

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED

Interim Financial Information

For the periods ended March 31, 2014

and Review Report on Interim Financial Information

Performed by Certified Public Accountant

M.R. & ASSOCIATES CO., LTD.

Certified Public Accountants

M.R. & ASSOCIATES CO., LTD.

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REVIEW REPORT ON INTERIM FINANCIAL INFORMATION PERFORMED BY CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors of Bangpakong Terminal Public Company Limited

I have reviewed the accompanying statement of financial position in which the equity method is applied of Bangpakong Terminal Public Company Limited as at March 31, 2014, and the statements in which the equity method is applied of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. I have also reviewed the accompanying separate statement of financial position of Bangpakong Terminal Public Company Limited as at March 31, 2014, and the separate statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of Matter

Without qualifying my conclusion, I draw attention to note 9. The Company has sustained operating losses. Loss for the three-month period ended March 31, 2014 amounted to Baht 11 million. At that date its current liabilities exceeded its current assets by Baht 205 million. The excess of the current liabilities over the current assets was mainly due to loss from guaranteeing of an associate's debt. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

P. Chiwaruangroch

(Mr. Pisit Chiwaruangroch)
Certified Public Accountant
Registration No. 2803

M.R. & ASSOCIATES CO., LTD.
Bangkok
May 15, 2014

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2014 AND DECEMBER 31, 2013

ASSETS

		In Thousand Baht	
		Financial statements in which the equity method is applied/ Separate financial statements	
		March 31, 2014 "Unaudited" "Reviewed"	December 31, 2013 "Audited"
	Note		
CURRENT ASSETS			
Cash and cash equivalents		8,174	10,034
Trade accounts receivable	5	2,542	6,749
Short-term loans	4	-	-
Other current assets	4	5,386	4,114
Total current assets		16,102	20,897
NON-CURRENT ASSETS			
Investments in associates	6	-	-
Fixed deposits pledged as collateral	7	300	300
Property and equipment	7	117,018	121,652
Land not used in operations	7	209,762	209,762
Leasehold rights	8	33,286	33,842
Other non-current assets		151	5
Total non-current assets		360,517	365,561
TOTAL ASSETS		376,619	386,458

The accompanying condensed notes are an integral part of these financial statements.

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2014 AND DECEMBER 31, 2013

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht	
		Financial statements in which the equity method is applied/ Separate financial statements	
		March 31, 2014	December 31, 2013
		"Unaudited"	"Audited"
	Note	"Reviewed"	"Audited"
CURRENT LIABILITIES			
Trade accounts payable		295	318
Current portion of financial lease liabilities		355	-
Accrued rental expenses	8	20,908	20,908
Provision for loss from guarantee	9	196,832	196,832
Other current liabilities		2,464	1,692
Total current liabilities		<u>220,854</u>	<u>219,750</u>
NON-CURRENT LIABILITIES			
Financial lease liabilities		1,286	-
Accrued rental expenses	8	65,283	66,393
Employee benefit obligations		744	690
Total non-current liabilities		<u>67,313</u>	<u>67,083</u>
Total liabilities		<u>288,167</u>	<u>286,833</u>
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital		1,106,875	1,106,875
Issued and paid-up share capital		660,211	660,211
Share premium on common shares		734,142	734,142
Retained earnings (deficit)			
Legal reserve		26,000	26,000
Deficit		(1,331,901)	(1,320,728)
Total shareholders' equity		<u>88,452</u>	<u>99,625</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>376,619</u>	<u>386,458</u>

The accompanying condensed notes are an integral part of these financial statements.

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013

"UNAUDITED"
"REVIEWED"

	Note	In Thousand Baht	
		Financial statements in which the equity method is applied/ Separate financial statements	
		2014	2013
REVENUES			
Revenue from rendering of services		6,250	14,318
Other income	10	201	971
Total revenues		6,451	15,289
EXPENSES			
Costs of rendering of services		13,461	15,137
Administrative expenses		3,930	3,667
Provision for doubtful accounts	10	210	4,400
Finance cost		23	-
Total expenses		17,624	23,204
Loss for the period		(11,173)	(7,915)
Other comprehensive income		-	-
Total comprehensive loss for the period		(11,173)	(7,915)
Loss per share (Baht)		(0.02)	(0.01)
Weighted average number of common shares (Thousand shares)		660,211	660,211

The accompanying condensed notes are an integral part of these financial statements.

**BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013

"UNAUDITED"

"REVIEWED"

	Financial statements in which the equity method is applied/ Separate financial statements (In Thousand Baht)					Total shareholders' equity
	Issued and paid-up share capital	Premium on common shares	Retained earnings (deficit) Legal reserve	Deficit	Total	
Balance at January 1, 2013	660,211	734,142	26,000	(1,085,092)	335,261	
Total comprehensive loss for the period	-	-	-	(7,915)	(7,915)	
Balance at March 31, 2013	<u>660,211</u>	<u>734,142</u>	<u>26,000</u>	<u>(1,093,007)</u>	<u>327,346</u>	
Balance at January 1, 2014	660,211	734,142	26,000	(1,320,728)	99,625	
Total comprehensive loss for the period	-	-	-	(11,173)	(11,173)	
Balance at March 31, 2014	<u>660,211</u>	<u>734,142</u>	<u>26,000</u>	<u>(1,331,901)</u>	<u>88,452</u>	

The accompanying condensed notes are an integral part of these financial statements.

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED

"UNAUDITED"

STATEMENTS OF CASH FLOWS

"REVIEWED"

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013

	In Thousand Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2014	2013
Cash flows from operating activities		
Loss for the period	(11,173)	(7,915)
Adjustments for		
Depreciation and amortization	6,934	6,774
Provision for doubtful accounts	210	4,400
Provisions for employee benefits (reversal)	54	(554)
Interest income	(25)	(98)
Interest expense	23	-
	<u>(3,977)</u>	<u>2,607</u>
Changes in operating assets and liabilities		
Trade accounts receivable	4,207	4,077
Other current assets	(1,267)	(120)
Other non-current assets	(146)	-
Trade accounts payable	(23)	5
Other current liabilities	768	1,556
Accrued rental expenses	(1,110)	(1,109)
Net cash provided by (used in) operating activities	<u>(1,548)</u>	<u>7,016</u>

The accompanying condensed notes are an integral part of these financial statements.

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (Continued)
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013

"UNAUDITED"
"REVIEWED"

	In Thousand Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2014	2013
Cash flows from investing activities		
Interest received	20	77
Short-term loans	(210)	(4,400)
Additions to equipment and construction in progress	(1,744)	(6,647)
Net cash used in investing activities	<u>(1,934)</u>	<u>(10,970)</u>
Cash flows from financing activities		
Interest paid	(19)	-
Increase in finance lease liabilities	1,737	-
Repayments of finance lease liabilities	(96)	-
Net cash provided by financing activities	<u>1,622</u>	<u>-</u>
Net decrease in cash and cash equivalents	(1,860)	(3,954)
Cash and cash equivalents at beginning of period	<u>10,034</u>	<u>29,549</u>
Cash and cash equivalents at end of period	<u><u>8,174</u></u>	<u><u>25,595</u></u>

The accompanying condensed notes are an integral part of these financial statements.

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements
March 31, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

1. GENERAL

Bangpakong Terminal Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 8/1 Moo 8, Sukhumvit Road, Tahkarm, Bangpakong, Chachoengsao, Thailand.

The Company was listed on the Stock Exchange of Thailand in July 2003.

The principal business of the Company is the operation of a port in Bangpakong which includes a container depot, warehousing, a wharf and other related services.

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL INFORMATION

The interim financial information is prepared on a condensed basis in accordance with Thai Accounting Standard No. 34 (revised 2009) Interim Financial Reporting including related interpretations and guidelines promulgated by the Federation of Accounting Professions, and applicable rules and regulations of the Securities and Exchange Commission.

The interim financial information is prepared as updated information to the financial statements for the year ended December 31, 2013 with an emphasis on the more current information about activities, events and situations, not a duplicate of information previously reported. This interim financial information should therefore be read in conjunction with the financial statements for the year ended December 31, 2013.

For the convenience of the reader, an English translation of interim financial information has been prepared from the statutory Thai language financial information which is issued for domestic reporting purposes.

The Federation of Accounting Professions has revised and issued new Thai Financial Reporting Standards (Thai Accounting Standard, Thai Accounting Standard Interpretations, Thai Financial Reporting Standard and Thai Financial Reporting Interpretations) effective for the period beginning on or after January 1, 2014. The adoption of these Financial Reporting Standards does not have significant impact on the Company’s financial information.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies that have been applied in the preparation of the interim financial information for the three-month periods ended March 31, 2014 and 2013, are similar to those applied to the financial statements for the year ended December 31, 2013.

4. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly, or have significant influence over the financial or operating policies of the Company.

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements (Continued)
March 31, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

The related parties consisted of:

Name of entities	Country of incorporation/ Nationality	Nature of relationships
Whittler Co., Ltd.	British Virgin	Major shareholder, 18.49% shareholding, one director is a representative of the shareholder (up to March 15, 2013)
Hub Shipping SDN BHD and Hub Marine Pte. Ltd.	Malaysia	Being controlled by parent company of major shareholder (up to March 15, 2013)
Platinum Emerald Co., Ltd. Platinum Container Lines Co., Ltd. and its subsidiaries (Platinum Jade Co., Ltd. and Platinum Diamond Co., Ltd.)	Thailand	Associates
SCG Logistics Co., Ltd., NP Marine Logistics Co., Ltd., NP Marine Co., Ltd. and SC Auto Logistics Co., Ltd.	Thailand	Being controlled by a shareholder of the Company (starting from March 4, 2013)
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Significant transactions for the three-month periods ended March 31, 2014 and 2013 with related parties were as follows:

	Pricing policies	In Thousand Baht	
		2014	2013
Associates			
Interest income	Market price or agreed price	-	3,243
Other income	Agreed price	60	60
Other related parties			
Revenue from rendering of service	Market price	1,348	2,506
Other income	Agreed price	55	36
Key management compensation			
Short-term employee benefits		1,162	1,064
Post-employment benefits		51	23
Total		1,213	1,087

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements (Continued)
March 31, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

The Company did not recognized interest income from loans to the associates for the three-month period ended March 31, 2014 since the Company's management believes that this interest income is not collectible.

Balances as at March 31, 2014 and December 31, 2013 with related parties were as follows:

	In Thousand Baht	
	March 31, 2014	December 31, 2013
Trade accounts receivable		
Other related parties	1,231	5,484

	Interest rate (% per annum)		In Thousand Baht	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Short-term loans				
Associates	2.50 and 6.25	2.50 and 6.25	232,136	231,926
Less allowance for doubtful accounts			(232,136)	(231,926)
Net			-	-

Movements during the three-month periods ended March 31, 2014 and 2013 of short-term loans were as follows:

	In Thousand Baht	
	2014	2013
At January 1	231,926	218,070
Increase	210	4,400
At March 31	232,136	222,470
Provision for doubtful accounts		
for the three-month periods ended March 31	210	4,400

	In Thousand Baht	
	March 31, 2014	December 31, 2013
Other current assets		
Interest receivables		
Associates	60,870	60,870
Less allowance for doubtful accounts	(60,870)	(60,870)
Net	-	-
Other receivables		
Associates	118	64
Other related parties	-	24
Total	118	88
Total other current assets	118	88

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements (Continued)
March 31, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

5. TRADE ACCOUNTS RECEIVABLE

	Note	In Thousand Baht	
		March 31, 2014	December 31, 2013
Related parties			
Within credit terms		360	863
Overdue			
Less than 60 days		871	3,251
Over 60 days but not over 90 days		-	1,370
	4	<u>1,231</u>	<u>5,484</u>
Other parties			
Within credit terms		798	872
Overdue			
Less than 60 days		513	393
		<u>1,311</u>	<u>1,265</u>
Total		<u>2,542</u>	<u>6,749</u>

The normal credit term granted by the Company ranges from 10 days to 30 days.

6. INVESTMENTS IN ASSOCIATES

As at March 31, 2014 and December 31, 2013, the details of investments in associates were as follows:

	Ownership interest (%)	Paid-up capital	In Thousand Baht	
			Equity method	Cost method
Platinum Container Lines Co., Ltd.	40	800,000	-	327,156
Less allowance for impairment			-	(327,156)
Net			<u>-</u>	<u>-</u>
Platinum Emerald Co., Ltd.	45	216,000	-	97,200
Less allowance for impairment			-	(97,200)
Net			<u>-</u>	<u>-</u>
Total			<u>-</u>	<u>-</u>

The Company had no dividends from its associates for the three-month periods ended March 31, 2014 and 2013.

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements (Continued)
March 31, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

7. ASSETS USED AS COLLATERAL FOR CREDIT FACILITIES

As at March 31, 2014, a fixed deposit of Baht 0.3 million (December 31, 2013: Baht 0.3 million) of the Company is used as collateral for bank guarantee issued to a government agency.

As at March 31, 2014, machinery and equipment with carrying value of Baht 5 million (December 31, 2013: Baht 6 million); and land not used in operations with carrying value of Baht 57 million (December 31, 2013: Baht 57 million) of the Company are used as collateral for bank guarantee of Baht 35 million (December 31, 2013: Baht 35 million) issued to Customs Department.

As at March 31, 2014 and December 31, 2013, insurance coverage on the above machinery and equipment is assigned to the bank.

8. LEASEHOLD RIGHTS AND ACCRUED RENTAL EXPENSES

	In Thousand Baht	
	March 31, 2014	December 31, 2013
Leasehold rights		
At cost	134,906	134,906
Less accumulated amortization allowance for impairment	(57,200) (44,420)	(56,644) (44,420)
Net	<u>33,286</u>	<u>33,842</u>
Accrued rental expenses		
Rental expenses from January 1, 1999 to March 31, 2014/ December 31, 2013	251,178	247,061
Rental paid from January 1, 1999 to March 31, 2014/ December 31, 2013	(164,987)	(159,760)
Net	<u>86,191</u>	<u>87,301</u>
<u>Shown under</u>		
Current liabilities	20,908	20,908
Non-current liabilities	65,283	66,393
Total	<u>86,191</u>	<u>87,301</u>

Non-cancellable operating lease commitments

	In Thousand Baht	
	March 31, 2014	December 31, 2013
Within one year	20,908	20,908
After one year but within five years	84,148	83,629
After five years	224,078	229,824
Total	<u>329,134</u>	<u>334,361</u>

The Company entered into a lease agreement for land for 30 years ending in December 2028. Under the term of the agreement, the Company paid Baht 134.9 million as leasehold rights on land.

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements (Continued)
March 31, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

9. GUARANTEE AND GOING CONCERN

Guarantee

The Company has been a guarantor of an associate's borrowings (including interest) since 2004. The borrowings were acquired to finance purchase of a vessel. Presently, the associate does not repay the borrowings on due date. As at March 31, 2014, the Company estimated loss from the guarantee amounting to Baht 196.8 million (December 31, 2013: Baht 196.8 million).

On July 12, 2013, the bank sent a notice to the associate, and the Company and another associate (as guarantors) for settlement of the debt. On April 4, 2014, the bank sued the associate, the company and another associate for settlement of the debt. Presently, the Company is negotiating with the bank to restructure the debt.

Going Concern

The Company has sustained operating losses. Loss for the three month-period ended March 31, 2014 amounted to Baht 11 million. At that date its current liabilities exceeded its current assets by Baht 205 million. The excess of the current liabilities over the current assets was mainly due to loss from guaranteeing of the associate's debt. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

10. OTHER INCOME

	Note	In Thousand Baht	
		2014	2013
Interest income			
- Related parties	4	-	3,243
Less provision for doubtful accounts		-	(3,243)
Net		-	-
- Others		25	98
Others			
- Associates	4	60	60
- Related parties	4	55	36
- Others		61	777
Total		201	971

The Company's management believes that interest income from related parties for the three-month period ended March 31, 2013 amounting to Baht 3.2 million is not collectible. Accordingly, the corresponding provision for doubtful accounts of the same amount has been reclassified to offset with this interest income.

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements (Continued)
March 31, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

11. OPERATING SEGMENT

The Company operates only port in Bangpakong, Thailand. The management considers that the Company has only one operating segment.

Revenue from rendering of services from major customers for the three-month periods ended March 31, 2014 and 2013 amounting to Baht 4 million and Baht 9 million, respectively.

12. APPROVAL OF INTERIM FINANCIAL INFORMATION

This interim financial information has been approved by the Company's directors on May 15, 2014.