

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED

Interim Financial Information

For the periods ended September 30, 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 September 30, 2014, and the statements in which the equity method is applied of comprehensive income for the three-month and nine-month periods then ended, the statements in which the equity method is applied of changes in shareholders' equity and cash flows for the nine-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 September 30, 2014, and the separate statements of comprehensive income for the three-month and nine-month periods then ended, the separate statements of changes in shareholders' equity and cash flows for the nine-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 nine-month period ended September 30, 2014 amounted to Baht 36 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.



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

M.R. & ASSOCIATES CO., LTD.
Bangkok
November 13, 2014

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2014 AND DECEMBER 31, 2013

ASSETS

	Note	In Thousand Baht	
		Financial statements in which the equity method is applied/ Separate financial statements	
		September 30, 2014	December 31, 2013
		"Unaudited" "Reviewed"	"Audited"
CURRENT ASSETS			
Cash and cash equivalents		1,480	10,034
Trade accounts receivable	5	1,560	6,749
Short-term loans	4	-	-
Other current assets	4	3,734	4,114
Total current assets		6,774	20,897
NON-CURRENT ASSETS			
Investments in associates	6	-	-
Fixed deposits pledged as collateral	7	300	300
Property and equipment	7	104,534	121,652
Land not used in operations	7	209,762	209,762
Leasehold rights	8	32,156	33,842
Other non-current assets		5	5
Total non-current assets		346,757	365,561
TOTAL ASSETS		353,531	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 SEPTEBER 30, 2014 AND DECEMBER 31, 2013

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht	
		Financial statements in which the equity method is applied/ Separate financial statements	
		September 30, 2014	December 31, 2013
		"Unaudited"	"Audited"
	Note	"Reviewed"	"Audited"
CURRENT LIABILITIES			
Trade accounts payable		258	318
Current portion of financial lease liabilities		368	-
Accrued rental expenses	8	12,640	20,908
Provision for loss from guarantee	9	196,832	196,832
Other current liabilities		1,717	1,692
Total current liabilities		211,815	219,750
NON-CURRENT LIABILITIES			
Financial lease liabilities		1,099	-
Accrued rental expenses	8	76,041	66,393
Employee benefit obligations		483	690
Total non-current liabilities		77,623	67,083
Total liabilities		289,438	286,833
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		(1,356,260)	(1,320,728)
Total shareholders' equity		64,093	99,625
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		353,531	386,458

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 SEPTEMBER 30, 2014 AND 2013

"UNAUDITED"
"REVIEWED"

	In Thousand Baht	
	Financial statements in which the equity method is applied/ Separate financial statements	
	2014	2013
REVENUES		
Revenue from rendering of services	4,018	11,256
Other income	192	260
Total revenues	<u>4,210</u>	<u>11,516</u>
EXPENSES		
Costs of rendering of services	13,469	13,317
Administrative expenses	3,512	4,430
Loss from guarantee	-	13,190
Finance cost	27	-
Total expenses	<u>17,008</u>	<u>30,937</u>
Loss for the period	(12,798)	(19,421)
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(12,798)</u>	<u>(19,421)</u>
Loss per share (Baht)	<u>(0.02)</u>	<u>(0.03)</u>
Weighted average number of common shares (Thousand shares)	<u>660,211</u>	<u>660,211</u>



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

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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		16,297	34,366
Other income		613	2,257
Total revenues		16,910	36,623
EXPENSES			
Costs of rendering of services		40,378	43,831
Administrative expenses		11,777	11,153
Provision for doubtful accounts	4	210	13,856
Loss from guarantee		-	274,593
Finance cost		77	-
Total expenses		52,442	343,433
Loss for the period		(35,532)	(306,810)
Other comprehensive income		-	-
Total comprehensive loss for the period		(35,532)	(306,810)
Loss per share (Baht)		(0.05)	(0.46)
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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013

"UNAUDITED"
"REVIEWED"

Financial statements in which the equity method is applied/
Separate financial statements (In Thousand Baht)

	Issued and paid-up share capital	Premium on common shares	Retained earnings (deficit)		Total shareholders' equity
			Legal reserve	Deficit	
Balance at January 1, 2013	660,211	734,142	26,000	(1,085,092)	335,261
Total comprehensive loss for the period	-	-	-	(306,810)	(306,810)
Balance at September 30, 2013	<u>660,211</u>	<u>734,142</u>	<u>26,000</u>	<u>(1,391,902)</u>	<u>28,451</u>
Balance at January 1, 2014	660,211	734,142	26,000	(1,320,728)	99,625
Total comprehensive loss for the period	-	-	-	(35,532)	(35,532)
Balance at September 30, 2014	<u>660,211</u>	<u>734,142</u>	<u>26,000</u>	<u>(1,356,260)</u>	<u>64,093</u>

Balance at January 1, 2013
Total comprehensive loss for the period
Balance at September 30, 2013

Balance at January 1, 2014
Total comprehensive loss for the period
Balance at September 30, 2014



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

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 operating activities		
Loss for the period	(35,532)	(306,810)
Adjustments for		
Depreciation and amortization	21,066	20,740
Provision for doubtful accounts	210	13,856
Provision for loss from guarantee	-	274,593
Provisions for employee benefits	152	177
Interest income	(62)	(224)
Interest expense	77	-
	<u>(14,089)</u>	<u>2,332</u>
Changes in operating assets and liabilities		
Trade accounts receivable	5,189	7,125
Other current assets	380	22
Trade accounts payable	(60)	(876)
Other current liabilities	22	(553)
Accrued rental expenses	1,380	(3,328)
Employee benefit obligations	(359)	(1,448)
Net cash provided by (used in) operating activities	<u>(7,537)</u>	<u>3,274</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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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	62	214
Short-term loans	(210)	(13,856)
Additions to equipment and construction in progress	(2,262)	(6,760)
Net cash used in investing activities	<u>(2,410)</u>	<u>(20,402)</u>
Cash flows from financing activities		
Interest paid	(74)	-
Increase in finance lease liabilities	1,737	-
Repayments of finance lease liabilities	(270)	-
Net cash provided by financing activities	<u>1,393</u>	<u>-</u>
Net decrease in cash and cash equivalents	(8,554)	(17,128)
Cash and cash equivalents at beginning of period	10,034	29,549
Cash and cash equivalents at end of period	<u>1,480</u>	<u>12,421</u>



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

BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements
September 30, 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 interim financial information.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies that have been applied in the preparation of the interim financial information for the three-month and nine-month periods ended September 30, 2014 and 2013, are similar to those applied to the financial statements for the year ended December 31, 2013.



BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements (Continued)
September 30, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

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.

The related parties consisted of:

<u>Name of entities</u>	<u>Country of incorporation/ Nationality</u>	<u>Nature of relationships</u>
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. SC Group Holding 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.



BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements (Continued)
September 30, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

Significant transactions for the three-month periods ended September 30, 2014 and 2013 with related parties were as follows:

	Pricing policies	In Thousand Baht	
		2014	2013
Associates			
Other income	Agreed price	60	60
Other related parties			
Revenue from rendering of service	Market price	1	6,522
Other income	Agreed price	56	91
Key management compensation			
Short-term employee benefits		1,087	1,309
Post-employment benefits		51	11
Total		1,138	1,320

Significant transactions for the nine-month periods ended September 30, 2014 and 2013 with related parties were as follows:

	Pricing policies	In Thousand Baht	
		2014	2013
Associates			
Other income	Agreed price	180	180
Other related parties			
Revenue from rendering of service	Market price	3,012	14,149
Other income	Agreed price	169	219
Key management compensation			
Short-term employee benefits		3,490	3,441
Post-employment benefits		153	27
Total		3,643	3,468



BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements (Continued)
September 30, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

Balances as at September 30, 2014 and December 31, 2013 with related parties were as follows:

	In Thousand Baht			
	September 30, 2014		December 31, 2013	
Trade accounts receivable				
Other related parties			15	5,484
	Interest rate (% per annum)		In Thousand Baht	
	September 30, 2014	December 31, 2013	September 30, 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 nine-month periods ended September 30, 2014 and 2013 of short-term loans were as follows:

	In Thousand Baht	
	2014	2013
At January 1	231,926	218,070
Increase	210	13,856
At September 30	232,136	231,926
Provision for doubtful accounts		
for the three-month periods ended September 30	-	-
for the nine-month periods ended September 30	210	13,856

	In Thousand Baht	
	September 30, 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	246	64
Other related parties	12	24
Total	258	88
Total other current assets	258	88



BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements (Continued)
September 30, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

5. TRADE ACCOUNTS RECEIVABLE

	Note	In Thousand Baht	
		September 30, 2014	December 31, 2013
Related parties			
Within credit terms		7	863
Overdue			
Less than 60 days		8	3,251
Over 60 days but not over 90 days		-	1,370
	4	<u>15</u>	<u>5,484</u>
Other parties			
Within credit terms		944	872
Overdue			
Less than 60 days		601	393
		<u>1,545</u>	<u>1,265</u>
Total		<u>1,560</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 September 30, 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			-	-
Platinum Emerald Co., Ltd.	45	216,000	-	97,200
Less allowance for impairment			-	(97,200)
Net			-	-
Total			-	-

The Company did not receive any dividends from its associates for the three-month and nine-month periods ended September 30, 2014 and 2013.



BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED
Condensed Notes to Financial Statements (Continued)
September 30, 2014 and 2013 (Unaudited/Reviewed)
and December 31, 2013 (Audited)

7. ASSETS USED AS COLLATERAL FOR CREDIT FACILITIES

As at September 30, 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 September 30, 2014, machinery and equipment with carrying value of Baht 2 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 September 30, 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	
	September 30, 2014	December 31, 2013
Leasehold rights		
At cost	134,906	134,906
Less accumulated amortization allowance for impairment	(58,330) (44,420)	(56,644) (44,420)
Net	<u>32,156</u>	<u>33,842</u>
Accrued rental expenses		
Rental expenses from January 1, 1999 to September 30, 2014/ December 31, 2013	259,414	247,061
Rental paid from January 1, 1999 to September 30, 2014/ December 31, 2013	(170,733)	(159,760)
Net	<u>88,681</u>	<u>87,301</u>
<u>Shown under</u>		
Current liabilities	12,640	20,908
Non-current liabilities	76,041	66,393
Total	<u>88,681</u>	<u>87,301</u>

Non-cancellable operating lease commitments

	In Thousand Baht	
	September 30, 2014	December 31, 2013
Within one year	12,640	20,908
After one year but within five years	98,161	83,629
After five years	212,587	229,824
Total	<u>323,388</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)
September 30, 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.

On April 4, 2014, the bank sued the associate, the company (as guarantors) and another associate for settlement of the debt amounting to Baht 317.4 million plus interest at 18% per annum computed from the principal amount of Baht 234.9 million from April 5, 2014. On June 23, 2014, the court agreed to postpone the mediation and investigation to October 27, 2014. And on October 27, 2014, the court agreed to postpone the mediation and investigation again to February 16, 2015.

As at September 30, 2014, the Company estimated loss from the guarantee amounting to Baht 196.8 million (December 31, 2013: Baht 196.8 million). The Company's management believe that this estimate is adequate to cover this loan. Presently, the Company is negotiating with the bank to restructure the debt.

Going Concern

The Company has sustained operating losses. Loss for the nine-month period ended September 30, 2014 amounted to Baht 36 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. 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 September 30, 2014 and 2013 amounting to Baht 2.6 million and Baht 7.9 million, respectively. And the nine-month periods ended September 30, 2014 and 2013 amounting to Baht 9 million and Baht 21 million, respectively.

11. APPROVAL OF INTERIM FINANCIAL INFORMATION

This interim financial information has been approved by the Company's directors on November 13, 2014.

The image shows a blue circular stamp of the Bangpakong Terminal Public Company Limited. The stamp features a central illustration of a ship at sea. The text around the perimeter of the stamp includes the company name in English, "BANGPAKONG TERMINAL PUBLIC COMPANY LIMITED", and its Thai equivalent, "บริษัท บางปะกงเทอร์มินัล จำกัด". Below the stamp, there are several handwritten signatures in blue ink.