose or use of the docks less than 500 gross tons of berths 3 and 4 of the pier to Samui international port. To

use the port with more than 500 gross tons by the Marine Department declared dated December 12, 2015 On August 25, 2015 the Board of Directors by the Department of the Marine has agreed to change its purpose or types of docks that can berth larger than 500 gross tons by the company must comply with the conditions and measures to prevent environmental impacts that may result from the use of the wharf, which was held on September 14, 2015. The company licensed to change the purpose of berths 3 and 4 on Koh Samui, a position that is larger than 500 gross tons already) made at the docks of the company to provide services to vessels larger than 500 gross tons. However, all of which the company owns a number of ports and harbors several positions will lead the development and improvement of services



with the agility and according to plans provided by the Ministry of Transport as the ticketing area, the scale freight truck, the ranking is based on the car ferry, traffic management at pier. The fluctuation of the passengers are safe. Cargo handling as easy as the company has a competitive advantage.

• Donsak International Port

Locate	:	<ul style="list-style-type: none"> <li>• Laem Kula Tambol Donsak Donsak district Surat Thani</li> </ul>
Describe	:	<ul style="list-style-type: none"> <li>• A private ferry at large in Thailand.</li> <li>• There are 3 port, each port has a steel structure and ramp, a system used across the boat to port. The car can go up into the boat well.</li> </ul>
Facilities	:	<ul style="list-style-type: none"> <li>• There are 3 places to sell the ticket</li> <li>• Terminals, restaurants, convenience stores</li> <li>• Parking garage waiting for the boat.</li> </ul>



### Samui International Port

Located	:	<ul style="list-style-type: none"> <li>• Lipa Noi, Koh Samui districe, Surat Thani</li> </ul>
Describe	:	<ul style="list-style-type: none"> <li>• There are four berths of the port. There is a concrete pier jutting out into the sea from the jetty. The steel structure and ramp, a system used across the boat to port. The car can go up into the boat.</li> </ul>
Facilities	:	<ul style="list-style-type: none"> <li>• The place for sale ticket inside the buiding</li> <li>• Terminals Restaurants, book sellers, Souvenirs, Convenience Store</li> <li>• Parking garage waiting for the boat.</li> </ul>



The company has a multi-purpose wharf district of Koh Phangan is located in the Phangan district, Surat Thani in order to park for service the passenger and transport on the island. The payment obligations of the jetty as the ferry dock landing ship, the company is the only ferry service to serve passengers and vehicles to Phangan district.

For transporting passengers and vehicles. Ferry service to all ships of the company must be licensed to use the boat in the river and the sea from Trat Province to Narathiwat Province and registered with the Marine Department Ministry of Transport. The ferry will be reviewing the conditions of use on a regular basis each year, and inspection of the water truck every five years in order to permit the ship by boat from the Marine Department. In accordance with the board's licensing board. With stability requirements. The operating conditions are compliant. If the inspection found deficiencies that must be corrected or are in the ferry. Marine Department will inform the company, take action immediately. In the past, The

Company recognizes the importance of safety and the availability of ferry time. That is to plan maintenance boat engines and equipment comply with the Marine Department has determined that the company has also set proactive measures to prevent serious damage. All the ships of the company must be repaired and maintained by the Navy to get permission from the Marine Department, the company has a fleet of ferries total of 12 boat, which can carry about 220-400 people per trip. vehicle and about 23-70 cars per trip, the details of each ferry boats below.

Name of Boat	Year build	Service year	Registration date in Thailand	weight (Ton Gross)	size (m) (high*wide*dept)	Number of staff on ferry boat	Capacity	
							passenger	Vehicle 4 wheel (full capacity)
1. Raja 1	1978	37	2538	1,141.00	67.97*12.80*3.20	9	400	44
2. Raja 2	1974	41	2539	1,044.92	71.20*13.30*4.10	11	350	52
3. Raja 3	1969	46	2533	986.32	64.09*12.60*4.50	11	350	36
4. Raja 4	1978	37	2543	324.00	42.00*9.00*2.87	9	220	23
5. Raja 5	1982	33	2547	928.00	60.95*13.90*4.20	11	350	70
6. Raja 6	1974	41	2539	1,009.50	71.20*13.30*4.70	11	400	52
7. Raja 7	1988	27	2553	1,188.00	71.82*14.70*4.10	11	400	53
8. Are 8	1991	24	2553	1,074.00	65.02*14.00*4.30	11	400	48
9. Are 9	1989	26	2553	1,168.00	65.02*14.00*4.30	11	400	48
10. Wang Nai	1980	35	2524	794.63	56.00*11.00*4.00	9	300	38
11. Wang Thong	1970	45	2531	638.98	45.51*12.15*3.70	9	300	30
12. Wang Kaew	1974	41	2534	990.95	71.20*13.30*4.70	11	400	52

The company also featured a safety of navigation. The departure from the port of origin to port of destination on schedule and evoke trust and confidence with passengers. By providing public security which is responsible for sorting out the car parking services to meet the set point in the vessel. Check with the engine off and pull the handbrake of the vehicle include wedge compression wheels to prevent slipping and passengers to leave the car parked on the ship, the company has organized a lifejacket on a maximum number of passengers stated. Rigid lifeboats and rafts to help seniors and children in the event of having to abandon

ship also. The company has provided training and practice to prepare in case of an emergency types. By specialized external agencies or fleet annually. The Company also provides insurance for all ships (if the ferry was damaged in total), which covers the book value of each ferry docked in its entirety. It also offers insurance and accident insurance to protect the safety of passengers on all ships by the highest number of passengers on each ship has a passenger capacity. Which meets the requirements of the law.

## 2. Restaurants, coffee shop and convenience stores.

The company has a policy of providing its customers with a turnkey. It operates a restaurant, coffee shop. Grocery and convenience to passengers who use the service or between queues and passenger transport services by restaurants are spacious enough to accommodate customers and serves as either a cooked meal or a la carte menu of international dishes and Thai dishes. The restaurant open from about 6:00 am.-18:30 pm. There is also a shop selling beverages which operated under franchise. “Doi chang” Don Sak International Port, Koh Phangan and Samui International Port. For convenience stores, convenience stores sector consists of the franchise, under deceitful “Fresh Mart” to distribute dry food products, sweets, instant noodles. Water types, etc. are located Donsak International Port, Samui International Port and Koh Phangan Port. The company also receives revenue from a sale, such as books or magazines and so on.



### 3. Other Business

In addition to service passenger and freight ferry business, restaurants, cafes and convenience stores. The company also operates related or beneficial to the company's core business, namely the advertising brochure showing a map of tourism on Koh Samui and Koh Phangan (Guide Map). Customers who advertise with the company such as food, drink business, medicine portable for travel, hotel management and tourism, the cost for the installation of billboards along its docks. The area inside the boat or ticket booth etc. These customers will contract with an annual, company also had income from rental properties, including rental of stalls selling local docks to sell local products, renting space to install ATMs of banks at Samui international Port, banks such as Bank CIMB Thailand and renting space to companies to use as a service to clients.



## Benefits earn from BOI business

Board of Investment approved to receive benefits as the company has been promoted by the Investment Promotion Act. In 1977, public transportation and large business categories. This can be summarized as follows:

1. Exemption of import duty on machinery, according to the Board of Investment approval.

2. Exemption from income tax on profits, not more than 100 percent of the investment excluding land and working capital for a period of eight years from the date income from operations. And in the case of business losses incurred during the tax-exempt entity can bring annual loss that occurred during that time deducted from the net profit after income tax exemption period for a period not exceeding 5 years from the date of the expiration of that

period. The choice will be deducted from the net income of any year or several years.

3. Exempt dividends paid by the Company to be encouraged to include income tax during the tax exemption mentioned above.

4. Permission to bring an foreigner, a craftsman or an expert to work in Thailand as the number and duration as the Board deems appropriate.

BOI Certificate Number	Name of ferry boat	Start date under BOI	Amount of tax exempt
BOI No. 1190(2)/2010	Raja 7	April 9, 2010	Not exceed 74 MB
BOI No.1188(2)/2010	Are 8	May 5, 2010	Not exceed 63 MB
BOI No 1189(2)/2010	Are 9	Dec 5, 2010	Not exceed 72 MB

## Marketing and Competition

### 1. Marketing Strategy

The operations of the past to build confidence and satisfaction to its clients, both in terms of quality of service is a fast, punctual and safe with fair prices. As a result, the company has won the trust of customers. The company's competitive strategy as follows: -.

#### 1.1 Product and services Strategy

With the ferry service for more than 30 years traveling to Koh Samui and Koh Phangan is still the image of a company that has been accepted by Thailand tourists and foreigners. Including public transport operators and local products. In terms of the variety of services. Convenience of the service. Be on time, at the present time the company has launched a ferry service between Don Sak district - Koh Samui. Surat Thani, Don Sak district - Phangan district, Surat Thani, Koh Samui - Koh Phangan district Surat Thani (Only the Koh Samui - Koh Phangan district. Began service on December 1, 2015) with a fleet of 12 ferry boat, which enable the company to provide honest. There are various type of services. There are a number of boat trips over competitors who are both directly and indirectly, the company also owns the Don Sak International Port and Samui International Port. The company manages both regular sailing trips along the way and a bus chartered by the demand for services in a more convenient time. The provider of powerful corporations, whereby the Company has been

certified ISO 9001: 2000 for services to ferry pier and from the United Registrar of Members Cisco Systems (Thailand) Co., Ltd. (URS. ) under UKAS standard in 2006 and has received ISO 9001: 2008 for the harbor and ferry services from URS standards under UKAS since 2008 onwards.

The company also recognizes the importance of information technology for ferry service business. The acquisition system IT, which can link information, purchasing, sales, shipping, accounting, finance and personnel administration together a relevant and coherent with immediate (real time), the company realized the situation and address the issue of jobs, fast and accurate. The management of the company to be more efficient as well. The company also purchased the ticket distribution system (Ticket Management System: TMS), a system that supports entrepreneurs by ferry. To cover the ticketing system for all distribution channels, including the company's sales. Distribution through various distributors and distribution site including a reporting system that can be used to analyze data in multiple formats.

The company has a policy to facilitate the customers. Users can pay for the whole trip, ferry fare, the fare for a car trip - to Don Sak International Port of Samui International Port. To various destinations

such as Surat Thani and Nakhon Si Thammarat airport, railway station, bus station and the town of Surat Thani. Nakhon Si Thammarat and etc.

## 2. Price Strategy

Because of providing ferry boat transportation services to the public in the maritime waters of Thailand Act BE 2456, the adjustment to the fare each time have to be considered and approved by the Board of Directors, Marine Department (formerly known as "Department. Marine and Maritime Commerce Josh ") appointed by the approval of the Minister of Transport, which has included the Governor of Surat Thani and owner of passenger boat to consider the price based on the cost

of oil, which is a major cost for the shipping business moreover fare ferries will charge varies according to distance services. individual categories and types of vehicles or total body weight.

Currently, the company has set the fares for the route Donsak - Koh Samui. According to an announcement by the province's water bus route changes, fare Donsak - Koh Samui. Events dated December 25, 2008, which applies to operators of ferry services for all . Divided into the diesel price 6 Prices range from 14 baht per liter to 32.99 baht per liter by boat fares are subject to change based on a sliding scale based on the price of diesel fuel at some gas stations selling prices of Don Sak District Surat Thani. This can be expressed as follows:



The table shows the changes in the route of the boat between Donsak district - Koh Samui district

Baht

No.	Transaction1/	Oil price(Baht/Liter) 2/					
		14.00– 17.99	18.00– 19.99	20.00– 23.99	24.00– 26.99	27.00– 29.99	30.00– 32.99
1	Passenger	100	110	120	130	140	150
2	Monk and student in uniform	50	55	60	65	70	75
3	Kid that their tall higher than 100 cm but not exceed 150 cm.	50	55	60	65	70	75
4	Bicycle, Motorcycle	150	160	170	180	190	200
5	Big motorbike	190	200	220	230	240	250
6	Motorcycle and with small trailer	210	220	230	240	250	260
7	Car with 3 wheels and car with 4 wheel, van or pick up .	360	370	400	420	450	470
8	Car with 3 wheels, small tourist bus ,middle size bus	650	700	750	800	850	900
9	4 wheel truck and 6 wheels truck	650	700	750	800	850	900
10	Tourist bus and big bus	700	750	800	900	1,000	1,100
11	6 wheels truck with their wheel not longer than 6 m.	700	750	800	900	1,000	1,100
12	Small 6 wheel truck with their wheel long 7-8 m..	750	800	900	1,000	1,100	1,200
13	Small 6 wheels with longer than 8m.	850	900	1,000	1,100	1,200	1,300
14	Big 6 wheels with their wheel longer than 6-8 m. and tractors	850	900	1,000	1,100	1,200	1,300
15	Big 6 wheels truck with longer than 8 m..	1,400	1,500	1,600	1,700	1,800	1,900
16	Truck with 10 wheels	1,400	1,500	1,600	1,700	1,800	1,900
17	Truck with 10 wheels loading longer than 1 m.	1,600	1,700	1,800	2,000	2,200	2,400
18	Roller, Tractor, Backhoe	1,800	1,900	2,000	2,200	2,400	2,600
19	Crane with carry less than 10 ton	2,300	2,400	2,600	2,800	3,000	3,200
20	Crane with carry more than 10 ton	2,800	2,900	3,100	3,300	3,500	3,700
21	Trailer that carry not over than 30 ton	3,000	3,100	3,400	3,700	4,000	4,300
22	Truck with 10 wheels , Truck with carry Trailer	3,200	3,300	3,500	3,800	4,100	4,400
23	Slide car	Double fare and up to longer of carry					

**Remark:** 1/ fare include 1 driver

2/ As at December 31, 2015 retail of oil price by PTT at Donsak district Surat Thani = 20.99 baht per lite so fare rate between oil price 20.00 – 23.99 baht per lite

The company has set the fares for the route Don Sak district - Phangan district According to an announcement by the province on the path of the boat Don Sak district - Phangan district. Surat Thani Dated November 4, 2008, which applies to all operators of ferry services. Divided into the diesel price 3 Prices range from 20 baht to 45 baht per liter, fares boat landing based on a diesel price at any point in a selling price of gas stations Don Sak District Surat Thani. This can be expressed as follows:



The table shows the changes in the route of the boat between Donsak district - Koh Phangan district

Baht

No.	Transaction <sup>1/</sup>	Oil price(Baht/Liter) <sup>2/</sup>		
		20.00-30.00	30.00-40.00	Not exceed 45.00
1	Passenger (adult)	210	220	280
2	Kid	110	110	140
3	Bicycle, Motorcycle	260	280	370
4	Big Motorbike, Motorcycle with small carrier	360	460	570
5	Car, Jeep, Pick up .	550	620	800
6	Van, minibus	550	620	800
7	Tourist bus (middle size)	1,100	1,250	1,650
8	Tourist bus (large size)	1,300	1,450	1,900
9	Truck with 4 wheels and small truck with 6 wheels.	1,100	1,250	1,650
10	4 wheels big truck with long size, 6 wheels small truck with long size	1,300	1,450	1,900
11	Big truck with 6 wheels	1,300	1,450	1,900
12	Big truck with 6 wheels and long size	1,600	1,750	2,300
13	Truck with 10 wheels	2,220	2,420	3,200
14	Truck with 10 wheels (long size)	2,800	3,000	4,000
15	Truck with 10 wheels(tractor carrier)	5,500	5,700	7,550
16	Fuel truck	Up to type of truck		
17	Cement Truck and Mixed Cement Truck	Up to type of truck		
18	Trailer with Container	6,000	6,400	8,500
19	Crane with carrier not exceed 10 ton	4,500	4,900	6,500
20	Crane with carrier more than 10 ton	5,500	5,900	7,800
21	Tractor	1,600	1,800	2,400
22	Backhoe	1,600	1,800	2,400
23	Steamroller	1,600	1,800	2,400
24	Drag car wheel include driver	Double of mover size		

Remark: 1/ rate include 1 driver

2/ As at December 31, 2015 retail of oil price by PTT at Donsak district Surat Thani = 20.99 baht per liter so fare rate between oil price 20.00 – 30.00 baht per liter

The company provide ticket per prices above to customers who bought the ticket booth in front of the port or other distribution channels that the company has already launched. However, for customers wishing to purchase tickets in advance via Call Booking or E-Ticket or port rights to queue for tickets of four-wheel vehicles, the company also sells tickets through distribution channels that the company will offer a discount off the regular price to dealers without limiting minimum order and be considered for trade credit to dealers to help increase distribution channels for a more

diverse and competitive as well. The company also has a policy to help ease the burden on the local traveling public. By giving discounts to those who sign membership cards to the company. The term of membership for one year in addition to the regular shipping service to the charter.

The company will charge for the shuttle boat back. For customers who want to charter a boat to Koh Samui or Koh Phangan The charter price is based on the number of trucks on the ferry. Which range from 9-21 units per one ferry boats.



The table shows the changes in the route of the boat between Samui district  
- Koh Phangan district

Baht

No.	Transaction <sup>1/</sup>	Start from December 1,2015
		For general
1	Passenger -Monk and student with uniform -Kid not higher than 110 cm.	150
		75
		75
2	Bicycle, Motorcycle include driver -Big Motorbike, pushcart 2 – 3 wheels and motorcycle with small trailer include driver	200
		250
3	Car include 1 driver 3 wheel car include 1 driver	470
		470
4	Minibus, van include driver	470
5	Tourist bus middle size include 1 driver and 2 staff.	900
6	Tourist bus large size include 1 driver and 2 staff.	1,100
7	Truck with 4 wheels and small truck with 6 wheels include 1 driver and 1 staff (not longer than 6.5 m.) -Carrier stuff longer than truck size more than 1 m.	900
		1,100
8	Truck with 6 wheels include 1 driver and 1 staff (not longer than 7.5m) -Carrier stuff longer than truck size more than 1 m.	1,200
		1,300
9	Truck with 10 wheels include 1 driver and 1 staff (not longer than 8.5 m.) -Carrier stuff longer than truck size 1 m. -Carrier tractor or container. -Carrier all type of machine	1,900
		2,400
		4,400
		Up to type of truck
10	Fuel truck with 10 wheels include 1 driver and 1 staff	On charter trip only
11	Gas truck with 4 wheels include 1 driver and 1 staff	On charter trip only
12	Gas truck with 6 wheels include 1 driver and 1 staff	On charter trip only
13	Trailer carrier container include 1 driver and 1 staff	4,300
14	Crane for under 10 ton include 1 driver and 1 staff -For over 10 ton with 1 driver and 1 staff	3,200
		3,700
15	Tractor with 1 driver	1,300
16	Backhoe with 1 driver	1,300
17	Steamroller, Backhoe include 1 driver	2,600
18	Drag car wheel include driver	Double of mover size

The fare between Koh Samui - Koh Phangan district. Law is not defined. The company had set a price on the basis of similar fare in the two main routes, the company has provided the same as the route between Koh Samui - Koh Phangan District, the company is open to support high season start from December 1, 2558.

### 3. Strategic sale and distribution channel (Place)

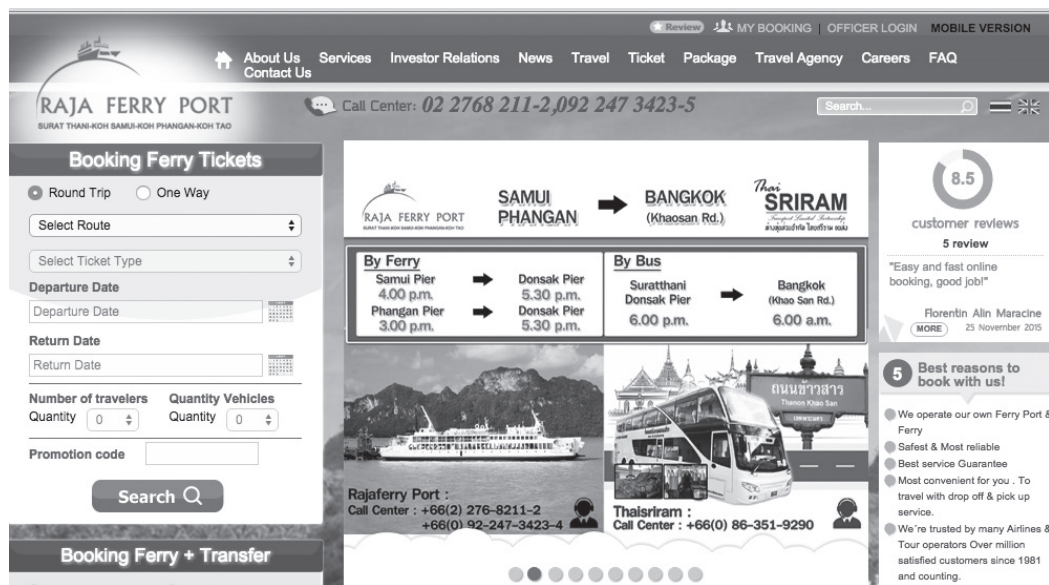
The Company has distribution channels in order to facilitate travel to the customers who use the service thoroughly with 2 major distribution channels.

- **Distribution channels as the company itself, as the following**

-Ticket sales directly to customers around the port, which is open at the three ports, including Port of Donsak International. Samui International Port and multi-purpose wharf district of Koh Phangan. The sale of tickets and payment is by cash or credit card number and types of passenger or cars that customers want at the price declared Pier. Customers can buy tickets on a daily basis, which is one trip within one day or a ticket - to which a ticket for 45 days and can be specified travel time to go back at the time of the disposition thereof. The cars can be reserved in advance by the customer using the ship channel at the Port of customers who travel on their own.

Travelers who drive bus. People who live in the neighborhood and so on.

-The ticket counter in the airport Surat Thani and Nakhon Si Thammarat Airport Which can be offered to tourists traveling by domestic airlines or charter airlines traveling from abroad. Passengers can choose to purchase these exclusive tickets or purchase ferry tickets and ferry tickets, car or van to shuttle passengers to Don Sak International Port. If a customer buys a car ticket. The partner of the company will operates shuttle passengers between the airport and the Don Sak International Port. Serving customers all the time. Ticket counters will accept payment by cash or credit card.



-Distribution via Call Booking by phone, customers can call the contact number. 0-2276-8211-2 or 09-2247-3423-5 and report the details to the call center staff of the company, requests for records and code of payment only through ATM or online banking system, mobile branch office of Bank of Ayudhya Bank CIMB Bank Thailand. Krung Thai Bank, the customer can choose to book ferry tickets only or passenger ferry tickets with four wheel drive. Car or Motorcycle or book a car with a transfer to Don Sak pier as well as booking via Call Booking customers need to travel on the shuttle back will specific name of the customers in order to get tickets at the counter in front of the harbor immediately upon arrival at the port.

-The ticketing (E-Ticket) through the website of the Company ([www.rajaferryport.com](http://www.rajaferryport.com)), which is convenient for customers who want to make passenger ferry tickets manually. This way, customers can pay by credit or debit cards with Visa or Master Card at any bank under the security of bank of Ayudhaya , customers can book the ferry ticket only or passenger ferry ticket with a four-wheel car or a motorcycle or book a car with a transfer to Don Sak International Port.

Reservations through this website to inform customers of the day to travel to and back. Customer must be specified their name so customers can get tickets at the counter in front of the harbor immediately upon arrival at the port.

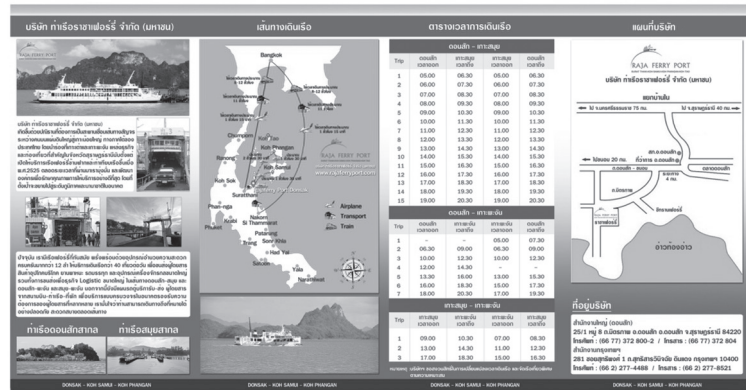
- **The Agency for ticket distribution of the company currently has a number of 24 agency,**

which included Raja Ferry Development Co., Ltd., a related company. The company operates hotels and airline companies, bus or walking tour buses to train and tourists agency, which the company has supplied the cash fare and the provision of credit to the commercial distribution of such tickets by offering a certain amount of discount with unlimited minimum order. The rewards and incentives for selling tickets to companies, usually these dealers to buy tickets from a lifting items (ticket valid for 1 year) and then be sold in conjunction with a product or service of their own.

4. Strategies to promotion (Promotion).

The company has a PR or advertising through various channels to reach customers on a regular basis, such as guide maps of Raja Ferry. The map for trips to various tourist attractions. Koh Samui and Koh Phangan on the same sheet of paper. The ferry schedule is specified and contact information of the company on the map issue has been put on the port and the ferry company or travel to various tourist attractions on Koh Samui and Koh Phangan or Surat Thani publicity through the distribution of tickets and also made public through electronic media such as the company's Website ([www.rajaferryport.com](http://www.rajaferryport.com)) and Facebook regularly.

The company has a booth tour to promote customer awareness and choose the ferry of the company for trips to Koh Samui or Koh Phangan. The Company will select works from the popular tourist destinations, such as Thailand and Discovery. Thailand and around the world, and so on.



Strengths of the Company

-Raja Ferry It is widely known among tourists who want to travel to Koh Samui and Koh Phangan, Surat Thani which is a major tourist destination in the Gulf of Thailand and is known around the world. With experience that spans over 30 years and has a standard service quality, convenience, punctuality and safety, the company has been certified ISO 9001: 2008 for services to ferry pier and from the United Registrar of system (Thailand) Co.,Ltd (URS) under standard UKAS.

-The company is the only ferry operator that can provide passengers with transportation to Koh Phangan district. The attraction is still in a natural bay in Thailand and has the Full Moon (Full Moon Party), the famous and known worldwide.

-The company is the only ferry operator that can provide the trucks, especially tankers, oil / gas to Koh Samui and Koh Phangan district.

-The company's existing ferry fleet of 12 vessels at present, the company can provide more competition and flexibility in service during the festival there is a need to travel a lot or on timing that the company has some break to take some ferry into the garage for repair and maintenance.

-The company owned Port of Don Sak International Port and Samui International Port. This is important to make the company to be largest private ferry company in Thailand. The company manages both schedule ferry trips and charter ferry trip and a bus chartered by the demand for services, each time more effectively. The Company has continued to develop infrastructure such as buildings and parking lots to facilitate the passengers.

-In the last three years, the turnover of both revenue and net profit have grown steadily. This can create financial stability of the company has continued.

- 3 of Ferry boats of the company consisting Raja 7, R8<sup>th</sup> and R9<sup>th</sup> has been promoted by the Board of Investment with benefits such as exemption from income tax for a period of eight years from the date of first revenue in 2010 until 2018 and was exempt dividends paid by the Company to be encouraged to include calculations for income taxes for the duration of the exemption from corporate income tax and so on.

-The Company has implemented a system resource management for enterprise

system (ERP) and distribution system, ticketing system (TMS) enables access and review the information quickly and accurately to bring financial reporting to management and decision-making effectively.

- The Company's sources of financial support from financial institutions including the sale of shares to the public and its securities listed on the stock market at this time, the company has a competitive advantage on the cost and financing of the business because, at present, no competitor does businesses similar to companies that raise funds through the capital market by the securities listed on the Exchange.

## Customers and Target Customers

The nature of the company's customers are from people who want to travel between Donsak district and Samui district or Phangan district or between Koh Samui and Koh Phangan district, Surat Thani (Open route between Koh Samui and Koh Phangan district on December 1, 2015), which can be classified according to the primary purpose of the trip as follow;

- Group of tourists, both foreign tourists and Thai. Who use the ferry to travel to leisure or recreational activities in the area of Samui or Koh Phangan district. The customers of these types of suites with four-wheel drive or bus service.

- Group of local people who use the ferries boat between Donsak to Koh Samui or Koh Phangan district, Surat Thani in order to work or to run errands, such as people who work in Samui. Koh Phangan district or students and monks who settled in Koh Phangan, etc. The customers of these types of suites with four-wheel car or motorcycle.

- Business Customers who their demand for freight vehicles, mainly trucks such as consumer goods, construction materials, etc., except shipment of gas, oil or hazardous substances. The company will make the transport ship chartered separately without including the transportation of passengers and vehicles in general. The target group of this popular travel by car to the six-wheel car or other type mainly by the size of the hull ferry and payload capacity to accommodate over competitors making the company support a large transport vehicle.

## Industry conditions and competition

### A. Industry condition

Currently, Thailand has become the ASEAN (ASEAN Community) in 2015, the tourism industry is one of the 12 service sectors that are very important to the economy. Thailand is famous for tourism is huge with its surroundings. Sights, beautiful and diverse. the sea, mountains, waterfalls and nature-oriented culture with temples,

palaces and ancient places. The attraction to city life, such as shopping, entertainment, spa, etc. The service is friendly. Thailand and its unique people with mild to impress tourists. Especially foreigners, including the cost of living in comparison to other countries is not very high. It also has a communications infrastructure and a fairly well equipped. Currently, the country's revenue from tourism than the 1.25 trillion baht, or 10 percent of gross domestic product (GDP) in the year 2014 due to the political problems in the first half of 2014, foreign tourists coming into the country has decreased compared to the year 2013.

In the year 2015 the number of foreign tourist arrivals in Thailand amounted to 29.8 million higher than in 2014, which amounted to 24.8 million, representing an increase of 20.16 (according to the Department of Tourism as of January 22, 2016. ) demonstrates the increasing tourism potential.

Koh Samui and Koh Phangan was like a jewel in the Gulf of Thailand and a tourist attraction known broadly as tourists in Thailand and overseas, including beaches such as Chaweng, Lamai, Hin Ta Hin Yai and nearby islands can travel from Bangalore to - back in one day, including Koh Phangan island. Koh Tao Island and Angthong. Including Full Moon (Full Moon Party) on the island famous around the world and is widely known, however, to travel to Koh Samui, Koh Phangan and can travel throughout the year. By traveling to Koh Samui route

by air and boat. While a trip to the island can take only by boat only. But tourism on Koh Samui and Koh Phangan has some impact on changing seasons, which can be explained as follows.

- **First Quarter (January – March)**

This period is a period travel during the active support of the New Year and Chinese New Year with favorable weather conditions Due to the rough seas calm and little rainfall.

- **Second Quarter ( April – June)**

Tourism bustling atmosphere than the first quarter due to a long holiday during Songkran and other holidays such as Labor Day, National Day Chakri Day, Coronation Day and Visakha Bucha Day. While the weather remained normal. But getting into the monsoon around June onwards.

- **Third Quarter (July - September)**

Quite period for travel, no activities of marine tourism. As the monsoon

- **Fourth Quarter(October - December)**

Travel period in the medium as the monsoon wave windy conditions, however, tourism began to bustle since early November. It is open during the tourist season and with the support of the Christmas season, during which the tourists began to stop working. Especially foreigners who want to escape the winter of their country to travel more so there are a lot of event for tourism.

## B Competition

Koh Samui and Koh Phangan is located in the Gulf of Thailand. The distance from Donsak Surat Thani province to the east, a distance of 35 kilometers and 50 kilometers respectively to the island can be reached by boat or plane. While visiting the island can be reached only by boat. The business of the company to transport passengers with vehicles to Koh Samui and Koh Phangan The trip by boat can use the services of (1) the ferry company and its Seatran Ferries Limited (2) high-speed vessels (High Speed boat) (boats run at high speed. but can carry only passengers) of speedboat Lompraya Ltd., and (3) catamaran transfer. (The ship can carry only passengers. But also it's slower than high-speed vessels) of Seatran Discovery Co. Ltd. and Songserm Co.,Ltd and so on.

Those traveling both in Thailand and overseas, about 50 percent choose to travel to Koh Samui via boat or starting the train or bus with external service providers to shuttle passengers from the train station or bus transportation company (b.) In the province of Surat Thani and Nakhon Si Thammarat or private cars to ferry of the company at Donsak International Port, Surat Thani. The passenger ferry to travel to Koh Samui or Koh Phangan addition, travelers can

choose to dock in Chumphon for passenger catamaran transfer to Koh Samui or Koh Phangan or to a public pier in Don Sak district, Surat Thani. The passenger ferry to the island of competitors or high-speed passenger craft to Koh Samui or Koh Phangan For Air Travel, A traveler can choose the destination airport, both on the island itself (which airline, Bangkok Airways and Thai Airways is the provider) or airports in Surat Thani and Nakhon Si Thammarat (with Air Asia. Nok Air and Thai Airways is the provider) which has an external service provider to transfer passengers from the airport to the ferry dock or the company public in Don Sak district. Surat Thani to travel by boat to Koh Samui or Koh Phangan.

Travel to Koh Samui by ferry is popular. The ferry can transport those traveling with a vehicle at the same time the current ferry service between Don Sak district and Koh Samui Surat Thani There are two service providers namely Raja Ferry Company Limited (the Company) Seatran Ferries Ltd. The Company has determined that such a company is a direct competitor rather than a company that offers boat and airlines. To meet the needs of different customers, the number of ships and cargo capacity of the company and its competitors are as follows.

Raja Ferry Public Company limited				Seatran Ferry Company Limited			
Name	weight (Ton Gross)	Passengers	Vehicles	Name	weight (Ton Gross)	Passengers	Vehicles
1. Raja 1	1,141.00	400	44	1. Seatran Ferry 4	961.00	338	60
2. Raja 2	1,044.92	350	52	2. Seatran Ferry 5	1,099.00	270	45
3. Raja 3	986.32	350	36	3. Seatran Ferry 6	1,076.00	270	50
4. Raja 4	324.00	220	23	4. Seatran Ferry 7	815.00	250	60
5. Raja 5	928.00	350	70	5. Seatran Ferry 8	1,053.00	360	90
6. Raja 6	1,009.50	400	55	6. Seatran Ferry 9	1,400.00	601	50
7. Raja 7	1,188.00	400	53				
8. R 8	1,074.00	400	48				
9. R 9	1,168.00	400	48				
10. Wang Nai	794.63	300	38				
11. WangThong	638.98	300	30				
12. Wang Kaew	990.95	400	52				

Data from : The Company and website of Seatran ferry Co.,Ltd on July 8, 2015

Remarl : 1. The shareholders of the company Seatran Ferries Ltd. has been engaged in Catamaran Boat, high-speed vessels (high Speed Boat) boats and yachts a total of five ships under operation of Seatran Discovery Limited (a group company of the Company. Seatran Ferries Limited) to provide boat ride from Koh Samui to Chumphon and Koh Tao.

2. Ferry sailing schedule between Don Sak district and Koh Samui, Surat Thani of Raja Ferry Co., Ltd. (the Company) Seatran Ferries Limited has scheduled the same (company Seatran Ferries Ltd. did not have ferry route between Ban Don Sak and Koh Phangan).

However, a trip to Koh Samui or Koh Phangan (only excluding vehicles) can take advantage of public services. Serving travel in several directions, most start from Bangkok.

## Products and services

### 1. Providing Ferry

During the past, The company has provided ferry with quality used and still in use. Mainly imported from Japan. This is a country where most of the world's largest ferry, the ferry boats to pass through all the quality standards of the Marine Department before the ferry came into use in Thailand and tested for the condition of the ferry annually addition, the Company provides a ferry fleet size trucks and the proper amount sufficient for the service will enable the company to transport passengers and vehicles effectively and meets the customer requirements as at December 31, 2015, the Company had a ferry service for passengers and freight in 12 ships, which can carry up to 220 people per trip up to 400 people per trip and vehicle. from 23 units to 70 units per one-way trip, the company has provided a ferry between Don Sak district - Koh Samui. And Don Sak district - Phangan district and ferry services between Koh Samui - Koh Phangan district. Events on December 1, 2015.

The company has a fleet of 12 vessels, including the ferry by an average lifespan of 37 years ago, the company has purchased the ferry that used from abroad. The ferry that used to be cheaper than new ferry significantly. But all the vessels of ferry company must approve an inspection to operate by the Marine Department before being used in navigating the Company estimates that the average age of the fleet is more than industry competitors. The Company's cost of maintenance is high. The company has a fleet of ferries operating conditions and meets the criteria of the Marine Department. To conduct inspections on a yearly basis, the company has reduced the average age of the fleet of ferries. In order to reduce the cost of future maintenance. It will provide the ferry at last for less than average stack ferry company at present.

The company also has a proactive policy to prevent damage from the ferry (Preventive Maintenance) has hired an outside firm to conduct ship repair and maintenance of motor ferry planned annual maintenance. The budget of 1-3 million baht per time. And major maintenance plan This may take about two months to repair a large boat or a budget of 3-8 million baht per time.

## Annual ferry maintenance

Ferry of the company will have a team mechanic stationed in each of the ferry boats. The chief engineer in the engine. The team qualified mechanic in the engine, as announced by the Marine Department. In order to control the operation of the engine. As well as general maintenance on the lifespan of the engine, the company usually has a plan for maintenance of the engine annually and the cost of repair is estimated at 1-3 million baht per boat each time, such as an oil change, replacement parts and appliances, etc. The company will take a ferry to the garage to repair the pier to Samui International. This is the location of the depot ferry and parts for general maintenance

## Major maintenance plan

The company has hired a stable of three boats made of maintenance of the engine and the ferry boats. The Shipyard is located in the suburbs of Bangkok and the provinces have adopted quality standards of the Marine Department. In general, the company plans a major maintenance on a regular basis, about every 30 months due to major maintenance will be unmatched by ferry boat. To determine the quality of the steel hull cleaning and propeller, rudder rustproof paint the boat. Including maintenance by mechanic with knowledge and expertise, especially now the company is planning major maintenance during the month of January 2016 - the month of December 2017.

Name	Period	Estimated cost (MB)*
1. R 8	Feb. 2016	5.0
2. Wang Tong	May. –June. 2016	8.0
3. Raja 3	Aug. – Sept. 2016	7.5
4. Wang Kaew	Sept. – Oct. 2016	5.0
5. Raja 1	Nov. – Dec. 2016	7.0
6. Raja 6	Mar. – April. 2017	7.0
7. Raja 2	May. – June. 2018	7.0
8. R 9	July. – Aug. 2018	7.0
9. Raja 5	Sept. – Oct. 2018	7.0
10. Raja 4	Oct. – Nov. 2018	7.0
11. Raja 7	Nov. – Dec. 2018	7.0

Remark: \*Estimated repairmen cost by background of maintenance history include yearly maintenance by engineer of the company.

Every ferry boats of the company must pass inspection by the Marine Department to use the licenses to ship each year. The old boat license will last no longer than 12 months, which is currently 12 ships and ferry boats are licensed to use the boat completely.

## 2. Fuel supply

Diesel and fuel oil are main raw material of the company's core business operations. The Company has two types of mixed proportion that can be used as fuel in the ferry effectively so the management of oil effectively is a key factor in the business of ferry which takes effect of the competitiveness and performance of the Company, the Company has purchased fuel from local vendors. The policy is to store fuel at the ferry service. The store is approximately 10,000 to 15,000 liters / ferry boat and has orders, diesel and fuel oil in advance for a period of three days and a backup diesel and fuel oil minimum oil company a total of 10,000 liters for the fuel to serve sufficient quantities to meet the requirements and functionality of systems, the Company provides management and inventory management efficiency. This covers the process of selecting a supplier of raw materials that are more reliable both in the quality of the fuel and delivering goods on time. As a result, the Company has no obstacles and difficulties in getting fuel, the company has delayed the purchase of fuel, diesel and fuel oil including oil revenue from a small number of vendors. By purchasing from the major vendors in the country. The Bangchak Petroleum Public Company Limited

(Thailand) and Esso (Thailand) Public Company Limited, as in the past. Such companies can supply the quantity of diesel and fuel oil, according to the company's needs and offer the best prices and terms of trade compared to other entities in order each time.

The company also has taken measures to reduce the cost of fuel by purchase machinery and equipment for the production of biodiesel which used vegetable oil and then processed into pure vegetable oil before it is mixed with fuel to produce biodiesel, the Company has used such a system standby ie on used vegetable oil prices lower, to break down the company will produce biodiesel or in the case of fuel shortage The company was able to produce biodiesel for replacement. The machinery used in the production of biodiesel amount to 2, which has a capacity of 100,000 liters per day per one production cycle (for two days) and 200 liters per day per one production cycle (for one day.) and has been certified ISO 9001: 2008, the company has taken to improve the engine of the ferry boat and company cars. So it can be used vegetable oil that has been produced is mixed with diesel. Used for navigation, this action will help reduce fuel costs down, however, the government fixing the price of diesel fuel to help entrepreneurs. As a result,

the price of diesel has not changed much. And the company will not be able to produce biodiesel fuel mixed with vegetable oils used for the operation since the cost of producing biodiesel fuel blends used vegetable oil. A number of higher diesel prices by government policy. But the company has been producing biodiesel mix, vegetable oil, used intermittently. construction of small packages (Capacity 200 liters per day per one production cycle) to test the use of machinery for the production and import of biodiesel produced is used as fuel for vehicles used within the port and factories producing biodiesel of the company

### 3. Fuel storage policy

The company has a policy to store diesel fuel and fuel oil to the proper level with regard to the price at the time of purchase, storage costs (Inventory Carrying Cost) Cost of order (Order Cost) and the cost is low, the lack of which is usually the company's policy is to store fuel at the ferry boat. The store is approximately 10,000 to 15,000 liters / ship and to store diesel and fuel oil reserve does not exceed 10,000. Liter tank In order to have an adequate supply of the ferry has continued. The company allows staff to ferry count and record oil remaining in each boat every other day for two time, including a stop at navigation. The time before the start of each day's sailing. So companies can identify each boat with the amount of fuel remaining. And requiring staff to count the amount of fuel remaining in the reservoir and ferry boat of every month, at the end, the company has leased land from a related company for the depot.

In addition, although the government of Thailand has a policy to control diesel prices to a level no more than 30 baht per liter, but the company has a policy to hedge the market to control the amount of fuel for a reasonable amount, and to prevent the risk of loss of inventory of fuel, including accidents that may be caused by fire. By controlling the amount of fuel has a total of about 10,000 liters of oil in depot.

### 4. Supervision by the relevant authorities.

Ferry boat business of the company must comply with legal requirements by the Marine Department that is the government agency primarily supervising entity in the business of the company. Laws related to consist of three main components: legislation on the boat jetty and crew. The details are as follows

	Laws	Certified
Ferry boat	<ul style="list-style-type: none"> <li>Act in the maritime waters of Thailand, BE 2456</li> <li>The. Ref. BE 2481 boat Thailand.</li> <li>About. The. Ref. BE 2522 anti-ship collision.</li> <li>Regulation of the original boat / statement announcing the regulations issued by the Marine Department.</li> </ul>	<ul style="list-style-type: none"> <li>Boat License which the license is valid for up to one year.</li> <li>license steamship passage way between which a license for five years.</li> </ul>
Port	<ul style="list-style-type: none"> <li>The. Ref. BE 2456 sailing waters in Thailand.</li> <li>Promotion Act BE 2521 and the Merchant Marine Act No. 2 of BE 2548.</li> <li>Regulation No. 63 / Regulation No. 64 / Regulation No. 19.</li> <li>The. Ref. BE 2518 Comprehensive Plan.</li> <li>The. The. Building Control Act BE 2522.</li> <li>The Water Pollution Control Act BE 2535.</li> </ul>	<ul style="list-style-type: none"> <li>License to operate a seaport, which is licensed for 15 years.</li> <li>Certificate of Inspection Port (formerly. "License wharf"), valid license for one year.</li> </ul>
Seafarers	<ul style="list-style-type: none"> <li>Act in the maritime waters of Thailand, BE 2456.</li> <li>The Navy Regulations No. 15 / Marine Department regulations governing the examination of BE 2532.</li> </ul>	<ul style="list-style-type: none"> <li>Class Certificate of seafarers.</li> </ul>

However, due to the business of ferry service. Companies must comply with the rules related to the Maritime and Port Authority. The Marine Department is the primary regulator. The company has a process for following up and continuing the license key relating to maritime and port operations clearly. Starting from the port and shipping line operations is the primary agency for overseeing compliance with the relevant rules. The Board's work Consisting of Vice President, Operations and maritime ports. Director of Port Operations Director of Maritime Operations and the captain of the ferry boat operated 12 joint meeting every month. Plan to sailing The maintenance ship And solve problems as well as to track

the licenses. Related to maritime vessels, such as the certificate of inspection. Certificate landscape water tankers boat licenses License steamship walking distance. Licenses Port-related activities, such as a certificate of inspection port and a license to operate the seaport. And class certificate of seafarers, the working group has prepared a registration supervisor licenses and diploma class in its entirety. The renewal plan for at least three months prior to the expiration date of the license. And the class certificate the working group will be instructed officials of the Maritime and Port Operations. The board instructed the staff to continue the class certificates such as the Marine Department to continue licensing

models. Class diploma and 30 days in advance or 45 days before the expiration date. Depending on the type of license and class certificates after continuing licenses. Class and Completion Certificate Operations officer in the port and maritime. The staff and crew of the original license. Class certificate and a copy to the legal department to verify the accuracy and completeness. Prior to the delivery of the original license. The Vice President of Planning and Finance to oversee the registration and storage. Class certificate and a copy to the Human Resources Department for data input, computer software Human Resource

Management (HRM), which has taken such a system used to calculate salaries ship by the time such employee has actual work on the ferries and used to track the expiration date of the class certificate for employees on board, each department has set up a system to prevent further licenses and class certificate for employees on board, was delayed another way. Assigned by the Deputy Managing Director - Finance and Planning. which is stored licenses to warning every month, HR officer who control copy storage tier diploma alert staff on board more of the working group. Every 15th day of each month.

## 5. Environmental impact

In addition to developing its services to passengers for the convenience and safety, the company has become aware of its social responsibility with a focus on the environment including water and air, as well as provide a variety of security measures. Which was a condition in the license to use the jetty of the Marine Department, the Company has adopted and implemented to minimize the impact on the environment.

1. Monitor and ensure the quality of effluent discharged from the pier on a monthly basis and water quality monitoring in the sea port every three months and report to the Marine Department to review every quarter.

2. Provide Monitoring System Wastewater Treatment (SATS) every three months to ensure that such a system can work effectively.

3. Prepare a container of garbage at various points to be enough for use within the port area and impose a ban on dumping waste water and chemicals into the sea.

4. Provide a large tree planting projects. To prevent the leaching of soil erosion.

5. Install lighting during the night to warn other vessels for the blockaded the port area.

6. Maintaining port area in stable condition and clean.

7. Staffing and sentries to organize vehicles queuing up to ferry port via truck weight not exceeding 21 tonnes and monitor the security of navigation. As well as provide training to security. Training and assistance to passengers in the event of an emergency on a regular basis.

In addition, the company has hired an independent expert to monitor the quality of wastewater. The report analyzed water samples Donsak International port and Samui

International Port every six months, conducted by Environics lab and Consultants Limited, an unrelated company. Results of the past Water samples found at the port of the standard wastewater discharged from factories and buildings according to the Ministry of Industry No. 2 of 1996, announced the Ministry of Science and the duration of the opening of the ferry service. The Company has no disputes or litigation concerning the environment to conduct business and had not been warned or fined in the matter. The Company has complied with the laws related to the environment seriously by all.

#### 6. Jobs has not delivered

As at December 31, 2015, the company had not pending job to deliverable.

# General Information and other information

## General Information

### Raja Ferry Port Public Company Limited

Initial	RP
Registered Number	0107550000271
Type of Business	Logistic and transportation
Registered Capital	170,000,000 Baht (One hundred seventy million Baht)
Par Value	1.0 (one) baht per share
Paid up Capital	170,000,000 Baht (One hundred seventy million Baht)

### Reference

Share register	Thailand Securities Depository Company Limited 4th Floor, SET Building, 62 Ratchadapisek Road, Klongtoey, Bangkok 10110 Thailand Telephone 02-229-2800 Telephone 02-359-1259
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### Auditor

-Mr Pravit Wiwatananuth CPA Number 4917  
 -Mr Banchong Pitchayapasarn CPA Number 7147  
 -Mr. Thodthong Tepmonkorn CPA Number 3787  
 -Mr. Kraisit Silapamongkolkul CPA Number 9429

PV Audit Co.,Ltd  
 100/19 Wongwanich Building 14<sup>th</sup> Floor  
 Rama 9 Road, Huay Kwang Bangkok 10310  
 Telephone 02-645-0080 Fax 02-645-0020

### Internal Audit

P and L Internal Audit Co.,Ltd.  
 73/290 Moo 8 The Tiff Avenue Condominium Muang  
 Nonthaburi Telephone 02-526-6100

- Location of the Head Office 25/1 Moo 8 Mittraphap Road, Don Sak Sub-district, Don Sak District, Surat Thani Province;
- Location of Branch No.1 281 Soi Sutthipong 1, Suttisarnvinijchai Road, Din Daeng, Sub-district, Din Daeng District, Bangkok
- Location of Branch No.2 141/2 Moo 10 Don Sak Sub-district, Don Sak, SuratThani Province;
- Location of Branch No.3 44/130 Moo 1 Phangan Sub-district, Koh Phangan District, Surat Thani Province;
- Location of Branch No.4 1 Moo 2 Lipanoi Sub-district, Koh Samui District, Surat Thani Province;
- Location of Branch No.5 227 Din Daeng Sub-district, Din Daeng District, Bangkok

Ferry business operations of the company must comply with legal requirements. The Marine Department is the Government's main corporate governance in the business of the Company Law that will consist of three main components: legislation on a boat jetty and crew. The details are as follows;

## • Boat License

Name	weight* (Ton gross)	weight** (Ton Net)	River and sea floor that allows navigation.	Effective Date	License period (estimated)	Certificate of competence of seafarers in the top position. Must not be lower than that.		Passenger	Staff on board
						Naval	chief engineer		
1.Raja 1	1,141.00	342.00	Trat Province to Narathiwat Province	22 Dec.. 2015 – 21 June 2016	6 month	Naval vessels not less than 1600 gross tons.	People who use motor first grade special	400	9
2.Raja 2	1,044.92	313.48	Trat Province to Narathiwat Province	17 Aug. 2015 – 28 Feb. 2016	2 month	Naval vessels not less than 1600 gross tons.	Boat mechanic with third grade	350	11
3.Raja 3	986.32	533.35	Trat Province to Narathiwat Province	22 Dec. 2015– 21June. 2016	6 month	Naval vessels not less than 1600 gross tons.	Boat mechanic with third grade	350	11
4.Raja 4	324.00	103.00	Trat Province to Narathiwat Province	27 Feb.2015 – 26 Feb 2016	2 month	Naval vessels not less than 1600 gross tons.	People who use motor first grade special	220	9
5.Raja 5	928.00	279.00	Trat Province to Narathiwat Province	1 Aprl 2015 – 31 Mar. 2016	3 month	Naval vessels not less than 1600 gross tons.	Boat mechanic with third grade	350	11
6.Raja 6	1,009.50	365.09	Trat Province to Narathiwat Province	19 Mar..2015 – 28 Feb. 2016	2 month	Naval vessels not less than 1600 gross tons.	Boat mechanic with third grade	400	11
7.Raja 7	1,188.00	551.00	Trat Province to Narathiwat Province	24 Nov. 2015 – 23 Nov 2016	11 month	Naval vessels not less than 1600 gross tons.	Boat mechanic with third grade	400	11
8.R 8	1,074.00	525.00	Trat Province to Narathiwat Province	23 June.2015 – 25 Apr 2016	4 month	Naval vessels not less than 1600 gross tons.	Boat mechanic with third grade	400	11

Name	weight* (Ton gross)	weight** (Ton Net)	River and sea floor that allows navigation.	Effective Date	License period (estimated)	Certificate of competence of seafarers in the top position. Must not be lower than that.		Passenger	Staff on board
						Naval	chief engineer		
9.R 9	1,168.00	625.00	Trat Province to Narathiwat Province	19 Aug 2015 – 17 Aug 2016	8 month	Naval vessels not less than 1600 gross tons.	Boat mechanic with third grade	400	11
10.Wang Noi	794.63	416.49	Trat Province to Narathiwat Province	6 Oct.2015 – 5 Apr. 2016	4 month	Naval vessels not less than 1600 gross tons.	People who use motor first grade special	300	9
11. Wang Thong	638.98	342.24	Trat Province to Narathiwat Province	27Feb..2015 – 26 Feb 2016	2 month	Naval vessels not less than 1600 gross tons.	People who use motor first grade special	300	9
12. Wang Kaew	990.95	467.01	Trat Province to Narathiwat Province	6 Oct 2015 – 5 Oct 2016	8 month	Naval vessels not less than 1600 gross tons.	Boat mechanic with third grade	400	11

Remark: \*Ton gross mean total weight that can carry include total weight of boat and stuff

\*\* Ton net means total weight that the boat can carry.

## • license to operate boat

Name	weight (Ton Gross)	Start from	Destination	Effective date	License period	Condition of permission
1. Raja 1	1,141.00	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	10 July 2015 – 9 July 2020	5 year	1. This license is for a period of five years but will remain in effect while boating license and the duration of the insurance does not expire.  2. Operation only in are that mention.  3. Do fire escape plan of the boat accident at least 1 time per year.  4. The ship left the port of origin and destination port as stated in the license.  5. fares in accordance with the conditions specified in account the fares and freight trucks.
2. Raja 2	1,044.92	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	10 July 2015 – 9 July 2020	5 year	
3. Raja 3	986.32	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	27 Mar 2015– 26 Mar 2020	5 year	
4. Raja 4	324.00	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	27 Mar 2015 – 26 Mar 2020	5 year	
5. Raja 5	928.00	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	27 Mar 2015 – 26 Mar 2020	5 year	
6. Raja 6	1,009.50	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	10 July 2015 – 9 July 2020	5 year	
7. Raja 7	1,188.00	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	10 July 2015 – 9 July 2020	5 year	
8. R 8	1,074.00	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	10 July 2015 – 9 July 2020	5 year	
9. R 9	1,168.00	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	10 July 2015 – 9 July 2020	5 year	
10. Wang Nai	794.63	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	27 Mar 2015 – 26 Mar 2020	5 year	
11. Wang Thong	638.98	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	27 Mar 2015 – 26 Mar 2020	5 year	
12. Wang Kaew	990.95	Don Sak Sub-district, Don Sak District	Lipa Noi Sub-district Koh Samui District	10 July 2015 – 9 July 2020	5 year	

**Remark:** The route between Koh Samui - Koh Phangan, which opened on December 1, 2015 during the trial service. It also did not have a permit to walk steamship routes

## • License to operate the seaport.

### -Don Sak International Port

Username allowed	Asset Management Donsak - Samui Co., Ltd. (now named Raja Ferry Public Company Limited (Thailand)).
Located	141/2 Larm Kula Moo 10 Don Sak Sub-district Don Sak District Surat Thani
Period	15 years start from 14 November 2001 – 13 November 2016
Condition	<p><b>1. Condition</b></p> <p>1) "self-employed" means that the loading or unloading of a Licensee. The licensee's carriage or the licensee of managing logistics.          (2) "service to others" means allowing others to use the port. Components of the harbor or on the dock of the licensee. Whether charged or not.</p> <p><b>2. This license shall be valid for the operation of seaport.</b>          It is located on Laem Sak No. 141/2 Moo 10 Tambon Kula Don Sak Don Sak District Surat Thani, with its accommodation. Installations and equipment as specified.</p> <p><b>3. This license revoked. If one follows.</b>          (1) The licensee may not use the port at any location along the two longer due to unauthorized or prohibited by other laws.          (2) The licensee has no right to use the land and property on the land by post. Registration No. 1882 District 3 Don Sak Don Sak District Surat Thani. Whatever the reasons,</p> <p><b>4. The licensee shall use the dock And parts of the harbor as it is allowed. For his own work and serve others.</b></p> <p><b>5. To serve others. Licensee must</b>          (1) charge no more than the rate specified.          (2) comply with the orders of the minister who ordered the charge at a lower rate than the rate (1) for the safety or welfare of the public.          (3) do not cancel or refrain from providing unnecessary or discriminatory in service to others. Unless authorized by the Minister.</p> <p><b>6. In case of necessity. In order to maximize the use of national resources, which will bring safety or welfare of the public. The Minister has a written order granting the improvement or expansion port or component ports, as appropriate. Licensee must comply Unless there is a valid reason which would have made a written statement of reasons and need to be treated to the Minister within one hundred eighty days. From the date of receiving the order to reconsider the statement said.</b></p> <p><b>7. The licensee shall or refrain from taking any action. To prevent environmental pollution from the operation of sea ports. And must follow the instructions of the competent authority.</b></p> <p><b>8. The licensee shall submit a report to the competent office of the Board of Maritime according to the official schedule.</b>          (1) monthly statistics on vessels using the port. The type and quantity of goods through the port. As well as other information or statistics on the subject. Concerned within 15 days of the following month.          (2) annual report shows the current condition of the harbor with its accommodation is equipped with the device. And facilities Including the Port of January of next year.</p> <p><b>9. The Ministers instructed the conditions set up later. Whether or impose additional conditions originally set up to represent all or part. The licensee shall comply with such conditions.</b></p> <p><b>10. The charge is a one time only port of origin for travel one way.</b></p> <p><b>11. A licensee must continue to improve and develop the port as planned.</b></p>

-Samui International Port

Username allowed	Asset Management Donsak - Samui Co., Ltd. (now named Raja Ferry Public Company Limited (Thailand)).
Located	1 Moo 2 Lipa Noi Koh Samui Distridt Surat Thani
Period	15 year start from 14 November 2001 – 13 November 2016
Condition	Same as Don Sak International Port

• **Certificate of Inspection Port (formerly “license wharf”).**

-Don Sak International Port

Username allowed	Raja Ferry Port Public Company Limited
Type	License berths larger than 500 gross tons.
area	On the Gulf of Thailand Don Sak District Surat Thani Province Don Sak district.
Period	1 Year Started from 20 January 2015 - 19 January 2016
Condition	<p>Marine Department has the right to return this license at any time if there is one place below.</p> <ol style="list-style-type: none"> <li>1. If it turns out that what was allowed to make such inroads into the maritime barrier.</li> <li>2. If necessary, the Marine Department will need to move towards dismantled occasionally for the benefit and ease of navigation.</li> <li>3. If there is a change in the operation of the government. This needs to be demolished or removed to move away from that. Parking or planted by the government would want and more.</li> <li>4. If it appears later Building permits has not changed from the original purpose of the request. In violation of the provisions of the Law.</li> <li>5. To comply with environmental conditions attached to the license.</li> </ol> <p>The licensee demolish or move the building back to the Marine Department within a reasonable time and to claim damages or expense whatsoever from the government did.</p>
Environment Condition	<ol style="list-style-type: none"> <li>1. Do not allow waste material, garbage, sewage, wastewater, bilge water, oil and chemicals. To water is strictly prohibited</li> <li>2. Clean the port after unloading the goods and solid waste containers to meet the user. The layout of the living area and be disposed</li> <li>3. monitoring the quality of effluent discharged from every point of entering the water. Water Quality Index to measure the pH - pH, BOD, suspended solids. Fat and oil content and frequency measurements 3 months / time and to report the results of the analysis to the Marine Department informed at all times.</li> <li>4. For the second year air quality monitoring by measuring the amount of dust in the atmosphere on the Project Area, one point and measuring the amount of dust in the workplace, while the cargo and the first results. Marine Department to measure every time.</li> <li>5. Provide training on the prevention plan and accidents such as fire protection. Plans help passengers in case of accidents. At least 2 times a year and let the four regional branch offices Harbour Surat Thani. Know in advance</li> <li>6. In addition to the measures set out in this condition and proposed in the environmental impact report already must be comply strictly</li> <li>7. To allow staff of the Department of the Marine Environment. In environmental monitoring as necessary.</li> <li>8. Check to allow port staff of the Marine Department. Security check The strength of the port as needed.9. The need to comply with other laws related.</li> <li>10. This condition is due one year if the renewal of the permit and next time there is a delay. The company will comply with this condition. In case the review finds that the failure to comply with such conditions. It will affect the renewal of licenses in the future.</li> </ol>

## - Samui International Airport

## (A) Pier for the boat over than 500 Ton Gross

Username allowed	Raja Ferry Port Public Company Limited
Type	Certificate examination picture berths larger than 500 gross tons (berths 1 and 2 ( "F1" )).
Area to service	On the Gulf of Thailand Koh Samui Lipa Noi district. Surat Thani
Period	1 year started from 24 June 2015 – 23 June 2016
Condition	Marine Department reserves the right to terminate this letter. When it appears that the passenger and shipping port are unsafe or unsuitable for use.
Environment Condition	<ol style="list-style-type: none"> <li>1. Do not empty or with any other waste materials, waste water, mud, sand, gravel ballast water mixed with oil, sewage, chemicals, water and chemicals. Any object or thing This may cause toxicity to aquatic organisms or the environment or a hazard to navigation or the dirt or silt or sediment entering the water.</li> <li>2. Prepare a container with enough waste to use. The layout of the living area and be disposed</li> <li>3. The need to comply with various measures. Preventive measures include rigorous and complete and environmental impact. Emergency action plans in case of fire. Measures to monitor environmental impacts and so on.</li> <li>4. The need to monitor water quality. From every point of the project is released monthly and monitor the quality of water in the ocean close to pier every three months by measuring the acid - alkaline (ph) suspended sediment (Suspend Solids) water and grease (Grease &amp; Oil) and the amount of dirt (BOD) and report to the Marine Department. Considering all the time</li> <li>5. Pier at night or in the vision limit install lighting to warn fishing boats and other traffic - in this area and should have cut power supply to the power outage.</li> <li>6. A monitoring system Wastewater Treatment (SATS) every three months to ensure that such a system can work effectively.</li> <li>7. Maintenance port area in stable condition and clean</li> <li>8. Do not use the wharf or jetty in the area of separation wash or clean water. Fish Processing or any other apart from boat</li> <li>9. Provide a vehicle to ferry queue with regulations. To prevent accidents and weight control truck ride through the harbor. Not weigh more than 21 tons, with a crew berth. and sentries keep watch and facilities of all time</li> <li>10. The officer or employee oversees the safety of the jetty and provide training. Security The practice of providing assistance to passengers in case of an emergency is.</li> <li>11. If any incident or that cause environmental impact must inform the Marine Department as soon as possible. In order to cooperate in resolving such problems.</li> <li>12. A licensee must comply with other laws on every issue</li> <li>13. Ships entering the port must have the water under the hull of not less than one meter at the boat dock.</li> <li>14. This condition is due one year if the application for the next time there is a delay. To comply with this condition first. If it detects a failure to comply with such conditions will affect the decision to allow the next time.</li> <li>15. If the licensee does not comply with such conditions. Marine Department may revoke the license of this waste.</li> </ol>

(B) Pier with not more than 500 gross tons (later ,the objective is to change berths larger than 500 gross tons.)

Username allowed	Raja Ferry Port Public Company Limited
Type	Certificate of visual inspection port (up to 500 gross tons) (berths 3 and 4 ( "F2")).
Area	On the Gulf of Thailand Koh Samui Lipa Noi district. Surat Thani
Period	1 year started from 23 June 2015 – 22 June 2016
Condition	Marine Department reserves the right to terminate this letter. When it appears that the passenger port and shipping port are unsafe or unsuitable for use.
Environment Condition	Same conditions as Samui International Port. (Berths 1 and 2 ( "F1")).

The Marine Department has opportunities for entrepreneurs who have practiced with a license to use the docks less than 500 gross tons but is structured to accommodate vessels over 500 gross tons can file change objectives then the Company filed. Change the purpose or use of the docks less than 500 gross tons of berths 3 and 4 ( "F2") Port of Samui international to use the port with more than 500 gross tons by the Marine Department declared dated December 12, 2014. On August 25, 2015 the Board of

Directors by the Department of the Marine has agreed to change its purpose or the use of the port can be used to berth larger than 500 gross tons by the company must comply with the conditions and measures to prevent environmental impacts that may result from the use of the dock. On September 14, 2015 the company licensed the purpose of berths 3 and 4 on Koh Samui, a position that is larger than 500 gross tons already) made at the docks of the Company to provide services. vessels exceeding 500 gross tons total.

# Shareholders Structure

## 1. Register Capital and Paid up Capital

Register Capital and Paid up Capital as at 31 December 2015 as follow;

Register Capital	:	170,000,000 Baht
Paid up Capital	:	170,000,000 Baht
Number of share	:	170,000,000 share
Value per share	:	1.00 Baht per share

## 2. Shareholders

Shareholders as of 24 November 2015 as follow;

	Number of shares	Percent
1. Chayopas family		
1.1 Grand Chaweng Beach Co, Ltd.*	44,000,000	25.88
1.2 Mr. Apichart Chayopas	16,500,000	9.71
1.3 Mr. Apichai Chayopas	16,500,000	9.71
1.4 Ms. Apinya Loeychusak	16,500,000	9.71
1.5 Mr. Apichon Chayopas	4,675,000	2.75
1.6 Ms. Ornicha Chayopas	4,400,000	2.58
1.7 Ms. Duangkamol Yuenyong	3,025,000	1.78
Total of Chayopas family	105,600,000	62.12

	Number of shares	Percent
2. Tangprapruetkul family		
2.1 Ms Prakong Tangprapruetkul	3,080,000	1.81
2.2 Ms Supatr Tangprapruetkul	1,840,000	1.08
2.3 Ms Theerada Tangprapruetkul	1,362,000	0.80
Total of Tangprapruetkul family	6,282,000	3.69
3. Mr. Tana Ratanasarn	6,331,500	3.72
4. Mr. Atitanat Watanaudomkieat	4,230,000	2.49
5. Ms. Panisa Watanaudomkieat	3,250,000	1.91
6. Ms. Tanchat Watanaudomkieat	3,000,000	1.76
7. Mr. Pitak Kiatdejpreecha	2,750,000	1.62
8. Ms. Yuwatida Sanitnarathorn	2,594,900	1.53
9. Mr. Kittikun Hourpramong	1,750,000	1.03
10. Mr. Pon Trisukasarm	1,353,800	0.79
Total	137,142,200	80.66

**Remark:** \*Businesses, hotels and restaurants Mr. Apichart Chapopas, Mr. Apichai Chayopas, Mr. Apichom Chayopas and Mr. Teeradej Tanprapruetkul are directors and a Chayopas family shareholders at the rate of 100 per cent of the share capital and paid-up amount. 200 million baht, which is divided into 20,000,000 ordinary shares with par value of 10 baht per share.

### 3. Dividend Policy

The company's dividend policy annually at a rate of not less than 30 per cent of net profit after tax of the company's financial statements and after deduction of legal reserves and other collectibles according to the company, given the dividend is subject to change based on financial status. The implementation plan is necessary and appropriate in the future as the Board of Directors and / or the shareholders of the Company deems appropriate.

# Management Structure

## 1. Board of Directors

Management structure of the Company consists of three series, including the Board of Directors. The Audit Committee and Executive Committee

The Board of Directors and management team includes experts qualified by Section 68 of the Public Company Limited Act BE 2535 (as revised version) and the notification of the Capital Market Supervisory Board No. Tor Chor. 28/2008 matter to permission and grant of permission to offer newly issued shares dated December 15, 2008 and all directors, not less than half that Thai Nationality. Which is based on property ownership to the vessel is registered as a commercial ship in the waters of Thailand, Thailand boats Thailand Act BE 2481 as at December 31, 2015 the Board of Directors is comprised of 9 members.

	Name - Surname	Position
1.	Mr.Dheeradej Tangprapruekul <sup>1/</sup>	Chairman of Board of Director
2.	Admiral Peerajit Surakaga	Vice President and Independent Director
3.	Mr. Apichart Chayopas	Director Chairman of Executive Director and Managing Director
4.	Mr.Apichon Chayopas	Director
5.	Mr. Pitak Kiatdejprecha	Director
6.	Mr.Panich Pongpirodom	Director and Independent Director
7.	Mr.Chatree Siripanichkorn	Director Independent Director and Chairman of Audit Committee
8.	Mr. Anan Ketpittaya	Director Independent Director and Audit Committee
9.	Mr.Pornchai Wiriyanasakul	Director Independent Director and Audit Committee

**Remark:** 1/ Mr. Teeradej Tangprapruekul, Chairman of the Board The Committee is authorized to sign and close relatives of the president is a major shareholder in the company. As a result, the chairman of the company does not qualify as an independent director, whereby the company has appointed an independent committee of 5 members (including the audit committee of three persons) of 9 directors, which amounted to more than half of the total membership. To adhere to the principles of corporate governance. The Independent Directors, representing 55 percent of the directors of the company. This will act as a counterbalance to the management of the company at a certain level.

Ms. Sunantha Charoenwong is the company secretary and Mr. Banyat Sangnirat is a law secretary to the board.

In the board meeting 4/2015 held on August 10, 2015 has appointed Mr. Panich Pongpirodom as independent director. The company has a total of five independent directors.

### Authorized Directors of the companies.

The signatories of the company are Mr. Apichart Chayopas signed with Mr Apichon Chayopas and seal of the Company or Mr. Teeradej Tangprapruetkul. One of the two co-sign with Mr. Apichart Chayopas or Mr Apichon Chayopas, total of two people and the company seal.

Details of the joint meeting of the Board of Directors in 2015 are as follows.

Name	Number of visit
	Year 2015
1. Mr.Dheeradej Tangprapruetkul	7/7
2. Admiral Peerajit Surakaga	6/7
3. Mr. Chatree Siripanichkorn	6/7
4. Mr. Anand Ketpitaya	7/7
5. Mr. Pornchai Wiryatanasakul	7/7
6. Mr. Apichart Chayopas	7/7
7. Mr. Apichon Chayopas	4/7
8. Mr. Pitak Kiatdejpreecha	7/7
9. Mr. Panich Pongpirodom	7/7

## 2. The Audit Committee

The Board of Directors is appointed by the Audit Committee to assist the Board of Directors to perform the responsibility to review the quality and reliability of monitoring systems, accounting systems and internal controls include the company's financial reporting process.

The Extraordinary General Meeting of Shareholders No. 10/2007 dated December 15, 2007, has appointed the Audit Committee of the Company as at December 31, 2015, the Company's Audit Committee consists of 3 members as follow;

Name		Position
1.	Mr. Chatree Siripanichkorn <sup>1/</sup>	Chairman of audit committee
2.	Mr. Anand Ketpitaya <sup>1/</sup>	Audit Committee
3.	Mr. Pornchai Wiriyatanasakul <sup>1/</sup>	Audit Committee

Miss Wanvimol Chongsureepas from P & L Internal Audit Co.,Ltd. is the secretary of the Audit Committee.

**remark:** 1/ Person number 1, 2 and 3 are all knowledge of Finance and Accounting

Details of attendance of the Audit Committee in the year 2015 are as follows.

Name	Number or participate / number of conference
	Year 2015
1. Mr. Chatree Siripanichkorn	4/4
2. Mr. Anand Ketpitaya	4/4
3. Mr. Pornchai Wiriyatanasakul	4/4

### 3. Executive Committee

The Board of Directors Meeting No. 7/2013 held on November 14, 2013 approved the Board of Directors of the Company as at December 31, 2015 the Board of Directors of the Company amounted to 6 below.

Name		Position
1.	Mr. Apichart Chayopas	Managing Director
2.	Mr. Suraphol Sripen	Deputy Managing Director- Operating support
3.	Miss Sunantha Charonwong	Deputy Managing Director- Planing and Finance
4.	Mr. Jittiphan Sakulsurapong	Deputy Managing Director- Ferry and Port Operation
5.	Miss Sasiphat Boonchu	Deputy Managing Director- Business Development

Details of the meeting of the Executive Committee in the year 2015 are as follows.

Name	Number or participate / number of conference Year 2015
1. Mr. Apichart Chayopas	17/17
2. Mr. Suraphol Sripen	12/17
3. Miss Sunantha Charonwong	17/17
4. Mr.Jittiphan Sakulsurapong	13/17
5. Mrs. Kalaya Komen <sup>1/</sup>	4/4
6. Miss Sasiphat Boonchu <sup>2/</sup>	5/5

**remark:** 1/ Mrs Kalaya Komen has been promoted on 6 March 2015 and resigned of executive committee on 31 March 2015

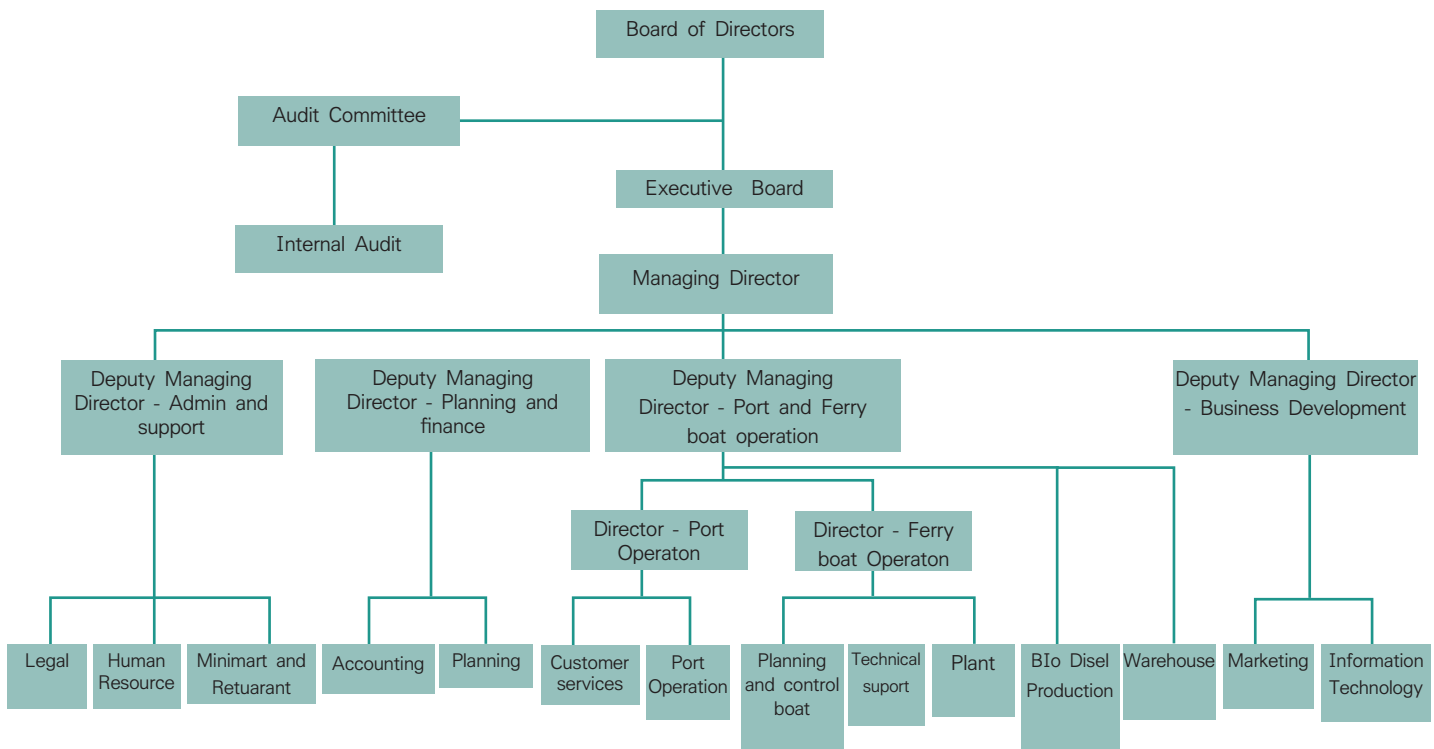
2/ Miss Sasiphat Boonchu has been promoted on 4 May 2015 and resigned of executive committee on 31 December 2015

## 4. Management

As at December 31, 2015 the Company's management, according to Securities and Exchange Commission no. 17/2008 dated 15 December 2008 (including amendments) is composed of 6 members.

Name	Position
1. Mr. Apichart Chayopas	Managing Director
2. Mr Suraphol Sripen	Deputy Managing Director- Operating support
3. Miss Sunantha Charonwong	Deputy Managing Director- Planing and Finance
4. Mr.Jittiphan Sakulsurapong	Deputy Managing Director- Ferry and Port Operation
5. Miss Sasiphat Boonchu	Deputy Managing Director- Business Development
6. Miss Nitaya Rattanachot	Accounting Manager

As at December 31, 2015 the Company's management structure within the company.



**remark :** \* Internal Audit unit will work directly with the Audit Committee. The company hired an independent internal control systems serve as the Company's internal audit department.

## 5. Company Secretary

The Board of Directors No. 7/2013 held on November 14, 2013 The Board of Directors has appointed Ms. Sunantha Charoenwong holds the position of Company Secretary with their responsibilities are as follows: -

-Do and manage the following documents.

1. Directors
2. The notice calling a meeting of the Directors, Board of Directors and the Annual report of the company.
3. Notice of the meeting of shareholders and the AGM minutes

-Keeping a report on interest filed by a director or executive.

-Other actions according to the authorities concerned or the person designated by government agencies as prescribed.

## 6. Remuneration of Directors and Executives

### 6.1 Compensation in cash

#### Director

The Annual General Meeting of Shareholders for the year 2015 of the company on April 10, 2015 had approved the directors' remuneration for the year 2015, including the Board of Directors and Audit this includes but is not limited to salaries, bonuses, attendance fees paid extra and other compensation a number less than five million baht, which are as follows: -.

#### 1) The remuneration of the Board of Directors

- Chairman Amount 10,000 Baht per one time
- Director Amount 10,000 Baht per one time

#### 2) Monthly remuneration of the Board of Directors.

- Chairman of Audit Committee Amount 30,000 Baht per one time
- Audit Committee Amount 30,000 Baht per one time

The Company's remuneration of 5,000,000 baht based on the proportion of net profit in the past, however, the company has yet to pay any extra. In addition to the monthly remuneration and remuneration in the year 2014 and 2015, the Company paid remuneration to the Board and Audit Committee, a total of 1.42 million baht and 1.66 million baht, respectively, and the company does not plan to pay any special as well as additional directors' remuneration for each year the number may have changed. Based on the resolution of the Annual General

Meeting of Shareholders of the Company in each year and in the future if the company wishes to pay extra and other compensation (apart from the meeting allowance and monthly) to Directors and Audit Committee. The company will use the guidelines determined by the turnover and profitability of the company each year. It will be assigned to the Chairman of the Board be authorized to determine the amount for remuneration and other compensation and allocated to Directors and Audit Committee each. The amount paid to the Directors and the Audit

Committee shall not exceed the amount approved by the shareholders of the Company. The company will propose to the Annual General Meeting of Shareholders of the Company are aware, next year, inter alia, the Company did not pay remuneration to Board committees include the Executive Board in 2014 and 2015. the Company has paid to the directors as follows: -.

unit : Baht

name	2014 <sup>1/</sup>		2015	
	Director	Audit Committee	Director	Audit Committee
1. Mr.Dheeradej Tangprapruetkul	55,000	-	70,000	-
2. Admiral Peerajit Surakaga <sup>2/</sup>	45,000	249,000	60,000	-
3. Mr. Apichart Chayopas	55,000	-	70,000	-
4. Mr. Apichon Chayopas	35,000	-	40,000	-
5. Mr. Pitak Kiatdejpreecha	35,000	-	70,000	-
6. Mr. Panich Pongpirodom	55,000	-	70,000	-
7. Mr. Chatree Siripanichkorn <sup>2/</sup>	55,000	330,000	60,000	360,000
8. Mr. Anand Ketpitaya	55,000	330,000	70,000	360,000
9. Mr. Vallop Prikomol <sup>3/</sup>	5,000	-	-	-
10. Mr. Pornchai Wiriyatanasakul <sup>3/</sup>	30,000	81,000	70,000	360,000

**remark:** 1/ The Annual General Meeting of Shareholders for the year 2014 of the company on April 10, 2014 had approved the Remuneration Committee. By all directors receive remuneration at the rate of Baht 10,000 per person per meeting (of the year 2013 the 5,000 baht) and the Audit Committee be paid monthly at a rate of 30,000 baht per month (from the original. 2013 designated 20,000 baht).

2/ Admiral Peerajit Surakaga has resigned as Chairman of the Audit Committee of the Board of Directors Meeting No. 4/2014 held on October 9, 2014 by the Board of Directors has approved the appointment. Mr. Chatri Siriphanich organization which originally served as the Audit Committee. He served as Chairman of the Audit Admiral Peerajit Surakaga shift, and the appointment of Mr.Pornchai wiriyatanasakul Directors appointed new directors. The monthly remuneration is shared by the office of Admiral Peerajit Surakaga and Mr.Pornchai Wiriyatanasakul

3/ Vallop Prikomol has resigned from the Board of Directors on March 20, 2014 by the Board of Directors Meeting No. 4/2014 held on October 9, 2014, has appointed Mr.Pornchai. Persistence Tana currency Appointed as Director to replace Mr. Wallop Phikomol

### Management Accountant

In 2014 the company paid in cash to executive and manager of six people (including the remuneration of Mr Apichon Chayopas, who resigned on December 31, 2014), which include salaries, the bonuses. the total amount of Baht 9.41 million and other compensation, such as contributions to the fund and other income, the total number of 1.24 million baht.

For the year 2015, the Company paid a monetary compensation to its executives and account managers of seven people (including the remuneration of Mrs. Kalaya Komen road which served as Vice President. Business Development And Executive Director and she resigned in March 2015), which include salaries, bonuses, totaling 11.71 million baht positions and other benefit such as contributions to the fund 0.30 million baht.

## 7. The company staff

Employees of the company (excluding executives and account managers) as of December 31, 2014 and at December 31, 2015 totaled 436 people, and 419 people by the company to pay compensation to employees in the amount of 83.16 million baht and 109 million baht respectively. respectively, which include the return positions, salaries, bonus, welfare, food. The fund, etc. The breakdown along party lines as follows: -.

Department	Number of staff	
	2014	2015
Business Development	17	16
Operation Support	85	91
Planning and Finance	20	17
Ferry and Port operation	313	294
Management	1	1
<b>Total</b>	<b>436</b>	<b>419</b>

### Other compensation employees of the company (excluding management)

- none -

## Provident Fund

The company has set up a fund on April 29, 2008 with Kasikorn Asset Management Company Limited, Thailand aims to raise morale among the staff and to motivate employees to work with the company in the long term.

## Labor disputes

The company has a labor dispute with its employees. The Company is a defendant in a total of four cases were closed, the prosecution of the case and the third case is pending at the High Court case number one, with the details. Summarized as follows:

### 1) A case is closed.

A) Black No. 4411/2011 of the civil court.

Former employees have filed a lawsuit against the company and its related companies on December 15, 2011 in the amount of five million baht worth of the Chief Judge of the Labour Court ruled that the middle. The case is in the jurisdiction of the Labour Court. Court therefore ordered the case removed from the directory. Case was terminated

### 2) On process case.

A) A) The civil Black No. 5576/2012 of the Central Labour Court.

Former employees of the company (same employee as above) has filed a lawsuit against the Company and its related companies on November 26, 2012 in the amount claimed three million baht, the

defendants agreed to pay damages to the plaintiff in the amount of 850,000 baht in 2013 the plaintiff withdrew sue and the court dismiss the directory. Case was terminated

B) Black No. 8/2011 civil case No. 160/2012 of the Red Labour Court Division 8

Former employees of the company (Employee same as the above mentioned a) and b)) have filed a lawsuit against the company and its related companies on January 14, 2011 in the amount of capital 12,776,500 baht the year 2012 Court of First instance sentenced the defendants jointly pay 1.2155 million baht with interest rate of 7.5 percent per year from the payment of wages in lieu of notice and the dismissal is unfair total 977,500 baht and interest of 15 percent per year from wages to work on holidays and annual compensation includes 238,000 baht count. since the filing date until the complete payment to the plaintiff. The defendant appealed the verdict, said later on January 29, 2015 the Labour Government 8 hearing Supreme Court turns out that the Supreme Court upholds the verdict workers eight defendants jointly pay the plaintiff the amount. approximately 1.66 million baht in the first 3 months of 2015 case was terminated.

C) The case is being considered by the Supreme Court's civil case No. 38/2012 black red numbers 316/202 of 8 regional labor court.

Former employees have filed a lawsuit against

the Company on March 1, 2012 in the amount of capital 850,000 baht the year 2012 Court of First Instance sentenced the defendant to pay 234,000 baht plus interest at the rate of 15 percent per year from the current 90,000 baht and interest percentage. 7.5 Loans 144,000 baht per year from the date of filing. Until the complete payment to the plaintiff. The defendant appealed the verdict, which the lawsuit is pending in the appeals in fiscal year 2015, ended December 31, 2015, the Company estimates the cost of this already amounts to about 0.30 million baht.

### **Employee Development Policy**

The Company recognizes the importance of developing human resources for the company to be efficiency and effectiveness The Company has a policy of training and staff development at all levels of the company continues. The Company has established a system to evaluate performance, with performance indicators at both the corporate and agency and review the job description in line with the business plan. To contribute to the creation of a system of personnel development, the company lays out the plan for staff training and development in various parts of the company to develop the plan and plan training and development by exploring the wants and needs of the parties. To the right of the company and enhance the work of the agency.

# Corporate Governance

## 1. Corporate governance Policy

The company has a policy to follow good practices (Code of Best Practice) to enhance transparency and beneficial to the business operations of the company. This will lead to confidence among shareholders, investors and all parties concerned, the Board of Directors has set the principles of corporate governance. This practice good corporate governance. This is determined by the Stock Exchange of Thailand. The principles of corporate governance of the company Chapter 5 covers the following: -.

### Section 1 The Rights of Shareholders

The company realizes the importance of fundamental rights. Shareholders' equity as the owner of the company and as such investors the right to buy or sell the securities held. The right to receive adequate information about the company. The right to receive a share of profits from the rights of shareholders. The right to comment The right to participate in important decisions such as allocation of dividends. The appointment or removal of directors appointment of auditor approval of the transaction and influence the direction of our business and so on.

In addition to the fundamental rights of the above, the company also has operations to facilitate the exercise of shareholders as follows: -.

1. The company will hold a general meeting annually. It will be held within four

months of each fiscal year and submit a notice of meeting include information on the meeting agenda. The shareholders acknowledged the seven days prior to the meeting and posted on the newspaper informed in advance of the meeting for three consecutive days before the meeting date. On the agenda is the opinion of the Board of Directors.

2. The company will publish the agenda of the shareholders meeting in advance on the company website. At the request of the shareholders entitled to attend the meeting. and the right to vote of the shareholders.

3. If the shareholders can not attend the meeting in person. The Company allows shareholders to appoint an independent director or any person attend on their behalf the proxy form one company that has shipped with the meeting.

4. Before the meeting, the company will allow shareholders to submit comments, suggestions and questions in advance of the meeting date via Email Address of the Company Secretary.

5. The company will provide the shareholders' questions and resolution or to comment on the meeting. Freely and equally in the meeting, shareholders are directors and executives involved attendance to answer questions and provide detailed information at the meeting.

## Section 2 The Equitable Treatment of Shareholders

The company will provide an opportunity for all shareholders equally and the right to vote according to the number of shares. One share is equal to one vote and not take any action. To limit or infringe or diminish the rights of shareholders whether it is the majority shareholder, minority institutional investors foreign shareholders, The company director is responsible for overseeing minority. The minority shareholders can propose any comments or complaints to the Committee, which will consider appropriate action in the matter in case complaint. Independent directors to conduct an investigation and find out how to fix them properly. If the feedback is important and affects its stakeholders as a whole or affect the business of the company. Independent directors will propose the matter to the Board of Directors to determine the agenda for the shareholder meeting and so on.

The meeting is in accordance with the regulations of the respective agenda with details on each item completely. It will not be added to the agenda without notifying shareholders in advance unnecessarily. The

Agenda is vital that shareholders need time to study the information before making a decision in the case of a shareholder unable to attend the meeting in person. The company invited the shareholders to appoint an independent director or any person to attend on their behalf. The proxy statement that the company has shipped the meeting. Voting in a transparent manner in order to set the agenda. The agenda for the election of directors to allow shareholders to exercise the right to appoint members to vote individually.

In addition, the company has taken measures to prevent wrongful use of inside information (Insider trading) of the individuals involved, which means the executives directors and employees in departments related to inside information. (Including spouses and minor children of such persons) by prohibiting the persons concerned from trading for a period of at least one month prior to the disclosure of quarterly financial statements and annual financial statements and should wait at least 24 hours after the disclosure of such information to the public. Including a ban on disclosing that information to others as well.

The company has provided information to directors and served on the executive management must be report their holdings of securities in the company and punishments under The Securities Exchange Act of 1992 and the provisions of the Stock Exchange of Thailand. In case the director or executive of a trading company. Securities companies must report their spouses and minor children in accordance with Section 59 of the Securities Exchange Act of 1992, within three working days to inform the Securities and Exchange Commission in order to announce to the public.

### Section 3 The Role of Stakeholders

The company has the rights of all stakeholders whether it's stakeholders including the employees and executives of the company or external stakeholders such as customers, partners, competitors etc. The company recognizes that support and feedback from stakeholder groups will be useful in the implementation and development of its business, the company will comply with all laws and regulations related to the rights of stakeholders has been groomed, the company also encourages cooperation between companies and stakeholder groups to stabilize the company according to the following: -.

(A)	Shareholders	:	The company focuses on the development and continued growth, as a result, the company's revenues and profitability increased. Thus increasing the company's value and contribute to the company's shareholders receive the maximum return.
(B)	Customers	:	Company takes into account the quality and standard of services including empathy and responsibility to customers with honesty and fairness.
(C)	Partner	:	The company's policy is to treat suppliers fairly according to the terms of trade and / or the terms of the contract together. To form a business relationship which will benefit all parties.
(D)	Competitive	:	The company promotes competition policy, trade freely and fairly and to follow the rules of competition.
(E)	Employee	:	The company's policy is to treat all employees equally and fairly reasonable returns and benefits including support to develop the skills of employees.
(F)	Communities	:	The company to focus and commitment to the community and society. The company's business ethically and support activities complementary creative and socially appropriate.
(G)	Environment	:	The company working strictly compliance the law and regulation and control the environmental impact continues.

The company will comply with the requirements of laws and regulations related the rights of stakeholders. Those have been well maintained.

## Section 4 Disclosure and Transparency

The company recognizes the importance of disclosure that is accurate, complete and transparent reporting of financial data and general information according to the rules of the Securities and Exchange Commission and Stock Exchange of Thailand. As well as other important information that affects the price of its securities, which all contribute to the decision making process of investors and stakeholders of the company. The company will publish information on the company, shareholders, investors and the public through the media and the dissemination of information. The Securities and Exchange Commission. The Stock Exchange of Thailand The company's website is [www.rajaferryport.com](http://www.rajaferryport.com).

The Investor Relations section, the Company has appointed Ms. Sunantha Charoenwong, Deputy of Managing Director of Planning and Finance, serves on the task investor relations (Investor Relations) to communicate with investors, shareholders, analysts and relevant government departments and the Board of Directors is responsible for the financial statements and other financial information appearing in annual report. The financial statements are prepared in accordance with accounting standards generally accepted Thailand. The accounting policies are appropriate and consistently. Including adequate disclosure in the financial statements. In The Audit Committee will review the quality of financial reporting and internal controls including adequate disclosure in the notes to the financial statements.

## Section 5 Responsibilities of the Board of Directors

### 1. Director Structure

The board of directors consists of individuals who are competent. By a significant role in the policy and image of the organization as well as play a key role in overseeing, monitoring and evaluating the implementation of the company's planned independently.

The current board of directors consists of nine directors, executive directors and one non-executive members of the eight non-executive directors in five of the eight will qualify as independent directors. This will create a balance in the voting agenda. The three independent directors are independent directors of all five persons appointed by the audit committee. To act as a representative of the shareholders to oversee the company's operations are accurate and transparent.

According to the articles of association requires that the Annual General Meeting of shareholders. Directors must retire at a ratio of one-third. If the number of directors to retire is divided into three parts to it. Then the number nearest to one third. The directors to retire in the first and second years following the registration of the company shall be the longest, who is out of the subsequent years, the directors who were in office the longest shall retire from office. Nevertheless, the retiring directors may be elected to a new position.

In addition, the board of directors has also appointed a sub-committee of the audit

committee and include two sets. Executive Committee to perform specific assignments and submitted to the board of directors for consideration or acknowledgment. The board of directors have rights and duties as set out in the authority of the board's committees.

The company has divided the roles and responsibilities of the board of directors. The executive board clearly serves to set policy and oversee the implementation of the administrators at the policy level. The executive management of the company acting in various fields, according to the policy, the Chairman of the Board and the president is not the same person. Both positions have been selected by the board to individuals who are best suited.

The Company has secretary of directors to serves to guide the rules that all board of directors must be acknowledge and act on the committee's activities. As well as coordinate the implementation of the resolutions committee

## **2. Roles and Responsibilities The Board of Directors**

Board of directors comprised of individuals with knowledge skills and expertise to a wide range and leadership which is recognized the board will be involved in determining the vision, mission, strategies, policies, guidelines in the business and overseeing the operations of the company to comply with the laws, regulations and resolutions of the shareholders' meeting. For the purpose of monitoring and supervising

the operations of the company closely. The board of directors has established committees in order to monitor and oversee the operations of the company.

### **2.1 Governance Policy**

The company has established a corporate governance policy of the company to be official. The board of directors has approved such a policy, the committees will organize a review of policies and the implementation of such policies regularly. The company has adopted rules and regulations according to the Securities and Exchange Commission and The Stock Exchange of Thailand Market for alternative investment scheduled in all respects.

### **2.2 Code of Conduct**

The company has set guidelines on the ethics of the directors, management and staff to provide relevant guidance in the performance of its duties with honesty and integrity and performance of the company All Stakeholders group public and society as well as the monitoring of compliance with such guidelines on a regular basis.

The company has announced and let all employees know and adhere strictly observed including compliance with such guidelines.

### **2.3 Conflict of interest**

The company's policy on conflict of interest on that principle. Any decision The business activities will be done to the best interests of the company to avoid actions that give rise to conflicts of interests. The people who were involved or connected with

the list must notify the company of their relationship or involvement in such transactions and have not participated in the decision. The authority approved the transaction itself.

The committee will present the board of directors regarding the transaction and a conflict of interest. It has been considered carefully and compliance with the regulations of the Stock Exchange of Thailand and / or the Securities and Exchange Commission requirements and will be disclosed in the financial statements. Annual report and Annual Registration Statement (Form 56-1) also.

#### **2.4 Internal control system**

The Company recognizes the importance of internal control systems both at the management level and operational levels to ensure effective implementation. The company has set obligations, The actions of the workers and the management in writing clearly. The company has overseen the company's assets to benefit and the duties of workers to monitoring and evaluation apart. The Company has appointed the Audit Committee to serve on the review of the internal control system and internal audit to be appropriate effectiveness and the hiring of outside experts to serve on track. Check the internal control system and report of the Audit Committee to ensure that the main task of the company has followed the guidelines and effective.

#### **2.5 The Audit Committee's report**

The Audit Committee is responsible for reviewing the financial report. The Deputy Managing Director Planning and Finance and auditor come together and to present financial reports to the Board on a quarterly basis. The Board of Directors is responsible for the Company's financial statements including financial information (report of the Board of Directors of the financial report) presented in the annual report. The financial statements are prepared in accordance with accounting standards, certification and monitoring by the CPA. As well as to carry information critical information. The financial information and non-financial on the basis of accuracy and consistency.

### **3. The Board Conference**

According to the Articles of association, the company held a board meeting at least once every three months and will arrange special meetings as necessary. A notice of meeting at least 7 days before the meeting. Except in the case of an emergency to protect the rights and interests of the company in each conference has set the agenda for the meeting is clear. A meeting documents are sufficient by delivery to the committee in advance. The Board has adequate time to prepare before the meeting.

At the meeting, the chairman and Managing Director jointly determine the agenda and the agenda of the board meeting. By allowing each director to propose issues to consider the agenda. That all directors can discuss and express their opinions openly. The chairman of

the meeting is the process and the conclusions of the meeting to vote on the Board of Directors resolved to hold a majority. Each director has one vote. The directors who have interests not to attend and / or vote on the matter. If the votes are equal chairman of the meeting shall have an additional casting vote to this report will be written after the meeting adjourned. the minutes have been approved by the Board of Directors in an orderly manner with the Board of Directors and the relevant checks.

In 2014 and 2015, the company held a board meeting of 6 times and 7 times, respectively, the details of attendance of each director are as follows: -.

Name	Position	Number visit / number of conference	
		2014	2015
1. Mr.Dheeradej Tangprapruetkul	Chairman of Board	6/6	7/7
2. Admiral Peerajit Surakaga	Vice Chairman	5/6	6/7
3. Mr. Chatree Siripanichkorn	Director and Chairman of Audit Committee	6/6	6/7
4. Mr. Anan Ketpittaya	Director and Audit Committee	6/6	7/7
5. Mr. Pornchai Wiriyanasakul <sup>1/</sup>	Director and Audit Committee	3/3	7/7
6. Mr.Apichart Chayopas	Director	6/6	7/7
7. Mr.Apichon Chayopas	Director	4/6	4/7
8. Mr. Pitak Kiatdejpreecha	Director	4/6	7/7
9. Mr.Panich Pongpirodom	Director	6/6	7/7
10. Mr. Vallop Prikomol <sup>1/</sup>	Director	1/1	-

**Remark:** 1/ Mr.Vallop Prikomol has resigned from Director of the company on 20 March 2014 and Board of Director meeting no 4/2014 Date 9 October 2014 had assigned Mr. Pornchai Wiriyanasakul to be Director of Mr.Vallop Prikomol

In the past, the company has taken delivery of documents agenda in advance. The Directors have more time to study the issues adequately and are assigned the company secretary to attend every meeting. The company secretary is responsible for recording the minutes and sent to the Chairman of the signature authentication. The meeting endorsed the proposal by the Board at the next meeting as well as storing information or documents relating to various meetings for ease of reference searched.

#### 4. Compensation

The company directors remuneration policy, clearly and transparently. The remuneration at a level appropriate to the duties and responsibilities of each director. Sufficient to maintain a competent director and require the approval of the annual general meeting of shareholders (Annual General Shareholders' Meeting: AGM).

The Company is required to disclose the remuneration paid to directors and executives according to the Securities Commission and the Stock Exchange of Thailand set up.

#### 5. Development of Directors and Executives

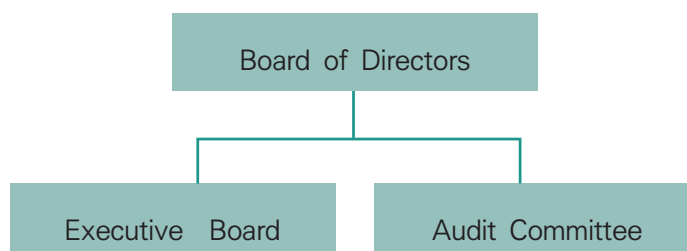
The Board's policy is to promote the training and educating of those involved in the governance of the company. Which comprises Audit Executive Director as well as company executives to provide for the continued development. If there is a change of the company will provide guidance on the operation of the company and useful information on the performance of the new director to encourage continued effective performance of duties within the framework of good governance.

## 2. Sub-Committees

The management structure of the company consists of two sub-committees, namely the Audit Committee and the Executive Committee

### 2.1 Duties and Responsibilities of the Board of Directors.

The Board of Directors Meeting No. 7/2013 held on November 14, 2013, the Board of Directors has the authority and responsibility to manage the company in accordance with the law and the Articles of Association and the resolutions of the AGM lawful authority and responsibilities are summarized as follows.



1. Providing the shareholders annual general meeting within four months after the end of the accounting period of the company.

2. Board meetings are held at least three months for the first time by all directors have joined the Board of Directors. There may be additional meetings if necessary.

3. Prepare the annual report and is responsible for the preparation and disclosure of financial statements. The auditor reviewed or audited to reflect the financial position and results of operations in recent years and presented to the shareholders for consideration and approval.

4. Authority and responsibility to act according to the law and the Articles of Association as well as the resolutions of the shareholders' meeting with honesty Be careful and protect the interests of the company and is accountable to its shareholders regularly.

5. Set goals, policies, plans and budget. Supervise the administration and management of the board of directors in accordance with the policy assignments efficiently and effectively. To increase the economic value of the Company and to maximize profit for shareholders.

6. To appoint or delegate to subcommittees or working groups and to consider or act on any matter that the Board deems appropriate.

7. Authority to monitor and approve policy guidelines and action plans for large investment projects of the company. As has been proposed by the committee and / or management

8. Responsible for overseeing the Company's compliance with the law on Securities and Exchange Commission and regulations of the exchange, such as the transactions and the acquisition or disposition of significant assets under the rules of the Securities and Exchange Commission or the Capital Market Supervisory Board or the Stock Exchange of Thailand or the laws relating to the Company's business and so on.

9. There is a responsibility to shareholders and protect the interests of shareholders as well as a disclosure to investors is accurate, complete and transparent standards.

10. The management structure Including monitoring performance according to plan and budget continued as well as monitor the operation and performance of the Board and / or management on a regular basis. To make the operation of the company is effective.

11. The Committee shall not engage in any act which has the same nature and in competition with the Company or a partner in a partnership or a partner in a limited liability partnership or a director of a private company or other companies in the businesses of the same nature and in competition with the company that will do for their benefit or for the benefit of others. Unless it has informed the shareholders prior to the appointment.

12. Directors must notify the company without delay. If there is interest, whether direct or indirect, in the company or the shareholders or debenture increase or decrease in the company or its affiliates.

13. To be responsible to the shareholders regularly and protect the interests of shareholders as well as a disclosure to investors is accurate, complete and transparent standards.

14. The implementation of the Company's internal audit measures. To achieve an effective internal control system including risk management and the reliability of financial reporting. By outsourcing the monitoring of internal control, external and independent. Served as the company's internal audit department to monitor and co-operation and coordination with the Audit Committee.

15. To consider and approve any necessary and relevant to the company or where appropriate and beneficial for the company.

16. The following The Board of Directors will be made only upon approval by the shareholders' meeting is.

A) any matter that the law requires the approval of the shareholders and.

B) subject to any of the stakeholders and within the law, or the announcement of the Securities and Exchange Commission. or the Stock Exchange of Thailand are mentioned must be approved by the shareholders' meeting.

17. The decision of the Board of Directors to proceed with the following. The Commission will act only when approved by the shareholders' meeting by a vote of not less than three in four of the total votes of the shareholders present at the meeting and entitled to vote.

A) the sale or transfer of all or a substantial part, to any other person.

B) the purchase or acquisition of another company by the company.

C) the amendment or termination of the contract about renting all or part of the company's key. Delegation to attend the business management of the company or a merger with another party. The purpose of profit and loss.

D) the amendment or the Articles of Association.

E) Increasing or decreasing capital or debentures of the company.

F) the merger or dissolution of the Company.

G) any other prescribed under the provisions of the Law on the Securities and Exchange Commission and / or the announcement of the Stock Exchange of Thailand that have received the approval of the Board of Directors and the shareholders' meeting by a vote of the above.

As a matter of Directors and / or the relevant directors has an interest or a conflict of interest with the company and / or its subsidiaries (if any), a director who has a conflict of interest or potential conflicts of interest, are not entitled to vote on the matter.

## 2.2 Duties and responsibilities of the Audit Committee.

The Board of Directors Meeting No. 7/2013 held on November 14, 2013 has been designated the Audit Committee has duties and responsibilities as follows.

1. To review the Company's financial reporting is accurate and adequate by coordinating with the external auditors and the executive responsible for preparing the financial report within the legal timeframe. The Stock Exchange of Thailand and government agencies relating thereto.

2. To review the Company's internal control system (Internal Control) and internal audit (Internal Audit) are appropriate and effective. Consider the independence of internal audit as well as to approve the appointment, transfer and dismissal of the head of internal audit. or any other agency responsible for internal audit.

3. To review the Company's compliance with the law on Securities and Exchange Commission. Terms of SET And laws relating to the Company's business.

4. To nominate a person to serve as independent auditors of the Company and remuneration of such persons including meeting with auditors without management in attendance at least one time per year.

5. Consider connected transactions or transactions that may have conflicts of interest. According to the laws and regulations of the exchange in order to ensure that. Transactions

are appropriate and most beneficial to the company.

6. To prepare the report of the Audit Committee to be disclosed in the annual report of the company. The report must be signed by the Chairman of the Audit Committee and must contain at least the following.

A. An opinion on the accuracy, completeness and reliability of the financial statements of the Company.

B. An opinion on the adequacy of the internal control of the company.

C. An opinion on the lawfulness of the Securities and Exchange Commission. Terms of the Stock Exchange Or the laws relating to the Company's business.

D. An opinion on the suitability of an auditor.

E. An opinion on the transactions that may have conflicts of interest.

F. The number of meetings of the Audit Committee and attendance of each member of the Audit Committee.

G. Opinions or overall observation that the Audit Committee has been performing its duties under the Charter.

H. Other matters that shareholders and investors should know under the scope of duties and responsibilities as assigned by the Board of Directors.

7. Perform other duties as assigned by the Board of Directors and approved by the Audit Committee.

8. In accordance with the duties mentioned above. The Audit Committee found or suspected transactions or actions below. This could have a significant impact on the financial position and results of operations of the Company. To report to the Board of Directors to continue to improve the internal audit committee deems appropriate.

A. of conflicts of interest.

B. Any fraud or irregularity or a significant deficiency in internal control.

C. Violation of the Securities and Exchange Commission. Terms of SET or the laws relating to the Company's business.

If the board or management of the Company fails to make a rectification within a specified time. Audit reports that one may have done or said the Securities and Exchange Commission or SET

Operational duties above, the Audit Committee has the power to call direct management Department heads or employees to make comments. Meeting or submit documents deemed relevant and necessary. The Audit Committee may seek advice from independent external consultants or experts in other professions. If deemed necessary and appropriate by the Company will be responsible for all costs.

### 2.3 Duties and responsibilities of the executive committee.

The Board of Directors Meeting No. 7/2013 held on November 14, 2013, the Board

of Directors has the authority and responsibility of management with regard to normal business operations and management of policy plans, business budget, management structure and the management of the Company in accordance with the rules of the business economy. To propose to the Board of Directors of the Company approved and / or approval as well as to monitor and follow up the implementation of its policies, the Commission concluded its duties and responsibilities as follows.

1. The Executive Committee has the authority to manage and operate the Company's Board of Directors or approved by the Board of Directors to proceed in individual cases.

2. The Executive Committee has the authority to manage the company's policies and programs are scheduled.

3. The Executive Committee is authorized by the Board of Directors authorized.

4. Affairs following a proposal for approval by the Board of Directors before.

4.1 With regard to company policy.

4.2 If the changes made will be significant to the Company's business.

4.3 Subject to compliance with the law by the Board itself.

4.4 The Company shall comply with the regulations laid down.

4.5 The Committee considers it appropriate to approve a story or to the guidelines laid down by the Board of Directors.

5. The Executive Committee has the authority and responsibility. The activities scheduled for the company's success and achieve the company's goals which include.

5.1 Prepare and review the strategic objectives, financial plans and policies of the company include presented to the Board for approval.

5.2 To consider the annual business plan. The budget cost of capital target practice what to include various initiatives that aim to achieve and presented to the Board of Directors for approval

5.3 Scrutinize projects with capital costs exceeding the limit set by the Board of Directors to be presented to the Board for approval.

5.4 To consider and approve the matters as set out in the action or authorized by the Board of Directors.

5.5 To review the implementation of the matters specified in the power grid and presented to the Board for approval.

5.6 Management and strike a balance between the short and long-term objectives.

5.7 Development and human resources to implement the HR strategy which has to approve it.

5.8 Monitoring and reporting to the Board of Directors about the performance of the company and the progress in operations to achieve company objectives.

6. To consider the annual budget before

it is presented to the board for consideration and approval. This shall include the consideration and approval of changes and additions to the annual budget, during which none of the board of directors in case of emergency. The present Board of Directors. To know in the next meeting.

7. Approval of the purchase of raw materials, goods or services for the purpose of sale or service in an amount not exceeding 30 million baht per transaction.

8. Approved the investment in fixed assets such as land or buildings, etc., in an amount not exceeding 30 million baht per transaction.

9. Approved spending a significant investment that has been set in the annual budget as assigned by the Board of Directors or by the Board of Directors has already approved in principle.

10. Allocated bonus, which was approved by the Board of Directors and the employees of the company or any person acting on the Company to the Company.

11. Appointment or assignment to any person or persons acting on behalf of the board of directors as it deems appropriate. The Board of Directors may revoke or modify the powers that be.

The assignment of duties and responsibilities of the executive committee and the approval of the Executive Committee not to include delegation of power and the approval mandatory. Executive Committee or a person who may

have conflicts of interest. Stakeholders or potential conflict of interest in any other company and / or its subsidiaries (if any), as well as items that require approval by the shareholders in the transaction and the acquisition or disposition of assets of the company and / or its subsidiaries (if any) to comply with the requirements of the Exchange. The Securities and Exchange Commission or the laws relating to the Company's business. Except for the approval of the transaction is executed on normal business of the company, according to policies and guidelines approved by the Board of Directors.

#### 2.4 Duties and responsibilities of the President.

The Board of Directors Meeting No. 7/2556 held on November 14, 2013 has been designated managing authority and responsibilities as follows: -

- \* The company is authorized to manage the Company's objectives, policies, regulations, orders, regulations, resolutions of the shareholders' meeting and / or Board of Directors and Executive Committee of the Company in all respects.

- \* Command, control, planning and implementation of policies, plans and budgets, according to the Board of Directors and / or Executive Committee scheduled.

- \* Prepare annual work plan and budget of each agency to approval by the Board of Directors as well as control the cost of individual

agency budgets approved by the Board of Directors.

- \* Has the power to act to approve the transaction on the Company's normal trading as a supplier. The cost of the transaction is to provide investment or disposition of property, equipment and services, etc. for the benefit of the company under the credit line set

- \* Approved the purchase of raw materials, goods or services for the purpose of sale or service in an amount not exceeding 5 million baht per transaction. Unless the Navy vessel in an amount not exceeding 10 million baht budget and approved the transaction no later than 5 million baht per time.

- \* Has the power to issue regulations, orders, memorandum to the operation, according to the policy and the interests of the company and to maintain the discipline to work within the organization.

- \* Authority to hire, appoint, dismiss, assign wage / salary and benefits, bonuses and salary increase. For employees in the office next to the president down.

- \* Powers Act and the presence of a representative of the company to a third party in a related need and a normal commercial transaction for the company benefits

- \* Consider and act different story to the Board of Directors. This is a matter that must be resolved and / or approved by the Board of Directors and the matter will be reported to the relevant authorities such as the Securities and Exchange Commission. The Stock Exchange

of Thailand and the Ministry of Commerce, and so on.

\* Perform other duties as assigned by the Board and / or Board of Directors of the Company including the mandate to implement the above contributes to streamline the company's operations.

However, the President and / or the person authorized by the President has no power to approve any of them, and / or individuals who may have a conflict. A conflict of interest or potential conflict of interest in any other company or its subsidiaries (if any)

to any legal action. That may pose a conflict of interest as defined in the legislation and the announcement of the Securities and Exchange Commission or the Stock Exchange of Thailand and the Market for Alternative Investment Managing Director and / or the attorney has a conflict of interest must be presented to and approved by the Audit Committee to be presented to the Board of Directors. and / or the shareholders' meeting. (D) As defined in the Articles of Association of the Company and / or the relevant laws further. Unless approval is characteristic of normal business transactions of the Company Board of Directors has established a framework for approval clearly.

### 3. Nomination and Appointment of Directors and top management.

#### 3.1 Nomination of Directors

The company has no Nomination Committee and Remuneration Committee, so the Nomination and Election of Directors according to the Articles of Association and laws The initial consideration and the selection of directors eligibility criteria under section 68 of the Companies Act 1982 and the regulation of the Securities and Exchange Commission under the relevant provisions as well as the other factors combine such knowledge and experience related to the business and facilitate the operations of the Company as per the criteria and the procedure below.

**1.** The Board of Directors must act in accordance with the law and the Articles of Association and the resolutions of the shareholders' meeting.

**2.** The Board of Directors consists of a minimum of five directors and not less than one-half of the directors must be resident in the Kingdom and directors must be fully qualified and not disqualified under the law on public companies. Law and the Securities and Exchange Commission and must not show a lack of proper to be entrusted with the management of public affairs with the shareholders as prescribed by the Securities and Exchange Commission. It must be the person whose name is in the list of directors and management of the company issuing the Regulation of

Capital Market Supervisory Board concerning rules show the person's name in the list of directors and management of the issuing company.

**3.** The Board of Directors must not be less than half that in Thailand which is based on property ownership to the vessel is registered as a commercial ship in the waters of Thailand, Thailand boats Thailand Act BE 2481

**4.** The Board of Directors is required the independent directors of at least one of the three directors and not less than three persons qualified in accordance with the features of independent directors as defined in the Notification of the Capital Market Supervisory Board No. Tor Chor. 28/2008 regarding the approval and permission of offering of newly issued shares.

**5.** The Board can not operate the same nature and in competition with the company or partnership or in other entities of the same nature and in competition with the Company. I will do this for their benefit or the benefit of others. Unless informed the shareholders prior to the appointment.

**6.** Directors shall inform the Company without delay. If there is an interest in a contract or activity. the company made, directly or indirectly, shares or bonds, increase or decrease in the Company or its affiliates.

**7.** The annual general meeting of shareholders at all times. The Directors to retire in the proportion of one-third of all directors. If the number of directors to retire is divided

into three parts to it. Then the number nearest to one third. Directors who served in the first year and second year, which is the longest before they retire. The retiring directors may be re-elected.

**8.** Prior to the annual general meeting of shareholders at all times. The Company will provide shareholders nominate the person who will replace the directors who retired by rotation. The Company Secretary shall compile such a list presented to the Board of Directors. To qualify under the relevant rules and regulations and selecting the right contacts to propose to the AGM for approval.

**9.** The shareholders' meeting shall appoint the directors according to the rules and procedures below.

9.1. Shareholders man. A vote per share held. One share equals one vote

9.2. Shareholders will each vote is to elect one or more directors. In the event of electing several directors to divide votes among those who do not have much.

9.3. The persons receiving the highest votes in descending order are elected as directors. Each shareholder shall have a casting vote at that meeting. If the person elected in descending order have equal votes exceeds the number of directors to be elected or elected at that meeting. The person presiding at the meeting has the final vote.

**10.** In the event of a director becomes vacant due to reasons other than retirement by rotation. To perform the selection of

individuals who are qualified and not disqualified under the law and public companies. The Securities and Exchange Commission. He is a director on the board at the next meeting. If the term of directors is less than two months by which he was a member of the Committee shall remain in office only for the remaining term of the director whom he replaces. By resolution of the Board of Directors shall consist of not less than three-fourths of the remaining directors.

**11.** At the meeting, shareholders may vote for any director from office before the expiration of the term with the votes of not less than three-fourths of the shareholders present and voting and holding shares amounting to not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote.

### 3.2 The Nomination Committee

Independent directors must be independent of the control of management. Its major shareholders and must not have been involved or have an interest in finance and management. Both properties are fully qualified according to the criteria of independent directors as defined in the Capital Market Supervisory Board No. Tor Chor. 28/2008 regarding the approval and permission of offering of newly issued shares. It must have the following characteristics: -.

**1.** Shareholders does not exceed one percent of the shares with voting rights of the Company, its subsidiaries, joint majority shareholder or Controlling Shareholders of the Company shall be inclusive of the shares held

by related parties of the Audit Committee as well.

**2.** Not being or having been a director, an employee, a consultant on staff salaries or Controlling Shareholders of the Company, its subsidiaries, affiliates, subsidiaries of the same. Its major shareholders or Controlling Shareholders of the Company. Unless it is clear from the foregoing relationship not less than two years before the date of application to the Office, the prohibition does not include cases where the independent director used to be a public servant or consultants The government, which is the majority shareholder or Controlling Shareholders of the Company.

**3.** A person who has blood ties or by legal registration in as father, mother, spouse, siblings, spouses and children, including children. Executive Director of the other major shareholders. Controlling Shareholders or the person to be proposed to the board. The management or control of the company or its subsidiaries (if any).

**4.** No work or have business relationships with the Company, its subsidiaries, joint majority shareholder or Controlling Shareholders of the Company. In a manner that may impede their independent judgment including being or having been a significant shareholder. or who has control of a business relationship with the Company, its subsidiaries, joint majority shareholder or Controlling Shareholders of the Company. Unless it is clear from the foregoing relationship not less than two years before the date of application to the Office of the business

relationship as discussed above. The transaction is usually done for commercial operations. Rental or lease of real estate concerning assets or services or giving or receiving financial assistance. By receiving loans or guarantees to assets pledged as collateral for liabilities. As well as other similar circumstances As a result, the company has an ongoing obligation to pay to the other party. At least 3 percent of the net tangible assets of 20 million baht or more. Whichever is lower than the calculation of such indebtedness, according to the method of calculating the value of the transaction as announced by the Capital Market Supervisory Board concerning rules on the transactions, considering it to be a burden. such debt The total debt incurred during the year prior to a business relationship with the person.

**5.** Not being or having been an auditor of the Company, its subsidiaries, joint majority shareholder or Controlling Shareholders of the Company and a significant shareholder. Controlling Shareholders or partners of the audit firm The auditor of the Company, its subsidiaries, joint majority shareholder or Controlling Shareholders of the Company. Unless it is clear from the foregoing relationship not less than two years before the date of application to the Office

**6.** Not being or having been a professional services which include serving as a legal advisor or financial advisor. Which has been charged over two million baht per year from its parent company, subsidiaries, affiliates, shareholders, major or Controlling Shareholders of the

Company. And a significant shareholder. Controlling Shareholders or partner of the service provider firm. Unless it is clear from the foregoing relationship not less than two years before the date of application to the Office

**7.** Not being a director appointed as a representative of the Board of Directors. Its major shareholders or shareholders who are related to the Company's major shareholders.

**8.** Do not operate the same nature and in competition with the business of the Company or its subsidiaries or partnerships that were in partnership or a director, an employee, consultant, employee salary or holding more than one per cent of the shares with voting rights of the company. The business of the same nature and in competition with the business of the Company or its subsidiaries (if any).

**9.** Not having any characteristics which make it impossible to provide an independent opinion about the company's operations.

The rules and procedures for the appointment of independent directors in accordance with the rules and procedures for the appointment of directors. Independent Director who retires by rotation may be appointed to a new position. If the independent director becomes vacant by reason other than expiration of the term. The Board of Directors or the shareholders' meeting to appoint a person qualified as an independent director for a number of independent directors on the Board of Directors by a person who is an

independent director to be in the office for only the remaining term of the director whose own compensation. The Company shall inform the SET As soon as the independent directors resign or are dismissed before the end of term.

### 3.3 Nomination of Audit Committees

The Audit Committee consisting of independent directors not less than three members shall hold office for a term of three years by the Board of Directors or the shareholders' meeting shall appoint the Audit Committee. The Audit Committee shall have the qualifications required by the Board of Directors capital. 28/2008 regarding the approval and permission of offering of newly issued shares. The scope of duties and responsibilities according to the Stock Exchange of Thailand on the features and scope of the audit committee requirements. The tenure of the Audit Committee shall have the following additional features: -.

1. Not being a director appointed by the Board. The decision to conduct the affairs of the Company, subsidiaries, affiliates, subsidiaries of the same. Its major shareholders or Controlling Shareholders of the Company.

2. Is not a director of the parent company or subsidiaries of the same, only the listed companies.

3. Knowledgeable and experienced enough to be able to act as Audit Committee shall have at least one person who has knowledge and experience in accounting and / or finance

enough to be able to act on the exam. review the reliability of financial statements.

The rules and procedures for the appointment of the Audit Committee in accordance with the rules and procedures for the appointment of directors. Directors who retire by rotation may be appointed to a new position. If a director becomes vacant by reason other than expiration of the term. The Board of Directors or the shareholders' meeting to appoint a person qualified to be a Member of the Audit Committee has completed a number of Board of Directors. The party is a member of the Audit will be in office for only the remaining term of the Audit Committee of its replacement. The Company shall inform the SET As soon as the Audit Committee resigns or is dismissed before the end of term.

### 3.4 Nomination of Directors

The Board shall appoint the Executive Director. The selection of a director or senior executive of a company that can be administered in regards to normal business operations and management of the company, business plans and policy management structure including checking and monitoring the implementation of the policy of the Board of Directors.

### 3.5 Nomination of executive

In nominating President, the Executive Committee will select qualified individuals, knowledge The position to be presented to the Board for consideration and approval.

In recruiting executives earning minor, Managing Director of the qualifications and suitability of staff with experience and knowledge in the management of the operations related to the position of chief executive in each department.

#### **4 Control of the use of inside information.**

The company has a policy and procedure that the directors and management of information within the company which has not publicly used to seek personal gain and trading securities as follows: -.

- Educating directors and executive departments. The duty to report their securities holding their spouses and minor children. The Office of the Securities and Exchange Commission pursuant to Section 59 and Section 275 of the punishments under the Securities Exchange Act of 1982 (as amended), including the reporting of acquisition or disposition of their spouses and children. immature The Office of the Securities and Exchange Commission pursuant to Section 246 and Section 298 of the punishments under the Securities Exchange Act of 1982 (as amended).

- Directors and executives have a duty to report to the Securities Commission Securities and Exchange Commission pursuant to Section 59 of the Securities Act. Exchange Act of 1982 (as amended) within three business days from the date of the transaction and send a copy of this report to the Company on the same day sent a report to the Commission. The Securities and Exchange Commission

- The Company's directors, executives and workers who have access to inside information relating to the subject matter changes which affect the stock price are prohibited from trading in the company for a period of at least one month before the financial statements or internal information that is publicly available and should wait at least 24 hours after the disclosure of information to the public. Including prohibiting disclosure of significant to others until it has informed the Exchange that the Company impose disciplinary action if there is a violation of the above regulations. The intent of the act and the punishment of the seriousness of the offense itself. Appropriate to the case This starts from the written warning, temporary suspension without cutting wages had been paid or to leave the case.

- Prohibits directors, executive officers and employees of the Company. Use of internal information has or may have an impact on the price of its securities. Which is not yet publicly available Which he is in a position to foresee or as such. Used to purchase or sell or offer to buy or sell or persuade others to buy or sell or offer to buy or sell shares or other securities (if any) of the company, whether directly or indirectly. In a manner likely to cause damage to the company whether either directly or indirectly and whether such an action is done to benefit themselves or others or the fact that a disclosure to others such action by getting their benefits or not.

## **5. The remuneration of the auditor**

For the fiscal year ended December 31, 2014, the Company has paid to the audit firm PV Audit Ltd totaled 800,000 baht, consisting of the auditor's quarterly and annual audit fees. The total expenses of the auditors, such as photocopying, the vehicle, which has a total of 192,173 baht.

For the year 2015 ended December 31, 2015, the Company has paid to the audit firm PV Audit Ltd totaled 950,000 baht include audit fees quarterly. The total expenses of the auditors, such as the IT systems test and photocopying expenses for vehicles, which have a total of 297,208 baht.

## **6 Compliance with good governance corporate in others.**

- none -

# Risk Factors

Before deciding to invest Investors should carefully consider the risk factors. The information in this document is subject to business risks and ways to prevent the risk of the Company may affect the return on investment significantly.

## Risk associated with the business

### 1. Risk from an accident during the ferry operation

The company's main business is in operating ferry services for transporting passengers, cars, trucks and other vehicles. The distance between Don Sak International Port and Samui International Port is approximately 35 kilometers and the distance between Don Sak International Port and Pa-ngan municipal port is approximately 50 kilometers. The service is provided daily and all year round. Such operations carry risk of accident from natural cause e.g. tidal waves and storms etc. and from human errors e.g. boat to boat collision, boat colliding against rock, failure to perform proper maintenance, failure to provide proper services to customers, carelessness of crew members or breach of guidelines/instructions by passengers etc. If such event does happen, the company stands to be significantly impacted.

The company is aware of the risk and has a policy to prevent such risk proactively and defensively, as follows:

- Despite the fact that weather and sea conditions in the Gulf of Thailand is always calm all year round, the company closely monitors weather forecast including the sea conditions on daily basis to schedule the ferry timetable with safety of its customers in mind.
- The company plans the ferry routes in such a way that it does not overlap with that of its competitors. It installs equipment in each ferry to detect other ships sailing nearby or crossing into its path. Each ferry has on-board sufficient life jackets for each passenger and crew members along with hard-bottom rafts.
- The location of Don Sak International Port and Samui International Port are in water of great depth which enable the company's ferries to enter and depart safely and conveniently. The company also installs equipment for pulling and attaching the ferry against the embankment to enable the ferry to dock safely.
- The company has in place scheduled maintenance plans both for the ferry and port facility that include major maintenance and minor maintenance. Moreover, it has to comply

with the laws by undergoing seaworthy test performed by the Harbor Department for each of its ferry on annual basis to ensure high safety standards are met.

- The company hires staff with special qualification in different areas in line with the guidelines of the Harbor Department. Each staff is assigned different responsibility on each ferry and undergoes regular trainings with outside experts in handling emergency situation, at least on annual basis. Each ferry and port facility has safety instruction manuals for distribution to passengers.

- The company has been organizing activities to benefit the society and the environment continuously including safety programs. Its annual expenditure for such programs are up to 1 million baht to ensure the safety of its passengers and crew members from unanticipated events such as an accident.

- The company has insurance cover for its crews and passenger for each ferry in compliance with the laws. In addition, it insures all its ferries against any possible damage from accidents that may render the ferry not seaworthy. Nevertheless, the company still faces the risk that can happen to passengers' vehicles about which it has instituted various measures as mentioned above to reduce and prevent such risk. Note that the company has not experienced any accident that causes the ferry to sink since its business inception.

## 2. Risk on dependency of tourism industry in Thailand

The company's ferry business relies heavily on tourist travel which in normal peaceful time with strong economic growth the business would perform well but under abnormal conditions tourism industry can be adversely affected and thus impacts the company's business. In addition, tourism business is seasonal in nature and for Thailand also depends on long holidays e.g. during the New Year, Songkran festival etc. The income of the company would therefore fluctuate accordingly.

Such factors mentioned above are external factors and beyond the company's control. The company tries to manage the risk by providing satisfactory service to its customers by way of convenience, promptness of arrival and departure, good safety measures etc. Moreover, the company's income does not solely rely on tourism business as it also serves business people e.g. convenience stores owners, hyper market operators and commercial business that require transportation of goods between islands including special products that require chartering the ferry e.g. oil shipment etc.

## 3. Risk associated with obtaining necessary permission to operate sea ferry crossing between Don Sak International Port and Samui International Port

At present the company owns two ferry port facilities i.e. at Don Sak International Port and Samui International Port. The laws stipulated that ferry boat operator must obtain permission to operate sea ferry crossing for those ports which in the case of the company

such permissions will expire on 13 November 2016. This poses a risk to the company in the event that such permission will not be extended or there is a delay in its obtaining the permit which could disrupt the company's operations.

The company is aware of such risk but the permission can only be applied for up to 45 days in advance of the expiry date. Nevertheless, as the deadline draws near, the company will prepare the necessary documents so that the permission can be obtained timely. Note that the company successfully obtained extension of the permit in 2001 without any problem and anticipate the next extension in 2016 to be problem-free as well.

#### 4. Risk associated with dependency on the special talent of its personnel

The company requires personnel with special expertise in certain areas in conducting its ferry business e.g. boat captain and technicians etc. and this means complying with minimum number of certain positions with necessary certification per the requirement of the laws. This could pose as a risk to the company in sourcing such personnel sufficiently that could potentially affect the company's operations.

The company is aware of such risk and has in the past put in place measures to reduce the risk. These measures include organize trainings to develop the staff skills on continuous basis and ensure that their compensation package is competitive with the industry to induce them to stay and grow with the company. In addition, the company maintains

contacts with education institutions in the south to support and promote the supply of personnel to work for the company on regular basis. In the past, the company has never experienced staff shortage that would affect its ferry operations.

#### 5. Risk associated with finding sufficient parking space for its customers' vehicles while waiting to board the ferry at the Pa-ngan multi-function port facility of the Pa-ngan municipality

The company leased the nearby land at Pa-ngan multi-function sea port from the local municipality for convenience of its customers to use as temporary parking space while awaiting their turn to board the ferry. The lease agreement has expired since 2009. Nevertheless, the Pa-ngan municipality office wrote a letter to the company under reference 52401/880 dated 24 December 2009 stating that such land is undergoing development to improve the surrounding port area and the lease cannot be extended. But if the company would like to continue to lease the land it can continue to pay the rent and if the municipality wants to take the land back it will issue a notification to the company. As such, if the company can no longer use the land it will run the risk of not being able to find a replacement land for customers' parking.

The company opines that even though the land does not generate income for the company directly, in practice, such land help to facilitate its ferry business. The company is under the belief that the Pa-ngan municipality understands public transport business model well and hope

that it will give the company the right to continue to lease the land. But if the company cannot lease the land in future, it may encounter problems in arranging queuing for cars waiting to board the ferry in the initial stage. For medium to long term horizon, the company will try to resolve the issue by finding a new parking space which may be farther away from the port but it believes that its customers will understand and adjust their habit accordingly since the existing land near the port has limited parking space anyway.

- **Risk from the change of the government's policy**

6. Risk in compliance with the laws governing ferry business operation

The company's ferry business must comply with certain laws governing ferry business operations. The laws covers 3 operational aspects of the business i.e. laws relating to the ferry, laws relating to the port and laws relating to ferry crews.

**Ferry** The laws states that each Thai ferry must be legally registered with documentary evidence. The ferry must be safe and strong enough to withstand rough sea including possessing all necessary applicable permits.

**Port facility** The port intrudes into the water and must comply with relevant laws. The company must possess necessary permit to operate sea port facility and obtain certificate of inspection of the port facility. In addition, since the company's port can accommodate ships that weight beyond 500 tons gross, the

company must maintain the surrounding environment around the port area to prevent any environmental issue per the approval conditions to use the port facility.

**Ferry crew** In operating ferryboat business, there are laws that govern the minimum number of crews, their qualifications for each position and that they must pass a test as required by such laws.

The company gives top priority to strictly abide by the laws. As such, it assigns the legal officer within the company to audit and coordinate with other units concerned with the operations including the responsibility for obtaining various permissions to enable the company to fully comply with the regulations.

7. Risk from adjusting ticket price (for normal ferry schedule) to be higher than the specified ceiling imposed by provincial authority

The company must comply with the announcement of Surathani province on the ticket price for the ferry which is based on diesel price at any point in time at Don Sak petrol station, Surathani. The ceiling price for a liter of diesel is fixed at 32.99 baht for the route between Don Sak and Samui and 45 baht between Don Sak and Pa-ngan. As a result, the company may not be able to adjust the ticket price as it could exceed such specified ceiling which may adversely affect the company's profitability.

In this connection, the company has a policy to manage risk of diesel price fluctuation by altering the formula for mixing fuel used by

the ferry which comprise of diesel and bunker oil to reduce fuel cost. Moreover, the company's management will closely monitor the world diesel price and be ready to make recommendation to the provincial committee to consider to change the base diesel price use for fixing ferry ticket price in case of the world price being higher than the specified ceiling price. Furthermore, the company has the required machinery to produce biodiesel which would reduce the cost of fuel to a certain extent. In any case, in the past, the company has never been impacted by such issue.

- **Risk on raw material**

#### 8. Risk from fluctuation of diesel oil

Fuel oil is an important cost component of ferry business. During 2012-2014 and 2015 the company's fuel costs represent up to 47%-59% of total cost of operation which is a high proportion. As such, the fluctuation of fuel price will have a significant impact on the company's operational cost.

Even though the ticket price could be adjusted in line with the change in diesel price which helps to reduce the risk of diesel price fluctuation, the company has a policy to manage the risk on fuel cost by changing the formula in mixing diesel and bunker oil appropriately as bunker oil is priced lower than diesel. This can effectively lower fuel cost for the company. Moreover, the company has the ability to produce biodiesel by using the existing machinery which can lower fuel cost to some

extent.

#### 9. Risk from reliance on only few oil suppliers

The company buys diesel, bunker oil and lubricant for use in its ferry business from Bangchak Petroleum Plc in the ratio of 34%, 39%, 30% and 25% of the total requirement during 2012-2014 and 2015 respectively. It also buys from Esso (Thailand) PLC at the ratio of 34%, 23%, 27% and 35% of the total purchase respectively during such period. Such purchase is made at spot price as the company did not enter into any contract. As a result, the company may run the risk of not having sufficient supply of various fuels which may significantly affect the company's performance.

Nevertheless, the company believes that such risk will not have any material impact on the company due to the two fuel oil suppliers are the major players in the country and have good relationship with the company for a long time coupled with these oil manufacturers maintain storage depot in Surathani enabling the company to avail the oil supply timely. In addition, the company has an established policy in oil consumption - it takes only 3 days from date the purchase order is issued until the oil is delivered which should, to a certain extent, help mitigate the risk.

- **Risk to the investors**

#### 11. Risk from the majority shareholder group having excessive influence in the company's operation

After offering common shares for sale as part of the capital increase, the company will have the majority shareholder group as the Chayopas family who together hold 67.23% of the paid-up capital of 170 million baht. As a result, if such majority shareholder group votes in similar manner, they will be able to control the outcome of the shareholders meetings, with the exception where the laws or the Article of Association requires that minimum votes of 75% of the shareholders in a meeting must be obtained. In this regards, the other shareholders may not be able to garner enough votes to counter the proposals put forward by the majority shareholders.

In addition, the chairman of the board, who is an authorized signatory, is a close relative of the majority shareholders. He, therefore, does not have the qualification to be an independent director. The company is aware of such risk and has elected 5 independent directors (including 3 audit committee members) out of 9 directors which represent more than half of the total number of directors. The 5 independent directors will function as check & balance in the management of the company to a certain extent. Moreover, the board of directors has a policy to manage the company with the interest of all shareholders in mind. In case the company has to conduct business with a party which has conflict of interest, the company will strictly conform to the procedure and guidelines on doing business with connected/related parties and the guidelines prescribed by Thailand's Securities Exchange Commission and such conflicting parties will

have no voting rights.

## 12. Risk of the company in having to comply with the conditions imposed by the Stock Exchange of Thailand (SET)

The company intends to offer its shares to the public before obtaining approval of the Stock Exchange of Thailand - MAI (SET). However, Triple A Plus Advisory Co., Ltd, in its capacity as the financial advisor, has already reviewed the company's qualifications and deems that it has fully complied with the necessary qualifications to list in the SET with the exception of the distribution of shares to retail investors in which the company must have not less than 300 retail shareholders and together not less than 20% of paid-up capital.

Since the share offering remains uncertain in obtaining approval of the SET, an investor has some liquidity risk in trading the company's shares in the secondary market and may not obtain the anticipated returns from selling the shares in case the shares cannot be registered with the SET.

# Internal Control and risk management

The Board of Directors No. 2/2016 held on February 26, 2016, with all three Audit Committee members attended the meeting. The Directors has assessed the adequacy of the internal control of the company according to the assessment of the adequacy of the internal control system of the Securities and Exchange Commission. By inquiries from management in various five parts as follow;

- 1) Control environment
- 2) Risk Assessment
- 3) Control Measures
- 4) Information and Communication.
- 5) Monitoring

After evaluating, the Board of Directors is of the opinion in the current conditions, the Company's internal control systems are adequate and in line with the assessment of internal controls of the Securities and Exchange Commission. Especially in the areas of internal controls related to transactions with major shareholders, directors, executives and persons associated with such persons (Clause 10.2.1 and 12.1 to 12.3 of the adequacy assessment internal control system), the company has a strong and adequate internal controls. It also has hired an independent company from the outside to act in the exploration and evaluation of the internal control system include report to the Audit Committee.

The auditor of the PV Audit Co., Ltd has audited the financial statements of the company for the year ended December 31, 2015 and to study and evaluate the effectiveness of internal

control, accounting firms, as deemed necessary for the purpose of determining the scope of the audit and concise manner. The audit by the auditors to show that the financial statements of financial position and results of operations of the company are in accordance with generally accepted accounting principles, the auditor has informed the Board of Directors at 1/2015 held on February 27. 2015 that the auditor has no observations from the monitoring and auditing of company accounts.

In addition, the auditors have reviewed general control and specific control system (Application Control) related to data processing, the company's accounts during the quarter, second and third of the year 2015 can be concluded. the auditor's observations and opinions of the management of the company dated May 14, 2015 and on September 14, 2015 as follows.

The observations of the auditors	Comments of Management
<p>1.To review the updated data from a random computer virus as of April 1, 2015 that computer systems provider TMS (Ticket Management System) updated the virus database last on January 5, 2015, which also was not present and may result in the company's information systems at risk from the threat of computer viruses.</p>	<p>The company is in the process and is expected to be completed by October 2015.</p> <p>On November 2015, the company complete to do this process.</p>
<p>2.The company has prepared a register book stock control ticket which is in excel format will be a record number of copies of the admission ticket and pay off. Then calculate the balance but to determine how to control the stock of tickets for such finds.</p> <p>-The Company monitors the level of a ticket items only. Do not cover the amount of the ticket.</p> <p>-The Company has recorded some of the control register is invalid.</p>	<p>The company has determined how a control new ticket stock. By controlling the number of card stock to cover the number of copies and the number of tickets that each book and to make the same point with the withdrawal of assistance .The company usually check every month and due to sampling from Bangkok or Don Sak Office every 3-6 months.When found that how such accuracy level. The company is considered a form of computer programs to control the ticket inventory accuracy and efficiency, the company is expected to be completed within six months from the method of preparation of card stock accuracy.</p> <p>The company has prepared a new card stock, as recommended by the auditors and a record number of copies and the number of tickets for stock control ticket since the September 21, 2015.</p>

In addition, the company has appointed P & L Internal Audit Co.,Ltd (the "Audit"), an independent company from the outside to responsible for checking and monitoring the internal control of the company. The internal auditors have checked the system and the company's key processes including revenue cycle, expenditure cycle, assets management and maintenance include spare parts inventory. During January 10 - March 27, 2015 and issued a report to track results of the audit of internal control. ( "Internal Control Assessment Report") dated May 13, 2015 with a recommendation to shareholders. The concluding remarks of the internal auditor and the opinions of the management of the company as follows.

The observations of the auditors	Comments of Management
<p>1.The random count of five cash items of petty cash found one entry from the count which has different over than report baht.</p>	<p>Management has instructed the officer to be extra careful in checking petty cash and check petty cash amount regularly to conform that the petty cash are correct same as the regulation.</p>
<p>2.Check the registration of assets in ERP systems, comparison with the vehicle registration book and tax item of 24 cars found that some of 4 item has not changed the ownership to the Company as follow;</p> <ul style="list-style-type: none"> <li>• truck (81-8654 สฎ) Izusu.</li> <li>• truck (81-5316 สฎ) Mitsubishi.</li> <li>• truck (91-9865) Nissan.</li> <li>• truck (87-9017 กทผ) Hino.</li> </ul> <p>The vehicle registration book contains the name Raja Bio - Diesel Co.,Ltd and Park Hotel &amp; Resort Co.,Ltd.</p>	<p>Management has stated that in the process of transferring the ownership of such cars which is expected to be completed within a month in June 2015.</p> <p>On May 2015, the Company has transferred the ownership of the car to be the ownership of the company is completed. The details are as follows:</p> <ul style="list-style-type: none"> <li>• Truck (81-8654 สฎ) Izusu.</li> <li>• Truck (81-5316 สฎ) Mitsubishi.</li> <li>• Truck (91-9865) Nissan, which was registered in Bangkok. The new company changed its registration number is 82-4227 Surat Thani.</li> <li>• Truck (87-9017 กทผ) Hino, originally registered in Bangkok. The new company changed its registration number is 82-4228 Surat Thani.</li> </ul>
<p>3. Evaluate a parts warehouse found that the installation of CCTV can not seen clearly.</p>	<p>Management stated that The company is in the process of exploration and install more CCTV cameras in order to install surveillance cameras to cover all areas of the warehouse and spare parts to control and visibility into the issues clearly.</p> <p>The company complete this process on December 2015.</p>

The internal auditors have commented in the report that the internal control systems of the Company in part significant enough and the Board of Directors at 1/2016 held on February 26, 2016 has been noted and recommendations of the internal auditor as mentioned above already.

# Inter Transaction

The company has transactions with persons who may have a conflict. The transactions that occur as transactions with equity holders of the company and related companies with persons who may have a conflict of shareholders and / or management. This relationship can be summarized as follows.

## 1. Inter Transaction

As at December 31, 2015, the Company has the corresponding accounting as discussed in Note 5 to the financial statements.

## 2. Necessity and reasonableness of the transaction.

The business is highly competitive. The affiliate network business will allow flexibility in business operations rather than rely on third parties.

## 3. Procedures to approve the transaction.

The process of approval of transactions of the company in accordance with the laws and regulations of the Securities and Exchange Commission announced the order or the requirements of the Capital Market Commission. The Stock Exchange of Thailand by strict The Director or a person who may have a conflict of interest or there may be a conflict of interest with any company not vote to approve the transaction between them. If the transactions are highly valued criteria. The company will

provide the independent financial advisor to provide an opinion on the transaction and propose to the AGM for approval before the transaction.

## 4 Policy to do inter transaction

Company policy to do inter transaction can be classified as type list below.

- Transactions and normal business transaction with normal trade terms, such as ticketing ferry boat, sales of finished goods, food and beverages, the advertising guide map and the certification and operational expenses (accommodation), etc. The company has a policy of making transactions with various conditions according to the nature of its business in the normal market price. This can be compared with prices up to outsiders and shall be based on agreement strictly. The pricing and terms and conditions of such a clear, fair and not cause a conflict of interests, the internal auditor (Internal Auditor) serves to review the data and prepare a report to the audit committee to consider the appropriateness and reasonableness of the price of the transaction is done quarterly.

■ list of commercial transactions and business support which no normal trade terms. and other transactions The company has a policy that the Audit Committee shall consider and comment on the reasonableness and necessity of the transaction before the transaction and must comply with the laws and regulations of the Securities and Exchange Commission announced the order or the terms of the Capital Market Commission. The Stock Exchange of Thailand including compliance with the disclosure of related party transactions and the acquisition or disposal of major assets of the company or its subsidiaries (if any) transactions include transactions on the property or services, such as the acquisition or disposition of property, etc., and receiving or giving financial support such as loan guarantees and use the property as collateral, so if the committee does not have the expertise to consider such transaction. The company provides independent expert to provide an opinion on such transactions In order to implement the decision of the commission or shareholders up to the case

For transactions that may occur in the future. Directors must comply with the regulations that the company has set up and directors must not approve any transactions that the presence or individuals who may have a conflict of interest in any case with the company. The transaction must be disclosed to the Board of Directors to be consider.

The Audit Committee will be aware that this obligation. In the future, if it has appointed a new Audit Committee, the Board of Directors will inform the candidates to be nominated as the new Audit Committee will be aware of the obligations to be complied with prior to the appointment.

In case to do transactions that may occur in the future, Directors must comply with the regulations that has been set up and directors must not approve any transactions that be presence or individuals who may have a conflict of interest in any other company. It also requires disclosure of the relationship and details of the transaction to the Board of Directors for the Board's consideration.

# Report of the Board of Directors of the Financial Report.

The Board of Directors is responsible for the Company's financial statements of Raja Ferry Public Company Limited (the Company), including the financial information appearing in this annual report. The financial statements are prepared in accordance with International Financial Reporting Standards as prescribed in the Accounting Profession Act BE 2547 by the presentation of the financial statements as required by the Department of Business Development dated 28 September 2011 issued under the Act. Accounting 2000. the accounting policies are appropriate and consistently implemented and use careful judgment and the best estimate of the preparation. Including providing adequate disclosures in the notes to the financial statements to the benefit of shareholders and investors in a transparent manner.

Board of Directors has provided appropriate and effective internal control system to ensure a good reason. Accounting information is accurate, complete, timely and sufficient in order to maintain the property. As well as prevent fraud or irregular operation significantly and has appointed the Audit Committee. Which consists of independent oversight. Responsible for reviewing accounting policies and the quality of financial reporting. Internal control and internal audit process to be effective with the approval of the Audit Committee on this issue in the report of the Audit Committee. As mentioned in the annual report.

Financial Statements has been reviewed by the auditors of the Pv Audit Ltd. The Board of Directors supports the information and documents to the auditor can review and comment on auditing standards. The auditors expressed an unqualified opinion. It appears in the report of the auditors that are listed in the annual report it

Board of Directors has the opinion that the Company's internal control system as a whole. Adequate and reasonable and can be reasonably confident that the Company's financial statements. Start at Raja Ferry Publice Company Limited (Company) for the year ended December 31, 2015 are trusted. In accordance with generally accepted accounting principles. According to International Financial Reporting Standards and compliance is required by law and regulations involved.



# Management Discussion and Analysis

## For the year ended Dec 31, 2015

### 1. Analysis of operating results and financial position and significant change. Analysis of operating results

#### Total Revenue

The company's main revenue from ferry boats and transport vessels and revenues from sales of finished goods, food and drink both on the ferry boat and at the port. The company also has other revenue such as revenue from advertising, rental income, revenue from reserve ticket of ferry boat through partner airlines, gain on sale of assets and scrape. Revenue structure shown in the table below: -.

Revenue Structure	2013		2014		2015	
	MB	%	MB	%	MB	%
Revenue from ferry boat services						
-Per schedule	26.71	81.30%	566.43	83.74%	528.58	82.81%
-Charter boat	42.41	6.55%	43.82	6.48%	44.04	6.90%
<b>Total revenue from ferry service</b>	<b>569.13</b>	<b>87.84%</b>	<b>610.25</b>	<b>90.22%</b>	<b>572.62</b>	<b>89.71%</b>
Other revenue <sup>1/</sup>	0.28	0.04%	0.19	0.03%	-	-
Revenue from food and beverage and convenience store.	53.07	8.19%	54.81	8.10%	49.62	7.77%
<b>Total revenue from sale and services</b>	<b>622.47</b>	<b>96.08%</b>	<b>665.24</b>	<b>98.35%</b>	<b>622.24</b>	<b>97.49%</b>
Other <sup>2/</sup>	25.43	3.92%	11.19	1.65%	16.03	2.51%
<b>Total revenue</b>	<b>647.90</b>	<b>100.00%</b>	<b>676.43</b>	<b>100.00%</b>	<b>638.27</b>	<b>100.00%</b>

**remark:** 1/ Other income is income that the company was charged for the service charge of provide passenger transport to the third party but the company has canceled this service since 2015.

2/ Other income includes income from service ferry boat ticket through partner airlines, advertising revenue at the port and the ship, advertising brochures, tourist guides (Guide Map), income from disposal of property and scrap, Income from operations, rental income of ATMs rental ,interest income and so on.

The company's total revenues in the year 2013 - 2015 totaling amountd 647.90 million baht 676.43 million baht and 638.27 million baht respectively. Total revenues in 2013, compared with total revenues in 2014 and the year 2014, total revenues increased. But if you compare the total revenues in 2014, amounting to 676.43 million baht, with total revenues in 2015, which amounted to 676.43 and 638.27 million baht, a decrease of 38.16 million baht, representing a decrease of 5.64 due mainly to the adjustment of fares. adjusting for the decline in oil prices. The revenue from the ferru boat service which accounted for 89.71 percent of total revenue, followed by the income from the sale. (Food and convenience goods), which

accounted for 7.77 per cent of total revenues and other income accounted for 2.51 percent of total income.

#### Revenues from sales and services and other revenues.

The company provides schdule ferry boat along the way and a ferry charter. The company offers ferry boat in the second path is the path between the ports and Don Sak international port to Samui International and the path between the ports and international port of Koh Phangan, On December 1, 2015, the company began to open a path between the ports and Koh Samui International Port, route one another as shown by the table below:

	2013		2014		2015	
	number of flights (travel)	Revenue/ time (Baht)	number of flights (travel)	Revenue/ time (Baht)	number of flights (travel)	Revenue/ time (Baht)
-Don Sak -Samui	12,212	31,918	12,663	33,068	13,134	28,156
-Don Sak - Phangan	3,802	47,172	3,862	49,589	4,345	46,453
-Samui- Phangan	-	-	-	-	124	7,787
Total (average per time)	16,014	35,539	16,525	36,929	17,603	32,529

Revenue from ferry boat services in 2015 amounted to 572.62 million baht compared with the year 2014 which amounted to 610.25 million baht, a decrease of 37.63 million baht representing a decrease of 6.17 percent while the boat ran in 2015, there were 17,603 flights compared with the year 2014, which amounted to 16,525 flights, an increase of 1,078 flights increased. at a rate of 6.52 percent due to revenue from services declined despite the increase in the travel services since the announcement of the Surat Thani province requiring all operators of ferry service must be compliance set up fares according to changes in the price of oil,

which in 2015, the price of diesel fuel in the country has dropped dramatically as oil price of international oil market. The fare of the route between Don Sak and Koh Samui district fell as well. The fares on routes between Don Sak district and Phangan district not affected due to the price adjustment in fares amounted wider than between Don Sak district and Koh Samui, considering the number of boat trips in 2013 - 2015 will find that the number of boat companies soared throughout.

Revenue from the company's sales of consumer products in the port area and the Ferry boats of 2015, revenues from the sale of 49.62 million baht compared to the year 2014, with revenue from the sale amount. 54.81 million baht, down 5.19 million baht, mainly because the company has adhered to the policy of the government to cancellation of the sale of alcohol in the area of port and on ferry boats in 2015, that causing sales to drop. The revenue from the sale of goods by main supplier of finished goods. These include alcohol drinking water and instant noodles in 2015, revenues from sales of finished goods at the rate of 76 percent of

revenue from sales due to cancel the sale of alcohol that impact on revenues from the sale directly. If the revenue from sales in the year 2013, which amounted to 53.07 million baht on revenues from sales in the year 2014 showed a slightly higher number.

other revenues include revenues from advertising banners at the port and on the ferry boats, revenue from ticket service boat through partner airlines, revenue from advertising in brochures attractions, gain on sale of assets, revenue from the sale of scrap, interest income and other income.

#### **Cost of services, cost of goods sold and expenditures**

Main cost of services of the company are fuel and lubricants, the repair and maintenance of equipment and consumables, depreciation and amortization. the second important cost is staff cost. Cost of sales are the cost of purchasing goods and food product. The expenditure of the company are cost of sales, administrative expenses and financial costs including tax as shown in the table below: -.

	2013		2014		2015	
	MB	% total income	MB	% total income	MB	% total income
Cost of services	440.37	67.97%	462.32	68.35%	420.43	65.87%
Cost of sales	46.53	7.18%	48.31	7.14%	47.66	7.47%
Expenditure of sales and services	8.53	1.32%	9.17	1.36%	13.77	2.16%
Management cost	54.83	8.46%	44.91	6.64%	52.24	8.18%
Finance cost	21.33	3.29%	17.57	2.60%	14.23	2.23%
Corporate tax	7.02	1.08%	8.82	1.30%	11.63	1.82%
<b>Total expenses</b>	<b>578.61</b>	<b>89.31%</b>	<b>591.10</b>	<b>87.38%</b>	<b>559.96</b>	<b>87.72%</b>

Company's total expenses in the year 2013 - 2015 of 559.96 million Baht 591.10 million baht and 578.61, respectively, by the year 2015 with a total cost of 559.96 million baht, down from the year 2014, which cost a total of 591.10 million baht. down 31.14 million baht or 5.27 percent decrease was mainly due to the following.

-The cost of services in 2015 amounted to 420.43 million baht compared year 2014 amounted to 462.32 million baht, down 41.89 million baht or down 9.06 percent, mainly due to lower fuel prices. The decline followed a drop in oil prices.

-Cost of sales and services and administrative expenses in 2015 amounted to 66.01 million baht, up from the year 2014, which amounted to 54.09 million baht, an increase of 11.92 million baht, representing an increase of 22.04 due to costs related to the management, staff and board of director and advertising and promotion increase of 17.52

million baht and 1.2 million baht respectively.

- Finance costs in 2015 amounted to 14.23 million baht compared with the year 2014, which amounted to 17.57 million baht, a decrease of 3.34 million baht representing a decrease of 19.00 percent due to the repayment of long term loans to financial institutions by installment in the regularly scheduled. The company was listed on the Stock Exchange of Thailand on November 2015. The company repaid financial institutions of 38 million baht under the conditions specified in the loan agreement causing a sharp drop in interest expense in 2015.

- Corporate income tax in 2015 amounted to 11.63, up from the year 2014, which amounted to 8.82 billion baht, an increase of 2.81 million baht, representing an increase of 31.85 since 2015, the company has the ferry boat name Raja 7 and R 9 , the ship is exempted from income tax under BOI for eight years ending in 2018 to the shipyard

for repairs according to the scheduled time. It Make gains in 2015 came from the service of the ferry service is not exempt from corporate income tax as well. Therefore, the company must pay income tax in 2015 over than 2014

### Gross profit

The company has a turnover margin of two main areas of business services, passenger ships and logistics services as shown by the following table:

	2013		2014		2015	
	MB	% total income	MB	% total income	MB	% total income
<b>Ferry services business</b>						
Service income	569.13	100%	610.44	100.00%	572.62	100.00%
<u>Less</u> Cost of services	(440.37)	(77.38)	(462.32)	(75.74%)	(420.44)	(73.42%)
Gross profit – ferry services business	128.76	22.62%	148.12	24.26%	152.18	26.58%
<b>Trading business</b>						
Sales income	53.07	100%	54.81	100.00%	49.62	100.00%
<u>Less</u> Cost of goods sold	(46.53)	(87.68%)	(48.31)	(87.85%)	(47.66)	(96.05%)
Gross profit – trading business	6.54	12.32%	6.50	11.85%	1.96	3.96%
Total gross profit	135.30	21.75%	154.62	23.24%	154.14	24.77%

In 2015, the Company had a gross profit of 154.14 million baht, representing 24.77 of revenue from sales and service at the year 2014, the Company had a gross profit of 154.62 million baht, representing 23.24 of income of sales and ferry service. The gross profit will come from ferry services business, mainly where the number of 152.18 million baht and 148.12 million baht in 2015 and 2014 respectively compared to the gross margin from the maritime services in 2015 with the rate. 26.58 percent higher than in 2014, with 24.26 percent of the cost of fuel has decreased. Gross profit from sales in 2015 which has a rate of 3.96 is lower than 2014 which had a rate of 11.85 due out in 2015, the cancellation of the sale of alcohol in passenger ships and port of the time. the gross profit in 2013 amounted to 135.30 million baht, which is found in the company's gross profit increased steadily.

## Net profit

	2013		2014		2015	
	MB	% total income	MB	% total income	MB	% total income
Net income	69.29	10.69%	85.33	12.61%	78.25	12.27%
Net profit per share (baht per share)	0.52		0.65		0.57	

The company posted a net profit of 78.25 million baht in 2015, down from the year 2014 which amounted to 85.33 million baht, down 8.23 percent because the revenue decreased due to a reduction of the charges which lowered oil prices and the cost of sales and services and the cost of administration also. The income tax expense amounted to rise compared to the year 2013 and 2014, the number of net increase in 2015 net profit per share of 0.57 baht, with net profit margin was 12.27 percent of total revenue.

## Financial Statement analysis

### Balance Sheet

	As at December 31,2013		As at December 31,2014		As at December 31,2015	
	MB	%	MB	%	MB	%
Total Assets	719.25	100.00%	732.69	100.00%	1,161.71	100.00%
Total Liabilities	352.95	49.07%	301.21	41.11%	208.44	17.95%
Shareholders's equity	366.29	50.93%	431.48	58.89%	953.27	82.05%
Book value (baht / share)	2.77		3.27		5.61	

### Total Assets

Considering the total assets of the company in 2013-2015 found that there were higher throughout the year 2013, the Company had total assets of 719.25 million baht in 2015, an increase of 1161.71 from the end of 2014, which amounted to 732.69 million baht. an increase of 429.01 million baht, up 58.55 percent contain.

- 1) Current assets at the end of 2015 amounted to 539.43 million baht compared with

the year 2014, which amounted to 125.83 million baht, an increase of 413.60 million baht, and in 2014 a number higher than the year 2013, which amounted to 118.06 year 2015 has cash and cash equivalents amount 483.59 million baht comparing the year 2014 which amounted to 54.27 million baht an increase of 429.31 million baht due mainly to the sale of common stock to the public on November 2015.

2) Non-current assets in 2015 amounted to 622.28 million baht compared with the year 2014 which amounted to 606.87 million baht, up 15.41 million baht due to property, plant and equipment increased by 15.62 million baht compared the year 2014 to the year 2013, which amounted to 601.18 found. that the year 2014 is slightly higher

Account Receivable and other receivables at year-end 2015 amount Baht 14.18 million baht representing 1.22 percent of total assets compared to the year 2014, which amounted to 18.94 million baht decreased 4.76 million baht and 21.16 million baht in the year 2013 amounted to find that the downward trend continues. Due to manage Account Receivables more efficiently. Considering the Accounting Receivables turnover rate was 37.23 years in

2015 over 2014 with a rate of 33.13 and 36.73 years in 2013 has demonstrated the ability to manage debt better throughout.

Total inventories amounted to 49.51 million in 2013 -2015 Baht 45.95 million baht and 36.02 million baht declined steadily respectively. Inventories at the end of 2015 amounted to 36.02 million baht, representing 3.10 percent of total assets consisting parts and consumables fuel, food and drink the percentage of 78.99 percent, 13.77 percent and 7.24 value of inventories included respectively inventory turnover year 2015 at the rate of 17.05 higher than in 2014, with a rate of 16.98 demonstrated ability to manage the sale better than before.

During the year 2015, the Company had a valuation of land totaling 8.1 million baht was invested in buildings, ferry boat, vehicles and other equipment in the amount of 65.16 million baht. There was depreciation during the period totaling 57.55 million baht resulted. the Company's property, plant and equipment at the end of 2015 amounted to 616.43 million baht or 53.06 percent of total assets as follow:  
-.

	As at 31 Dec 2013		As at 31 Dec 2014		As at 31 Dec 2015	
	Amt.	% total assets	value	% total assets	value	% total assets
Land	174.49	29.33%	174.49	29.04%	182.60	29.62%
Land improvement	10.90	1.83%	9.63	1.60%	9.29	1.51%
Building and construction	92.05	15.47%	92.80	15.45%	112.73	18.29%
Ships and ship repairs and surveys	297.89	50.07%	290.12	48.29%	279.70	45.37%
Machinery and equipment	6.77	1.14%	9.12	1.52%	7.37	1.20%
Furniture and office equipment	4.81	0.81%	5.76	0.96%	7.09	1.15%
vehicles	4.69	0.79%	3.33	0.55%	17.36	2.82%
Work under construction	3.29	0.55%	15.57	2.59%	0.29	0.04%
<b>Total</b>	<b>594.88</b>	<b>100.00</b>	<b>600.81</b>	<b>100.00%</b>	<b>616.43</b>	<b>100.00%</b>

### Liabilities

Total liabilities in 2015 of 208.44 million baht compared with the year 2014, which amounted to 301.21 million baht, down 92.78 million baht, representing a decrease of 30.80 was mainly due to the repayment of long term loans from financial institutions in the amount of 89.54 million baht. Trade payables and other payables are down about 15.54 million baht.

The ratio of debt to equity at year ended 2015 was 0.22 times compared to 0.70 times in 2014 the number fell by 0.48 times, mainly due to the repayment of loans to financial institutions and the sale of new common stock to the public. As a result, the ratio of debt to equity ratio decreased.

### Shareholder's Equity:

The shareholders of the Company in the years 2013 - 2015 amounted to 366.29 million to 431.48 million baht and 952.27 million baht, it is evident that there is an increasing trend throughout. The Company's shareholders at the end of 2015 was 952.27 million baht, up from year-ended 2014, amounting to 431.48 million baht, up 521.79 million baht due during the month of November 2015, the company sold ordinary shares of 38 million. shares with par value of Baht 1 per share public offering price of 12 baht per share for a total value of

the offering of 456 million baht, after deducting expenses of the offering of new shares amounting to 19.49 million baht. equal to 436.51 million baht with net profit of 78.30 million baht in 2015.

The ratio of operating performance.	2013	2014	2015
Return on assets (%)	9.34%	11.75%	8.27%
Return on assets (%)	19.04%	22.09%	22.32%
Turnover of Assets (time)	0.87	0.93	0.67

Compare the rates of return on assets in 2015 and 2014 approximately 8.26 and 11.75, respectively, return on assets in 2015 and 2014, about 22.31 percent and 22.09, respectively, and the rotation rate of the assets in 2015 and. 2014 is about 0.67 times and 0.93 times.

#### liquidity

Million Baht	2013	2014	2015
Net cash provided by operating activities	107.27	155.87	152.23
Net cash used in investing activities	29.14	(52.94)	(51.22)
Net cash provided by (used in) financing activities	(121.26)	(90.73)	328.30
Net increase in cash and cash equivalents	15.15	12.21	429.31
Cash and cash equivalents at the beginning of the year	26.92	42.07	54.27
Cash and cash equivalents at the end of the year	42.07	54.27	483.58

The company's net cash from operating activities in 2015 of 152.23 million baht, mainly from the pre-tax profit of 89.94 million baht depreciation and amortization 58.78 million baht, the Company used cash in investing activities of approximately 51.22 million baht. the investment in property, plant and equipment almost entirely and the cash received from financing activities amounted to 328.30 million baht from the sale of increasing common stock to the public on November 2015.

The company has a Current Ratio and a quick ratio in 2015, equal to 4.65 times and 4.29 times, respectively, which represents a very high liquidity. Due to proceeds from the sale of increasing common stock to the public in late 2015.

**Factors or events that could affect the financial position and operations significantly in the future.**

Critical factors that may affect the financial condition and results of operations in future as follow;

- **The risk of fluctuations in the price of diesel which affect fares and cost of its services.**

Fluctuations in oil prices will affect the dynamics of the company fares due to define and adjust fares ferry services. According to the announced changes to the Surat Thani Province's ferry boat fares routes Donsak - Koh Samui dated December 25, 2008, which provides all ferry boat business operators offense can increase / decrease the fares between Don Sak district - Koh Samui, Surat Thani Regressive when the price of diesel in a specific price range. There are six price range starting from 14 baht per liter to 32.99 baht per liter, according to the province's announcement of changes to the route of the ferry boat Don Sak district - Phangan District . Events dated November 4, 2008, which provides bus fleet operators offense can

increase / decrease the fares between Don Sak district - Phangan Distrist, Surat Thani regressive when the price of diesel in a specific price range. There are four price range starting from 20 baht to 45 baht per liter.

Also, the fuel cost is the cost of providing services fluctuations in oil prices will affect the cost of services of the company. This will affect the profitability of future operations of the company in the end.

- **Additional investment in the purchase of a new ferry and the repair and maintenance in the future may be increase due to the ferry company's average age is quite high.**

The company currently has a fleet of 12 ferry boat with an average age of all ferry about 37 years by a ferry over 30 years total of 9 ships and has 5 ferry boat that fully depreciated. The business in the future, the company has some risk to a rise in repairs and maintenance cost and investing in new ferry. The expenses related to depreciation of vessels increased in the future, at present, the company has plans to invest new ferry increase of two vessels in the amount not exceeding 150 million baht (as described in the document), but because the company has not been able to clearly define the features and price. It is still not clear value of the amount required to be traded. The company is considered to be the most affordable property prices and expects the negotiations and related processes will be completed within the second quarter of 2016.

- **The impact in case the company can not got the tax benefit from Board of Investment.**

The company currently has its benefits as has been promoted by the Board of Investment Promotion Act BE 2520, the business of transport and its large promotional certificate No. 1190 (2) / 2010, No. 1188 (2) / 2010 and. No. 1189 (2) / 2010 for ships Raja 7, R 8 and R 9 respectively are exempt from corporate income tax on profits arising from the use of the ship Raja 7 R 8 and R 9 for eight years, during the years 2012 to 25014 and 25015, the company's profit for the business segment, has been promoted and will be exempted from corporate income tax in the amount of 30 million baht to 39 million baht to 48 million baht and 11 million baht respectively. if the tax rate at 23 percent in 2012 and 20 percent in the years from 2013 to 2014 and 2015 to calculate the profit will find that it is exempted from income tax to a total of about 27 million baht, for this reason, when such tax incentives are depleted in the future (from 2018 onwards) the performance of the company will be affected by the tax rate which may affect the company's net profit has decreased.

# Report of Audit Committee

Audit Committee of Raja Ferry Port Public Co.,Ltd comprises 3 independent directors who are experts with experiences in financial, immovable property and organizational management 3 person as follow:

1. Mr Chatree Siripanichkorn Chairman of Audit Committee
2. Mr Anan Ketpittaya Audit Committee
3. Mr Pornchai Wiriyanhasakul Audit Committee

The Audit Committee duties assigned by the Board of Directors and by the Charter of the Audit Committee. This is consistent with the requirements of the Stock Exchange of Thailand. The policy is to control Financial reports of the Company in accordance with the generally accepted accounting standards and principles. To review the operations of the Company in accordance with the principles of corporate governance. Effective internal control system. Compliance with applicable laws and regulations, as well as take care of the potential conflict of interest between the Company and connected persons. In the financial year 2015 has held a number of meetings of the Audit Committee four times, has been discussed with the management. Internal auditors and external auditors on related matters. The gist as follows.

## 1. Review financial report system:

-The Audit Committee has reviewed the financial statements of the Company's quarterly and annual financial statements with management and the external auditors before submission to the Board.

-A conference dedicated to the auditor and / or audit. Non-management meeting.

*For the financial report of the Company for the fiscal year 2015 Board of Directors providing opinions that the Company's financial reports have been prepared properly in accordance with generally accepted accounting principles. There is adequate disclosure in the notes to the financial statements and contain information that is useful to shareholders and investors.*

## **2. Related transactions or transactions that may have conflicts of interest.**

The Audit Committee has reviewed the disclosure of information in the event of a transaction or transactions that may have conflicts of interest to ensure accuracy and completeness and is of the opinion that the disclosure is adequate and meets the conditions of the SET and SEC Rules.

## **3 . Review of risk management.**

The Audit Committee has reviewed the policy and risk management plans and risk management both internal and external. The committee had a meeting with the management of the Company. Also consider and review performance and the adequacy of risk management on a regular basis every quarter include provide recommendations to improve even further.

## **4. A review of corporate governance**

The Audit Committee has reviewed the implementation of the code of ethics and corporate governance of the Company. The Directors and staff have followed the principles set out strict. The Board encourages all employees have a strong sense of ethics and morality, consistently and continuously. To achieve good corporate governance principles of the Stock Exchange of Thailand. To provide a transparent and ethical. Causing confidence to shareholders, investors, customers, suppliers and other relevant parties.

## **5. The review of the regulatory internal audit.**

For the independence of the audit. The Audit Committee has engaged the firm P & L Internal Audit Limited, a company providing external audit. As auditors of the Company. The committee will consider the annual internal audit plan. Results of the audit And follow-up audit on the management continued. And provide guidance to internal auditors. To be convinced that the implementation of the annual internal audit plan is to effectively and efficiently. The result of the audit for the year 2015. No flaws internal controls significantly.

## **6. A review of the effectiveness of internal controls.**

The Audit Committee has reviewed and revised the internal control system, according to the guidelines established by the Securities and Exchange Commission. Which covers the operational aspects of financial control. Legal compliance as well as to achieve the objectives and goals of the company. The evaluation model assesses the adequacy of internal controls. The assessment by the management and the internal audit department is of the opinion that the internal controls of the Company is enough

## 7. Appointment of the auditor and the audit fee.

The Audit Committee has considered the knowledge, skills, qualifications and performance of PV Audit Limited in the period a year ago. The Audit Committee proposes to the Board the appointment of the auditor. The remuneration of the auditor for approval by the shareholders' meeting.

In conclusion, the Audit Committee has duties and responsibilities as approved by the Board of Directors. The competence and due care is independent enough for the benefit of all stakeholders equally. The Committee is of the opinion that the financial statements of the Company is accurate, reliable, consistent with generally accepted accounting standards, the Company has adequate risk management. A control system Audit the appropriateness and effectiveness with operations in accordance with good corporate governance systems. Compliance with laws Requirements and Obligations Relating to the business operations of the Company.

On behalf of the Board of Directors



Board of Audit Committee

## AUDITOR'S REPORT

To the Board of Directors and Shareholders of Raja Ferry Port Public Company Limited

I have audited the financial statements of Raja Ferry Port Public Company Limited which comprise the statement of financial position as at December 31, 2015, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai 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.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Raja Ferry Port Public Company Limited as at December 31, 2015, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Emphasis of Matter

I draw attention to Note 4 to the financial statements, during the year 2015, the Company has corrected the accounting errors about recording for investment property. Accordingly, the statements of financial position as at December 31, 2014 and January 1, 2014, as presented herewith for comparative purposes have been restated to reflect the effects of the correction of errors.

My opinion on financial statements is not affected in respect of this matter.



Kraisit Silapamongkonkul  
Certified Public Accountant  
Registration Number 9429  
PV Audit Co., Ltd. Bangkok,  
February 26, 2016

## RAJA FERRY PORT PUBLIC COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

	Note	Baht		
		December 31, 2015	December 31, 2014	January 1, 2014
Assets	3		(Restated)	(Restated)
Current assets				
Cash and cash equivalents	6	483,587,917.91	54,273,904.32	42,068,651.66
Trade and other receivables	5, 7	14,181,320.83	18,941,909.66	21,156,970.68
Inventories	8	36,023,337.73	45,955,802.61	49,513,244.93
Other current assets	5	5,635,732.42	6,654,092.16	5,324,397.56
Total current assets		<u>539,428,308.89</u>	<u>125,825,708.75</u>	<u>118,063,264.83</u>
Non-current assets				
Restricted bank deposits	9	670,609.05	674,628.20	678,455.66
Investment property	4, 10	1,230,000.00	980,000.00	980,000.00
Property, plant and equipment	5, 11	616,429,202.43	600,813,439.53	594,883,500.41
Intangible assets	12	2,980,208.75	3,447,937.82	4,394,481.12
Other non-current assets	5	969,710.00	951,640.00	1,229,337.07
Total non-current assets		<u>622,279,730.23</u>	<u>606,867,645.55</u>	<u>602,165,774.26</u>
Total assets		<u><u>1,161,708,039.12</u></u>	<u><u>732,693,354.30</u></u>	<u><u>720,229,039.09</u></u>

## RAJA FERRY PORT PUBLIC COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

	Note	Baht		
		December 31, 2015	December 31, 2014	January 1, 2014
Liabilities and shareholders' equity	3		(Restated)	(Restated)
Current liabilities				
Trade and other payables	5, 14	39,708,987.16	55,251,379.52	55,375,558.45
Current portion of debts	15	65,237,454.15	92,571,852.34	51,786,594.68
Accrued income taxes	28	3,827,626.53	778,666.75	1,387,847.75
Other current liabilities	5	7,188,224.86	8,422,214.16	8,190,130.73
Total current liabilities		<u>115,962,292.70</u>	<u>157,024,112.77</u>	<u>116,740,131.61</u>
Non-current liabilities				
Long-term loans from financial in:	16	64,377,646.50	126,581,547.01	218,437,290.38
Long-term liabilities under finance	17	11,571,079.41	1,283,519.82	2,098,650.68
Long-term provisions	18, 19	2,022,825.11	3,885,199.17	3,446,515.23
Deferred tax liabilities	20	9,766,205.57	7,771,530.76	7,859,267.54
Other non-current liabilities	5	4,735,441.38	4,665,786.13	4,373,911.72
Total non-current liabilities		<u>92,473,197.97</u>	<u>144,187,582.89</u>	<u>236,215,635.55</u>
Total liabilities		<u>208,435,490.67</u>	<u>301,211,695.66</u>	<u>352,955,767.16</u>

## RAJA FERRY PORT PUBLIC COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

	Note	Baht		
		December 31, 2015	December 31, 2014	January 1, 2014
Shareholders' equity	3		(Restated)	(Restated)
Share capital	21			
Authorized share capital				
170,000,000 ordinary shares, Baht 1 par v		<u>170,000,000.00</u>	<u>170,000,000.00</u>	<u>170,000,000.00</u>
Issued and paid-up share capital				
170,000,000 ordinary shares in the year 2		170,000,000.00	132,000,000.00	132,000,000.00
132,000,000 shares in the year 2014, fully paid-up				
Premium on ordinary shares	22	398,514,262.00	-	-
Retained earnings				
Appropriated to legal reserve	23	17,000,000.00	17,000,000.00	17,000,000.00
Unappropriated	4, 24	392,968,116.57	314,180,288.76	249,971,902.05
Surplus arising from business com	2, 25	(162,377,639.22)	(162,377,639.22)	(162,377,639.22)
Other components of shareholde	11	<u>137,167,809.10</u>	<u>130,679,009.10</u>	<u>130,679,009.10</u>
Total shareholders' equity		<u>953,272,548.45</u>	<u>431,481,658.64</u>	<u>367,273,271.93</u>
Total liabilities and shareholders' equity		<u>1,161,708,039.12</u>	<u>732,693,354.30</u>	<u>720,229,039.09</u>

RAJA FERRY PORT PUBLIC COMPANY LIMITED  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	Baht	
		2015	2014
	3		
Revenue from sales and services	5	622,235,468.20	665,244,545.25
Cost of sales and services	2, 5, 26	(468,092,822.88)	(510,625,694.18)
Gross profit		154,142,645.32	154,618,851.07
Other income	5	16,032,338.64	11,186,192.78
Selling and service expenses	5, 26	(13,767,867.80)	(9,173,993.31)
Administrative expenses	2, 5, 26	(52,241,509.63)	(44,914,038.02)
Finance costs	27	(14,229,361.07)	(17,566,233.54)
Profit before income tax		89,936,245.46	94,150,778.98
Tax expense	2, 20, 28	(11,631,982.71)	(8,822,392.27)
Profit for the year		78,304,262.75	85,328,386.71
Other comprehensive income:	2		
Items that will never be reclassified to profit or loss			
Defined benefit plan actuarial gains		604,456.33	-
Tax relating to defined benefit plan actuarial gains		(120,891.27)	-
Gain on revaluation of assets		8,111,000.00	-
Tax relating to gain on revaluation of assets		(1,622,200.00)	-
Other comprehensive income for the year - net of tax		6,972,365.06	-
Total comprehensive income for the year		85,276,627.81	85,328,386.71
Basic earnings per share	2, 3	0.57	0.65
Weighted average number of ordinary shares (shares)	3	137,517,808	132,000,000

RAJA FERRY PORT PUBLIC COMPANY LIMITED  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Surplus arising from business combination under common control	Other components of shareholders' equity		Total
				Appropriated	Unappropriated		Surplus on revaluation of assets		
Beginning balance as at January 1, 2014 - previously reported		132,000,000.00	-	17,000,000.00	248,991,902.05	(162,377,639.22)	130,679,009.10	366,293,271.93	
Effects of correction of errors	4	-	-	-	980,000.00	-	-	980,000.00	
Adjusted balance		132,000,000.00	-	17,000,000.00	249,971,902.05	(162,377,639.22)	130,679,009.10	367,273,271.93	
Changes in shareholders' equity									
Profit for the year		-	-	-	85,328,386.71	-	-	85,328,386.71	
Dividend payment	24	-	-	-	(21,120,000.00)	-	-	(21,120,000.00)	
Ending balance as at December 31, 2014		132,000,000.00	-	17,000,000.00	314,180,288.76	(162,377,639.22)	130,679,009.10	431,481,658.64	
Changes in shareholders' equity									
Increase in ordinary shares	21, 22	38,000,000.00	398,514,262.00	-	-	-	-	436,514,262.00	
Profit for the year		-	-	-	78,304,262.75	-	-	78,304,262.75	
Other comprehensive income for the year	2	-	-	-	483,565.06	-	6,488,800.00	6,972,365.06	
Ending balance as at December 31, 2015		170,000,000.00	398,514,262.00	17,000,000.00	392,968,116.57	(162,377,639.22)	137,167,809.10	953,272,548.45	

Baht

RAJA FERRY PORT PUBLIC COMPANY LIMITED  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Baht	
	2015	2014
Cash flows from operating activities		
Profit before income tax	89,936,245.46	94,150,778.98
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities		
Depreciation and amortization	58,783,022.96	47,852,653.25
Finance costs	14,229,361.07	17,566,233.54
Doubtful accounts	184,777.06	61,848.62
Loss from devaluation of inventories	-	73,876.25
Loss from sales of assets	91,252.02	103,674.48
Reversal loss from impairment	(250,000.00)	-
Provisions incurred from the employee benefit obligations	441,497.63	305,371.44
Profit from operating activities before change in operating assets and liabilities	163,416,156.20	160,114,436.56
Change in operating assets (increase) decrease		
Trade and other receivables	4,575,811.77	2,153,212.40
Inventories	9,932,464.88	3,483,566.07
Other current assets	1,018,359.74	(1,329,694.60)
Restricted bank deposits	4,019.15	3,827.46
Other non-current assets	(18,070.00)	277,697.07
Change in operating liabilities increase (decrease)		
Trade and other payables	(15,499,906.44)	32,933.56
Other current liabilities	(1,233,989.30)	232,083.43
Employee benefit obligations paid	(76,048.00)	-
Other long-term provisions	(1,623,367.36)	133,312.50
Other non-current liabilities	69,655.25	291,874.41
Cash generated from operations	160,565,085.89	165,393,248.86
Income tax paid	(8,331,439.39)	(9,519,310.05)
Net cash provided by operating activities	152,233,646.50	155,873,938.81

RAJA FERRY PORT PUBLIC COMPANY LIMITED  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Baht	
	2015	2014
Cash flows from operating activities		
Profit before income tax	89,936,245.46	94,150,778.98
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities		
Depreciation and amortization	58,783,022.96	47,852,653.25
Finance costs	14,229,361.07	17,566,233.54
Doubtful accounts	184,777.06	61,848.62
Loss from devaluation of inventories	-	73,876.25
Loss from sales of assets	91,252.02	103,674.48
Reversal loss from impairment	(250,000.00)	-
Provisions incurred from the employee benefit obligations	441,497.63	305,371.44
Profit from operating activities before change in operating assets and liabilities	163,416,156.20	160,114,436.56
Change in operating assets (increase) decrease		
Trade and other receivables	4,575,811.77	2,153,212.40
Inventories	9,932,464.88	3,483,566.07
Other current assets	1,018,359.74	(1,329,694.60)
Restricted bank deposits	4,019.15	3,827.46
Other non-current assets	(18,070.00)	277,697.07
Change in operating liabilities increase (decrease)		
Trade and other payables	(15,499,906.44)	32,933.56
Other current liabilities	(1,233,989.30)	232,083.43
Employee benefit obligations paid	(76,048.00)	-
Other long-term provisions	(1,623,367.36)	133,312.50
Other non-current liabilities	69,655.25	291,874.41
Cash generated from operations	160,565,085.89	165,393,248.86
Income tax paid	(8,331,439.39)	(9,519,310.05)
Net cash provided by operating activities	152,233,646.50	155,873,938.81

## RAJA FERRY PORT PUBLIC COMPANY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Baht	
	2015	2014
Cash flows from investing activities		
Purchase of plant and equipment	(50,470,528.69)	(52,767,944.35)
Purchase of intangible assets	(767,660.80)	(184,799.70)
Proceeds from sales of assets	20,085.11	13,020.50
Net cash used in investing activities	<u>(51,218,104.38)</u>	<u>(52,939,723.55)</u>
Cash flows from financing activities		
Repayment of loans from financial institutions	(92,642,228.47)	(51,237,681.39)
Repayment of liabilities under finance lease	(1,552,965.07)	(899,185.18)
Proceeds from increase in ordinary shares	436,514,262.00	-
Dividend payment	-	(21,120,000.00)
Interest paid	(14,020,596.99)	(17,472,096.03)
Net cash provided by (used in) financing activities	<u>328,298,471.47</u>	<u>(90,728,962.60)</u>
Net increase in cash and cash equivalents	429,314,013.59	12,205,252.66
Cash and cash equivalents at the beginning of the year	<u>54,273,904.32</u>	<u>42,068,651.66</u>
Cash and cash equivalents at the end of the year	<u><u>483,587,917.91</u></u>	<u><u>54,273,904.32</u></u>

## Additional details of non-cash items

During the year 2015

1. The Company purchased vehicle and equipment at cost in the amount of Baht 15.13 million by cash payment in the amount of Baht 0.44 million and by entering into a finance lease agreement for the remainder.

**RAJA FERRY PORT PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**1. GENERAL INFORMATION**

Raja Ferry Port Public Company Limited (“the Company”) was incorporated in Thailand under the Civil and Commercial Code on February 17, 1981 and became a public company limited on December 27, 2007. The Company’s principal activities are the business of ferry service for passenger and transportation, wharf and trading on wharf and in passenger ferryboat.

On November 12, 2015, the Company was listed on the Stock Exchange of Thailand in Market for Alternative Investment (mai).

The office of the Company is at 25/1, Moo 8, Mittraphap Road, Don Sak, Suratthani, and the Company has a total 7 branches in Bangkok and upcountry.

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) in accordance with generally accepted accounting principles in Thailand.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in accordance with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to

accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

The surplus arising from business combination under common control is the difference between cost of the business combination under common control and book value of the company which are combined. These said investments are from merging the entities which have the same shareholders and management team. The said surplus is presented in the statement of financial position under “shareholders’ equity”.

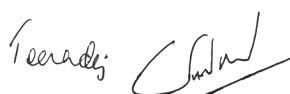
### Adoption of New Thai Financial Reporting Standards

FAP has issued Notifications, mandating the use of new and revised Conceptual Framework for Financial Reporting (revised 2015), Thai Accounting Standards (“TAS”), TFRS, Thai Standard Interpretations (“TSIC”) and Thai Financial Reporting Interpretations (“TFRIC”) as follows:

a) Conceptual Framework for Financial Reporting (revised 2015) which is immediately effective for the year 2015.

b) TAS, TFRS, TSIC and TFRIC which are effective for the financial statements for the period beginning on or after January 1, 2015 as follows:

TAS/TFRS/TSIC/TFRIC	Topic
TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases



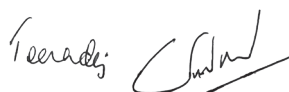
Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas  
Directors

TAS/TFRS/TSIC/TFRIC	Topic
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas  
Directors

TAS/TFRS/TSIC/TFRIC	Topic
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases-Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas  
Directors

TAS/TFRS/TSIC/TFRIC	Topic
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

During the year, the Company has adopted Conceptual Framework for Financial Reporting (revised 2015), new and revised TFRS which are effective for the accounting period beginning on or after January 1, 2015. These Conceptual Framework for Financial Reporting (revised 2015) and TFRS were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these Conceptual Framework for Financial Reporting (revised 2015) and TFRS does not have any significant impact on the financial statements of the Company, except TFRS as follows:

**TAS 1 (revised 2014) Presentation of financial statements**

The key change is that the Company is required to group items presented in “Other Comprehensive Income” on the basis of whether they are potentially reclassifiable to profit or loss subsequently. This standard will only impact the presentation of other comprehensive income items in the statement of comprehensive income of the Company.

**TAS 19 (revised 2014) Employee benefits**

This revised standard requires that the Company recognizes actuarial gains and losses immediately in other comprehensive income while the existing standard allows the Company to recognize such gains and losses immediately in either profit or loss or other comprehensive income, or to recognize them gradually in profit or loss.

The management of the Company has assessed the effects of such changes which adjusted retrospectively in the financial statements and presented in the statements of comprehensive income for the year ended December 31, 2015 as follows:



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas  
Directors

	Baht
<b>Statement of comprehensive income</b>	
Increase in cost of sales and services	(233,163.51)
Increase in administrative expenses	(371,292.82)
Decrease in tax expense	120,891.27
Decrease in profit for the year	(483,565.06)
Decrease in basic earnings per share (Baht per share)	0.0035
<b>Other comprehensive income</b>	
<b>Items that will never be reclassified to profit or loss</b>	
Defined benefit plan actuarial gains	604,456.33
Tax relating to defined benefit plan actuarial gains	(120,891.27)

### TFRS 13 Fair value measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. The Company is to apply the guidance under this standard if it is required by other TFRS to measure its assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

The Company disclosed information in accordance with this standard as described in Note 33.

### New and revised Thai Financial Reporting Standards not yet effective

During the year 2015, FAP has issued Notifications, mandating the use of new and revised TAS, TFRS, TSIC, TFRIC and accounting guidance (“AG”) as follows:

TAS, TFRS, TSIC, TFRIC and AG which are effective for the financial statements for the period beginning on or after January 1, 2016 as follows:



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas

Directors

TAS/TFRS/TSIC/TFRIC/AG	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events after the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting



Mr. Teerada Tangpraputgul and Mr. Apichart Chayopas

Directors

TAS/TFRS/TSIC/TFRIC/AG	Topic
TAS 36 (revised 2015)	Impairment of Asset
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases-Incentives
TSIC 25 (revised 2015)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas  
Directors

TAS/TFRS/TSIC/TFRIC/AG	Topic
TSIC 32 (revised 2015)	Intangible Assets-Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies
Accounting guidance for the measurement and recognition of bearer plants	

The management of the Company is assessing the impacts of these TFRS on the financial statements for the year in which they are initially applied.



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas  
Directors

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### The measurement bases used in preparing the financial statements

Other than those disclosed elsewhere in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

#### Revenues

Revenue excludes value added taxes is arrived at after deduction of trade discounts.

Revenues from services are recognized when services are rendered.

Revenue is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenue from rental

Revenue from rental is recognized in the statement of comprehensive income by the straight-line method over the term of the agreement.

Interest income

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

Other income

Other income is recognized on an accrual basis.

#### Expenses

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of comprehensive income in the accounting period in which they are incurred.



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas

Directors

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Expenses are recognized on an accrual basis.

### Employee benefits

#### Short-term benefits

The Company recognizes salaries, wages, bonus and social security contribution as expenses when incurred.

#### Post-employment benefits – defined contribution plan

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which they relate.

#### Post-employment benefits – defined benefit plan

The employee benefit obligations in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Company through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service rendered by employee is recognized in the statement of comprehensive income on a straight-line basis over the average period until the benefits become vested.



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas

Directors

When the actuarial assumptions are changed, the Company recognizes actuarial gains (losses) immediately in other comprehensive income.

### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applied a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measured fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

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

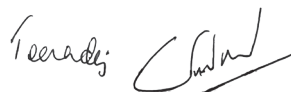
At the end of each reporting period, the Company determined whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

### Cash and cash equivalents

Cash and cash equivalents are cash on hand, current deposits and savings deposits, cash at bank with an original maturity of 3 months and short-term investments with high liquidity excluded deposits at bank on obligation.

### Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas  
Directors

The Company records allowance for doubtful accounts that is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

In determining an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

### **Inventories**

Inventories are valued at the lower of weighted average cost or net realizable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of inventories, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the normal course of business less the costs to make the sale.

A provision for devaluation of inventories is made for all deteriorated, damaged, obsolete and slow-moving inventories.

### **Investment property**

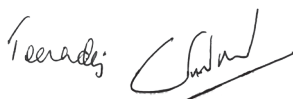
Investment property is land which is held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Land is stated at cost less allowance for impairment (if any).

### **Property, plant and equipment**

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

The Company initially recorded land at cost on the acquisition date. Subsequently, the Company had the appraisal value of land by the independent appraisal and recorded such land at the revalued amount. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of the reporting period.



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas

Directors

The land's carrying amount is increased as a result of a revaluation; the increase is recognized in shareholders' equity under the heading of "Surplus on revaluation of assets". However, if the land's carrying amount is decreased as a result of a revaluation and the Company recognized as expense in statement of comprehensive income, the increase from revaluation shall be recognized in profit or loss to the extent that it reverses a revaluation decreases of the same asset previously recognized in profit or loss.

The land's carrying amount is decreased as a result of a revaluation; the decrease is recognized as an expense in the statement of comprehensive income. However, if the land's carrying amount is increased as a result of a revaluation and the balance to shareholder's equity under the heading of "Surplus on revaluation on assets" to the extent that the decrease does not exceed the amount held in the "Surplus on revaluation of assets" in respect of those same assets, and the remaining amount is to be recognized as an expense in the statement of comprehensive income.

### Depreciation

Depreciation is computed by the straight-line method based on the estimated useful lives of assets as follows:

	Years
Land improvements	5 - 20
Buildings and construction	5 - 20
Ferryboats	18 - 20
Dry-dock and special survey	2.5
Machinery and equipment	5
Furniture and office equipment	5
Vehicles	5

Depreciation is included in determining income and no depreciation is provided on land and construction in progress.

Repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits to be used during more than one period. Major renovations are depreciated over the remaining useful life of the related asset.



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas

Directors

Major repair and maintenance costs are an expenditure incurred during inspections and major repairs of the ferryboats. Major repair and maintenance costs are recognized in the carrying amount of other assets and are amortized over the period until the next scheduled dry-docking, up to a maximum of 2-3 years. When significant specific dry-docking costs are incurred prior to the expiry of the amortization periods, the remaining costs of the previous dry-docking is written off immediately.

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

The direct expenses concerned with the assets include interest paid from the borrowing for the acquisitions of the above assets before completion of the assets are recognized as cost of the assets.

### Intangible assets


Intangible assets are stated at cost less accumulated amortization and allowance for impairment (if any), which is computed by the straight-line method based on the estimated useful lives of the assets for 5 years.

### Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortized using the effective rate method based on the term of the loans.

### Finance lease

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



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas

Directors

### Impairment of assets

The carrying amounts of the Company's assets are reviewed at each in the statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of comprehensive income unless it reverses a previous revaluation credited to shareholders' equity, in which case it is charged to shareholders' equity.

### Calculation of recoverable amount

The recoverable amount is the greater of the assets' fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

### Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### Provisions

A provision is recognized in the statement of financial position 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. Significant judgments and estimates are as follows:



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas

Directors

### Commercial disputes and litigation

The Company has contingent liabilities as a result of commercial disputes and litigation. The management has used judgment to assess of the results of the commercial disputes and litigation and believes that no loss will result. Therefore no provision is recorded as at the statement of financial position date. However, actual results could differ from the estimates.

### Foreign currencies

#### Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Gain or loss on conversion is recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies at the end of reporting period date are translating into the functional currency using the exchange rate at the date of transaction.

### Income tax

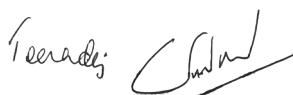
Income tax expense for the year comprises current and deferred tax.

Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas

Directors

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### Dividends

Dividend and interim dividend payment are recorded in the financial statements in the period in which they are approved by Shareholders' meeting and Board of Directors' meeting.

### Basic earnings per share

Basic earnings per share is calculated by dividing profit for the years by the weighted average number of ordinary shares issued and paid-up during the years.

For the years ended December 31, 2015 and 2014 were as follows:



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas  
Directors

	2015	2014
Profit for the years (Baht)	78,304,262.75	85,328,386.71
<b>Weighted average number of ordinary shares (shares)</b>		
Issued ordinary shares as at January 1,	132,000,000	132,000,000
Effect of shares issued during the years	5,517,808	-
Weighted average number of ordinary shares (shares)	<u>137,517,808</u>	<u>132,000,000</u>
Basic earnings per share (Baht)	<u>0.57</u>	<u>0.65</u>

#### 4. CORRECTION OF ERRORS

During the year 2015, the Company corrected the accounting errors about land not used in operations.

The effects of the correction of errors to financial statements were as follows:

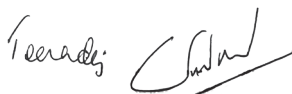
	Baht		
	December 31, 2015	December 31, 2014	January 1, 2014
<b>Statements of financial position</b>			
Increase in investment property	980,000.00	980,000.00	980,000.00
Increase in retained earnings	980,000.00	980,000.00	980,000.00

#### 5. TRANSACTIONS WITH RELATED PARTIES

The Company had transactions with related parties. These parties were related through common shareholders and/or directorships. The significant transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

The significant balances of assets, liabilities and other transactions occurred with those related parties were as follows:

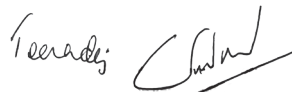
Significant transactions with related parties for the years ended December 31, 2015 and 2014 were as follows:



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas

Directors

	Baht	
	2015	2014
Revenue from sales and services		
Grand Chaweng Beach Company Limited	116,594.75	76,809.88
Pacific Sight-seeing Tour Company Limited	50,100.00	41,230.00
Raja Ferry Pattana Company Limited	166,737.75	189,528.79
R.F.T. Company Limited	8,054.02	67,996.31
Other income		
Grand Chaweng Beach Company Limited	56,400.00	299,100.00
Pacific Sight-seeing Tour Company Limited	56,400.00	299,100.00
Raja Ferry Pattana Company Limited	219,199.98	19,800.00
R.F.T. Company Limited	82,100.00	305,700.00
Expenses		
Grand Chaweng Beach Company Limited	1,268,823.12	1,792,629.96
Chaophya Lodge Company Limited	3,682,817.65	3,487,551.02
Park Hotel and Resorts Company Limited	599,745.27	62,562.05
Pacific Sight-seeing Tour Company Limited	55,975.84	1,800.00
Raja Ferry Pattana Company Limited	216,950.00	255,866.00
AI Management Company Limited	923,784.27	453,080.40
R.F.T. Company Limited	49,518.00	5,500.00
Related person	763,658.96	576,447.34
Sale of equipment		
Raja Ferry Pattana Company Limited	-	6,663.55
Purchase of equipment		
Raja Maritime & Services Company Limited	64,200.00	-
R.F.T. Company Limited	80,250.00	-
Raja Ferry Pattana Company Limited	-	20,865.50



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas  
Directors

### Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Short-term benefits	11,709,352.00	10,055,180.18
Post-employment benefits	247,934.26	186,370.00
Total	<u>11,957,286.26</u>	<u>10,241,550.18</u>

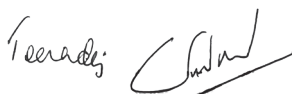
### Directors' remuneration

Directors' remuneration represents benefits paid to the directors of the Company in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefit payable to directors who hold executive positions.

For the years ended December 31, 2015 and 2014, the Company paid directors' remuneration in the amount of Baht 1.66 million and Baht 1.42 million, respectively.

The significant balances of assets and liabilities with related parties as at December 31, 2015 and 2014 were as follows:

	Baht	
	2015	2014
Trade and other receivables		
R.F.T. Company Limited	12,700.00	14,868.00
Grand Chaweng Beach Company Limited	28,539.00	31,974.00
Raja Ferry Pattana Company Limited	2,209,470.33	6,378,674.00
Pacific Sight-seeing Tour Company Limited	<u>14,815.00</u>	<u>9,129.00</u>
Total	<u>2,265,524.33</u>	<u>6,434,645.00</u>
Deposit/ Prepaid rental		
Chaophya Lodge Company Limited	696,000.00	696,000.00
Pacific Sight-seeing Tour Company Limited	-	16,050.00
Raja Ferry Pattana Company Limited	44,000.00	-



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas

Directors

For the years ended December 31, 2015 and 2014, the Company sold advance ticket to Raja Ferry Pattana Company Limited as a representative agent for sales to end users in the amount of Baht 36.17 million and Baht 38.75 million, respectively.

### Guarantee for liabilities from related parties

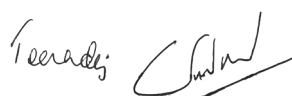
As at December 31, 2015, the Company had co-guarantee liabilities from related parties as follows:

Raja Ferry Pattana Company Limited mortgaged land including existing construction as collateral for the Company's loans from the financial institution, without compensation (see Notes 13 and 16).

The director of the Company was guarantor for the liabilities under finance leases without compensation.

### Nature of relationship

Name	Country/ Nationality	Type of business	Type of relation
Raja Ferry Pattana Company Limited	Thailand	Property development	Common director and/or shareholder
Chaophya Lodge Company Limited	Thailand	Room for rent, restaurant and music	Common director and/or shareholder
R.F.T. Company Limited	Thailand	Room for rent, restaurant and ticketing agents	Common director and/or shareholder
Grand Chaweng Beach Company Limited	Thailand	Hotel and restaurant	Common director and/or shareholder
Park Hotel and Resorts Company Limited	Thailand	Hotel and restaurant	Common director and/or shareholder
Al Management Company Limited	Thailand	Ticketing agents	Common director and/or shareholder
Pacific Sight-seeing Tour Company Limited	Thailand	Hotel and restaurant	Common director and/or shareholder
Raja Maritime & Services Company Limited	Thailand	Student activity management, course training for the hotel and services	Common director and/or shareholder
Related person	Thai	-	Shareholder



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Directors

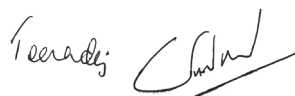
### Bases of measurement for intercompany revenues and expenses

	<u>Pricing policies</u>
Purchase - Sale of equipment	Stipulate in the agreement
Rendering of fare and loading	Normal course of business
Sales of goods	Normal course of business
Rendering of other services	Normal course of business
Cost of sales and services	Normal course of business
Selling and administrative expenses	Normal course of business

### 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2015 and 2014 consisted of:

	<u>Baht</u>	
	<u>2015</u>	<u>2014</u>
Cash	3,399,392.92	2,787,321.96
Cash at banks	480,188,524.99	51,486,582.36
Total	<u>483,587,917.91</u>	<u>54,273,904.32</u>



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas  
Directors

## 7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2015 and 2014 consisted of:


	Baht	
	2015	2014
Trade receivables	14,366,269.50	19,057,234.67
<b>Less</b> Allowance for doubtful accounts	<b>(209,416.67)</b>	<b>(177,316.67)</b>
Trade receivables - net	<u>14,156,852.83</u>	<u>18,879,918.00</u>
Other receivables	347,508.43	232,355.03
<b>Less</b> Allowance for doubtful accounts	<b>(323,040.43)</b>	<b>(170,363.37)</b>
Other receivables - net	<u>24,468.00</u>	<u>61,991.66</u>
Trade and other receivables - net	<u><u>14,181,320.83</u></u>	<u><u>18,941,909.66</u></u>

## 8. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Food and beverages	2,657,437.51	2,932,090.08
Fuel oil	5,055,269.72	7,138,113.77
Spare parts and supplies	28,993,688.32	36,568,656.58
Total	36,706,395.55	46,638,860.43
<b>Less</b> Allowance for devaluation of inventories	<b>(683,057.82)</b>	<b>(683,057.82)</b>
Inventories - net	<u><u>36,023,337.73</u></u>	<u><u>45,955,802.61</u></u>

As at December 31, 2015 and 2014, the Company had outstanding balances of trade receivables aged by number of months as follows:

*Teeradaj* 

Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas

Directors

	Baht	
	2015	2014
Balance as at the beginning	683,057.82	609,181.57
<b>Add</b> Loss from devaluation of inventories	-	73,876.25
Balance as at the end	<u>683,057.82</u>	<u>683,057.82</u>

Movements of allowance for doubtful accounts for the years ended December 31, 2015 and 2014 were as follows:

### 9. RESTRICTED BANK DEPOSITS

As at December 31, 2015 and 2014, the Company's cash at bank are used as collateral for a letter of guarantee for the Company's electricity issued by a bank (see Note 32).

### 10. INVESTMENT PROPERTY

Investment property as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Land	1,230,000.00	(Restated) 980,000.00

The Company has requested T.A. Management Corporation (1999) Co., Ltd. as an independent appraiser to appraise its land. The total appraisal value of Baht 8.35 million which was determined on the basis of Market approach as per the appraisal report dated on December 17, 2015.



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas

Directors

## 11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, 2015 and 2014 consisted of:

	Baht							Total	
	Land	Land improvements	Building and construction	Ferryboat and improvements and special survey	Machinery and equipment	Furniture and office equipment	Vehicles		Construction in progress
<b>Cost</b>									
As at January 1, 2014	174,489,000.00	23,263,107.33	152,514,544.76	379,020,203.29	12,432,886.33	15,897,625.60	10,033,332.63	3,294,340.20	770,945,040.14
Increase	-	-	162,500.00	21,689,975.60	4,273,094.57	3,417,850.15	-	23,224,524.03	52,767,944.35
Disposals	-	-	(8,998,824.69)	-	(41,331.00)	(517,658.86)	-	-	(9,557,814.55)
Transfer / adjust	-	-	10,711,945.34	(21,771,896.29)	198,714.51	(10,402.00)	-	(10,952,736.05)	(21,824,374.49)
As at December 31, 2014	174,489,000.00	23,263,107.33	154,390,165.41	378,938,282.60	16,863,364.41	18,787,414.89	10,033,332.63	15,566,128.18	792,330,795.45
Increase	-	-	1,441,300.00	27,583,952.00	937,066.34	3,816,445.24	16,015,208.22	15,369,761.32	65,163,733.12
Revaluation	8,111,000.00	-	-	-	-	-	-	-	8,111,000.00
Disposals	-	-	-	-	(46,150.90)	(493,651.64)	(700,000.00)	-	(1,239,802.54)
Transfer / adjust	-	975,916.90	29,665,998.61	(17,705,478.00)	-	-	-	(30,649,889.51)	(17,713,452.00)
As at December 31, 2015	182,600,000.00	24,239,024.23	185,497,464.02	388,816,756.60	17,754,279.85	22,110,208.49	25,348,540.85	285,999.99	846,652,274.03
<b>Accumulated depreciation</b>									
As at January 1, 2014	-	12,366,471.00	60,469,363.37	81,135,153.51	5,660,807.37	11,086,777.64	5,342,966.84	-	176,061,539.73
Depreciation	-	1,269,676.00	10,113,621.00	29,454,073.23	2,101,059.72	2,423,226.19	1,359,654.11	-	46,721,310.25
Disposals	-	-	(8,991,793.01)	-	(23,489.87)	(483,878.89)	-	-	(9,499,161.77)
Transfer / adjust	-	-	-	(21,767,169.29)	1,820.81	(983.81)	-	-	(21,766,332.29)
As at December 31, 2014	-	13,636,147.00	61,591,191.36	88,822,057.45	7,740,198.03	13,025,141.13	6,702,620.95	-	191,517,355.92
Depreciation	-	1,316,943.00	11,179,058.00	37,997,264.11	2,670,727.20	2,403,704.24	1,979,936.54	-	57,547,633.09
Disposals	-	-	-	-	-	-	-	-	-
Transfer / adjust	-	-	-	(17,705,478.00)	(26,595.81)	(409,844.60)	(699,999.00)	-	(18,841,917.41)
As at December 31, 2015	-	14,953,090.00	72,770,249.36	109,113,843.56	10,384,329.42	15,019,000.77	7,982,558.49	-	230,223,071.60
<b>Net book value</b>									
As at December 31, 2014	174,489,000.00	9,626,960.33	92,798,974.05	290,116,225.15	9,123,166.38	5,762,273.76	3,330,711.68	15,566,128.18	600,813,439.53
As at December 31, 2015	182,600,000.00	9,285,934.23	112,727,214.66	279,702,913.04	7,369,950.43	7,091,207.72	17,365,982.36	285,999.99	616,429,202.43

*Teeradaj*

Mr. Teeradaj Tangprautgul and Mr. Apichart Chayopas

Directors

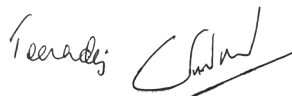
The Company's land is determined using fair value. On December 16 and 17, 2015, the Company revalued land by independent valuers, which valuations were made on the basis of Market Approach.

As at December 31, 2015 the book value of land at the revaluation comparing to the historical cost were as follows:

	Baht	
	<u>Revalued amount</u>	<u>Historical cost</u>
Land	<u>182,600,000.00</u>	<u>35,261,420.31</u>

For the year ended December 31, 2015, the effects of the revalued land to surplus on revaluation on assets were as follows:

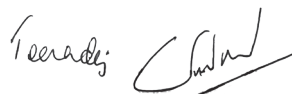
	<u>Baht</u>
Beginning balance	130,679,009.10
<b>Add</b> Increase in surplus on revaluation on assets	8,111,000.00
<b>Less</b> Increase in deferred tax liabilities	<u>(1,622,200.00)</u>
Surplus on revaluation on assets	<u>137,167,809.10</u>



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas  
Directors

	Millions Baht	
	2015	2014
Depreciation for the years ended December 31, were included in		
- Cost of sales and services	52.07	41.88
- Selling and administrative expenses	5.48	4.84
Total	<u>57.55</u>	<u>46.72</u>
As at December 31,		
The cost amount of building and equipment before less accumulated depreciation which have been fully depreciated and still in use	<u>63.59</u>	<u>59.44</u>
At December 31,		
The net book value of assets under finance lease agreements (see Note 17)		
- Vehicles	16.03	2.48
- Machinery and equipment	0.10	-
Total	<u>16.13</u>	<u>2.48</u>
At December 31,		
The net book value of temporarily ceased machine	<u>2.02</u>	<u>0.24</u>

As at December 31, 2015 and 2014, the Company mortgaged land including existing construction and to be constructed as well as the benefits from insurance of construction against bank overdrafts and loans from financial institutions (see Notes 13 and 16).

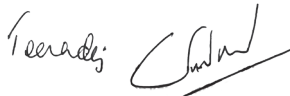


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As at December 31, 2015				
		The rate of lease per month		
	Parties	Period	Millions Baht	Note
Property lease agreement (lessee)				
Company	Chaophya Lodge Company Limited	3 years	0.23	-
Company	Grand Chaweng Beach Company Limited	3 years	0.02	-
Company	Raja Ferry Pattana Company Limited	3 years	0.01	-
Company	Shareholders	3 years	0.13	-

## 12. INTANGIBLE ASSETS

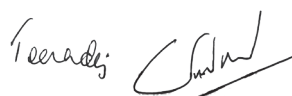
Intangible assets as at December 31, 2015 and 2014 consisted of:



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas  
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	Baht		
	Computer software	Computer software under development	Total
<b>Cost</b>			
As at January 1, 2014	6,288,270.97	429,273.30	6,717,544.27
Purchases	-	184,799.70	184,799.70
Transfer / adjust	614,073.00	(614,073.00)	-
At as December 31, 2014	6,902,343.97	-	6,902,343.97
Purchases	296,860.80	470,800.00	767,660.80
Disposals	(660,000.00)	-	(660,000.00)
Transfer / adjust	-	-	-
At as December 31, 2015	6,539,204.77	470,800.00	7,010,004.77
<b>Accumulated amortization</b>			
As at January 1, 2014	2,323,063.15	-	2,323,063.15
Amortization	1,131,343.00	-	1,131,343.00
At as December 31, 2014	3,454,406.15	-	3,454,406.15
Amortization	1,235,388.87	-	1,235,388.87
Disposals	(659,999.00)	-	(659,999.00)
At as December 31, 2015	4,029,796.02	-	4,029,796.02
<b>Net book value</b>			
At as December 31, 2014	3,447,937.82	-	3,447,937.82
At as December 31, 2015	2,509,408.75	470,800.00	2,980,208.75

	Millions Baht	
	2015	2014
Amortization for the years ended December 31,		
were included in		
- Cost of sales and services	0.01	0.02
- Administrative expenses	1.23	1.11
Total	1.24	1.13



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Directors

### 13. CREDIT LINES

The details of the credit lines as at December 31, 2015 and 2014 as follows:

Lender	Type of credit	Credit lines (Millions Baht)		Referred interest rate (Percentage)
		2015	2014	
Bank	Bank overdrafts	8.00	8.00	MOR
Bank	Promissory notes	10.00	10.00	MLR
	Total	<u>18.00</u>	<u>18.00</u>	

The Company and Raja Ferry Pattana Company Limited have mortgaged land including existing construction and to be constructed and the Company mortgaged ferryboats as collateral for the liabilities from financial institution (see Notes 5 and 11).

### 14. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Trade payables	15,673,321.23	21,265,563.44
Other payables		
Accrued expenses	24,035,665.93	33,985,816.08
Grand total	<u>39,708,987.16</u>	<u>55,251,379.52</u>



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## 15. CURRENT PORTION OF DEBTS

Current portion of debts as at December 31, 2015 and 2014 consisted of:

	Note	Baht	
		2015	2014
Loans from financial institutions	16	61,569,643.50	91,756,721.46
Liabilities under finance leases	17	3,667,810.65	815,130.88
Total		<u>65,237,454.15</u>	<u>92,571,852.34</u>

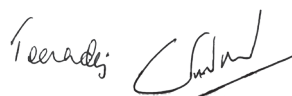
## 16. LOANS FROM FINANCIAL INSTITUTIONS

Loans from financial institutions as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Loans from financial institutions	125,947,290.00	218,338,268.47
<b>Less</b> Current portion	(61,569,643.50)	(91,756,721.46)
Long-term loans from financial institutions	<u>64,377,646.50</u>	<u>126,581,547.01</u>

The details of the loans are summarized as follows:

	Baht	
	2015	2014
Loans from financial institutions	125,947,290.00	218,338,268.47
<b>Less</b> Current portion	(61,569,643.50)	(91,756,721.46)
Long-term loans from financial institutions	<u>64,377,646.50</u>	<u>126,581,547.01</u>



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas

Directors

Movements of loans from financial institutions for the years ended December 31, 2015 and 2014 were as follows:

	Baht	
	2015	2014
Balance as at the beginning	218,338,268.47	269,324,699.86
Increase	-	-
Decrease	(92,390,978.47)	(50,986,431.39)
Balance as at the end	125,947,290.00	218,338,268.47

The Company and Raja Ferry Pattana Company Limited mortgaged the land including existing construction and to be constructed and the Company mortgaged ferryboats as collateral for the liabilities from financial institutions (see Notes 5 and 11).

On December 28, 2015, the Company entered into a memorandum of agreement amendment with financial institution to revoke the guarantee of director and Raja Ferry Pattana Company Limited for loans from financial institution of the Company.

## 17. LIABILITIES UNDER FINANCE LEASES

Liabilities under finance leases as at December 31, 2015 and 2014 consisted of:

Year	Baht					
	2015			2014		
	Present value	Deferred interest	lease payment	Present value	Deferred interest	lease payment
1	3,667,810.65	1,167,174.29	4,834,984.94	815,130.88	118,407.89	933,538.77
2 - 5	11,571,079.41	2,139,390.44	13,710,469.85	1,283,519.82	62,963.41	1,346,483.23
Total	15,238,890.06	3,306,564.73	18,545,454.79	2,098,650.70	181,371.30	2,280,022.00

The Company entered into the finance lease agreements for purchase equipment and vehicles, payable monthly in the amount of Baht 0.41 million. As at December 31, 2015, the current portion of liabilities under finance leases in the amount of Baht 3.67 million (as at December 31, 2014: Baht 0.82 million) was presented under current liabilities.

*Teeradaj* 

Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas

Directors

## 18. LONG-TERM PROVISIONS

Long-term provisions as at December 31, 2015 and 2014 consisted of:


	Note	Baht	
		2015	2014
Post-employment benefits	19	1,695,619.63	1,934,626.33
Provision from litigation	35	327,205.48	1,950,572.84
Total		<u>2,022,825.11</u>	<u>3,885,199.17</u>

## 19. EMPLOYEE BENEFITS

Movements of the present value of employee benefit obligations for the years ended December 31, 2015 and 2014 were as follows:

	Baht	
	2015	2014
<b>Post - employment benefit plan</b>		
Employee benefit obligations as at January 1	1,934,626.33	1,629,254.89
Included in profit or loss:		
Current service cost	338,245.00	245,281.94
Interest cost	103,252.63	60,089.50
Included in other comprehensive income:		
Defined benefit plan actuarial gains	(604,456.33)	-
Benefits paid during the year	(76,048.00)	-
Employee benefit obligations as at December 31	<u>1,695,619.63</u>	<u>1,934,626.33</u>

The Company made defined benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.



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Directors

Principal actuarial assumptions (expressed as weighted averages) as follows:

	Baht	
	2015	2014
<b>Post - employment benefit plan</b>		
Employee benefit obligations as at January 1	1,934,626.33	1,629,254.89
Included in profit or loss:		
Current service cost	338,245.00	245,281.94
Interest cost	103,252.63	60,089.50
Included in other comprehensive income:		
Defined benefit plan actuarial gains	(604,456.33)	-

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table in year 2008.

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2015 are summarized below:

	Baht	
	Increase	Decrease
Discount rate (0.50% Movement)	(63,886.00)	67,750.00
Salary increase rate (0.50% Movement)	70,232.00	(66,743.00)




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Directors

## 20. DEFERRED TAX

Deferred tax as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Deferred tax assets	404,565.02	777,039.83
Deferred tax liabilities	(10,170,770.59)	(8,548,570.59)
Deferred tax liabilities - net	<u>(9,766,205.57)</u>	<u>(7,771,530.76)</u>



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Directors

Movements in deferred tax assets and deferred tax liabilities during the years were as follows

	Baht	
	2015	2014
Deferred tax assets	404,565.02	777,039.83
Deferred tax liabilities	(10,170,770.59)	(8,548,570.59)
Deferred tax liabilities - net	(9,766,205.57)	(7,771,530.76)



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas  
Directors

## 21. SHAREE CAPITAL

During November 4 - 6, 2015 the Company offered the share capital in the amount of 38 million shares to the public for subscription shares at the offering price of Baht 12 per share. The Company received the proceeds from the public for subscription shares, total amount Baht 436.51 million (the Company recorded expenses for selling increase share capital in the amount of Baht 19.49 million deducted from share premium account). On November 9, 2015, the Company registered the change in its paid-up share capital from share subscriptions received from Baht 132 million to Baht 170 million with the Ministry of Commerce.

## 22. SHARE PREMIUM

According to the Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

## 23. LEGAL RESERVE

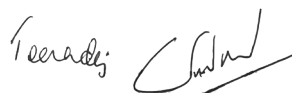
According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment.

## 24. DIVIDEND PAYMENT

At the Board of Directors' Meeting held on October 9, 2014, a resolution was passed authorizing the interim dividend payment at the rate of Baht 0.16 per share, totaling Baht 21.12 million.

## 25. SURPLUS ARISING FROM BUSINESS COMBINATION UNDER COMMON CONTROL

Surplus arising from business combination under common control as at December 31, 2015 and 2014 consisted of:



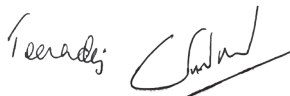
Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas

Directors

	Baht
Cash payment for purchase of assets	299,189,000.00
<b>Less</b> Book value - land	(23,515,273.25)
Book value - ferryboats	(107,247,866.94)
Book value - machinery and vehicles	(6,048,220.59)
Total	<u>162,377,639.22</u>

Year 2008, the Company purchased the ferryboats business from two related companies which under common control. The Company paid cash for land in the amount of Baht 120 million and ferryboats in the amount of Baht 166.99 million in total amount of Baht 286.99 million which compared with the book value of assets at the purchase date is in the amount of Baht 130.75 million, which caused the Company to recognize the surplus arising from business combination under common control in the amount of Baht 156.24 million.

Year 2011, the Company purchased the biodiesel processing machines and vehicles from two related companies which under common control. The Company paid cash for biodiesel processing machines in the amount of Baht 8.58 million and vehicles in the amount of Baht 3.61 million in total amount of Baht 12.19 million which compared with the book value of assets at the purchase date is in the amount of Baht 6.05 million, which caused the Company to recognize the surplus arising from business combination under common control in the amount of Baht 6.14 million.



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas  
Directors

## 26. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Change in food, beverages and fuel oil	2,357,496.62	1,957,427.29
Purchase food and beverages	19,085,641.04	24,706,403.95
Purchase fuel oil	170,290,219.02	224,743,740.52
Salaries and other related benefits	109,908,989.27	92,388,624.38
Depreciation and amortization	58,783,022.96	47,852,653.25
Equipment and supplies	3,337,160.16	6,520,079.28
Repair and maintenance expenses	46,679,838.38	50,695,281.19
Rental and service expenses	23,419,602.62	25,126,747.23

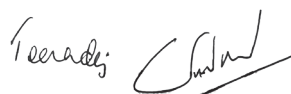
## 27. FINANCE COSTS

Finance costs for the years ended December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Interest expenses	13,978,111.07	17,314,983.54
<b>Add</b> Amortization of deferred financial fees	251,250.00	251,250.00
Total	14,229,361.07	17,566,233.54

## 28. INCOME TAX

Tax expense recognized for the years ended December 31, 2015 and 2014 were as follows:



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas  
Directors

	2015		2014	
	Tax rate		Tax rate	
	(%)	Baht	(%)	Baht
Profit before income tax		89,936,245.46		94,150,778.98
<b>Less</b> Promotional privileges		<u>(11,990,774.70)</u>		<u>(49,253,359.81)</u>
Taxable profit		<u>77,945,470.76</u>		<u>44,897,419.17</u>
Income tax using the corporate tax rate	20	15,589,094.15	20	8,979,483.83
Expenses not deductible for tax purposes		625,916.75		961,508.59

The recognized income tax for the years ended December 31, 2015 and 2014 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Company recorded the corporation income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

#### Income tax reduction

Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 23% on net profit for the accounting period beginning on or after January 1, 2012, and will be reduced to 20% on net profit for the two consecutive accounting periods beginning on or after January 1, 2013 onwards.

Royal Decree No. 577 B.E. 2557 dated November 3, 2014 extends the reduction to 20% for the accounting period which begins on or after January 1, 2015, but not later than December 31, 2015.

Reconciliation of effective tax rate



Mr. Teeradaj Tangpraprutgul and Mr. Apichart Chayopas  
Directors

	2015		2014	
	Tax rate		Tax rate	
	(%)	Baht	(%)	Baht
Profit before income tax		89,936,245.46		94,150,778.98
<b>Less</b> Promotional privileges		<u>(11,990,774.70)</u>		<u>(49,253,359.81)</u>
Taxable profit		<u>77,945,470.76</u>		<u>44,897,419.17</u>
Income tax using the corporate tax rate	20	15,589,094.15	20	8,979,483.83
Expenses not deductible for tax purposes		625,916.75		961,508.59
Revenues granted income tax exemption		(271,236.81)		-
Addition expenses deductible for tax purposes		<u>(4,563,374.92)</u>		<u>(1,030,863.37)</u>
Current tax	15	11,380,399.17	20	8,910,129.05
Movement in temporary differences		<u>251,583.54</u>		<u>(87,736.78)</u>
Tax expense	15	<u>11,631,982.71</u>	20	<u>8,822,392.27</u>

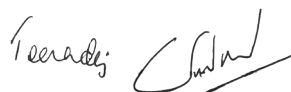
## 29. PROMOTIONAL PRIVILEGES

The Company received a promotional certificate under the Investment Promotion Act B.E.2520 for its transportation business. The major privileges granted to the Company are as follows:

1. Exemption from import duty on machinery as approved by the Board of Investment.
2. Exemption from corporate income tax on net profit derived from the operation of promoted businesses for a period of 8 years from the date operating income is first derived.
3. Exemption from income tax on net profit for dividends from the operation of promoted businesses through the promoted period.
4. Other privileges as stated in the certificate

Moreover, the Company had to comply with the conditions stated in the certificate.

Total revenues classified into promoted and non-promoted segments for the years ended December 31, 2015 and 2014 consisted of:



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	Baht	
	2015	2014
Promoted segment	157,493,355.00	231,097,395.00
Non-promoted segment	480,774,451.84	445,333,343.03
Total	<u>638,267,806.84</u>	<u>676,430,738.03</u>

### 30. PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Company. The Fund is managed by Kasikorn Asset Management Company Limited and will be paid to the employees upon termination in accordance with the rules of the Fund. The contributed amount by the Company for the year 2015 was Baht 0.62 million (year 2014: Baht 0.50 million).

### 31. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

The Company operates the business related to ferry service for passenger and transportation, wharf and trading on wharf and in passenger ferryboat. Therefore management considers that the Company operates in a single line of business.

Management considers that the Company operates in a single geographic area, namely in Thailand, and has therefore only one geographic segment.

### 32. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2015, the Company had commitments and contingent liabilities as follows:

32.1 The letter of guarantee issued by the bank in the amount of Baht 0.55 million.

32.2 Commitments for payment under agreement as follows:

32.2.1 Payment under the land and office lease agreement and other service in the amount of Baht 1.35 million per month.



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32.2.2 Payment under the construction building agreement and other service in the amount of Baht 2.05 million.

### 33. FAIR VALUE HIERARCHY

As at December 31, 2015, the Company had the assets that were measured or disclosed at fair value using different levels of inputs as follows:

	Baht			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Land	-	182,600,000.00	-	182,600,000.00
<b>Assets for which fair value are disclosed</b>				
Investment property	-	8,354,000.00	-	8,354,000.00

#### Valuation techniques and inputs to Level 2 valuation

The fair value of land and investment property is determined by independent valuers, which was determined on the basis of Market Approach.

During the year, there was no transfers within the fair value hierarchy.

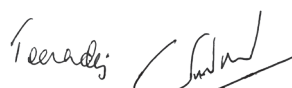
### 34. DISCLOSURE OF FINANCIAL INSTRUMENTS

#### 34.1 Accounting policies

The details of significant accounting policies and methods used for classification of financial assets and financial liabilities including valuation, basis of recognition of income and expenses are disclosed in Note 3.

#### 34.2 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.



Mr. Teerada Tangpraprutgul and Mr. Apichart Chayopas

Directors

### 34.3 Financial risk management policies

The Company is exposed to fluctuations in interest rates and the risks from default of the agreements by counterparties. The Company had risk management policies as follows:

#### 34.3.1 Interest rate risk

Interest rate risk occurs when the value of financial instruments change in line with the fluctuation of market interest rates.

The Company borrowed loans for use in the operations with interest payments at floating rates. The Company does not use any financial instruments to reduce the uncertainty of future cash flows that may occur from changes of interest rates.

#### 34.3.2 Credit risk – trade receivables

The Company has a policy to hedge credit risk from trade receivables by forming a conservative credit policy and by determining the receipt from the service. Therefore, the Company expects that the loss from the collection of those trade receivables should not exceed the allowance for doubtful accounts.

### 34.4 Fair value

Most of the financial assets are cash and cash equivalents, trade and other receivables. Most of the financial liabilities are trade and other payables and loans from financial institutions, which have interest rates close to the market rate, the carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

## 35. LITIGATION

As at December 31, 2015 the Company has litigation as follows:

35.1 The Company and Grand Chaweng Beach Company Limited and R.F.T. Company Limited (related parties) are litigation a suit brought against them involving compensation of breach employment and tort in the amount of Baht 12.78 million. On January 14, 2011, the Labour Court judged the Company and related parties to undertake payment in the amount of Baht 1.22 million with interest.



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On January 29, 2015, the Supreme Court ordered the Company and related parties to undertake payment in the amount of Baht 1.22 million with interest and on February 6, 2015, the Company paid to Labour Court as the Supreme Court ordered.

35.2 The Company is litigation a suit brought against it involving compensation of breach employment in the amount of Baht 0.85 million. On March 1, 2012, the Civil Court judged the Company payment in the amount of Baht 0.23 million with interest. At present, the case is pending decision in the Appeal Court.

Moreover, the Company has already recorded the provision of the damage fine at the Civil Court judged in the whole amount and presented under long-term provisions.

### **36. EVENTS AFTER THE REPORTING PERIOD**

At the Board of Directors' Meeting held on February 5, 2016, the resolutions approved the establishment of subsidiary as follows:

"RP. Van Transport Company Limited" with the authorized share capital in the amount of Baht 5 million, divided into 1,000,000 ordinary shares at the par value of Baht 5 each, which the Company's shareholding is 99.99 percent.

The established of such company was registered with the Ministry of Commerce on February 8, 2016.

At the Board of Directors' Meeting held on February 26, 2016, a resolution was passed authorizing the dividend payment at the rate of Baht 0.82 per share, totalling Baht 139.40 million.

### **37. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the Company's Board of Directors on February 26, 2016.



Mr. Teeradaj Tangpraputgul and Mr. Apichart Chayopas

Directors



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Raja Ferry Port Company Public Company Limited

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