

Precious Shipping Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2020

## **Independent Auditor's Report**

To the Shareholders of Precious Shipping Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Precious Shipping Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Precious Shipping Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Precious Shipping Public Company Limited and its subsidiaries and of Precious Shipping Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

## **Emphasis of Matter**

I draw attention to note 16 to the consolidated financial statements, regarding the cancellation of the Shipbuilding Contracts (“SBCs”). In July 2020, the Company and Jiangsu Guoxin Corporation Ltd. (formerly known as “Sainty Marine Corporation Ltd.”) (collectively “Parties”) executed an amicable settlement agreement (“Settlement Agreement”) in order to fully and finally settle any and all of their disputes and claims arising out of and/or in relation to the SBCs, the refund guarantees thereof and/or the arbitration and court proceedings. This Settlement Agreement is binding upon the Parties, subject to the terms and conditions specified, with Sainty to refund advances in the amount agreed between the Parties. The Company received full settlement per the Settlement Agreement in July 2020 and recorded the amount that was not refunded, amounting to Baht 869 million (The Company only: Baht 861 million), as an expense in the income statements. Following the Company’s receipt of the full amount per the Settlement Agreement, the Parties withdrew their claims, counterclaims and/or appeals in relation to the SBCs and terminated all related arbitration and court proceedings, with no remaining and/or outstanding issues or claims as at 31 December 2020. My opinion is not modified in respect of this matter.

## **Key Audit Matters**

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

I have fulfilled the responsibilities described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

### **Revenue recognition**

The Group has entered into agreements with a large number of customers and these include both Time Charter and Voyage Charter type agreements, whereby the freight rates fluctuate in line with global market rates. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual revenue recognition transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **Impairment of vessels**

In determining the impairment loss, management had to exercise judgement with respect to its projections of future operating performance, plans for management of assets of companies in the group, and determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of impairment loss recorded on vessels.

I assessed the management's identification of cash generating units and selection of a financial model, by gaining an understanding of management's decision-making process and evaluating whether the decisions were consistent with how assets are utilised. In addition, I gained an understanding of and assessed the following:

- The assumptions applied in preparing plans and cash flow projections for the Group, based on the understanding I gained of the process by which the figures were arrived and comparison of the assumptions with external and internal sources of information in order to assess the exercise of management judgment in estimating cash flow projections, and comparison of the long-term growth rate of the Group with economic and industry forecasts.
- The discount rate, based on comparison of the average cost of capital and other data with those used by comparable organisations.
- The assumptions and approaches used by management in calculating the fair value of vessels.

I considered the scope and probability of potential changes in the key assumptions and in particular the growth rates applied in preparing the cash flow projections, by comparing them to economic and industry forecasts.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Vissuta Jariyathanakorn  
Certified Public Accountant (Thailand) No. 3853

EY Office Limited  
Bangkok: 19 February 2021

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	1,100,490,204	1,181,180,928	612,724,314	443,250,723
Trade and other receivables	8	168,701,268	182,609,681	3,648,305,236	3,479,692,640
Short-term loans to a subsidiary	10	-	-	-	129,662,200
Bunker oil		34,626,909	176,485,980	-	-
Derivative assets	4, 34	515,862,197	-	515,862,197	-
Other current assets					
Advances to vessel masters		72,913,190	73,485,984	-	-
Claim recoverables		9,828,095	10,638,849	-	-
Others		35,468,103	56,120,774	14,632,864	16,413,404
Total other current assets		118,209,388	140,245,607	14,632,864	16,413,404
<b>Total current assets</b>		<b>1,937,889,966</b>	<b>1,680,522,196</b>	<b>4,791,524,611</b>	<b>4,069,018,967</b>
<b>Non-current assets</b>					
Long-term loans to subsidiaries	10	-	-	3,378,394,114	4,523,100,000
Derivative assets	4, 34	17,838,406	-	-	-
Receivables from cross currency swap contracts	4	-	950,890,975	-	921,749,079
Investments in subsidiaries	11	-	-	7,020,259,208	6,038,468,017
Investment in associate held by a subsidiary	12	74,311,329	68,092,056	-	-
Investment in equity instrument of non-listed company	13	16,295,352	17,113,615	16,295,352	17,113,615
Property, plant and equipment	14	19,124,559,416	20,097,547,770	7,611,177	6,667,802
Right-of-use assets	4, 20	24,158,589	-	20,368,392	-
Intangible assets	15	6,905,670	6,749,632	6,584,635	6,749,630
Other non-current assets					
Claim recoverables - maritime claims		46,246,717	24,656,504	-	-
Advances for vessel constructions	16	-	2,047,469,556	-	2,039,751,204
Deferred contract costs	17	145,482,410	162,782,861	-	-
Others		3,158,633	4,726,165	2,396,230	3,963,183
Total other non-current assets		194,887,760	2,239,635,086	2,396,230	2,043,714,387
<b>Total non-current assets</b>		<b>19,458,956,522</b>	<b>23,380,029,134</b>	<b>10,451,909,108</b>	<b>13,557,562,530</b>
<b>Total assets</b>		<b>21,396,846,488</b>	<b>25,060,551,330</b>	<b>15,243,433,719</b>	<b>17,626,581,497</b>

The accompanying notes are an integral part of the financial statements.



Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables					
Trade and other payables	9	113,675,898	70,720,959	281,220	13,457,673
Advances received from related parties	9	-	-	1,825,508,984	1,749,783,634
Accrued crew accounts		83,066,645	84,749,692	-	-
Accrued expenses		80,160,675	338,001,089	23,035,048	59,705,463
Accrued employee bonus		-	34,421,325	-	24,608,801
<b>Total trade and other payables</b>		<b>276,903,218</b>	<b>527,893,065</b>	<b>1,848,825,252</b>	<b>1,847,555,571</b>
Advances received from charterers		606,063,035	75,091,199	-	-
Current portion of long-term loans	18	1,500,006,906	2,137,257,692	-	-
Current portion of debentures	19	935,514,642	1,947,630,244	935,514,642	1,947,630,244
Current portion of lease liabilities	4, 20	5,325,635	-	4,136,935	-
Income tax payable		1,594,084	1,506,626	-	-
Other current liabilities		13,898,776	22,871,888	9,217,788	13,318,266
<b>Total current liabilities</b>		<b>3,339,306,296</b>	<b>4,712,250,714</b>	<b>2,797,694,617</b>	<b>3,808,504,081</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	18	4,730,340,297	5,011,892,056	-	-
Debentures - net of current portion	19	2,855,650,470	3,565,211,716	2,855,650,470	3,565,211,716
Lease liabilities - net of current portion	4, 20	19,538,932	-	16,864,357	-
Derivative liabilities	4, 34	82,621,251	-	-	-
Deferred tax liabilities	28	1,965,935	-	-	-
Provision for maritime claims	21	67,069,060	46,239,681	-	-
Provision for long-term employee benefits	22	166,063,671	165,910,413	124,997,299	129,516,980
<b>Total non-current liabilities</b>		<b>7,923,249,616</b>	<b>8,789,253,866</b>	<b>2,997,512,126</b>	<b>3,694,728,696</b>
<b>Total liabilities</b>		<b>11,262,555,912</b>	<b>13,501,504,580</b>	<b>5,795,206,743</b>	<b>7,503,232,777</b>

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Shareholders' equity</b>					
Share capital	23				
Registered share capital					
1,559,291,862 ordinary shares of Baht 1 each		1,559,291,862	1,559,291,862	1,559,291,862	1,559,291,862
Issued and paid-up share capital					
1,559,291,862 ordinary shares of Baht 1 each		1,559,291,862	1,559,291,862	1,559,291,862	1,559,291,862
Paid-in capital					
Premium on ordinary shares		1,967,897,516	1,967,897,516	1,967,897,516	1,967,897,516
Premium on treasury stock		172,445,812	172,445,812	172,445,812	172,445,812
Retained earnings					
Appropriated					
Statutory reserve - the Company	24	103,952,060	103,952,060	103,952,060	103,952,060
- subsidiaries	24	523,320,000	523,320,000	-	-
Corporate social responsibility reserve	25	17,769,466	17,696,466	17,769,466	17,696,466
Unappropriated		7,523,194,265	8,891,670,774	5,904,977,010	6,587,677,745
Other components of shareholders' equity		(1,733,611,140)	(1,677,260,039)	(278,106,750)	(285,612,741)
Equity attributable to owners of the Company		10,134,259,841	11,559,014,451	9,448,226,976	10,123,348,720
Non-controlling interests of the subsidiaries		30,735	32,299	-	-
<b>Total shareholders' equity</b>		<b>10,134,290,576</b>	<b>11,559,046,750</b>	<b>9,448,226,976</b>	<b>10,123,348,720</b>
<b>Total liabilities and shareholders' equity</b>		<b>21,396,846,488</b>	<b>25,060,551,330</b>	<b>15,243,433,719</b>	<b>17,626,581,497</b>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Revenues</b>					
Vessel operating income					
Time charter income		2,874,426,465	3,334,212,863	-	-
Voyage charter income		851,870,074	810,069,757	-	-
Total vessel operating income		3,726,296,539	4,144,282,620	-	-
Service income	9	3,766,377	7,772,123	89,895,129	88,964,983
Interest income		8,523,278	29,875,934	191,560,220	11,582,523
Dividend income	9, 11	-	405,217	48,808,160	405,217
Gain on liquidation of subsidiaries	11	-	-	6,702,483	-
Gain on derivative		11,991,915	-	13,713,928	-
Other income		479,579	696,461	15,351	676
<b>Total revenues</b>		<b>3,751,057,688</b>	<b>4,183,032,355</b>	<b>350,695,271</b>	<b>100,953,399</b>
<b>Expenses</b>					
Vessel operating costs					
Vessel running expenses		1,557,391,220	1,571,125,467	-	-
Voyage disbursements		163,171,189	154,239,088	-	-
Bunker consumption		288,483,387	258,786,320	-	-
Total vessel operating costs		2,009,045,796	1,984,150,875	-	-
Depreciation	14, 20	1,213,009,012	1,183,432,145	7,706,738	3,060,022
Cost of services		3,980,753	5,214,405	-	-
Administrative expenses	9	278,688,209	453,750,431	198,539,673	330,224,548
Management remuneration including perquisites	9	56,924,197	92,129,527	60,140,386	94,071,876
Losses on settlement agreement	16	868,716,922	-	860,601,697	-
Losses on impairment of investments in subsidiaries	11	-	-	4,714,343	-
Expected credit losses/Bad debts and doubtful accounts	8, 10	9,009,676	645,194	28,582,361	-
Exchange losses		14,743,899	6,041,219	11,054,460	927,326
Losses on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments		1,018,311	-	-	-
<b>Total expenses</b>		<b>4,455,136,775</b>	<b>3,725,363,796</b>	<b>1,171,339,658</b>	<b>428,283,772</b>
<b>Operating profit (loss)</b>		<b>(704,079,087)</b>	<b>457,668,559</b>	<b>(820,644,387)</b>	<b>(327,330,373)</b>
Share of profit from investment in associate held by a subsidiary	12.1	10,813,223	19,848,843	-	-
Finance cost	26	(597,148,713)	(703,300,816)	(287,694,091)	(294,704,664)
<b>Loss before income tax expenses</b>		<b>(1,290,414,577)</b>	<b>(225,783,414)</b>	<b>(1,108,338,478)</b>	<b>(622,035,037)</b>
Income tax expenses	28	(4,441,846)	(2,707,665)	-	-
<b>Loss for the year</b>		<b>(1,294,856,423)</b>	<b>(228,491,079)</b>	<b>(1,108,338,478)</b>	<b>(622,035,037)</b>

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Income statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Loss attributable to:</b>				
Equity holders of the Company	(1,294,854,929)	(228,491,145)	(1,108,338,478)	(622,035,037)
Non-controlling interests of the subsidiaries	(1,494)	66	-	-
<b>Loss for the year</b>	<u>(1,294,856,423)</u>	<u>(228,491,079)</u>	<u>(1,108,338,478)</u>	<u>(622,035,037)</u>
<b>Basic earnings per share</b>	30			
Loss attributable to equity holders of the Company	<u>(0.83)</u>	<u>(0.15)</u>	<u>(0.71)</u>	<u>(0.40)</u>

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Loss for the year</b>	<u>(1,294,856,423)</u>	<u>(228,491,079)</u>	<u>(1,108,338,478)</u>	<u>(622,035,037)</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Exchange differences on translation of				
financial statements in foreign currency	(1,690,350)	455,648	-	-
Losses on cash flow hedges	(228,797,964)	-	(178,170,062)	-
Changes in cost of hedging	68,344,830	-	66,292,774	-
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods	(162,143,484)	455,648	(111,877,288)	-
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Actuarial loss	-	(15,217,741)	-	(10,757,244)
Losses on measurement of fair value of				
investment in equity instrument of non-listed company	(751,918)	-	(751,918)	-
Exchange differences on translation of functional				
currency to presentation currency financial statements	33,039,987	(893,156,035)	21,039,779	(802,815,739)
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods	32,288,069	(908,373,776)	20,287,861	(813,572,983)
<b>Other comprehensive income for the year</b>	<u>(129,855,415)</u>	<u>(907,918,128)</u>	<u>(91,589,427)</u>	<u>(813,572,983)</u>
<b>Total comprehensive income for the year</b>	<u><u>(1,424,711,838)</u></u>	<u><u>(1,136,409,207)</u></u>	<u><u>(1,199,927,905)</u></u>	<u><u>(1,435,608,020)</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(1,424,710,302)	(1,136,406,820)	(1,199,927,905)	(1,435,608,020)
Non-controlling interests of the subsidiaries	(1,536)	(2,387)	-	-
	<u><u>(1,424,711,838)</u></u>	<u><u>(1,136,409,207)</u></u>	<u><u>(1,199,927,905)</u></u>	<u><u>(1,435,608,020)</u></u>

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements																	
Equity attributable to owners of the Company																	
				Other components of shareholders' equity													
				Retained earnings					Other comprehensive income						Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated		Corporate social responsibility			Exchange differences on translation of financial statements	Losses on measurement of fair value of investment in equity instrument of non-listed company	Cash flow hedge reserve	Cost of hedging reserve	Total other components of shareholders' equity				
				Statutory reserve	Subsidiaries	reserve	Unappropriated	The Company						Subsidiaries			
Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	The Company	Subsidiaries	reserve	Unappropriated	statements	non-listed company	hedge reserve	reserve	shareholders' equity	the Company	the subsidiaries	equity			
<b>Balance as at 1 January 2019</b>	1,559,291,862	1,967,897,516	172,445,812	103,952,060	523,320,000	17,393,326	9,135,682,800	(784,562,105)	-	-	-	(784,562,105)	12,695,421,271	34,686	12,695,455,957		
Loss for the year	-	-	-	-	-	-	(228,491,145)	-	-	-	-	-	(228,491,145)	66	(228,491,079)		
Other comprehensive income for the year	-	-	-	-	-	-	(15,217,741)	(892,697,934)	-	-	-	(892,697,934)	(907,915,675)	(2,453)	(907,918,128)		
Total comprehensive income for the year	-	-	-	-	-	-	(243,708,886)	(892,697,934)	-	-	-	(892,697,934)	(1,136,406,820)	(2,387)	(1,136,409,207)		
Appropriated to corporate social responsibility reserve (Note 25)	-	-	-	-	-	303,140	(303,140)	-	-	-	-	-	-	-	-		
<b>Balance as at 31 December 2019</b>	1,559,291,862	1,967,897,516	172,445,812	103,952,060	523,320,000	17,696,466	8,891,670,774	(1,677,260,039)	-	-	-	(1,677,260,039)	11,559,014,451	32,299	11,559,046,750		
<b>Balance as at 1 January 2020</b>	1,559,291,862	1,967,897,516	172,445,812	103,952,060	523,320,000	17,696,466	8,891,670,774	(1,677,260,039)	-	-	-	(1,677,260,039)	11,559,014,451	32,299	11,559,046,750		
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	-	-	(73,548,580)	-	-	139,019,746	(65,515,474)	73,504,272	(44,308)	(28)	(44,336)		
<b>Balance as at 1 January 2020 - as restated</b>	1,559,291,862	1,967,897,516	172,445,812	103,952,060	523,320,000	17,696,466	8,818,122,194	(1,677,260,039)	-	139,019,746	(65,515,474)	(1,603,755,767)	11,558,970,143	32,271	11,559,002,414		
Loss for the year	-	-	-	-	-	-	(1,294,854,929)	-	-	-	-	-	(1,294,854,929)	(1,494)	(1,294,856,423)		
Other comprehensive income for the year	-	-	-	-	-	-	-	31,349,679	(751,918)	(228,797,964)	68,344,830	(129,855,373)	(129,855,373)	(42)	(129,855,415)		
Total comprehensive income for the year	-	-	-	-	-	-	(1,294,854,929)	31,349,679	(751,918)	(228,797,964)	68,344,830	(129,855,373)	(1,424,710,302)	(1,536)	(1,424,711,838)		
Appropriated to corporate social responsibility reserve (Note 25)	-	-	-	-	-	73,000	(73,000)	-	-	-	-	-	-	-	-		
<b>Balance as at 31 December 2020</b>	1,559,291,862	1,967,897,516	172,445,812	103,952,060	523,320,000	17,769,466	7,523,194,265	(1,645,910,360)	(751,918)	(89,778,218)	2,829,356	(1,733,611,140)	10,134,259,841	30,735	10,134,290,576		
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements											
							Other components of shareholders' equity					
							Other comprehensive income					
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings			Exchange differences on translation of financial statements	Losses on measurement of fair value of investment in equity instrument of non-listed company		Cash flow hedge reserve	Cost of hedging reserve	Total other components of shareholders' equity
Statutory reserve				Corporate social responsibility reserve	Unappropriated	on translation		investment in equity instrument of non-listed company				
<b>Balance as at 1 January 2019</b>	1,559,291,862	1,967,897,516	172,445,812	103,952,060	17,393,326	7,220,773,166	517,202,998	-	-	-	517,202,998	11,558,956,740
Loss for the year	-	-	-	-	-	(622,035,037)	-	-	-	-	-	(622,035,037)
Other comprehensive income for the year	-	-	-	-	-	(10,757,244)	(802,815,739)	-	-	-	(802,815,739)	(813,572,983)
Total comprehensive income for the year	-	-	-	-	-	(632,792,281)	(802,815,739)	-	-	-	(802,815,739)	(1,435,608,020)
Appropriated to corporate social responsibility reserve (Note 25)	-	-	-	-	303,140	(303,140)	-	-	-	-	-	-
<b>Balance as at 31 December 2019</b>	1,559,291,862	1,967,897,516	172,445,812	103,952,060	17,696,466	6,587,677,745	(285,612,741)	-	-	-	(285,612,741)	10,123,348,720
<b>Balance as at 1 January 2020</b>	1,559,291,862	1,967,897,516	172,445,812	103,952,060	17,696,466	6,587,677,745	(285,612,741)	-	-	-	(285,612,741)	10,123,348,720
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	-	425,710,743	-	-	160,647,989	(61,552,571)	99,095,418	524,806,161
<b>Balance as at 1 January 2020 - as restated</b>	1,559,291,862	1,967,897,516	172,445,812	103,952,060	17,696,466	7,013,388,488	(285,612,741)	-	160,647,989	(61,552,571)	(186,517,323)	10,648,154,881
Loss for the year	-	-	-	-	-	(1,108,338,478)	-	-	-	-	-	(1,108,338,478)
Other comprehensive income for the year	-	-	-	-	-	-	21,039,779	(751,918)	(178,170,062)	66,292,774	(91,589,427)	(91,589,427)
Total comprehensive income for the year	-	-	-	-	-	(1,108,338,478)	21,039,779	(751,918)	(178,170,062)	66,292,774	(91,589,427)	(1,199,927,905)
Appropriated to corporate social responsibility reserve (Note 25)	-	-	-	-	73,000	(73,000)	-	-	-	-	-	-
<b>Balance as at 31 December 2020</b>	1,559,291,862	1,967,897,516	172,445,812	103,952,060	17,769,466	5,904,977,010	(264,572,962)	(751,918)	(17,522,073)	4,740,203	(278,106,750)	9,448,226,976
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

**Precious Shipping Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2020**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Loss before tax	(1,290,414,577)	(225,783,414)	(1,108,338,478)	(622,035,037)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,214,072,572	1,183,436,915	8,749,561	3,064,792
Expected credit losses/Bad debts and doubtful accounts	9,009,676	645,194	28,582,361	-
Losses on impairment of investments in subsidiaries	-	-	4,714,343	-
Amortisation of deferred contract costs	17,390,156	17,134,187	-	-
Losses on settlement agreement	868,716,922	-	860,601,697	-
Write-off equipment	15,379	7,334	15,378	7,225
Gains on sales of equipment	(134,135)	(387,079)	(15,338)	-
Share of profit from investment in associate held by a subsidiary	(10,813,223)	(19,848,843)	-	-
Provision for maritime claims (reversal)	(786,045)	14,196,191	-	-
Provision for long-term employee benefits	14,005,110	45,706,571	9,303,207	35,857,176
Unrealised exchange losses (gains)	3,729,763	(3,442,673)	2,740,436	(5,613,116)
Amortised financial fees to interest expenses	18,335,505	21,690,513	-	-
Finance cost	580,264,012	692,386,864	279,639,763	286,763,765
Amortisation of deferred debentures issuing cost	4,689,483	5,797,602	4,689,483	5,797,602
Dividend income	-	(405,217)	(48,808,160)	(405,217)
Gain on derivative	(11,991,915)	-	(13,713,928)	-
Losses on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	1,018,311	-	-	-
Gain on liquidation of subsidiaries	-	-	(6,702,483)	-
Interest income	-	-	(186,536,220)	-
Write-off withholding tax deducted at source	1,665,893	-	1,665,893	-
Profit (loss) from operating activities before changes in operating assets and liabilities	1,418,772,887	1,731,134,145	(163,412,485)	(296,562,810)
Operating assets (increase) decrease				
Trade and other receivables	5,531,578	55,690,606	(205,473,923)	(242,581,463)
Bunker oil	148,968,348	(88,285,147)	-	-
Other current assets	21,921,684	(22,185,561)	766,322	(2,632,306)
Other non-current assets	1,627,747	1,845	1,627,747	1,845
Operating liabilities increase (decrease)				
Trade and other payables	(243,361,663)	165,346,546	411,384,624	289,739,022
Advances received from charterers	537,873,946	58,017,647	-	-
Other current liabilities	(10,193,834)	1,225,191	(4,091,734)	168,107
Non-current liabilities	(13,612,347)	(7,140,875)	(13,612,347)	(6,888,005)
Cash flows from (used in) operating activities	1,867,528,346	1,893,804,397	27,188,204	(258,755,610)
Cash paid for corporate income tax and withholding tax deducted at source	(3,565,150)	(3,798,514)	(1,215,836)	(1,651,294)
<b>Net cash flows from (used in) operating activities</b>	<b>1,863,963,196</b>	<b>1,890,005,883</b>	<b>25,972,368</b>	<b>(260,406,904)</b>

The accompanying notes are an integral part of the financial statements.



Precious Shipping Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Cash flows from investing activities</b>				
Acquisitions of condominium unit, equipment and payment of dry-dock and special survey expenses	(272,940,951)	(436,254,573)	(4,450,930)	(913,802)
Cash received from sales of equipment	163,726	404,536	44,903	-
Acquisitions of computer software	(1,260,994)	(6,838,905)	(904,878)	(6,838,905)
Cash received from settlement agreement	1,269,067,500	-	1,269,067,500	-
Decrease in long-term loans to subsidiaries	-	-	540,177,755	538,686,316
Dividend received	2,057,537	15,618,362	48,808,160	405,217
<b>Net cash flows from (used in) investing activities</b>	<b>997,086,818</b>	<b>(427,070,580)</b>	<b>1,852,742,510</b>	<b>531,338,826</b>
<b>Cash flows from financing activities</b>				
Cash paid for interest expense	(592,998,193)	(692,239,495)	(297,815,939)	(286,616,396)
Cash paid for deferred financial fees	(16,019,379)	(5,416,130)	-	-
Cash paid for lease liabilities	(5,828,956)	-	(4,820,439)	-
Cash paid for derivative	(20,027,323)	-	(18,305,310)	-
Cash received from long-term loans	1,717,826,610	496,977,120	-	-
Repayment of long-term loans	(980,121,482)	(1,127,499,600)	-	-
Prepayment of long-term loans	(1,656,434,867)	(681,138,588)	-	-
Repayment of debentures - net	(1,374,794,550)	-	(1,374,794,550)	-
<b>Net cash flows used in financing activities</b>	<b>(2,928,398,140)</b>	<b>(2,009,316,693)</b>	<b>(1,695,736,238)</b>	<b>(286,616,396)</b>
Decrease in translation adjustments	(13,342,598)	(115,270,007)	(13,505,049)	(37,678,598)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(80,690,724)</b>	<b>(661,651,397)</b>	<b>169,473,591</b>	<b>(53,363,072)</b>
Cash and cash equivalents at beginning of year	1,181,180,928	1,842,832,325	443,250,723	496,613,795
<b>Cash and cash equivalents at end of year</b>	<b>1,100,490,204</b>	<b>1,181,180,928</b>	<b>612,724,314</b>	<b>443,250,723</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Conversion of advance receivable to subsidiary to long-term loans to a subsidiary	-	-	-	618,849,900
Transfer advance payable from subsidiary deducted long-term loans to a subsidiary	-	-	-	108,676,080
Decrease in advance payables from subsidiaries net of investment returned	-	-	369,479,205	-

The accompanying notes are an integral part of the financial statements.

**Precious Shipping Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2020**

**1. General information**

**1.1 Corporate information**

Precious Shipping Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged as a holding company for investment in the marine transportation business. The registered office of the Company is at No. 8, North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500.

**1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543. These financial statements are presented in Thai Baht which is different from the functional currency of the Company, which is US Dollar. The presentation is in Thai Baht in accordance with the regulatory requirements in Thailand.

The USD functional currency financial statements are translated into the Thai Baht presentation currency financial statements at the rate of exchange prevailing on the end of reporting period in respect of assets and liabilities, and at a rate that approximates the actual rate at the date of the transaction in respect of revenues and expenses, differences being recorded as “Exchange differences on translation of financial statements” in other comprehensive income, other components of shareholders' equity.

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

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

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Precious Shipping Public Company Limited and the following subsidiaries and associate (“the Group”).

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2020	2019
			%	%
<u>Subsidiaries held by the Company</u>				
1. Precious Metals Limited	Shipowner	Thailand	99.99	99.99
2. Precious Wishes Limited	Shipowner	Thailand	99.99	99.99
3. Precious Stones Shipping Limited	Shipowner	Thailand	99.99	99.99
4. Precious Minerals Limited	Shipowner	Thailand	99.99	99.99
5. Precious Lands Limited	Shipowner	Thailand	99.99	99.99
6. Precious Rivers Limited*	Shipowner	Thailand	-	99.99
7. Precious Lakes Limited	Shipowner	Thailand	99.99	99.99
8. Precious Seas Limited*	Shipowner	Thailand	-	99.99
9. Precious Stars Limited*	Shipowner	Thailand	-	99.99
10. Precious Oceans Limited	Shipowner	Thailand	99.99	99.99
11. Precious Planets Limited	Shipowner	Thailand	99.99	99.99
12. Precious Diamonds Limited	Shipowner	Thailand	99.99	99.99
13. Precious Sapphires Limited	Shipowner	Thailand	99.99	99.99
14. Precious Emeralds Limited	Shipowner	Thailand	99.99	99.99
15. Precious Rubies Limited	Shipowner	Thailand	99.99	99.99
16. Precious Opals Limited	Shipowner	Thailand	99.99	99.99
17. Precious Garnets Limited	Shipowner	Thailand	99.99	99.99
18. Precious Pearls Limited	Shipowner	Thailand	99.99	99.99
19. Precious Flowers Limited	Shipowner	Thailand	99.99	99.99
20. Precious Forests Limited	Shipowner	Thailand	99.99	99.99
21. Precious Trees Limited	Shipowner	Thailand	99.99	99.99
22. Precious Ponds Limited	Shipowner	Thailand	99.99	99.99
23. Precious Ventures Limited	Shipowner	Thailand	99.99	99.99
24. Precious Capitals Limited	Shipowner	Thailand	99.99	99.99
25. Precious Jasmines Limited	Shipowner	Thailand	99.99	99.99
26. Precious Orchids Limited	Shipowner	Thailand	99.99	99.99
27. Precious Lagoons Limited	Shipowner	Thailand	99.99	99.99
28. Precious Cliffs Limited*	Shipowner	Thailand	-	99.99
29. Precious Hills Limited*	Shipowner	Thailand	-	99.99
30. Precious Mountains Limited*	Shipowner	Thailand	-	99.99
31. Precious Resorts Limited	Shipowner	Thailand	99.99	99.99
32. Precious Cities Limited*	Shipowner	Thailand	-	99.99
33. Precious Comets Limited	Shipowner	Thailand	99.99	99.99
34. Precious Ornaments Limited	Shipowner	Thailand	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2020	2019
			%	%
35. Precious Moons Limited	Shipowner	Thailand	99.98	99.98
36. Precious Venus Limited	Shipowner	Thailand	99.99	99.99
37. Precious Neptune Limited	Shipowner	Thailand	99.99	99.99
38. Precious Shipping (Panama) S.A.	Shipowner/ Chartering	Panama	99.99	99.99
39. Precious Shipping (Singapore) Pte. Limited	Holding company/ Chartering	Singapore	100.00	100.00
40. Precious Shipping (UK) Limited	Chartering	England	100.00	100.00
41. Great Circle Shipping Agency Limited	Technical manager of ships	Thailand	99.99	99.99
42. Associated Bulk Carriers Pte. Limited	Holding company	Singapore	100.00	100.00
<u>Subsidiaries held by subsidiaries</u>				
43. Precious Projects Pte. Limited**	Investment holding company	Singapore	100.00	100.00
44. Precious Forests Pte. Ltd.	Shipowner	Singapore	100.00	100.00
45. Precious Fragrance Pte. Ltd.	Shipowner	Singapore	100.00	100.00
46. Precious Thoughts Pte. Ltd.	Shipowner	Singapore	100.00	100.00
47. Precious Comforts Pte. Ltd.	Shipowner	Singapore	100.00	100.00
48. Precious Sparks Pte. Ltd.	Shipowner	Singapore	100.00	100.00
49. Precious Visions Pte. Ltd.	Shipowner	Singapore	100.00	100.00
50. Precious Bridges Pte. Ltd.	Shipowner	Singapore	100.00	100.00
51. Precious Tides Pte. Ltd.	Shipowner	Singapore	100.00	100.00
52. Precious Skies Pte. Ltd.	Shipowner	Singapore	100.00	100.00
53. Precious Grace Pte. Ltd.	Shipowner	Singapore	100.00	100.00
54. Precious Sonnets Pte. Ltd.	Shipowner	Singapore	100.00	100.00
55. Precious Glories Pte. Ltd.	Shipowner	Singapore	100.00	100.00
56. Precious Wisdom Pte. Ltd.	Shipowner	Singapore	100.00	100.00
57. ABC One Pte. Ltd.	Shipowner	Singapore	100.00	100.00
58. ABC Two Pte. Ltd.	Shipowner	Singapore	100.00	100.00
59. ABC Three Pte. Ltd.	Shipowner	Singapore	100.00	100.00
60. ABC Four Pte. Ltd.	Shipowner	Singapore	100.00	100.00
<u>Associate held by a subsidiary</u>				
61. International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40

\* Completed the liquidation process in the year 2020

\*\* Business suspended

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

Investment in associate is accounted for using the equity method and is recognised initially at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investee from the date that significant influence incurs until the date that significant influence ceases.

- d) The financial statements of the subsidiaries are prepared for the same reporting period as the Company and using the same significant accounting policies as the Company.

The financial statements of the associate are prepared for a reporting date that differs from that of the Company by no more than three months. In this respect, the accounting periods and differences are consistent and the financial statements are prepared using the same significant accounting policies as the Company.

- e) The financial statements of all subsidiaries and associate are prepared in their respective functional currencies. Where the functional currency is not USD, the financial statements are translated into USD using the exchange rate prevailing on the end of reporting period in respect of assets and liabilities, and at a rate that approximates the actual rate at the date of the transaction in respect of revenues and expenses. The resultant differences have been shown under the caption of "Exchange differences on translation of financial statements" in other comprehensive income, other components of shareholders' equity.
- f) Material balances and transactions between the Group, and investments in subsidiaries by the Company and shareholders' equity of the subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

### 3. New financial reporting standards

#### a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Classification and measurement of investment in equity instrument of non-listed company at fair value - The Company measures investment in equity instrument of non-listed company at fair value and classifies the investment as financial assets at fair value through other comprehensive income.
- Initial recognition of financial assets at fair value - The Company measures long-term loans to subsidiaries that carry no interest at fair value. The fair value is measured at the present value of all future cash receipts discounted using the market rate for a similar financial instrument. The difference between fair value and book value of long-term loans to subsidiaries is recognised as investment in subsidiaries.
- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in income statement. However, the Group applies hedge accounting for certain derivatives.
- Hedge accounting - All of the Group's hedging relationships existing before TFRS 9 adoption, that are eligible under TFRS 9 requirements, remain eligible to be treated as hedging relationships. The Group has designated certain derivatives under cash flow hedge. Changes in the fair value of these derivatives are recognised in other comprehensive income. Gains and losses arising on cash flow hedges are eligible to be subsequently reclassified to income statement.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

Furthermore, the Group elected to early adopt the amendments to TFRS 9 and TFRS 7 relating to interest rate benchmark reform in 2020. These amendments are effective for fiscal years beginning on or after 1 January 2021. These amendments provide reliefs which enable the Group's hedge accounting to continue during the period of uncertainty, before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate. The relevant details are disclosed in Note 34.1.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17, Leases, together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted this financial reporting standard using the modified retrospective method of initial adoption of which the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

### **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to impairment of assets, fair value measurement of investment in unquoted equity instrument and measurement of expected credit losses using a simplified approach.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.



**b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

**4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Derivative assets	-	321,968	-	321,968
<b>Non-current assets</b>				
Derivative assets	-	664,489	-	664,489
Receivables from cross currency swap contracts	950,891	(950,891)	-	-
Right-of-use assets	-	-	29,171	29,171

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to		
		financial instruments	TFRS 16	
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Accrued expenses	338,001	(741)	-	337,260
Current portion of lease liabilities	-	-	4,225	4,225
<b>Non-current liabilities</b>				
Lease liabilities - net of current portion	-	-	24,946	24,946
Derivative liabilities	-	36,351	-	36,351
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	8,891,671	(73,549) <sup>(A)</sup>	-	8,818,122
Other components of shareholders' equity	(1,677,260)	73,505	-	(1,603,755)

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to		
		financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Derivative assets	-	321,968	-	321,968
<b>Non-current assets</b>				
Long-term loans to subsidiary	4,523,100	(888,021)	-	3,635,079
Derivative assets	-	633,609	-	633,609
Receivables from cross currency swap contracts	921,749	(921,749)	-	-
Investments in subsidiaries	6,038,468	1,379,000	-	7,417,468
Right-of-use assets	-	-	24,491	24,491

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2019	The impacts of		1 January 2020
Financial reporting standards related to financial instruments		TFRS 16		
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	-	-	3,421	3,421
<b>Non-current liabilities</b>				
Lease liabilities - net of current portion	-	-	21,070	21,070
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	6,587,678	425,711 <sup>(A)</sup>	-	7,013,389
Other components of shareholders' equity	(285,613)	99,096	-	(186,517)

(A) Please see Note 4.1 to the financial statements.

**4.1 Financial instruments**

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Initial recognition of financial assets at fair value	-	490,979
Recognition of hedging derivatives at fair value through other comprehensive income	(73,549)	(65,268)
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	(73,549)	425,711

Details of the impact on other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u>73,505</u>	<u>99,096</u>
Recognition of hedging derivatives at fair value through other comprehensive income		
Impacts on other components of shareholders' equity due to the adoption of financial reporting standards related to financial instruments	<u>73,505</u>	<u>99,096</u>

As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The former carrying amount	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive		
		income	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>				
Cash and cash equivalents	1,181,181	-	1,181,181	1,181,181
Trade and other receivables	182,610	-	182,610	182,610
Derivative assets	-	986,457	-	986,457
Claim recoverables	10,639	-	10,639	10,639
Investment in equity instrument of non-listed company	17,114	17,114	-	17,114
Advances for vessel constructions	2,047,470	-	2,047,470	2,047,470
<b>Total financial assets</b>	<b>3,439,014</b>	<b>1,003,571</b>	<b>3,421,900</b>	<b>4,425,471</b>

(Unit: Thousand Baht)

	Separate financial statements			
	The former carrying amount	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive income	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>				
Cash and cash equivalents	443,251	-	443,251	443,251
Trade and other receivables	3,479,693	-	3,479,693	3,479,693
Short-term loans to subsidiary	129,662	-	129,662	129,662
Derivative assets	-	955,577	-	955,577
Long-term loans to subsidiary	3,635,079	-	3,635,079	3,635,079
Investment in equity instrument of non-listed company	17,114	17,114	-	17,114
Advances for vessel constructions	2,039,751	-	2,039,751	2,039,751
<b>Total financial assets</b>	<b>9,744,550</b>	<b>972,691</b>	<b>9,727,436</b>	<b>10,700,127</b>

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through other comprehensive income except derivative liabilities of which fair value is Baht 36.35 million (The Company only: nil).

## 4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	34,266	29,065
Less: Deferred interest expenses	(5,095)	(4,574)
Lease liabilities as at 1 January 2020 due to TFRS 16 adoption	<u>29,171</u>	<u>24,491</u>
Weighted average incremental borrowing rate (percent per annum)	5.28 - 5.53	5.28 - 5.53
Comprise of:		
Current lease liabilities	4,225	3,421
Non-current lease liabilities	<u>24,946</u>	<u>21,070</u>
	<u>29,171</u>	<u>24,491</u>

## 5. Significant accounting policies

### 5.1 Revenue and expense recognition

#### *Vessel operating income*

Vessel operating income consists of time charter income and voyage charter income.

Time charter income is recognised on a straight-line basis over the term of the respective time charter agreements as service is provided.

Voyage charter income is recognised on a straight-line basis over the estimated voyage days from the commencement of loading to completion of discharge.

### ***Rendering of services***

Service revenue is recognised when services have been rendered taking into account the stage of completion.

### ***Interest income***

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### ***Dividend received***

Dividends received are recognised when the right to receive the dividends is established.

## **5.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **5.3 Bunker oil**

Bunker oil is valued at the lower of cost (first-in, first-out method) and net realisable value and is charged to vessel operating costs whenever consumed.

## **5.4 Investments in subsidiaries and associate**

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).



## 5.5 Property, plant and equipment/Depreciation

Vessels, condominium units, and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of vessels, condominium units and equipment is calculated by reference to their costs, after deducting residual value, on the straight-line basis over the following estimated useful lives.

Vessels and equipment	25 years and 5 years, respectively
Dry-dock and special survey expenses	2 years and 4 years, respectively
Condominium units	17 - 20 years
Leasehold improvement	5 years
Others	5 years

Depreciation is included in determining income.

No depreciation is provided on asset under construction.

An item of buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

## 5.6 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction 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.

## 5.7 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

The estimated useful lives of computer software are 5 years and 10 years.

## **5.8 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 amortised using the effective interest rate method over the term of the loans.

## **5.9 Deferred contract costs**

The delay penalties, which the Group paid to the charterer of Cement Carriers before delivery of the vessels in order to maintain respective long-term time charter contracts, are recorded as deferred contract costs and amortised on a straight-line basis over the committed term of the charter under the contract, which is 15 years. The vessel operating income is presented net of this amortisation in the income statement.

## **5.10 Leases**

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### *Accounting policies adopted since 1 January 2020*

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets which are buildings are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term which are 4 years to 8 years.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### ***Accounting policies adopted before 1 January 2020***

Leases of buildings which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in income statement on a straight-line basis over the lease term.

### **5.11 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

### **5.12 Foreign currencies**

The Group's financial statements are presented in Thai Baht, which is different from the Group's functional currency of USD. Each entity in the Group determines its own functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

#### **a) Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency. Foreign currency transactions during a particular month are translated into functional currency at the average exchange rates ruling during the previous transaction month.

Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency at the exchange rate ruling at the end of reporting period. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### **b) Group companies**

The assets and liabilities of Group companies whose functional currency is not USD are translated into USD at the exchange rate ruling at the end of reporting period and their income statement and statements of comprehensive income are translated at a rate that approximates the actual rate at the date of the transaction.

The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

### 5.13 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

### 5.14 Employee benefits

#### a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

#### b) Post-employment benefits

##### *Defined contribution plans*

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

##### *Defined benefit plans*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in the income statement on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

c) Termination benefits

The Group recognised termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

### **5.15 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

*Provisions for maritime claims*

Provisions for maritime claims are recorded by the subsidiaries upon receipt of the claim advices from the charterers, based on the best estimate of the expenditure required to settle the subsidiaries present obligation.

### **5.16 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

**Current tax**

Income tax of the Group in Thailand is provided for in the accounts based on the taxable income determined in accordance with tax legislation in Thailand. Overseas subsidiaries and associate calculate corporate income tax in accordance with the method and tax rates stipulated by tax laws in those countries.

## **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognised deferred tax liabilities for all taxable temporary differences while it recognised deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

### **5.17 Premium on treasury stock**

Gains on disposal of treasury stock are determined by reference to the carrying amount and are presented as premium on treasury stock, while losses on disposal are determined by reference to the carrying amount and are recorded as a deduction from premium on treasury stock until the premium is eliminated, with the remainder then presented in retained earnings.

### **5.18 Financial instruments**

#### *Accounting policies adopted since 1 January 2020*

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

#### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in income statement when the asset is derecognised, modified or impaired.

### ***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to income statement.

Dividends are recognised as other income in income statement, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in income statement when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in income statement.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.



A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in income statement.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Accounting policies adopted before 1 January 2020**

#### **Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

## **Investments**

Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any). The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in income statement.

### **5.19 Derivatives and hedge accounting**

The Group uses derivatives, which are cross currency swaps, interest rate swaps, cross currency interest rate swaps and put option, to hedge its foreign currency risks and interest rate risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in income statement unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### **Hedge accounting**

For the purpose of hedge accounting, hedge is classified as cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

### ***Cash flow hedges***

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in income statement. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to income statement as a reclassification adjustment in the same period which the hedged cash flows affect income statement.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to income statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

The Group designates only the intrinsic value of the options and the financial instrument excluding the foreign currency basis spread as a hedging instrument. The change in fair value of the time value of the options and the foreign currency basis spread of financial instrument that relates to the hedged item is separately accounted for as a cost of hedging which is recognised in other comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.

If the hedged item is transaction-related, the cost of hedging reserve accumulated in other comprehensive income is reclassified to income statement when the hedged item affects income statement. If the hedged item is time-period related, then the reserve accumulated in other comprehensive income is reclassified to income statement on systematic and rational basis. The reclassified amounts are recognised in income statement in the same line as the hedged item. If the hedged item is a non-financial item, then the reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to income statement.

## **5.20 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 Group applies 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 measures fair value using valuation technique 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 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 Group determines 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.

## 6. Significant accounting judgments and estimates

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

### **Leases**

#### ***Determining the lease term with extension and termination options - The Group as a lessee***

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

#### ***Estimating the incremental borrowing rate - The Group as a lessee***

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

#### **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty), liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### **Property, plant and equipment/Depreciation**

In calculating depreciation on vessels, condominium units and equipment, the management estimates useful lives and residual values of the Company's and subsidiaries' vessels, condominium units and equipment and reviews estimated useful lives and residual values if there are any changes.

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 7 - 22 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows used for extrapolation purposes. These estimates are most relevant to property, plant and equipment recognised by the Group. The key assumptions used to determine the recoverable amount for the different cash-generating units, are disclosed and further explained in Note 14.

### **Post-employment benefits under defined benefit plans**

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

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	867	910	856	898
Bank deposits	1,099,623	1,180,271	611,868	442,353
Total	1,100,490	1,181,181	612,724	443,251

As at 31 December 2020, bank deposits carried interest between 0.01% and 0.60% per annum for USD savings deposits and between 0.05% and 0.13% per annum for Baht savings deposits (2019: between 0.01% and 1.04% per annum for USD savings deposits and between 0.22% and 0.38% per annum for Baht savings deposits).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	166,927	174,033	-	-
3 - 6 months	1,643	128	-	-
6 - 12 months	131	8,843	-	-
Over 12 months	8,809	151	-	-
Total	177,510	183,155	-	-
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)				
	(8,809)	(545)	-	-
Total trade receivables - unrelated parties, net	168,701	182,610	-	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 9)	-	-	3,648,305	3,479,693
Total other receivables	-	-	3,648,305	3,479,693
Total trade and other receivables - net	168,701	182,610	3,648,305	3,479,693

## 9. Related party transactions

In addition to relationship among the Group as stated in Note 10 and 11 to the financial statements and its associate as stated in Note 12 to the financial statements, the other related party transactions and relationship are summarised below.

Related party's name	Transaction	Relationship
Globex Corporation Limited	None	Major shareholder holding 28.40% ordinary shares in the Company and related by way of the Company's directors as shareholders and directors in the related party
Unistretch Limited	Office rental and service expenses	Related by way of common shareholders and directors
Ambika Tour Agency Limited	Air ticket expenses	Related by way of common shareholders and directors
Maestro Controls Limited	Air-conditioning service expenses	Related by way of common shareholders and directors
Maxwin Builders Limited	Hotel service and management service expenses	Related by way of common shareholders and directors
InsurExcellence Insurance Brokers Limited	Insurance expense	Related by way of Company Directors' close family member as the related party's shareholder
InsurExcellence Life Insurance Brokers Limited	Insurance expense	Related by way of Company Directors' close family member as the related party's shareholder
Devon Marine Limited	Consultancy services for ship chartering	Related by way of Company Directors' close family member as the related party's shareholder
Eastern Energy Chartering Pte Ltd., Singapore	Brokerage income for ship chartering and operating services	Related by way of common shareholders and directors
Mr. Khalid Moinuddin Hashim	Acquisition of a condominium unit	Director

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms agreed upon between the Company and those related parties.



(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2020	2019	2020	2019	
<b>Transactions with subsidiaries</b>					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	89,895	88,965	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Dividend received	-	-	48,808	-	As declared
Interest income	-	-	186,522	-	At interest rate of 5.00% per annum
Condominium rental expenses	-	-	8,157	7,286	Market price
<b>Transaction with associate</b>					
Dividend received	2,058	15,213	-	-	As declared
<b>Transactions with related companies</b>					
Brokerage income	239	3,701	-	-	Market price
Air ticket expenses	245	4,988	184	1,560	Market price
Rental and service expenses	21,184	13,265	6,845	10,938	Market price
<b>Transaction with related person</b>					
Acquisition of a condominium unit	-	13,348	-	-	Market price

The balances of the accounts as at 31 December 2020 and 2019 between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Other receivables - related parties (Note 8)</b>				
Subsidiaries	-	-	3,648,305	3,479,693
Total other receivables - related parties	-	-	3,648,305	3,479,693
<b>Trade and other payables - related parties</b>				
Subsidiaries	-	-	1,825,509	1,749,784
Related companies	937	78	8	40
Total trade and other payables - related parties	937	78	1,825,517	1,749,824
<b>Lease liabilities - related parties</b>				
Related company	6,346	-	6,346	-
Total lease liabilities - related parties	6,346	-	6,346	-

The outstanding balances of the amounts due from/to subsidiaries represent current accounts between the Group. The Company's management believes that no allowance for expected credit losses is necessary. No interest was charged on advances to/from subsidiaries.

#### Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	53,828	77,681	57,044	79,623
Post-employment benefits	3,096	14,449	3,096	14,449
Total	<u>56,924</u>	<u>92,130</u>	<u>60,140</u>	<u>94,072</u>

#### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries in relation to the loans from banks. There was no guarantee fee charged.

### **10. Loans to subsidiaries**

Loans to subsidiaries consisted of the following.

- 1) As at 31 December 2019, long-term loans to a wholly owned subsidiary, Associated Bulk Carriers Pte. Limited ("ABC"), are in the form of promissory notes amounting to USD 4.30 million, bearing no interest and are due at call. The Company intends to call for the loans repayment within one year; therefore, as at 31 December 2019, the loans were classified as short-term loans.

On 20 July 2020, ABC repaid all outstanding loans.

- 2) On 30 December 2019, the Company executed a loan agreement with Precious Shipping (Singapore) Pte. Limited ("PSSP") in order to refinance the existing loans amounting to USD 150 million between the Company as lender and PSSP as borrower. As at 31 December 2020, the Company had long-term loan to PSSP amounting to USD 112 million (2019: USD 150 million).

Movements in the balance of the loans during the year were as follows.

(Unit: Thousand Baht)

	Separate financial statements	
	2020	2019
Balance at beginning of the year	4,652,762	5,020,049
Convert from advance receivables	-	618,850
Adjustments of long-term loans to subsidiary due to adoption financial reporting standards related to financial instruments	(888,021)	-
Decrease	(540,178)	(647,362)
Expected credit losses	(28,582)	-
Translation adjustment	182,413	(338,775)
<b>Total</b>	<b>3,378,394</b>	<b>4,652,762</b>
Less: reclassified to short-term loans to a subsidiary	-	(129,662)
<b>Balance at end of the year</b>	<b>3,378,394</b>	<b>4,523,100</b>

For the year ended 31 December 2020, the Company recognised the allowance for expected credit losses of long-term loans to subsidiaries amounting to Baht 28.58 million (2019: nil), which was mainly because of a revision in the loan repayment schedule, resulting in an adjustment to the future repayment plan.

## 11. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	2020	2019	2020	2019	2020	2019
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	318,263	319,502
Precious Wishes Limited	230,000	230,000	99.99	99.99	270,923	271,977
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	253,075	254,060
Precious Minerals Limited	230,000	230,000	99.99	99.99	230,129	231,024
Precious Lands Limited	306,000	306,000	99.99	99.99	291,245	292,379
Precious Rivers Limited*	-	234,000	-	99.99	-	192,169
Precious Lakes Limited	184,000	184,000	99.99	99.99	167,979	168,633
Precious Seas Limited*	-	100,000	-	99.99	-	118,251
Precious Stars Limited*	-	105,000	-	99.99	-	124,163

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	2020	2019	2020	2019	2020	2019
			%	%		
Precious Oceans Limited	175,000	175,000	99.99	99.99	206,137	206,939
Precious Planets Limited	270,000	270,000	99.99	99.99	279,510	280,597
Precious Diamonds Limited	205,000	205,000	99.99	99.99	174,993	175,674
Precious Sapphires Limited	144,000	144,000	99.99	99.99	118,724	119,186
Precious Emeralds Limited	366,000	366,000	99.99	99.99	284,684	285,791
Precious Rubies Limited	259,360	259,360	99.99	99.99	237,693	238,618
Precious Opals Limited	249,360	249,360	99.99	99.99	230,070	230,965
Precious Garnets Limited	379,000	379,000	99.99	99.99	293,633	294,776
Precious Pearls Limited	173,000	173,000	99.99	99.99	167,710	168,363
Precious Flowers Limited	336,000	336,000	99.99	99.99	323,359	324,617
Precious Forests Limited	286,000	286,000	99.99	99.99	251,393	252,371
Precious Trees Limited	202,000	202,000	99.99	99.99	196,249	197,013
Precious Ponds Limited	124,000	124,000	99.99	99.99	118,042	118,501
Precious Ventures Limited	202,000	202,000	99.99	99.99	212,871	213,700
Precious Capitals Limited	200,000	200,000	99.99	99.99	235,585	236,502
Precious Jasmines Limited	147,000	147,000	99.99	99.99	160,054	160,677
Precious Orchids Limited	217,000	217,000	99.99	99.99	180,867	181,571
Precious Lagoons Limited	140,000	140,000	99.99	99.99	164,909	165,551
Precious Cliffs Limited*	-	140,000	-	99.99	-	165,551
Precious Hills Limited*	-	140,000	-	99.99	-	165,551
Precious Mountains Limited*	-	140,000	-	99.99	-	165,551
Precious Resorts Limited	140,000	140,000	99.99	99.99	164,909	165,551
Precious Cities Limited*	-	170,000	-	99.99	-	188,253
Precious Comets Limited	141,000	141,000	99.99	99.99	125,377	125,866
Precious Ornaments Limited	156,000	156,000	99.99	99.99	137,603	138,139
Precious Moons Limited	1,000	1,000	99.98	99.98	917	921
Precious Venus Limited	298,800	298,800	99.99	99.99	254,698	255,689
Precious Neptune Limited	298,800	298,800	99.99	99.99	254,698	255,689
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	300	302
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	1,688,759	316,331
Precious Shipping (UK) Limited	250	250	100.00	100.00	300	302
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	325,728	326,995
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Total investments in subsidiaries					8,321,386	8,094,261
Less: Allowance for loss on investments in subsidiaries					(1,301,127)	(2,055,793)
Total investments in subsidiaries - net					7,020,259	6,038,468

\*On 25 November 2019, the Extraordinary General Meeting of Shareholders of 7 subsidiaries passed the resolutions approving the dissolution of the companies. The subsidiaries registered their dissolution with the Ministry of Commerce on 26 November 2019.

On 8 September 2020, these subsidiaries have completed their liquidation processes.

During the year 2020, the Company received dividends in the amount of Baht 48.8 million from Associated Bulk Carriers Pte. Limited and recognised as dividend income in the separate income statement (2019: nil).

As at 31 December 2020, the Company has pledged the shares of 18 subsidiaries amounting to Baht 3,061.61 million (net of allowance for loss on investments) (2019: 26 subsidiaries amounting to Baht 4,770.45 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 18 to the financial statements.

The change in cost of investments in subsidiaries is from the exchange differences on translation of financial statements from functional currency to presentation currency.

As at 31 December 2020 and 2019, the amounts under allowance for loss on investments in subsidiaries in the separate financial statements are derived from subsidiaries which have sold vessels and insofar have no plan of buying replacement vessels.

## 12. Investment in associate held by a subsidiary

### 12.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

		Consolidated financial statements						
Associate's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2020	2019	2020	2019	2020	2019
			%	%				
International Seaports (Haldia)								
Private Limited	Port development	India	22.40	22.40	61,205	61,443	74,311	68,092

The change in cost of investment in associate held by a subsidiary is from the exchange differences on translation of financial statements from functional currency to presentation currency.

(Unit: Thousand Baht)

		Consolidated financial statements			
		For the years ended 31 December			
Associate's name		Share of profit from investment in associate held by a subsidiary		Dividend received from associate held by a subsidiary	
		2020	2019	2020	2019
International Seaports (Haldia) Private Limited		10,813	19,849	2,058	15,213

Share of profit from investment in associate held by a subsidiary for the years ended 31 December 2020 and 2019, included in the consolidated income statements, was calculated based on the financial information of that associate as at 30 September 2020 and 2019, respectively.

## 12.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues		Profit	
	30 September		30 September		30 September		for the years ended		for the years ended	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Thousand INR	Thousand INR								
International Seaports										
(Haldia) Private Limited	440,580	440,580	377,943	338,155	46,196	34,172	370,463	482,209	48,273	88,611

## 13. Investment in equity instrument of non-listed company

Equity instrument designated at FVOCI is investment in equity instrument of non-listed company which the Group determines as strategic investment, represents investment in 2,026,086 ordinary shares of Baht 10.00 each of TMN Company Limited, representing 3% of its registered shares capital. The changes in cost of investment in equity instrument of non-listed company are from measurement at fair value and the exchange differences on translation of financial statements from functional currency to presentation currency.

## 14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Condominium units	Vessels and equipment			Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
		Vessels and equipment	Dry-dock and special survey expenses	Total				
<b>Cost</b>								
1 January 2020	245,488	25,822,916	615,085	26,438,001	52,557	14,507	14,106	26,764,659
Acquisitions	1,985	21,433	235,550	256,983	13,096	-	877	272,941
Disposals/write-off	-	-	(224,300)	(224,300)	(5,321)	-	(88)	(229,709)
Translation adjustment	(1,051)	(101,075)	(2,849)	(103,924)	(480)	(56)	(89)	(105,600)
31 December 2020	246,422	25,743,274	623,486	26,366,760	59,852	14,451	14,806	26,702,291
<b>Accumulated depreciation</b>								
1 January 2020	204,944	6,111,128	277,645	6,388,773	50,618	9,024	13,752	6,667,111
Depreciation for the year	1,733	949,848	251,743	1,201,591	1,194	2,617	359	1,207,494
Depreciation on disposals/write-off	-	-	(224,300)	(224,300)	(5,276)	-	(88)	(229,664)
Translation adjustment	(866)	(63,084)	(2,894)	(65,978)	(151)	(147)	(67)	(67,209)
31 December 2020	205,811	6,997,892	302,194	7,300,086	46,385	11,494	13,956	7,577,732
<b>Net book value</b>								
1 January 2020	40,544	19,711,788	337,440	20,049,228	1,939	5,483	354	20,097,548
31 December 2020	40,611	18,745,382	321,292	19,066,674	13,467	2,957	850	19,124,559
<b>Depreciation for the year</b>								
2020								1,207,494

(Unit: Thousand Baht)

## Consolidated financial statements

	Vessels and equipment			Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total	
	Condominium units	Vessels and equipment	Dry-dock and special survey expenses					Total
<b>Cost</b>								
1 January 2019	247,928	27,634,960	649,394	28,284,354	59,010	16,965	15,180	28,623,437
Acquisitions	15,149	146,494	273,264	419,758	1,347	-	-	436,254
Disposals/write-off	-	-	(260,969)	(260,969)	(3,636)	(1,313)	-	(265,918)
Translation adjustment	(17,589)	(1,958,538)	(46,604)	(2,005,142)	(4,164)	(1,145)	(1,074)	(2,029,114)
31 December 2019	245,488	25,822,916	615,085	26,438,001	52,557	14,507	14,106	26,764,659
<b>Accumulated depreciation</b>								
1 January 2019	219,556	5,595,476	318,854	5,914,330	57,645	8,211	14,432	6,214,174
Depreciation for the year	944	935,883	242,909	1,178,792	625	2,722	349	1,183,432
Depreciation on disposals/write-off	-	-	(260,969)	(260,969)	(3,611)	(1,313)	-	(265,893)
Translation adjustment	(15,556)	(420,231)	(23,149)	(443,380)	(4,041)	(596)	(1,029)	(464,602)
31 December 2019	204,944	6,111,128	277,645	6,388,773	50,618	9,024	13,752	6,667,111
<b>Net book value</b>								
1 January 2019	28,372	22,039,484	330,540	22,370,024	1,365	8,754	748	22,409,263
31 December 2019	40,544	19,711,788	337,440	20,049,228	1,939	5,483	354	20,097,548
<b>Depreciation for the year</b>								
2019								<u>1,183,432</u>



(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
<b>Cost</b>				
1 January 2020	20,820	14,507	9,860	45,187
Acquisitions	3,949	-	502	4,451
Write-off	(1,383)	-	(88)	(1,471)
Translation adjustment	(197)	(56)	(65)	(318)
31 December 2020	23,189	14,451	10,209	47,849
<b>Accumulated depreciation</b>				
1 January 2020	19,635	9,024	9,860	38,519
Depreciation for the year	704	2,617	87	3,408
Depreciation on write-off	(1,338)	-	(88)	(1,426)
Translation adjustment	(76)	(147)	(40)	(263)
31 December 2020	18,925	11,494	9,819	40,238
<b>Net book value</b>				
1 January 2020	1,185	5,483	-	6,668
31 December 2020	4,264	2,957	390	7,611
<b>Depreciation for the year 2020</b>				<b>3,408</b>

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
<b>Cost</b>				
1 January 2019	25,249	15,611	10,611	51,471
Acquisitions	914	-	-	914
Write-off	(3,579)	-	-	(3,579)
Translation adjustment	(1,764)	(1,104)	(751)	(3,619)
31 December 2019	20,820	14,507	9,860	45,187
<b>Accumulated depreciation</b>				
1 January 2019	24,563	6,857	10,611	42,031
Depreciation for the year	338	2,722	-	3,060
Depreciation on write-off	(3,572)	-	-	(3,572)
Translation adjustment	(1,694)	(555)	(751)	(3,000)
31 December 2019	19,635	9,024	9,860	38,519
<b>Net book value</b>				
1 January 2019	686	8,754	-	9,440
31 December 2019	1,185	5,483	-	6,668
<b>Depreciation for the year</b>				
2019				3,060

As at 31 December 2020, certain condominium units and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 262.68 million (2019: Baht 265.25 million) in the consolidated financial statements and Baht 31.57 million (2019: Baht 30.20 million) in the separate financial statements.

As at 31 December 2020, the subsidiaries have mortgaged 26 vessels (2019: 31 vessels) with net book value of Baht 13,985.90 million (2019: Baht 17,744.05 million) with banks to secure long-term loans as referred to in Note 18 to the financial statements.

Key assumption used in the valuation is discount rate at 9.0% per annum (2019: 9.5% per annum).

## 15. Intangible assets

Details of intangible assets which are computer software are as follows.

(Unit: Thousand Baht)

	Consolidated		Separated	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Cost</b>				
Cost at beginning of year	57,319	54,421	57,258	54,355
Acquisitions	1,261	6,839	905	6,839
Translation adjustment	(280)	(3,941)	(265)	(3,936)
Cost at end of year	58,300	57,319	57,898	57,258
<b>Accumulated amortisation</b>				
Accumulated amortisation at beginning of year	50,569	54,414	50,508	54,348
Amortisation for the year	1,063	5	1,043	5
Translation adjustment	(238)	(3,850)	(238)	(3,845)
Accumulated amortisation at end of year	51,394	50,569	51,313	50,508
<b>Net book value as at 31 December</b>	6,906	6,750	6,585	6,750
<b>Amortisation for the year</b>	1,063	5	1,043	5

## 16. Advances for vessel constructions

Movements of the advances for vessel constructions account during the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Balance at beginning of year	2,047,470	2,203,355	2,039,751	2,195,049
Losses on settlement agreement	(868,717)	-	(860,602)	-
Cash received from settlement agreement	(1,269,067)	-	(1,269,067)	-
Translation adjustment	90,314	(155,885)	89,918	(155,298)
Balance at end of year	-	2,047,470	-	2,039,751

During the year 2016 and 2015, the Company cancelled 12 Shipbuilding Contracts signed with Sainty Marine Corporation, China (“Sainty”) on 24 and 26 February 2014 for twelve 64,000 DWT bulk carrier vessels bearing hull nos. SAM14017B to SAM14028B (“Vessels”).

Since the Vessels were delayed and not delivered within the maximum period allowed under the Shipbuilding Contracts (“SBCs”), the Company exercised its contractual right and cancelled the SBCs because of the excessive delay in delivery, and claimed refunds along with interest thereon, in accordance with the SBCs.

The Company submitted Letters of Demand to the Guarantor Bank, Export-Import Bank of China, Jiangsu Branch (“CEXIM”), against the Irrevocable Letters of Guarantee provided to the Company by CEXIM in accordance with the SBCs to seek full refund of the abovementioned advances, along with interest thereon. The Company received the refunds of the advances along with the interest for three vessels between 2016 and 2017. The Company received notices of arbitration from Sainty for the remaining nine vessels. As per the terms of the Irrevocable Letters of Guarantee and the SBCs, the Irrevocable Letters of Guarantee related to these vessels are automatically extended until 90 days after the final arbitration award is published.

Details of the cancellations of the SBCs by the Company and by Sainty (under dispute by the Company) are as follows:

Hull No.	Shipbuilding Contract date	Cancelled by	Date of Cancellation Notice	Date of Notice of Arbitration	Contract Price (Million USD)	Advances Claim (Million USD)
SAM14017B	24 February 2014	The Company	11 September 2015	25 September 2015	27.90	11.16
SAM14018B	24 February 2014	The Company	11 September 2015	25 September 2015	27.90	11.16
SAM14019B	26 February 2014	The Company	16 November 2015	24 November 2015	27.97	11.16
SAM14020B	26 February 2014	The Company	16 November 2015	24 November 2015	27.97	11.16
SAM14021B	26 February 2014	The Company	29 January 2016	3 February 2016	27.97	5.58
SAM14022B	26 February 2014	The Company	29 January 2016	3 February 2016	27.97	5.58
SAM14023B	26 February 2014	Sainty The Company	15 September 2015 30 March 2016	7 December 2015	27.47	2.74
SAM14027B	26 February 2014	Sainty The Company	20 November 2015 29 August 2016	6 September 2016	27.97	2.79
SAM14028B	26 February 2014	Sainty The Company	20 November 2015 29 August 2016	6 September 2016	27.97	2.79
<b>Total</b>					<b>251.09</b>	<b>64.12</b>

On 10 July 2020, the Company and Sainty (the Company and Sainty are jointly referred to as the “Parties”) executed an amicable settlement agreement (“Settlement Agreement”) in order to fully and finally settle any and all of their disputes and claims arising out of and/or in relation to the SBCs, the Vessels, the refund guarantees thereof and/or the arbitration and court proceedings. The key terms of the Settlement Agreement are as follows:

<b>Settlement Amount</b>	The Settlement Amount is USD 40,500,000 which shall be paid by Sainty and/or CEXIM (“Refund Guarantor”) (by way of the Buyer’s demand of payments under the relevant refund guarantees) to the Buyer on or before 31 July 2020 (“Payment Date”).
<b>Effect of the Buyer’s receipt of the full Settlement Amount on or before the Payment date</b>	<ul style="list-style-type: none"> <li>• There shall be no remaining and/or outstanding issues whatsoever between the Parties.</li> <li>• The refund guarantees in relation to the Contracts shall become null and void and any and all responsibilities, duties, liabilities and obligations of the Refund Guarantor under each refund guarantee shall be discharged and released.</li> <li>• Both Parties will withdraw their claims, counterclaims and/or appeals in relation to the Contracts and terminate the arbitrations and court proceedings, with no remaining and/or outstanding issues.</li> </ul>

On 13 July 2020, the Company submitted a Letter of Demand to CEXIM to refund USD 40.50 million to the Company according to the Settlement Agreement, subsequently the Company fully received it on 29 July 2020. The Group recorded loss on settlement agreement in the amount of USD 27.40 million (The Company only: USD 27.14 million) in the income statements for the years ended 31 December 2020.

#### 17. Deferred contract costs

Movements of the deferred contract costs account during the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Balance at beginning of year	162,783	193,136
Amortisation for the year	(17,390)	(17,134)
Translation adjustment	89	(13,219)
Balance at end of year	<u>145,482</u>	<u>162,783</u>

## 18. Long-term loan facilities

As at 31 December 2020 and 2019, long-term loans accounts are presented below.

(Unit: Thousand Baht)

Consolidated financial statements															
As at 31 December 2020															
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12	Facility 13	Facility 14	Total
Long-term loans	-	-	607,529	319,571	191,180	1,461,267	598,539	284,804	451,212	657,495	351,927	820,013	303,375	180,222	6,227,134
Add (less): Deferred financial fees	-	-	(4,934)	(1,200)	(656)	42,831	(14,859)	(3,548)	(3,025)	(6,972)	3,989	(2,195)	(2,412)	(3,806)	3,213
Total	-	-	602,595	318,371	190,524	1,504,098	583,680	281,256	448,187	650,523	355,916	817,818	300,963	176,416	6,230,347
Less: Current portion	-	-	(19,129)	(9,648)	(14,656)	(175,983)	(97,990)	(10,119)	(35,152)	(371,727)	(355,916)	(83,879)	(300,963)	(24,845)	(1,500,007)
Long-term loans - net of current portion	-	-	583,466	308,723	175,868	1,328,115	485,690	271,137	413,035	278,796	-	733,939	-	151,571	4,730,340

(Unit: Thousand Baht)

Consolidated financial statements													
As at 31 December 2019													
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Total	
Long-term loans	529,629	951,419	745,416	388,866	295,268	1,552,745	578,580	349,127	470,731	818,027	468,279	7,148,087	
Add (less): Deferred financial fees	(197)	(3,452)	(6,894)	(1,632)	(1,063)	45,069	(16,035)	(4,564)	(4,661)	(13,624)	8,116	1,063	
Total	529,432	947,967	738,522	387,234	294,205	1,597,814	562,545	344,563	466,070	804,403	476,395	7,149,150	
Less: Current portion	(529,432)	(737,052)	(76,726)	(38,723)	(58,841)	(176,639)	(57,358)	(36,270)	(35,175)	(157,254)	(233,788)	(2,137,258)	
Long-term loans - net of current portion	-	210,915	661,796	348,511	235,364	1,421,175	505,187	308,293	430,895	647,149	242,607	5,011,892	

Movement of the long-term loans accounts during the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements

	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12	Facility 13	Facility 14	Total
Balance as at 1 January 2020	529,432	947,967	738,522	387,234	294,205	1,597,814	562,545	344,563	466,070	804,403	476,395	-	-	-	7,149,150
Add: Drawdown	-	-	-	-	-	-	336,068	-	-	-	-	890,627	308,101	183,031	1,717,827
Amortisation of financial fees	207	3,608	2,016	444	420	(2,156)	7,250	1,042	1,689	6,886	(4,282)	464	632	115	18,335
Less: Deferred financial fees	-	-	-	-	-	-	(6,161)	-	-	-	-	(2,796)	(3,081)	(3,981)	(16,019)
Repayment	(7,687)	(360,437)	(80,483)	(40,414)	(46,437)	(88,643)	(33,139)	(9,692)	(18,354)	(154,676)	(118,806)	(21,354)	-	-	(980,122)
Prepayment	(550,994)	(621,370)	(58,757)	(29,505)	(59,741)	-	(279,264)	(56,804)	-	-	-	-	-	-	(1,656,435)
Unrealised exchange gain	-	-	-	-	-	-	-	-	-	(9,059)	-	-	-	-	(9,059)
Translation adjustment	29,042	30,232	1,297	612	2,077	(2,917)	(3,619)	2,147	(1,218)	2,969	2,609	(49,123)	(4,689)	(2,749)	6,670
Balance as at 31 December 2020	-	-	602,595	318,371	190,524	1,504,098	583,680	281,256	448,187	650,523	355,916	817,818	300,963	176,416	6,230,347

(Unit: Thousand Baht)

Consolidated financial statements

	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Other Facility	Total
Balance as at 1 January 2019	660,659	1,198,863	875,889	458,082	379,680	1,907,423	653,972	409,146	-	956,811	768,549	758,422*	9,027,496
Add: Drawdown	-	-	-	-	-	-	-	-	496,977	-	-	-	496,977
Amortisation of financial fees	1,055	4,841	2,099	460	452	(3,163)	4,719	1,144	667	7,263	(8,036)	10,189	21,690
Unrealised exchange loss	-	-	-	-	-	-	-	-	-	24,466	-	-	24,466
Less: Deferred financial fees	-	-	-	-	-	-	-	-	(5,416)	-	-	-	(5,416)
Repayment	(87,677)	(175,378)	(79,521)	(39,931)	(60,639)	(176,189)	(51,090)	(37,737)	(17,927)	(118,436)	(236,141)	(46,834)	(1,127,500)
Prepayment	-	-	-	-	-	-	-	-	-	-	-	(681,139)	(681,139)
Translation adjustment	(44,605)	(80,359)	(59,945)	(31,377)	(25,288)	(130,257)	(45,056)	(27,990)	(8,231)	(65,701)	(47,977)	(40,638)	(607,424)
Balance as at 31 December 2019	529,432	947,967	738,522	387,234	294,205	1,597,814	562,545	344,563	466,070	804,403	476,395	-	7,149,150

\* On 13 August 2019, the Company prepaid all outstanding loan.

The details of each loan facility are summarised as follows.

### Facility 1

On 3 July 2008, the Company entered into a secured loan agreement with overseas and local commercial banks to obtain a loan facility of USD 398.40 million carrying interest at LIBOR plus margin which was to be paid quarterly. The loan was to be used to finance the construction and acquisition of 15 new vessels (9 handysize vessels and 6 supramax vessels) out of the 18 new vessels already ordered by the Company with ABG Shipyard Limited and the total loan amount was equivalent to 80% of the aggregate contract prices of the 15 vessels.

During the years 2011 to 2013, the Company drew the loans to finance 3 new vessels amounting to USD 54.50 million. The Company prepaid the loans drawn towards the Pre-delivery facility for financing the new shipbuildings ordered amounting to USD 101.20 million and cancelled the undrawn balance loan facility amounting to USD 242.70 million.

The final maturity, repayment and security of the loan facility are summarised as follows.

<b>Facility / Description</b>	<b>Post-delivery facility</b>
<b>Final maturity</b>	10 years from delivery of the first vessel (15 March 2020)
<b>Repayment</b>	Each tranche (aggregate drawings in respect of each vessel) is to be amortised (repaid) in quarterly installments, each equivalent to 1/60th of the post-delivery facility amount, and in a balloon amount equal to the balance under such tranche on final maturity. The first quarterly repayment of each tranche shall commence 3 months after delivery of each respective vessel.
<b>Security</b>	<ul style="list-style-type: none"> <li>a) 1st priority mortgage over the vessels</li> <li>b) Pledge of the vessel-owning subsidiaries' shares</li> <li>c) 1st priority assignment of requisition compensation in respect of the vessels</li> <li>d) 1st priority assignment of all insurance proceeds</li> <li>e) 1st priority assignment of the earnings of the vessels and pledge over the earnings and retention account of each vessel</li> </ul>



The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios which include:

- a) maintenance of a funded debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a funded debt to EBITDA ratio not exceeding 5:1;
- c) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 14 February 2020, the Company prepaid all outstanding loan.

## Facility 2

On 14 October 2011, 4 indirect subsidiaries incorporated in Singapore ("SPCs") executed an USD 84.96 million Loan Agreement with ING Bank N.V., Singapore Branch ("ING") and DNB Asia Ltd. ("DNB") to finance up to 80% of the total acquisition cost of the 4 new Supramax 57,000 DWT Dry Bulk vessels ordered by each indirect subsidiary to be built in China. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

During 2012 to 2013, the 4 indirect subsidiaries drew the facility to finance the delivered 4 new Supramax vessels.

The final maturity, repayment and security of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility
<b>Final maturity</b>	8 years after final drawdown of each vessel tranche (10 January 2021)
<b>Repayment</b>	For each Vessel, in 32 equal quarterly installments of USD 354,000 and a balloon repayment of USD 9,912,000 together with the last installment. The first repayment installment to be due 3 months after the final drawdown of each vessel.
<b>Security</b>	<ul style="list-style-type: none"> <li>a) Pledge of shares of the borrowers</li> <li>b) 1st priority mortgage on the vessels</li> <li>c) 1st priority assignment of earnings and time charters</li> <li>d) 1st priority pledge over the earnings accounts with the security agent</li> <li>e) 1st priority assignment of all insurances and requisition compensation of the vessels</li> <li>f) Corporate guarantee from the Company</li> <li>g) All the above post-delivery securities to be cross collateralised</li> </ul>

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

- a) maintenance of the maximum funded debt to total shareholders' equity ratio of 2:1;
- b) maintenance of the maximum funded debt to EBITDA ratio of 5:1;
- c) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 14 October 2020, the Company prepaid all outstanding loan.

### Facility 3

On 15 February 2012, ABC Two Pte. Limited and ABC Three Pte. Limited ("ABC Two and ABC Three"), SPC subsidiaries of Associated Bulk Carriers Pte. Limited, ("ABC Company") executed a USD 45.60 million Term Loan Facility with Bangkok Bank PLC. (Singapore Branch) to finance up to 80% of the Contract Price of 2 new Cement Carriers ordered with ABG Shipyard Ltd., India, which were subsequently cancelled.

On 18 September 2013, ABC Two and ABC Three have executed the First Supplemental Agreement to amend the Term Loan Facility dated 15 February 2012, mainly to amend the purpose, maximum loan facility, repayment term and security as a consequence of the cancellation of the 2 cement carriers ordered with ABG Shipyard Ltd., India and replacement with the orders from China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

After the amendment, the drawdown, final maturity, repayment and security of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility
<b>Maximum Loan Facility</b>	Maximum loan facility for both Vessels shall not exceed USD 38,688,000 of which, each vessel loan shall not exceed USD 19,344,000 per vessel.
<b>Drawdown</b>	USD 19,344,000 or 80% of the contract price to be made available in a single disbursement for each vessel loan part of which will be used to repay the pre-delivery facility.
<b>Final maturity</b>	10 years after drawdown of each vessel loan

Facility / Description	Post-delivery facility		
<b>Repayment</b>	For each Vessel, in 39 equal quarterly installments and a balloon repayment together with the last installment. The first repayment installment to be due 3 months after the final drawdown of each vessel.		
	<b>Details of repayment</b>	<b>ABC Two</b>	<b>ABC Three</b>
	<b>Installments</b>	USD 319,650	USD 322,400
	<b>The balance loans together with the final installment</b>	USD 6,712,650	USD 6,770,400
	<b>Final installment dates</b>	2 April 2024	1 July 2024
<b>Security</b>	<ul style="list-style-type: none"> <li>a) 1st priority mortgage over each vessel</li> <li>b) 1st priority assignment of all earnings insurance policies and requisition compensation of the vessels</li> <li>c) 1st priority assignment of Time Charter contracts</li> <li>d) 1st priority charge over the Earnings Account and Retention Account</li> <li>e) Pledge of shares of borrowers</li> <li>f) Corporate guarantee from ABC Company</li> <li>g) Corporate guarantee from the Company for up to USD 8 million per vessel</li> </ul>		

The secured loan agreement contains covenants that, among other things, require ABC Two and ABC Three to maintain certain financial ratios which include:

- a) Debt Service Coverage Ratio of no less than 1.1 times;
- b) Equity Ratio (ratio of Equity to Total Assets) of no less than 20%.

On 24 June 2014, ABC Two entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.18 million, from floating interest rate (LIBOR) to fixed interest rate at 2.39% per annum for interest payable during the period from 24 June 2014 to 2 April 2024 with Bangkok Bank PLC. (Singapore Branch).

On 16 July 2014, ABC Three entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.34 million, from floating interest rate (LIBOR) to fixed interest rate at 2.35% per annum for interest payable during the period from 16 July 2014 to 1 July 2024 with Bangkok Bank PLC. (Singapore Branch).

#### **Facility 4**

On 9 April 2014, ABC Four Pte. Limited ("ABC Four"), a subsidiary of Associated Bulk Carriers Pte. Limited, ("ABC Company") executed a USD 19.34 million Term Loan Facility with Bangkok Bank PLC. (Singapore Branch) to finance up to 80% of the Contract Price of 1 new Cement Carrier. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The amount of loan facility, drawdown, final maturity, repayment and security of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility
<b>Loan Facility</b>	USD 19,344,000 or 80% of the Contract Price to be made available in a single disbursement, part of which will be used to repay the pre-delivery facility.
<b>Drawdown</b>	100% of the post-delivery facility amount is to be drawn upon delivery of the vessel.
<b>Final maturity</b>	10 years after full drawdown of the loan facility but not later than 28 April 2025.
<b>Repayment</b>	To be repaid in 39 quarterly installments of USD 322,400 from the end of the first quarter after the delivery of vessel and a final installment of USD 6,770,400 at the end of the Term (1 October 2024)
<b>Security</b>	<ul style="list-style-type: none"> <li>a) 1st priority mortgage on the vessel</li> <li>b) 1st priority assignment of all earnings insurance policies and requisition compensation of the vessel</li> <li>c) 1st priority assignment of Time Charter contract</li> <li>d) 1st priority charge over the Earnings Account and Retention Account</li> <li>e) Pledge of shares of the borrowers</li> <li>f) Corporate guarantee from ABC Company</li> <li>g) Corporate guarantee from the Company for up to USD 8 million</li> </ul>

The loan agreement contains covenants that, among other things, require ABC Four to maintain certain financial ratios which include:

- a) maintain Equity Ratio of no less than 20%;
- b) maintain EBITDA of no less than 1.1 times of Total Debt Service

On 5 September 2014, ABC Four entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.34 million, from floating interest rate (LIBOR) to fixed interest rate at 2.33% per annum for interest payable during the period from 5 September 2014 to 1 October 2024 with Bangkok Bank Plc. (Singapore Branch).

### **Facility 5**

On 22 May 2014, ABC One Pte. Limited ("ABC One"), a subsidiary of Associated Bulk Carriers Pte. Limited, ("ABC Company") executed a USD 19.58 million Term Loan Facility with TMB Bank PLC. to finance up to 80% of the Contract Price of 1 new Cement Carrier. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The amount of loan facility, drawdown, final maturity, repayment and security of the loan facility are summarised as follows.

<b>Facility / Description</b>	<b>Post-delivery facility</b>
<b>Loan Facility</b>	USD 19,584,000 or 80% of the Contract Price to be made available in a single disbursement, part of which will be used to repay the pre-delivery facility.
<b>Drawdown</b>	100% of the post-delivery facility amount is to be drawn upon delivery of the vessel.
<b>Final maturity</b>	10 years after full drawdown of the loan facility but not later than 30 November 2024.
<b>Repayment</b>	To be repaid in 40 quarterly installments of USD 489,600 from the end of the first quarter after the delivery of vessel
<b>Security</b>	<ul style="list-style-type: none"> <li>a) 1st priority mortgage on the vessel</li> <li>b) 1st priority assignment of all earnings insurance policies and requisition compensation of the vessel</li> <li>c) 1st priority assignment of Time Charter contracts</li> <li>d) 1st priority charge over the Earnings Account and Retention Account</li> <li>e) Corporate guarantee from ABC Company</li> <li>f) Corporate guarantee from the Company for up to USD 8 million</li> </ul>

The loan agreement contains covenants that, among other things, require ABC One to maintain certain financial ratios which include:

- a) maintain Equity Ratio of no less than 20%;
- b) maintain EBITDA of no less than 1.1 times of Total Debt Service

On 25 August 2014, ABC One entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.58 million, from floating interest rate (LIBOR) to fixed interest rate at 2.35% per annum for interest payable during the period from 31 January 2015 to 31 December 2024 with TMB Bank PLC.

### **Facility 6**

On 29 May 2014, the Company executed a USD 81.50 million Term Loan Facility with Export-Import Bank of Thailand to finance up to 80% of the Contract Price of new dry bulk carriers ordered for construction by the Company. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The amount of loan facility, drawdown, final maturity, repayment and security of the loan facility are summarised as follows.

<b>Facility / Description</b>	<b>Post-delivery facility</b>
<b>Loan Facility</b>	Up to USD 81,500,000 in multiple drawdowns
<b>Drawdown</b>	80% of the contract price to be drawn upon delivery of each vessel
<b>Final maturity</b>	10 years after full drawdown of the loan facility but not later than 30 December 2025
<b>Repayment</b>	The loan shall be repaid in 39 equal quarterly installments of 1/55th of each drawdown amount, beginning from the end of the next quarter after the respective each drawdown with balance amount repayable at the end of the 40th quarter.
<b>Security</b>	a) 1st priority mortgage on the financed vessels b) Pledge of shares of the Subsidiary Borrowers

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

- a) maintenance of Debt Service Coverage Ratio at least 1.1:1;
- b) maintenance of Net Funded Debt to EBITDA ratio not exceeding 5:1;
- c) maintenance of Debt to Equity ratio not exceeding 2:1.

On 12 July 2019, the Company and 4 local subsidiaries executed an Amendment Agreement with Export-Import Bank of Thailand, whereby the financial covenant in relation to the net funded debt to EBITDA ratio was replaced with two financial covenants. After the amendments, the financial covenants are as follows:

- a) Debt service coverage ratio of at least 1.1:1;
- b) Debt to equity ratio not exceeding 2:1 with minimum total shareholders' equity of USD 300,000,000;
- c) Minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 13 May 2020, the Company and 4 local subsidiaries ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

On 21 December 2020, Export - Import Bank of Thailand informed the Company that the Lender approved the waiver of the testing of the financial covenants regarding the Debt Service Coverage Ratio up to 31 December 2020.

## Facility 7

On 29 December 2014, the Company executed a USD 42.00 million Secured Loan Facility with BNP Paribas (“BNP”) to finance up to 75% of the Contract Price of 2 new 64,000 DWT Ultramax Dry Bulk Vessels (Hull Nos. SF130128 and SF130129), ordered by the Company from Taizhou Sanfu Ship Engineering Co., Ltd. China. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

On 29 April 2016, the Company and Precious Tides Pte. Ltd. executed a Supplemental Deed with BNP to amend certain terms of the loan facility. After the amendment, the main details of the loan facility are summarised as follows.

<b>Facility / Description</b>	<b>Post-delivery facility</b>
<b>Loan Facility</b>	Up to USD 37,500,000 divided into two vessel loans for Vessel Hull no. SF130128 and SF130126 (“Vessel Loan” or “Vessel Loans”)
<b>Drawdown</b>	Up to the lower of USD 18,750,000 or 75% of the market value of each vessel to be drawn upon delivery of each vessel.
<b>Final maturity</b>	8 years after drawdown of each Vessel Loan
<b>Repayment</b>	Each Vessel Loan shall be repaid over 8 years, in 32 quarterly installments beginning from three calendar months after each drawdown. The 1st to 16th such quarterly installment shall be an amount of USD 312,500 and the 17th to 32nd such quarterly installment shall be an amount of USD 468,750 along with a balloon repayment of USD 6,250,000 on the due date of each of the final installments of the respective Vessel Loan.
<b>Security</b>	a) 1st priority mortgage on the vessels b) Pledge of shares of the Subsidiary Borrowers c) 1st priority charge over the Earnings Account and Retention Account of the Subsidiary Borrowers d) 1st priority assignment of all insurance and requisition compensation of the vessels

The loan agreement and Supplemental Agreement dated 18 April 2018 contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

- a) maintenance of funded debt to total shareholders’ equity ratio not exceeding 2:1;
- b) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group;
- c) Permanent waiver the requirement to comply with the Funded Debt to EBITDA ratio on the condition that the Value to Loan coverage be increased from 125% to 135%.

On 15 April 2020, the Company along with its indirect subsidiaries in Singapore, Precious Skies Pte. Ltd. and Precious Tides Pte. Ltd., have executed a first amendment and restatement deed (“Deed”) in relation to Term Loan Facility Dated 29 December 2014, mainly to upsize the original Loan by an additional loan amount of up to USD 10.60 million (“Upsize Loan”). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the Upsize Loan are summarised as follows.

<b>Facility</b>	<b>Description</b>
<b>Upsize Loan Facility</b>	The maximum amount of USD 10.60 million divided into two tranches; a Green Tranche and a General Tranche.
<b>Purposes</b>	The Green Tranche is to finance and/or refinance part of the aggregate cost related to Ballast Water Treatment Systems. The Company has obtained the second party opinion on the Green financing from Vigeo Eiris. The General Tranche is for general corporate use.
<b>Drawdown Amount</b>	USD 10,600,000 in one lump sum
<b>Final maturity</b>	4 years after the drawdown
<b>Repayment</b>	The loans shall be repaid over 4 years, in 16 equal quarterly installments of USD 662,500 beginning from three calendar months after the drawdown.
<b>Additional Security:</b>	1st priority assignment of any charterparties (for a period of 36 months or more)

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its quarterly consolidated USD financial statements which include:

- a) maintenance of funded debt to total shareholders’ equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders’ equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

On 20 April 2020, the Company had drawn down the loan amounting to USD 10.60 million.

Following a breach of the security coverage ratio on 30 April 2020, the borrowers had provided a cash collateral of USD 1,100,000 to maintain the minimum security coverage ratio of not less than 135% of the aggregate amount outstanding as per the loan agreement. On 17 July 2020, the borrowers entered into a supplemental agreement in relation to the cross collateralisation of facility 7 and facility 8 following which there was no longer a breach of the minimum-security cover. Subsequently on 21 July 2020, the bank released the USD 1,100,000 of cash collateral.



## Facility 8

On 9 June 2017, the Company along with its indirect subsidiary in Singapore, Precious Grace Pte. Ltd., executed a USD 16.25 million Secured Loan Facility with BNP Paribas to refinance up to 65% of the lower of the Contract Price or market value of one 63,345 DWT Ultramax Dry Bulk Vessel (Hull No. SF130127) ("Vessel"). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility
<b>Loan Facility</b>	Up to USD 16,250,000
<b>Drawdown</b>	The lower of USD 16,250,000 or 65% of the market value of the vessel
<b>Final maturity</b>	8 years after the drawdown
<b>Repayment</b>	The loans shall be repaid over 8 years, in 32 equal quarterly installments of USD 338,542 beginning from three calendar months after the drawdown plus a balloon repayment of USD 5,416,656 together with the last installment.
<b>Security</b>	a) 1st priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower c) 1st priority charge over the Earnings Account and Retention Account of the Subsidiary Borrower d) 1st priority assignment of all insurance and requisition compensation of the vessel e) 1st priority assignment of any charterparties (for a period of 36 months or more)

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

- a) maintenance of funded debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

## Facility 9

On 15 December 2017, the Company along with its subsidiary, Precious Forests Limited, executed a USD 18.00 million Secured Loan Facility with Export-Import Bank of Thailand to refinance up to 72% of the market value of one 63,345 DWT Ultramax Dry Bulk Vessel (Hull No. SF130129) ("Vessel"). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

<b>Facility / Description</b>	<b>Post-delivery facility</b>
<b>Loan Facility</b>	Up to USD 18,000,000
<b>Drawdown</b>	The lower of USD 18,000,000 or 72% of the market value of the vessel
<b>Final maturity</b>	10 years after the drawdown
<b>Repayment</b>	The loans shall be repaid over 10 years in 39 equal quarterly installments of 1/55 <sup>th</sup> of the drawdown amount each, beginning from the end of the next quarter after the drawdown with balance amount repayable at the end of the 40 <sup>th</sup> quarter.
<b>Security</b>	a) 1st priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

- a) maintenance of debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 9 August 2019, the Company had drawn down the loan amounting to USD 16.20 million.

On 13 May 2020, the Company along with its subsidiary ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

### **Facility 10**

The Company and local subsidiaries entered into the Loan Agreement dated 18 January 2007 to mainly fund the purchase of vessels. During 2009 to 2011, certain terms and conditions of the Loan Agreement were amended.

The summarised details of drawdown of this facility are as follows.

- a) During the years 2011 and 2010, 2 local subsidiaries had drawn down Baht 1,502.35 million for purchase of 2 vessels.

- b) During the year 2011, 4 local subsidiaries had drawn down USD 92.00 million from this facility and the undrawn facility was reduced to USD 108.00 million. In order to extend the availability period of the undrawn facility, on 9 March 2012, the Company and local subsidiaries executed a USD 50.00 million Term Loan Facility on same terms and conditions with one of the three local commercial banks and the loan was used for purchase of vessels by 2 local subsidiaries and thereafter the balance of USD 58.00 million was cancelled.
- c) During the years 2011 and 2010, 2 local subsidiaries swapped the Thai Baht loan of Baht 1,502.35 million into USD 45.90 million.
- d) During the year 2012, 4 local subsidiaries swapped the interest of the USD loans of USD 64.82 million, from floating interest rates (LIBOR) to fixed interest rate (2.10%) for interest payable during the period from 31 December 2014 to 30 September 2022.

The loan facilities have been secured by the mortgage of the subsidiaries' vessels, the pledge of the subsidiaries' shares, the assignment of the beneficiary rights under the insurance policies for the mortgaged vessels of the subsidiaries, and the assignment of the revenues earned from the mortgaged vessels of the subsidiaries to the lenders.

The loan facility agreement contains covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios which include:

- a) maintenance of a total debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a total debt to EBITDA ratio not exceeding 5:1;
- c) maintenance of minimum free cash balance of USD 100,000 per vessel;
- d) maintenance of debt service coverage ratio of at least 1.1:1

On 28 September 2018, the Company prepaid all outstanding loan of Thanachart Bank PLC facility.

On 23 March 2020, Krung Thai Bank Plc. as the facility agent informed the Company that the lenders approved the waiver of the testing of the financial covenants regarding the Debt Service Coverage Ratio and Debt to EBITDA ratio up to 31 December 2020. A principal condition of the approval is that the Company is not allowed to pay dividends or make any other distributions to its shareholders during the waiver period.

## Facility 11

On 17 February 2012, the Company executed a USD 100.00 million Term Loan Facility with Export-Import Bank of Thailand to finance up to 80% of the acquisition cost of new or second-hand dry bulk vessels which the Company may want to buy. The loan carries interest at LIBOR plus margin which is to be paid quarterly. The loan is to be repaid in equal quarterly installments over a period of 8.5 years commencing from the end of the availability period.

As at 31 December 2014, the balance loan facility of USD 35.18 million was expired.

The loan facility has to be secured by the mortgage of the shipowning subsidiaries' vessels, the pledge of the subsidiaries' shares and the assignment of the beneficiary rights under the insurance policies for the mortgaged vessels of the subsidiaries.

The loan agreement contains covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios which include:

- a) maintenance of debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of net funded debt to EBITDA ratio not exceeding 5:1;
- c) maintenance of debt service coverage ratio of at least 1.1:1.

On 12 July 2019, the Company and 5 local subsidiaries executed the Amendment Agreement with Export-Import Bank of Thailand, whereby the financial covenant in relation to the net funded debt to EBITDA ratio was replaced with two financial covenants. After the amendments, the financial covenants applicable to this Facility are as follows:

- a) Debt service coverage ratio of at least 1.1:1;
- b) Debt to equity ratio not exceeding 2:1 with minimum total shareholders' equity of USD 300,000,000;
- c) Minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 13 May 2020, the Company and 5 local subsidiaries ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

On 21 December 2020, Export - Import Bank of Thailand informed the Company that the lenders approved the waiver of the testing of the financial covenants regarding the Debt Service Coverage Ratio up to 31 December 2020.

## Facility 12

On 13 December 2019, the Company along with 5 local subsidiaries executed a USD 28.00 million Term loan Facility with Export-Import Bank of Thailand for (i) redemption of any of the debentures issued by the Company, (ii) repayment/prepayment of any loan of the Company and/or its subsidiaries from financial institutions, and/or (iii) acquisition of vessels. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

Facility	Description
<b>Loan Facility</b>	Up to USD 28,000,000
<b>Drawdown</b>	Each subsidiary may drawdown in the aggregate amount not exceeding USD 5.60 million.
<b>Final maturity</b>	7 years after the drawdown
<b>Repayment</b>	The loans shall be repaid over 7 years, in 27 equal quarterly installments of 1/40 <sup>th</sup> of the drawdown amount each, beginning from the end of the next quarter after the drawdown with balance amount repayable at the end of the 28 <sup>th</sup> quarter.
<b>Security</b>	a) 2 <sup>nd</sup> priority mortgage on the vessel b) Pledge of the debt service reserve account of the Company

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its year end consolidated USD financial statements starting from year end 2020 which include:

- a) maintenance of debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 31 January 2020, the Company had drawn down the loan amounting to USD 28.00 million.

On 13 May 2020, the Company and 5 local subsidiaries ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

### Facility 13

On 28 May 2020, the Company along with 2 subsidiaries executed a USD 10.10 million Term loan Facility with Export-Import Bank of Thailand (“EXIM”) to be used for partial redemption of the debentures No.2/2016 due in December 2021 (as extended) (PSL206A). Subsequently, on 29 July 2020, the Company along with 2 subsidiaries and EXIM executed an Amendment Agreement to amend the utilisation of the loan facility for partial redemption of the Debentures No.1/2016 due in January 2021 (PSL211A). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

<b>Facility</b>	<b>Description</b>
<b>Loan Facility</b>	Up to USD 10,100,000
<b>Drawdown</b>	Totally USD 10.10 million
<b>Final maturity</b>	1 year after the drawdown
<b>Repayment</b>	The loans shall be repaid within 1 year, in 2 equal installments. The first repayment shall fall 9 months after the drawdown date and the second repayment shall be 12 months after the drawdown date.
<b>Security</b>	a) 1 <sup>st</sup> priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its year end consolidated USD financial statements starting from year end 2020 which include:

- a) maintenance of debt to total shareholders’ equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders’ equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

On 19 October 2020, the Company had drawn down the loan amounting to USD 10.10 million.

### Facility 14

On 17 November 2020, Precious Visions Pte. Limited., (“the Borrower”), the Company’s indirect subsidiary in Singapore, executed a USD 6 million Term loan Facility with SinoPac Capital International (HK) Limited to refinance a Supramax Dry Bulk Vessel (the “Vessel”). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

<b>Facility</b>	<b>Description</b>
<b>Loan Facility</b>	Up to USD 6,000,000
<b>Drawdown</b>	USD 6,000,000
<b>Final maturity</b>	5 year after the drawdown
<b>Repayment</b>	The loans shall be repaid over 5 years, in 20 equal quarterly installments of USD 211,250 beginning three calendar months after the drawdown plus a balloon payment of USD 1,775,000 together with the last installment.
<b>Security</b>	<ul style="list-style-type: none"> <li>a) 1st priority mortgage on the vessel</li> <li>b) 1st priority assignment of all insurances and requisition compensation earnings and any charterparties (for a period of 12 months or more) of the Vessel</li> <li>c) Guarantee from the Company</li> </ul>

The Group's bank loan facilities are summarised below.

<b>Facility</b>	<b>Bank</b>	<b>Borrower</b>	<b>Interest rate per loan/amendment agreement</b>
Facility 1	DNB Bank ASA and 5 other banks, total 6 banks	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 2	ING Bank N.V. (Singapore Branch) and DNB Bank ASA	4 indirect subsidiaries in Singapore	LIBOR + margin
Facility 3	Bangkok Bank PLC. (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin
Facility 4	Bangkok Bank PLC. (Singapore Branch)	ABC Four Pte. Limited	LIBOR + margin
Facility 5	TMB Bank PLC.	ABC One Pte. Limited	LIBOR + margin
Facility 6	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 7	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 8	BNP Paribas	The Company and indirect subsidiary in Singapore	LIBOR + margin
Facility 9	Export-Import Bank of Thailand	The Company and local subsidiary	LIBOR + margin

Facility	Bank	Borrower	Interest rate per loan/amendment agreement
Facility 10	Krung Thai Bank PLC. and 2 other banks, total 3 banks	The Company and local subsidiaries	MLR-1 for Thai Baht loan and LIBOR + margin for USD loan
Facility 11	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 12	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 13	Export-Import Bank of Thailand	The Company and local subsidiary and indirect subsidiary in Singapore	LIBOR + margin
Facility 14	SinoPac Capital International (HK) Limited	Indirect subsidiary in Singapore	LIBOR + margin

As at 31 December 2019, the Group had an undrawn loan balance in the amount of USD 28 million (2020: Nil).

## 19. Debentures

As at 31 December 2020 and 2019, details of debentures are as follows.

Series	Maturity date	No. of units (Thousand units)	Par value (Baht)	Interest rate (% p.a.)	Term of interest payment	(Unit: Thousand Baht)	
						Carrying amount 2020	2019
1 (PSL211A)	Extended the maturity date to be redeemed by 22 July 2022 (6.5 years)	3,590	800	5.25	Quarterly	2,855,865	3,569,015
2 (PSL206A)	Extended the maturity date to be redeemed by 9 December 2021 (5 years)	1,960	480	6.50	Quarterly	935,515	1,948,543
Total						3,791,380	5,517,558
Less: Deferred debenture issuing costs						(215)	(4,716)
Debentures - net						3,791,165	5,512,842
Less: Current portion						(935,515)	(1,947,630)
Debentures - net of current portion						2,855,650	3,565,212



Since the functional currency of the Company is US Dollars, with a view to covering the currency risk on the Thai Baht denominated liability of the Company, the entire proceeds of Baht 3,590.00 million (PSL211A) were swapped into US Dollars, amounting to USD 99.72 million on 22 January 2016 vide a Cross Currency Swap entered into by the Company. The Company also swapped THB fixed interest rate of 5.25% per annum to USD fixed interest rate of 5.99% per annum.

Subsequently on 4 January 2017, the entire proceeds of Baht 1,960.00 million (PSL206A) were swapped into US Dollars, amounting to USD 54.90 million vide a Cross Currency Swap entered into by the Company. The Company also swapped THB fixed interest rate of 5.00% per annum to USD fixed interest rate of 5.75% per annum.

The Company is required to maintain Debt to Equity ratio not exceeding 2:1.

On 27 April 2020, the Board of Directors' Meeting No. 2/2020 of the Company approved the following proposal to amend the terms and conditions of the Debentures of Precious Shipping Public Company Limited No. 2/2016 Due 2020 (PSL206A) as follows:

- a) an extension of the maturity date for 1.5 years from 9 June 2020 to 9 December 2021;
- b) a partial upfront repayment of 20 percent on the existing maturity date (i.e. 9 June 2020);
- c) an increase in the coupon rate from 5.00 percent per annum to 6.50 percent per annum starting from 9 June 2020; and
- d) The Company will have the right to make an early redemption of the debentures (in whole or in part).

On 19 May 2020, the bondholders' meeting of PSL206A approved the abovementioned amended terms and conditions. On 9 June 2020, the Company made an upfront redemption equivalent to 20 percent of the outstanding principal or Baht 392.00 million. The outstanding balance of this debenture is Baht 1,568.00 million. Subsequently on 16 June 2020, the Company purchased a put option with a strike of Baht 30.15 to protect against the appreciation of the Thai Baht against the US Dollar, for Baht 1,250.00 million of the outstanding amount.

On 16 June 2020, the Board of Directors' Meeting No. 5/2020 of the Company approved the following proposal to amend the terms and conditions of the Debentures of Precious Shipping Public Company Limited No. 1/2016 Due 2021 (PSL211A):

- a) an extension of the maturity date by 1.5 years from 22 January 2021 to 22 July 2022;
- b) a partial upfront redemption payment of 20 percent on or before the existing maturity date (i.e. 22 January 2021);
- c) an increase in the coupon rate from 5.25 percent per annum to 6.75 percent per annum starting from 22 January 2021; and
- d) The Company will have the right to make an early redemption of the debentures (in whole or in part).

On 30 July 2020, the bondholders' meeting of PSL211A approved the above amended terms and conditions.

During the fourth quarter of 2020, the Company exercised its' right to redeem a further Baht 627.20 million, which is equivalent to 40% of PSL206A's outstanding balance of Baht 1,568.00 million, and 20% of PSL211A's original Baht 3,590.00 million issue size, which is equivalent to Baht 718.00 million. After these redemption payments, the remaining balance for PSL206A is Baht 940.80 million and the remaining balance for PSL211A is Baht 2,872.00 million.

On 5 January 2021, the Company exercised its' right to redeem a further Baht 282.24 million, which is equivalent to 30% of PSL206A's outstanding balance of Baht 940.80 million. PSL206A's remaining balance after this redemption payment is Baht 658.56 million. On 10 February 2021, the Company disclosed to the SET that the Company will exercise its' right to redeem a further Baht 329.28 million, which is equivalent to 50% of PSL206A's outstanding balance of Baht 658.56 million on 12 March 2021. The balance remaining after this redemption payment will be Baht 329.28 million.

## **20. Leases**

The Group as a lessee has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 4-8 years.

**a) Right-of-use assets**

Movements of right-of-use assets which are buildings for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 1 January 2020	29,171	24,491
Depreciation for the year	(5,515)	(4,298)
Translation adjustment	503	175
As at 31 December 2020	<u>24,159</u>	<u>20,368</u>

**b) Lease liabilities**

(Unit: Thousand Baht)

As at 31 December 2020

	Consolidated financial statements	Separate financial statements
Lease payments	28,556	24,343
Less: Deferred interest expenses	(3,691)	(3,342)
Total	24,865	21,001
Less: Portion due within one year	(5,326)	(4,137)
Lease liabilities - net of current portion	<u>19,539</u>	<u>16,864</u>

**c) Expenses relating to leases that are recognised in income statement**

(Unit: Thousand Baht)

For the year ended 31 December 2020

	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	5,515	4,298
Interest expense on lease liabilities	1,444	1,267

## 21. Provision for maritime claims

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Balance at beginning of year	46,240	59,786
Increase during the year	47,769	33,379
Decrease (including actual claims) during the year	(26,117)	(43,068)
Translation adjustment	(823)	(3,857)
Balance at end of year	67,069	46,240

## 22. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensation payable on employees' retirement, was as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Provision for long-term employee benefits at beginning of year</b>	165,911	112,129	129,517	89,758
Included in income statement:				
Current service cost	11,751	9,914	7,599	6,486
Interest cost	2,254	3,191	1,704	2,486
Past service cost	-	32,601	-	26,885
Included in other comprehensive income:				
Actuarial loss arising from				
Financial assumptions changes	-	13,470	-	9,047
Experience adjustments	-	1,897	-	1,798
Benefits paid during the year	(13,612)	(7,141)	(13,612)	(6,888)
Translation adjustment	(240)	(150)	(211)	(55)
<b>Provision for long-term employee benefits at end of year</b>	166,064	165,911	124,997	129,517

The Group expects to pay Baht 35.39 million of long-term employee benefits during the next year (The Company only: Baht 34.20 million) (2019: Baht 17.32 million, The Company only: Baht 17.32 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 10 years (The Company only: 10 years) (2019: 10 years, The Company only: 10 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Discount rate	1.50	1.50	1.50	1.50
Salary increase rate	6.50	6.50	6.50	6.50

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 December 2020			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	1.0%	1.0%	1.0%	1.0%
Discount rate	(11,255)	12,905	(7,069)	8,070
Salary increase rate	14,135	(12,521)	8,837	(7,870)

	(Unit: Thousand Baht)			
	As at 31 December 2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	1.0%	1.0%	1.0%	1.0%
Discount rate	(11,043)	12,656	(7,392)	8,439
Salary increase rate	13,861	(12,286)	9,240	(8,230)

### 23. Share capital

On 4 April 2019, the Annual General Meeting of the Shareholders passed a resolution approving the reduction of the registered capital of the Company in the amount of Baht 51,965,068 from Baht 1,611,256,930 to Baht 1,559,291,862 by way of cancellation of 51,965,068 unissued shares at Baht 1 par value per share. The unissued shares are mainly due to the unexercised warrants. On 9 April 2019, the Company completed the registration of the aforementioned reduction of the registered capital with the Ministry of Commerce.

## 24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

According to Section 1202 of the Thai Civil and Commercial Code, a subsidiary (incorporated under Thai Laws) is required to set aside a statutory reserve equal to at least 5% of its profit each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

## 25. Corporate social responsibility (CSR) reserve

The Company has earmarked 0.5% of its profit for the year as a reserve towards CSR activities. The Company expects to earmark amounts based on the same percentage of profit annually on a cumulative basis, but subject to a minimum of Baht 1.75 million and a maximum of Baht 25.00 million per year. The reserve was approved by a meeting of the Board of Directors of the Company on 14 August 2008.

During the year 2020, the Company set aside Baht 1.75 million (2019: Baht 1.75 million) to a reserve for CSR activities and reversed Baht 1.68 million (2019: Baht 1.45 million) from the reserve when the Company made related payments against the reserve.

## 26. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Interest expense on borrowings	539,087	667,598	276,258	286,764
Interest expense on lease liabilities	1,444	-	1,267	-
Interest expense from derivatives designated as hedging instruments in cash flow hedge	21,354	-	2,115	-
Others finance cost	35,264	35,703	8,054	7,941
Total	<u>597,149</u>	<u>703,301</u>	<u>287,694</u>	<u>294,705</u>

## 27. Expenses by nature

Significant expenses by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Salary, wages and other benefits of employees and crews	1,283,214	1,388,709	142,891	221,849
Rental expenses from operating lease agreements	470	6,092	57	4,579

## 28. Income tax

No corporate income tax was payable for the years 2020 and 2019, since the Company had tax losses.

### Local subsidiaries

- a) In accordance with the Director - General's Notification on Income Tax No. 72 dated 20 March 1998, the local subsidiaries are exempted from the payment of income tax on their marine transportation income. In addition, the subsidiaries are exempted from the payment of income tax on their marine transportation business under the provisions of the Investment Promotion Act B.E. 2520.
- b) Corporate income tax for the year ended 31 December 2020 has been calculated at a rate of 20% (2019: 20%) on net profit, after adding back certain provisions and expenses which are disallowed for tax computation purposes.

### Overseas subsidiaries and associate

Corporate income tax of the overseas subsidiaries and associate has been calculated by applying the applicable statutory rates of the relevant countries.

As at 31 December 2020, the Group has deductible temporary differences, mainly arising from exchange difference occurring while translating financial statements in functional currency into presentation currency and unused tax losses totaling Baht 6,704.00 million (2019: Baht 7,699.53 million) (The Company only: Baht 3,459.67 million (2019: Baht 3,915.21 million)). However, the Group did not recognise deferred tax assets as the Group believes that it is not probable that future taxable profit will be available to allow the entire deferred tax assets to be utilised.

Details of expiry date of unused tax losses are summarised as below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
31 December 2020	-	211,584	-	-
31 December 2021	630,480	1,281,172	-	195,559
31 December 2022	534	431,385	-	410,489
31 December 2023	393,216	759,113	-	365,697
31 December 2024	550,884	923,193	-	372,130
31 December 2025	2,516,072	-	1,692,649	-
	<u>4,091,186</u>	<u>3,606,447</u>	<u>1,692,649</u>	<u>1,343,875</u>

As at 31 December 2020, Precious Shipping (Singapore) Pte. Limited (“PSSP”), an overseas subsidiary, has unused tax losses totaling Baht 11.12 million (2019: Baht 10.15 million). The Inland Revenue Authority of Singapore (IRAS) rules stipulate that unused tax losses have no expiry date.

As at 31 December 2020, the Group has temporary difference arising from investment in associate held by a subsidiary which deferred tax liability has been recognised, aggregating Baht 1.97 million (2019: nil).

## 29. Promotional privileges

The Company has been granted promotional privileges under the Investment Promotion Act, as approved by the Board of Investment under BOI certificate No. 1405/2550 dated 23 March 2007. Subject to certain imposed conditions, the significant privileges are the rights to employ skilled foreigners to work within the scope of duties approved by the Board of Investment and for the period for which they are permitted to stay in Thailand, permission to own land in an amount considered appropriate by the Board of Investment, and permission to transfer funds in or out of Thailand in foreign currencies.

Under the provisions of the Investment Promotion Act B.E. 2520, the local subsidiaries were granted certain promotional privileges for their marine transportation. The promotional privileges include, among other things, exemption from the payment of income tax for a period of 8 years commencing as from the date of first earning operating income on the condition that the vessels owned by the subsidiaries are registered in Thailand. During the year ended 31 December 2020, the subsidiaries have 14 vessels (2019: 17 vessels) under investment promoted operations.



Revenues and expenses for 2020 and 2019 classified between promoted and non-promoted operations can be summarised below.

(Unit: Thousand Baht)

	Non-promoted operations									
	Operations exempted from corporate income tax in accordance with the Director-General's Notification									
	Promoted operations		on Income Tax No. 72		Other non-promoted operations		Eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues	976,183	1,752,723	814,851	282,109	2,875,727	2,484,945	(904,891)	(310,897)	3,761,870	4,208,880
Costs and expenses	(1,055,400)	(1,622,465)	(1,007,275)	(321,981)	(4,066,320)	(2,799,640)	1,072,268	310,877	(5,056,727)	(4,433,209)

### 30. Earnings per share

Basic earnings per share is calculated by dividing loss for the year attributable to the equity holder of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

### 31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group's operations involve the business of owning and internationally operating Handysize, Supramax and Ultramax dry bulk vessels on a tramp shipping basis (i.e. without any set routes). This is the main industry segment that the Company operates in and almost all revenues are derived from it. As such, no segmental bifurcation is applicable since the operations are almost entirely limited to this one main segment.

The business activity in the segment, i.e. the chartering of the vessels, is undertaken in two ways, viz., Time charter and Voyage charter. Under Time charter, the charterer (customer) pays charter hire (at an agreed daily rate, almost always in US Dollars) to operate the vessel for an agreed time period. In this case, the charterer bears all voyage expenses including port disbursements and costs of bunker fuel. Under Voyage charter, the charterer pays freight on a per ton basis (almost always in US Dollars) to transport a particular cargo between two or more designated ports. In this case, the Group bears all the voyage expenses. The voyage expenses are presented in the financial statements as voyage disbursements and bunker consumption. Under Time charter, the vessel routes are determined or controlled exclusively by the charterers and under Voyage charters, the route varies from time to time for each voyage, which is determined by a number of factors which are totally beyond the Groups' control. As such, reporting by geographical segments would not be practical or meaningful, and could in fact be misleading.

In view of the above, segment information is limited to the bifurcation of the total vessel operating income (and voyage expenses in respect of Voyage charter) derived from Time charter and Voyage charter presented as “Time charter income” and “Voyage charter income” respectively.

The following table presents net vessel operating income from Time charter and Voyage charter of the Group for the years ended 31 December 2020 and 2019.

(Unit: Thousand Baht)

Consolidated financial statements										
	Time charter		Voyage charter		Total		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Time charter income	2,874,426	3,334,213	-	-	2,874,426	3,334,213	-	-	2,874,426	3,334,213
Voyage charter income	-	-	1,003,238	970,064	1,003,238	970,064	(151,368)	(159,994)	851,870	810,070
Total vessel operating income	2,874,426	3,334,213	1,003,238	970,064	3,877,664	4,304,277	(151,368)	(159,994)	3,726,296	4,144,283
Voyage disbursements	-	-	(314,539)	(314,233)	(314,539)	(314,233)	151,368	159,994	(163,171)	(154,239)
Bunker consumption	-	-	(288,484)	(258,786)	(288,484)	(258,786)	-	-	(288,484)	(258,786)
Total voyage expenses	-	-	(603,023)	(573,019)	(603,023)	(573,019)	151,368	159,994	(451,655)	(413,025)
Net vessel operating income/time charter equivalent income	2,874,426	3,334,213	400,215	397,045	3,274,641	3,731,258	-	-	3,274,641	3,731,258

For the year 2020, the Group has revenues from two major customers for amount of Baht 1,135.53 million.

For the year 2019, the Group has revenues from one major customers for amount of Baht 776.66 million.

### 32. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributed to the fund monthly at the rate of 5% of basic salary. For employees, the maximum allowable contribution has been increased from 5% to 15% of basic salary. The fund, which is managed by Kasikornbank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 5.39 million (2019: Baht 5.38 million) were recognised as expenses. (The Company only: Baht 2.42 million, 2019: Baht 2.51 million).

### 33. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Thousand Baht)				
Consolidated financial statements				
As at 31 December 2020				
Level 1	Level 2	Level 3	Total	
<b>Assets measured at fair value</b>				
Derivatives				
Cross currency swaps contracts - Loans	-	17,838	-	17,838
Cross currency interest rate swaps contracts			-	
- Debenture	-	485,991		485,991
Put option - Debenture	-	29,871	-	29,871
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	16,295	16,295
<b>Liabilities measured at fair value</b>				
Derivatives				
Interest rate swaps contracts - Loans	-	82,621	-	82,621

  

(Unit: Thousand Baht)				
Consolidated financial statements				
As at 31 December 2019				
Level 1	Level 2	Level 3	Total	
<b>Assets for which fair value are disclosed</b>				
Derivatives				
Cross currency swaps contracts - Loans	-	27,334	-	27,334
Cross currency interest rate swaps contracts				
- Debentures	-	916,640	-	916,640
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	5,580,677	-	5,580,677
Derivatives				
Interest rate swaps contracts - Loans	-	36,295	-	36,295

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Derivatives				
Cross currency interest rate swaps contracts				
- Debenture	-	485,991	-	485,991
Put option - Debenture	-	29,871	-	29,871
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	16,295	16,295

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Derivatives				
Cross currency interest rate swaps contracts				
- Debentures	-	916,640	-	916,640
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	5,580,677	-	5,580,677

### 34. Financial instruments

#### 34.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Derivative assets</b>				
Derivative assets not designated as hedging instruments				
Cross currency swaps contracts - Loans	-	27,334	-	-
Cross currency interest rate swaps contracts				
- Debenture	-	916,640	-	916,640
Put option - Debenture	8,961	-	8,961	-
Derivative assets designated as hedging instruments				
Cross currency swaps contracts - Loans	17,838	-	-	-
Cross currency interest rate swaps contracts				
- Debenture	485,991	-	485,991	-
Put option - Debenture	20,910	-	20,910	-
<b>Total derivative assets</b>	<b>533,700</b>	<b>943,974</b>	<b>515,862</b>	<b>916,640</b>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Derivative liabilities</b>				
Derivative liabilities not designated as hedging instruments				
Interest rate swaps contracts - Loans	-	36,295	-	-
Derivative liabilities designated as hedging instruments				
Interest rate swaps contracts - Loans	82,621	-	-	-
<b>Total derivative liabilities</b>	<b>82,621</b>	<b>36,295</b>	<b>-</b>	<b>-</b>

### **Derivatives designated as hedging instruments**

#### ***Cash flow hedges***

##### *Foreign currency risk and Interest rate risk*

The Group uses hedging instruments to hedge cash flows as follows:

- Cross currency interest rate swaps as hedging instruments to hedge cash flows on fixed-rate debentures not denominated in the functional currency. These are defined as a combined hedge of currency risk and interest rate risk.
- Cross currency swaps and put option as hedging instruments to hedge cash flows on loans and debentures not denominated in the functional currency. These are defined as a combined hedge of currency risk.
- Interest rate swaps as hedging instruments to hedge cash flows on variable rate loans in foreign currencies. The Group receives a variable rate LIBOR of interest and pays interest at a fixed-rate. These are defined as a hedge of interest rate risk.

There is an economic relationship between the hedged items and the hedging instruments as the terms of cross currency interest rate swaps contracts, cross currency swaps contracts, interest rate swaps contracts and put option match those of the conditions of loans and debentures (i.e., notional amount, maturity and expected payment date). To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group is holding the following derivatives as hedging instruments as at 31 December 2020:

	Maturity		
	Less than 1 year	1 to 5 years	Total
<b>Cross currency interest rate swaps</b>			
Notional amount (Unit: Thousand Baht)	2,872,000	-	2,872,000
Average fixed rate (%)	5.99	-	5.99
Average exchange rate (Baht : US dollar)	36.00	-	36.00
<b>Cross currency swaps</b>			
Notional amount (Unit: Thousand Baht)	125,195	93,897	219,092
Average exchange rate (Baht : US dollar)	32.34, 33.15	32.34, 33.15	32.34, 33.15
<b>Put option</b>			
Notional amount (Unit: Thousand Baht)	658,560	-	658,560
Strike rate (Baht : US dollar)	30.15	-	30.15
<b>Interest rate swaps</b>			
Notional amount (Unit: Thousand USD)	12,711	42,049	54,760
Average fixed rate (%)	4.95 - 5.33	4.95 - 5.33	4.95 - 5.33

The impact of hedged items on the consolidated statement of financial position as at 31 December 2020 is, as follows:

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve		Cost of hedging reserve
		Continuing hedges	Discontinued hedges	
		(Unit: Thousand Baht)		
Loans - Interest rate swaps contracts	(50,062)	(47,640)	-	-
Loans - Cross currency swaps contracts	(16,150)	(16,150)	-	2,542
Debenture - Cross currency interest rate swaps contracts	(198,235)	(198,235)	-	54,121
Debenture - Put option	13,144	4,590	(13,955)	11,682

The impact of the hedging instruments on the consolidated statement of financial position as at 31 December 2020 and the effect of the cash flow hedge in the statement of comprehensive income for the year ended 31 December 2020 are, as follows:

(Unit: Million Baht)

	Notional amounts	Carrying amount	Line item in the consolidated statements of financial position	Changes in fair value used for measuring ineffectiveness	Effectiveness recognised in equity	Ineffectiveness recognised in income statement	Line item in income statement	Cost of hedging recognised in equity	Amount of cash flow hedge reserve reclassified to income statement	Line item in income statement
Cross currency interest rate swaps - hedge the risk arising from debenture	2,872,000	485,991	Current derivative assets	(198,235)	(198,235)	-	-	54,121	105,772	Exchange losses, Finance cost
Cross currency swaps - hedge the risk arising from loans	219,092	17,838	Non-current derivative assets	(16,150)	(16,150)	-	-	2,542	8,598	Exchange losses
Interest rate swaps - hedge the risk arising from loans	USD 54,760 thousand	82,621	Non-current derivative liabilities	(48,692)	(47,640)	(1,018)	Losses on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	4,528	Finance cost
Put option - hedge the risk arising from debenture	658,560	29,871	Current derivative assets	13,144	4,590	-	-	11,682	(53,760)	Exchange losses
<b>Total</b>				<u>(249,933)</u>	<u>(257,435)</u>	<u>(1,018)</u>		<u>68,345</u>	<u>65,138</u>	

### **Effect from interest rate benchmark reform**

The Group has exposures to benchmark InterBank Offered Rates (IBORs) on its financial instruments that will be replaced or reformed. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. The Group elects to early adopt the amendments to TFRS 9 and TFRS 7 to those hedging relationships directly affected by IBOR reform.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participant's expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest will occur. The Group is monitoring and managing the Group's transition to alternative benchmark rates whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

### **34.2 Financial risk management**

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, investments, trade and other payables, debentures and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Group is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and financial institutions, loans to and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### ***Trade and other receivables***

The Group is exposed to credit risk primarily with respect to trade and other receivables. The Group manages the risk by adopting a credit policy whereby they evaluate the creditworthiness of charterers and other parties and restricts dealings to financially sound parties, and strictly attend to the preparation and completeness of documentation and therefore do not expect to incur material financial losses. In addition, the Group does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.



## **Financial instruments and cash deposits**

The credit risk on cash deposits and derivatives of the Group is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### **Market risk**

#### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its cash at banks, long-term loans to subsidiary, debentures and long-term loans. The management mitigates part of its interest rate risk by using interest rate swaps contract and cross currency interest rate swaps contract as hedging instruments to hedge cash flows on variable rate loans, as described in Note 34.1 to the financial statements. The interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

	Consolidated financial statements								
	As at 31 December 2020								
	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		Fixed	Floating	
							USD	USD	Baht
<b>Financial assets</b>									
Cash and cash equivalents	49,866	-	-	993,529	57,095	1,100,490	0.01 - 0.26	0.04 - 0.60	0.05 - 0.13
Total	49,866	-	-	993,529	57,095	1,100,490			
<b>Financial liabilities</b>									
Lease liabilities	5,326	18,088	1,451	-	-	24,865	5.28 - 5.53	-	-
Debentures	935,515	2,855,650	-	-	-	3,791,165	5.99 - 6.50	-	-
Long-term loans	287,914	1,257,168	-	4,685,265	-	6,230,347	4.95 - 5.33	2.42 - 4.21	4.65
Total	1,228,755	4,130,906	1,451	4,685,265	-	10,046,377			

(Unit: Thousand Baht)

## Consolidated financial statements

As at 31 December 2019

	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within	1 - 5	Over	interest	Non-interest		Fixed	Floating	
	1 year	years	5 years	rate	bearing			USD	USD
<b>Financial assets</b>									
Cash and cash equivalents	612,776	-	-	454,516	113,889	1,181,181	1.85 - 2.47	0.01 - 1.04	0.22 - 0.38
<b>Total</b>	<b>612,776</b>	<b>-</b>	<b>-</b>	<b>454,516</b>	<b>113,889</b>	<b>1,181,181</b>			
<b>Financial liabilities</b>									
Debentures	1,947,630	3,565,212	-	-	-	5,512,842	5.75 - 5.99	-	-
Long-term loans	201,735	1,682,521	-	5,264,894	-	7,149,150	3.43 - 5.33	3.09 - 4.98	5.51
<b>Total</b>	<b>2,149,365</b>	<b>5,247,733</b>	<b>-</b>	<b>5,264,894</b>	<b>-</b>	<b>12,661,992</b>			

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2020

	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within	1 - 5	Over	interest	Non-interest		Fixed	Floating	
	1 year	years	5 years	rate	bearing			USD	USD
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	611,603	1,121	612,724	0.01 - 0.05	0.05	0.05 - 0.13
Long-term loan to subsidiaries	1,067,407	1,694,989	615,998	-	-	3,378,394	5.00	-	-
<b>Total</b>	<b>1,067,407</b>	<b>1,694,989</b>	<b>615,998</b>	<b>611,603</b>	<b>1,121</b>	<b>3,991,118</b>			
<b>Financial liabilities</b>									
Lease liabilities	4,137	15,413	1,451	-	-	21,001	5.28 - 5.53	-	-
Debentures	935,515	2,855,650	-	-	-	3,791,165	5.99 - 6.50	-	-
<b>Total</b>	<b>939,652</b>	<b>2,871,063</b>	<b>1,451</b>	<b>-</b>	<b>-</b>	<b>3,812,166</b>			

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2019

	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within	1 - 5	Over	interest	Non-interest		Fixed	Floating	
	1 year	years	5 years	rate	bearing			USD	USD
<b>Financial assets</b>									
Cash and cash equivalents	275,688	-	-	166,496	1,067	443,251	1.85 - 2.00	0.05 - 1.04	0.22 - 0.38
Long-term loan to subsidiaries	-	-	-	-	4,652,762	4,652,762	-	-	-
<b>Total</b>	<b>275,688</b>	<b>-</b>	<b>-</b>	<b>166,496</b>	<b>4,663,829</b>	<b>5,096,013</b>			
<b>Financial liabilities</b>									
Debentures	1,947,630	3,565,212	-	-	-	5,512,842	5.75 - 5.99	-	-
<b>Total</b>	<b>1,947,630</b>	<b>3,565,212</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,512,842</b>			

### *Interest rate sensitivity*

The following table demonstrates the sensitivity of the Group's income statement to a reasonably possible change in interest rates on that portion of the floating rate long-term loans from affected and equity changes as a result of an increase or decrease in the fair value of the cash flow hedges of interest rate swaps contracts as at 31 December 2020.

	Increase/decrease	Effect on income statement	Effect on equity
	(%)	(Thousand Baht)	(Thousand Baht)
US Dollars borrowing	+1	(46,919)	40,673
	-1	46,919	(40,673)

The above analysis has been prepared assuming that the amounts of the floating rate long-term loans from and all other variables remain constant over one year. Moreover, the floating legs of these long-term loans are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

### ***Foreign currency risk***

Almost all revenues and expenditures of the Group is denominated in US Dollars, which provide a natural hedge against the currency risk associated with transactions in US Dollars. Consequently, the Group is exposed to a currency risk in respect of financial instruments denominated in other currencies. However, the Group's management has decided to maintain an open position with regard to this exposure but endeavors to limit this exposure to the minimum possible amounts by not holding significant amounts of financial instruments denominated in other currencies or use derivative instruments, as and when it considers appropriate, to manage such risks.

The Group's exposure to the foreign currency risk relates primarily to long-term loans and Thai baht debentures. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. The Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

### **Foreign currency sensitivity**

The following tables demonstrate the sensitivity of the Group's income statement and equity to a reasonably possible change in Thai Baht exchange rates, with all other variables held constant. The impact on the Group's income statement and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and derivatives designated as cash flow hedges as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase/decrease	Effect on income statement	Effect on equity
	(%)	(Thousand Baht)	(Thousand Baht)
Thai Baht	+1	(3,029)	(2,676)
	- 1	(4,536)	(26,483)

This information is not a forecast or prediction of future market conditions and should be used with care.

The Group has the following significant financial liabilities denominated in foreign currencies (currencies other than US Dollars which is the Group's functional currency).

Foreign currency	Consolidated financial statements			
	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2020	2019	2020	2019
	(Million)	(Million)	(USD per 1 foreign currency unit)	
Baht loan	219.09	344.29	0.0331	0.0330
Baht Debenture	2,872.00	3,590.00	0.0331	0.0330
Baht Debenture	940.80	1,960.00	0.0331	0.0330

Foreign currency	Separate financial statements			
	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2020	2019	2020	2019
	(Million)	(Million)	(USD per 1 foreign currency unit)	
Baht Debenture	2,872.00	3,590.00	0.0331	0.0330
Baht Debenture	940.80	1,960.00	0.0331	0.0330

Foreign currency swaps contracts outstanding are summarised below.

As at 31 December 2020			
<u>Bought amount</u>	<u>Sold amount</u>	<u>Contractual exchange rate</u>	<u>Contractual maturity date</u>
		(USD per 1 foreign currency unit)	
<u>The Company</u>			
Baht 2,872.00 million	USD 79.78 million	0.0278	January 2021
<u>Subsidiaries</u>			
Baht 219.09 million	USD 6.69 million	0.0302, 0.0309	Quarterly corresponding to the loan repayment schedule upto September 2022

As at 31 December 2019			
<u>Bought amount</u>	<u>Sold amount</u>	<u>Contractual exchange rate</u>	<u>Contractual maturity date</u>
		(USD per 1 foreign currency unit)	
<u>The Company</u>			
Baht 3,590.00 million	USD 99.72 million	0.0278	January 2021
Baht 1,960.00 million	USD 54.90 million	0.0280	June 2020
<u>Subsidiaries</u>			
Baht 344.29 million	USD 10.52 million	0.0302, 0.0309	Quarterly corresponding to the loan repayment schedule upto September 2022

Put option outstanding is summarised below.

As at 31 December 2020			
<u>Bought amount</u>	<u>Sold amount</u>	<u>Contractual exchange rate</u>	<u>Contractual maturity date</u>
		(USD per 1 foreign currency unit)	
<u>The Company</u>			
Baht 1,250.00 million	USD 41.46 million	0.0332	December 2021

### **Liquidity risk**

The Group manages liquidity risk by spreading out debt maturities, raising debt that is both amortising and non-amortising, maintaining sufficient cash reserves, tightly controlling operating costs, ensuring adequate insurance cover, limiting single counterparty exposure to no more than 25% of revenues and limiting exposure to the short-term market through fixing ships on long term charters. Approximately 30% of the Group's debt will mature in less than one year at 31 December 2020 (2019: 35%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than	1 to 5	Over	Total
	1 year	years	5 years	
<b>Non-derivatives</b>				
Trade and other payables	113,676	-	-	113,676
Lease liabilities	6,022	20,778	1,755	28,555
Long-term loans	1,712,529	4,635,584	577,103	6,925,216
Debentures	996,323	3,171,751	-	4,168,074
<b>Total non-derivatives</b>	<b>2,828,550</b>	<b>7,828,113</b>	<b>578,858</b>	<b>11,235,521</b>
<b>Derivatives</b>				
Derivative assets	515,862	17,838	-	533,700
Derivative liabilities	-	82,621	-	82,621
<b>Total derivatives</b>	<b>515,862</b>	<b>100,459</b>	<b>-</b>	<b>616,321</b>

(Unit: Thousand Baht)

	Separate financial statements				
	On	Less than	1 to 5	Over	Total
	demand	1 year	Years	5 years	
<b>Non-derivatives</b>					
Trade and other payables	-	281	-	-	281
Lease liabilities	-	4,726	17,862	1,755	24,343
Debentures	-	996,323	3,171,751	-	4,168,074
Advances received from related parties	1,825,509	-	-	-	1,825,509
<b>Total non-derivatives</b>	<b>1,825,509</b>	<b>1,001,330</b>	<b>3,189,613</b>	<b>1,755</b>	<b>6,018,207</b>
<b>Derivatives</b>					
Derivative assets	-	515,862	-	-	515,862
<b>Total derivatives</b>	<b>-</b>	<b>515,862</b>	<b>-</b>	<b>-</b>	<b>515,862</b>

### 34.3 Fair values of financial instruments

Since the majority of the Group's financial assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, except debentures, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The carrying value and fair value of debentures and derivative instruments as at 31 December 2019 are presented below.

(Unit: Thousand Baht)

	As at 31 December 2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets (liabilities)</b>				
Debentures	(5,517,558)	(5,580,677)	(5,517,558)	(5,580,677)
Derivatives				
Interest rate swaps contracts				
- Loans	-	(36,295)	-	-
Cross currency swaps contracts				
- Loans	29,142	27,334	-	-
Cross currency interest rate swaps contracts				
- Debentures	921,749	916,640	921,749	916,640

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows.

- a) For debentures, fair value is derived from quoted market prices of the Thai Bond Market Association at the close of the business on the reporting date.
- b) For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as yield curves of the respective currencies and interest rate yield curves. The Group had considered to counterparty credit risk when determining the fair value of derivatives.

During the current year, the Group has adopted TFRS 9 which requires that the carrying amount of derivatives are presented at fair value. In addition, there are changes in the terms of the condition of debentures, as described in Note 19 to the financial statements. Therefore, there was no stated fair value of debentures from quoted market prices of the Thai Bond Market Association.

**34.4 Reconciliation of recurring fair value measurements, of assets and liabilities, categorised within Level 3 of the fair value hierarchy**

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Investment in equity instrument of non-listed company	
Balance as of 1 January 2020	17,047
Net loss recognised into other comprehensive income	(752)
Balance as of 31 December 2020	16,295

**35. Capital management**

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

The Group manages its capital position with reference to its debt-to-equity ratio also to comply with a condition in the long-term loan agreements, which require the Group to maintain a consolidated debt-to-equity ratio of not more than 2:1.

As at 31 December 2020, the Group's debt-to-equity ratio was 1.11:1 (2019: 1.17:1) and the Company's was 0.61:1 (2019: 0.74:1) which is calculated from USD functional currency financial statements.

**36. Functional currency financial statements**

The USD functional currency statements of financial position as at 31 December 2020 and 2019 and income statements for the years ended 31 December 2020 and 2019 are as follows.



Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	36,638	39,172	20,399	14,700
Trade and other receivables	5,616	6,056	121,460	115,397
Short-term loans to a subsidiary	-	-	-	4,300
Bunker oil	1,153	5,853	-	-
Derivative assets	17,174	-	17,174	-
Other current assets				
Advances to vessel masters	2,427	2,437	-	-
Claim recoverables	327	353	-	-
Others	1,181	1,861	487	544
Total other current assets	3,935	4,651	487	544
<b>Total current assets</b>	<b>64,516</b>	<b>55,732</b>	<b>159,520</b>	<b>134,941</b>
<b>Non-current assets</b>				
Long-term loans to subsidiaries	-	-	112,474	150,000
Derivative assets	594	-	-	-
Receivables from cross currency swap contracts	-	31,534	-	30,568
Investments in subsidiaries	-	-	233,720	200,254
Investment in associate held by a subsidiary	2,474	2,258	-	-
Investment in equity instrument of non-listed company	543	568	543	568
Property, plant and equipment	636,698	666,497	253	221
Right-of-use assets	804	-	678	-
Intangible assets	230	224	219	224
Other non-current assets				
Claim recoverables - maritime claims	1,540	818	-	-
Advances for vessel constructions	-	67,900	-	67,644
Deferred contract costs	4,843	5,398	-	-
Others	105	157	80	132
Total other non-current assets	6,488	74,273	80	67,776
<b>Total non-current assets</b>	<b>647,831</b>	<b>775,354</b>	<b>347,967</b>	<b>449,611</b>
<b>Total assets</b>	<b>712,347</b>	<b>831,086</b>	<b>507,487</b>	<b>584,552</b>

**Precious Shipping Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2020**

(Unit: Thousand USD)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables				
Trade and other payables	3,785	2,345	9	446
Advances received from related parties	-	-	60,775	58,028
Accrued crew accounts	2,765	2,811	-	-
Accrued expenses	2,669	11,209	767	1,980
Accrued employee bonus	-	1,141	-	816
Total trade and other payables	9,219	17,506	61,551	61,270
Advances received from charterers	20,177	2,490	-	-
Current portion of long-term loans	49,938	70,878	-	-
Current portion of debentures	31,145	64,590	31,145	64,590
Current portion of lease liabilities	177	-	138	-
Income tax payable	53	50	-	-
Other current liabilities	463	759	307	442
<b>Total current liabilities</b>	<b>111,172</b>	<b>156,273</b>	<b>93,141</b>	<b>126,302</b>
<b>Non-current liabilities</b>				
Long-term loans - net of current portion	157,483	166,210	-	-
Debentures - net of current portion	95,071	118,234	95,071	118,234
Lease liabilities - net of current portion	650	-	561	-
Derivative liabilities	2,751	-	-	-
Deferred tax liabilities	65	-	-	-
Provision for maritime claims	2,233	1,533	-	-
Provision for long-term employee benefits	5,529	5,502	4,161	4,295
<b>Total non-current liabilities</b>	<b>263,782</b>	<b>291,479</b>	<b>99,793</b>	<b>122,529</b>
<b>Total liabilities</b>	<b>374,954</b>	<b>447,752</b>	<b>192,934</b>	<b>248,831</b>
<b>Shareholders' equity</b>				
Share capital				
Registered share capital	51,055	51,055	51,055	51,055
Issued and paid-up share capital	51,055	51,055	51,055	51,055
Paid-in capital				
Premium on ordinary shares	63,290	63,290	63,290	63,290
Premium on treasury stock	4,819	4,819	4,819	4,819
Retained earnings				
Appropriated				
Statutory reserve - the Company	2,802	2,802	2,802	2,802
- subsidiaries	14,460	14,460	-	-
Corporate social responsibility reserve	553	552	553	552
Unappropriated	205,556	248,797	192,294	213,203
Other components of shareholders' equity	(5,143)	(2,442)	(260)	-
Equity attributable to owners of the Company	337,392	383,333	314,553	335,721
Non-controlling interests of the subsidiaries	1	1	-	-
<b>Total shareholders' equity</b>	<b>337,393</b>	<b>383,334</b>	<b>314,553</b>	<b>335,721</b>
<b>Total liabilities and shareholders' equity</b>	<b>712,347</b>	<b>831,086</b>	<b>507,487</b>	<b>584,552</b>

**Precious Shipping Public Company Limited and its subsidiaries**

**Income statement**

**For the year ended 31 December 2020**

(Unit: Thousand USD, except basis earnings per share expressed in USD)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Revenues</b>				
Vessel operating income				
Time charter income	91,915	107,767	-	-
Voyage charter income	27,160	26,283	-	-
Total vessel operating income	119,075	134,050	-	-
Service income	120	250	2,869	2,874
Interest income	270	960	6,110	373
Dividend income	-	13	1,600	13
Gain on liquidation of subsidiaries	-	-	220	-
Gain on derivative	371	-	427	-
Other income	15	22	1	-
<b>Total revenues</b>	<b>119,851</b>	<b>135,295</b>	<b>11,227</b>	<b>3,260</b>
<b>Expenses</b>				
Vessel operating costs				
Vessel running expenses	49,741	50,729	-	-
Voyage disbursements	5,190	4,998	-	-
Bunker consumption	9,163	8,395	-	-
Total vessel operating costs	64,094	64,122	-	-
Depreciation	38,711	38,228	246	99
Cost of services	127	168	-	-
Administrative expenses	8,863	14,702	6,303	10,717
Management remuneration including perquisites	1,821	2,970	1,924	3,033
Losses on settlement agreement	27,400	-	27,144	-
Losses on impairment of investments in subsidiaries	-	-	155	-
Expected credit losses/Bad debts and doubtful accounts	283	20	937	-
Exchange losses	501	194	377	30
Losses on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	33	-	-	-
<b>Total expenses</b>	<b>141,833</b>	<b>120,404</b>	<b>37,086</b>	<b>13,879</b>
<b>Operating profit (loss)</b>	<b>(21,982)</b>	<b>14,891</b>	<b>(25,859)</b>	<b>(10,619)</b>
Share of profit from investment in associate held by a subsidiary	346	646	-	-
Finance cost	(19,021)	(22,692)	(9,168)	(9,519)
<b>Loss before income tax expenses</b>	<b>(40,657)</b>	<b>(7,155)</b>	<b>(35,027)</b>	<b>(20,138)</b>
Income tax expenses	(145)	(90)	-	-
<b>Loss for the year</b>	<b>(40,802)</b>	<b>(7,245)</b>	<b>(35,027)</b>	<b>(20,138)</b>
<b>Loss attributable to:</b>				
Equity holders of the Company	(40,802)	(7,245)	(35,027)	(20,138)
Non-controlling interests of the subsidiaries	-	-	-	-
<b>Loss for the year</b>	<b>(40,802)</b>	<b>(7,245)</b>	<b>(35,027)</b>	<b>(20,138)</b>
<b>Basic earnings per share</b>				
Loss attributable to equity holders of the Company	(0.0262)	(0.0046)	(0.0225)	(0.0129)

### **37. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2021.