

Precious Shipping Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2022

## **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 2022, 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 2022, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **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.

## **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.

Termphong Opanaphan  
Certified Public Accountant (Thailand) No. 4501

EY Office Limited  
Bangkok: 10 February 2023

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

**Statement of financial position**

**As at 31 December 2022**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	1,055,667,444	2,468,209,354	316,476,272	537,947,101
Trade and other receivables	7, 8	279,149,273	175,329,039	2,900,017,798	2,061,657,283
Bunker oil		41,819,267	21,575,202	-	-
Other current assets					
Advances to vessel masters		37,007,863	30,065,102	-	-
Claim recoverables		12,799,390	8,120,546	-	-
Lube oil stock on board		91,046,628	76,348,181	-	-
Others		39,966,968	29,861,416	11,711,795	16,795,122
Total other current assets		180,820,849	144,395,245	11,711,795	16,795,122
<b>Total current assets</b>		<b>1,557,456,833</b>	<b>2,809,508,840</b>	<b>3,228,205,865</b>	<b>2,616,399,506</b>
<b>Non-current assets</b>					
Restricted bank deposits	9	100,382,755	119,999,498	-	-
Long-term loans to a subsidiary	10	-	-	790,603,531	2,571,251,793
Derivative assets	33	274,862,486	8,452,494	-	-
Investments in subsidiaries	11	-	-	8,532,592,508	7,810,885,894
Investment in associate held by a subsidiary	12	80,644,761	91,237,864	-	-
Investment in equity instrument of non-listed company	13	18,100,095	14,705,103	18,100,095	14,705,103
Property, plant and equipment	14	22,048,146,324	20,284,980,785	10,324,605	8,122,486
Right-of-use assets	18	15,633,143	20,997,859	13,955,757	18,078,364
Intangible assets	15	5,583,982	6,371,093	5,281,374	6,089,865
Other non-current assets					
Claim recoverables - maritime claims		70,777,229	27,707,403	-	-
Deferred contract costs	16	129,143,691	143,370,720	-	-
Others		3,233,389	3,169,593	2,394,546	2,395,091
Total other non-current assets		203,154,309	174,247,716	2,394,546	2,395,091
<b>Total non-current assets</b>		<b>22,746,507,855</b>	<b>20,720,992,412</b>	<b>9,373,252,416</b>	<b>10,431,528,596</b>
<b>Total assets</b>		<b>24,303,964,688</b>	<b>23,530,501,252</b>	<b>12,601,458,281</b>	<b>13,047,928,102</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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables					
Trade and other payables	8	229,485,798	105,315,282	724,495	1,263,537
Advances received from related parties	8	-	-	1,938,798,745	2,537,687,814
Accrued crew accounts		100,996,598	88,778,986	-	-
Accrued expenses		81,591,681	62,205,894	1,437,634	885,416
Current portion of accrued employee benefits		172,309,065	98,012,687	122,369,642	68,706,512
<b>Total trade and other payables</b>		<b>584,383,142</b>	<b>354,312,849</b>	<b>2,063,330,516</b>	<b>2,608,543,279</b>
Advances received from charterers		54,695,861	86,911,294	-	-
Current portion of long-term loans	17	1,161,783,910	1,408,602,518	-	-
Current portion of lease liabilities	18	5,704,577	5,418,838	4,458,766	4,207,231
Derivative liabilities	33	-	3,995,773	-	-
Income tax payable		1,767,934	13,676	-	-
Other current liabilities		59,130,566	57,341,601	52,358,924	50,413,753
<b>Total current liabilities</b>		<b>1,867,465,990</b>	<b>1,916,596,549</b>	<b>2,120,148,206</b>	<b>2,663,164,263</b>
<b>Non-current liabilities</b>					
Accrued employee benefits - net of current portion		230,257,126	196,025,373	158,982,206	137,413,024
Long-term loans - net of current portion	17	5,547,288,752	6,809,259,448	-	-
Lease liabilities - net of current portion	18	9,065,079	14,377,261	8,753,627	12,862,752
Derivative liabilities	33	-	11,237,536	-	-
Deferred tax liabilities	25	1,532,803	3,470,971	-	-
Provision for maritime claims	19	55,433,804	39,225,204	-	-
Provision for long-term employee benefits	20	130,111,971	175,293,042	97,420,781	129,466,640
<b>Total non-current liabilities</b>		<b>5,973,689,535</b>	<b>7,248,888,835</b>	<b>265,156,614</b>	<b>279,742,416</b>
<b>Total liabilities</b>		<b>7,841,155,525</b>	<b>9,165,485,384</b>	<b>2,385,304,820</b>	<b>2,942,906,679</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 2022**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Shareholders' equity</b>					
Share capital					
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	21	155,929,186	155,929,186	155,929,186	155,929,186
- subsidiaries	21	571,500,000	420,420,000	-	-
Corporate social responsibility reserve	22	57,162,181	36,261,237	57,162,181	36,261,237
Unappropriated		11,690,107,761	10,471,445,662	5,332,567,834	5,423,178,688
Other components of shareholders' equity		288,433,916	(418,712,005)	970,859,070	790,017,122
Equity attributable to owners of the Company		16,462,768,234	14,364,979,270	10,216,153,461	10,105,021,423
Non-controlling interests of the subsidiaries		40,929	36,598	-	-
<b>Total shareholders' equity</b>		<b>16,462,809,163</b>	<b>14,365,015,868</b>	<b>10,216,153,461</b>	<b>10,105,021,423</b>
<b>Total liabilities and shareholders' equity</b>		<b>24,303,964,688</b>	<b>23,530,501,252</b>	<b>12,601,458,281</b>	<b>13,047,928,102</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 2022**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Revenues</b>					
Vessel operating income					
Time charter income		8,992,495,651	7,722,877,287	-	-
Voyage charter income		132,297,244	888,876,146	-	-
Total vessel operating income		9,124,792,895	8,611,753,433	-	-
Service income	8	3,941,486	3,632,948	109,471,221	90,899,139
Interest income		14,593,731	1,870,185	445,464,427	181,561,985
Dividend income	11	-	509,281	3,187,145,190	1,246,583,113
Exchange gains		497,429	194,370,139	3,195,417	185,399,483
Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments		-	1,041,074	-	-
Other income		2,815,371	1,117,433	361,992	711,625
<b>Total revenues</b>		<b>9,146,640,912</b>	<b>8,814,294,493</b>	<b>3,745,638,247</b>	<b>1,705,155,345</b>
<b>Expenses</b>					
Vessel operating costs					
Vessel running expenses		1,983,300,244	1,774,511,844	-	-
Voyage disbursements		38,938,735	110,688,544	-	-
Bunker consumption		48,438,189	200,298,325	-	-
Total vessel operating costs		2,070,677,168	2,085,498,713	-	-
Depreciation	14, 18	1,324,374,022	1,213,654,309	7,962,596	8,203,397
Cost of services		5,647,373	5,358,997	-	-
Administrative expenses	8	370,616,540	407,870,640	196,190,814	233,167,551
Management remuneration including perquisites	8	145,901,550	172,977,473	142,405,226	167,805,999
Reversal of expected credit losses	7, 10	(1,348,625)	(8,776,627)	(9,754,010)	-
Losses on derivative		1,414,309	68,667,974	-	11,786,995
<b>Total expenses</b>		<b>3,917,282,337</b>	<b>3,945,251,479</b>	<b>336,804,626</b>	<b>420,963,942</b>
<b>Operating profit</b>		<b>5,229,358,575</b>	<b>4,869,043,014</b>	<b>3,408,833,621</b>	<b>1,284,191,403</b>
Share of profit from investment in associate held by a subsidiary	12.1	29,131,662	22,798,670	-	-
Finance cost	23	(392,348,870)	(415,226,947)	(1,728,837)	(136,411,196)
<b>Profit before income tax expenses</b>		<b>4,866,141,367</b>	<b>4,476,614,737</b>	<b>3,407,104,784</b>	<b>1,147,780,207</b>
Income tax expenses	25	(15,352,015)	(1,682,458)	-	-
<b>Profit for the year</b>		<b>4,850,789,352</b>	<b>4,474,932,279</b>	<b>3,407,104,784</b>	<b>1,147,780,207</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 2022**

(Unit: Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2022	2021	2022	2021
<b>Profit attributable to:</b>					
Equity holders of the Company		4,850,786,205	4,474,929,926	3,407,104,784	1,147,780,207
Non-controlling interests of the subsidiaries		3,147	2,353	-	-
<b>Profit for the year</b>		<u>4,850,789,352</u>	<u>4,474,932,279</u>	<u>3,407,104,784</u>	<u>1,147,780,207</u>
<b>Basic earnings per share</b>	27				
Profit attributable to equity holders of the Company		<u>3.11</u>	<u>2.87</u>	<u>2.19</u>	<u>0.74</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 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
<b>Profit for the year</b>	4,850,789,352	4,474,932,279	3,407,104,784	1,147,780,207
<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 - net of income tax	(637,931)	(4,121,925)	-	-
Gains on cash flow hedges	276,341,014	84,294,806	7,355,614	10,166,459
Changes in cost of hedging	(1,317,873)	(1,511,483)	(2,010,152)	(2,730,051)
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods	274,385,210	78,661,398	5,345,462	7,436,408
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Gain (losses) on measurement of fair value of				
investment in equity instrument of non-listed company	2,892,281	(3,425,444)	2,892,281	(3,425,444)
Actuarial gain	47,395,540	-	30,724,008	-
Exchange differences on translation of functional				
currency to presentation currency financial statements	429,869,614	1,239,666,691	172,604,205	1,064,112,908
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods	480,157,435	1,236,241,247	206,220,494	1,060,687,464
<b>Other comprehensive income for the year</b>	<b>754,542,645</b>	<b>1,314,902,645</b>	<b>211,565,956</b>	<b>1,068,123,872</b>
<b>Total comprehensive income for the year</b>	<b>5,605,331,997</b>	<b>5,789,834,924</b>	<b>3,618,670,740</b>	<b>2,215,904,079</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	5,605,327,666	5,789,829,061	3,618,670,740	2,215,904,079
Non-controlling interests of the subsidiaries	4,331	5,863	-	-
	<b>5,605,331,997</b>	<b>5,789,834,924</b>	<b>3,618,670,740</b>	<b>2,215,904,079</b>
	-	-	-	-

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 2022

(Unit: Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
	Other components of shareholders' equity												Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Retained earnings							Other comprehensive income							
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Appropriated		Corporate social responsibility reserve	Unappropriated	Exchange differences of financial statements	Gain (losses) on measurement of fair value of investment in equity non-listed company	Cash flow hedge reserve	Cost of hedging reserve	Total other components of shareholders' equity			
				The Company	Subsidiaries										
<b>Balance as at 1 January 2021</b>	1,559,291,862	1,967,897,516	172,445,812	103,952,060	420,420,000	17,769,466	7,626,094,265	(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
Profit for the year	-	-	-	-	-	-	4,474,929,926	-	-	-	-	-	4,474,929,926	2,353	4,474,932,279
Other comprehensive income for the year	-	-	-	-	-	-	-	1,235,541,256	(3,425,444)	84,294,806	(1,511,483)	1,314,899,135	1,314,899,135	3,510	1,314,902,645
Total comprehensive income for the year	-	-	-	-	-	-	4,474,929,926	1,235,541,256	(3,425,444)	84,294,806	(1,511,483)	1,314,899,135	5,789,829,061	5,863	5,789,834,924
Dividend paid (Note 30)	-	-	-	-	-	-	(1,559,109,632)	-	-	-	-	-	(1,559,109,632)	-	(1,559,109,632)
Appropriated to statutory reserve (Note 21)	-	-	-	51,977,126	-	-	(51,977,126)	-	-	-	-	-	-	-	-
Appropriated to corporate social responsibility reserve (Note 22)	-	-	-	-	-	18,491,771	(18,491,771)	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2021</b>	<u>1,559,291,862</u>	<u>1,967,897,516</u>	<u>172,445,812</u>	<u>155,929,186</u>	<u>420,420,000</u>	<u>36,261,237</u>	<u>10,471,445,662</u>	<u>(410,369,104)</u>	<u>(4,177,362)</u>	<u>(5,483,412)</u>	<u>1,317,873</u>	<u>(418,712,005)</u>	<u>14,364,979,270</u>	<u>36,598</u>	<u>14,365,015,868</u>
<b>Balance as at 1 January 2022</b>	1,559,291,862	1,967,897,516	172,445,812	155,929,186	420,420,000	36,261,237	10,471,445,662	(410,369,104)	(4,177,362)	(5,483,412)	1,317,873	(418,712,005)	14,364,979,270	36,598	14,365,015,868
Profit for the year	-	-	-	-	-	-	4,850,786,205	-	-	-	-	-	4,850,786,205	3,147	4,850,789,352
Other comprehensive income for the year	-	-	-	-	-	-	47,395,540	429,230,499	2,892,281	276,341,014	(1,317,873)	707,145,921	754,541,461	1,184	754,542,645
Total comprehensive income for the year	-	-	-	-	-	-	4,898,181,745	429,230,499	2,892,281	276,341,014	(1,317,873)	707,145,921	5,605,327,666	4,331	5,605,331,997
Dividend paid (Note 30)	-	-	-	-	-	-	(3,507,538,702)	-	-	-	-	-	(3,507,538,702)	-	(3,507,538,702)
Appropriated to statutory reserve (Note 21)	-	-	-	-	151,080,000	-	(151,080,000)	-	-	-	-	-	-	-	-
Appropriated to corporate social responsibility reserve (Note 22)	-	-	-	-	-	20,900,944	(20,900,944)	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2022</b>	<u>1,559,291,862</u>	<u>1,967,897,516</u>	<u>172,445,812</u>	<u>155,929,186</u>	<u>571,500,000</u>	<u>57,162,181</u>	<u>11,690,107,761</u>	<u>18,861,395</u>	<u>(1,285,081)</u>	<u>270,857,602</u>	<u>-</u>	<u>288,433,916</u>	<u>16,462,768,234</u>	<u>40,929</u>	<u>16,462,809,163</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 (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements											
							Other components of shareholders' equity					
							Retained earnings			Exchange differences on translation of financial statements	Gain (losses) on measurement of fair value of investment in equity non-listed company	Cash flow hedge reserve
	Appropriated		Unappropriated									
Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Statutory reserve	Corporate social responsibility reserve								
<b>Balance as at 1 January 2021</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
Profit for the year	-	-	-	-	-	1,147,780,207	-	-	-	-	-	1,147,780,207
Other comprehensive income for the year	-	-	-	-	-	-	1,064,112,908	(3,425,444)	10,166,459	(2,730,051)	1,068,123,872	1,068,123,872
Total comprehensive income for the year	-	-	-	-	-	1,147,780,207	1,064,112,908	(3,425,444)	10,166,459	(2,730,051)	1,068,123,872	2,215,904,079
Dividend paid (Note 30)	-	-	-	-	-	(1,559,109,632)	-	-	-	-	-	(1,559,109,632)
Appropriated to statutory reserve (Note 21)	-	-	-	51,977,126	-	(51,977,126)	-	-	-	-	-	-
Appropriated to corporate social responsibility reserve (Note 22)	-	-	-	-	18,491,771	(18,491,771)	-	-	-	-	-	-
<b>Balance as at 31 December 2021</b>	<u>1,559,291,862</u>	<u>1,967,897,516</u>	<u>172,445,812</u>	<u>155,929,186</u>	<u>36,261,237</u>	<u>5,423,178,688</u>	<u>799,539,946</u>	<u>(4,177,362)</u>	<u>(7,355,614)</u>	<u>2,010,152</u>	<u>790,017,122</u>	<u>10,105,021,423</u>
<b>Balance as at 1 January 2022</b>	1,559,291,862	1,967,897,516	172,445,812	155,929,186	36,261,237	5,423,178,688	799,539,946	(4,177,362)	(7,355,614)	2,010,152	790,017,122	10,105,021,423
Profit for the year	-	-	-	-	-	3,407,104,784	-	-	-	-	-	3,407,104,784
Other comprehensive income for the year	-	-	-	-	-	30,724,008	172,604,205	2,892,281	7,355,614	(2,010,152)	180,841,948	211,565,956
Total comprehensive income for the year	-	-	-	-	-	3,437,828,792	172,604,205	2,892,281	7,355,614	(2,010,152)	180,841,948	3,618,670,740
Dividend paid (Note 30)	-	-	-	-	-	(3,507,538,702)	-	-	-	-	-	(3,507,538,702)
Appropriated to corporate social responsibility reserve (Note 22)	-	-	-	-	20,900,944	(20,900,944)	-	-	-	-	-	-
<b>Balance as at 31 December 2022</b>	<u>1,559,291,862</u>	<u>1,967,897,516</u>	<u>172,445,812</u>	<u>155,929,186</u>	<u>57,162,181</u>	<u>5,332,567,834</u>	<u>972,144,151</u>	<u>(1,285,081)</u>	<u>-</u>	<u>-</u>	<u>970,859,070</u>	<u>10,216,153,461</u>
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

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 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Profit before tax	4,866,141,367	4,476,614,737	3,407,104,784	1,147,780,207
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,325,783,590	1,214,915,813	9,282,646	9,391,878
Reversal of expected credit losses	(1,348,625)	(8,776,627)	(9,754,010)	-
Amortisation of deferred contract costs	19,490,323	17,780,093	-	-
Write-off equipment	21,547	26,378	21,546	16,975
Gains on sales of motor vehicle and equipment	(359,118)	(734,380)	(359,118)	(711,589)
Share of profit from investment in associate held by a subsidiary	(29,131,662)	(22,798,670)	-	-
Reversal of provision for maritime claims	(25,828,686)	(11,763,717)	-	-
Provision for long-term employee benefits	11,605,983	12,329,100	6,799,252	7,526,416
Unrealised exchange losses (gains)	19,772,200	(15,210,775)	13,283,465	(8,160,264)
Amortised financial fees to interest expenses	23,334,423	14,839,208	-	-
Finance cost	362,220,539	389,687,738	984,947	132,950,986
Amortisation of deferred debentures issuing cost	-	217,819	-	217,819
Dividend income	-	(509,281)	(3,187,145,190)	(1,246,583,113)
Losses on derivative	1,414,309	68,667,974	-	11,786,995
Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	(1,041,074)	-	-
Interest income	-	-	(440,078,624)	(180,668,778)
Write-off withholding tax deducted at source	3,133,175	1,680,297	3,019,915	1,680,297
Profit (loss) from operating activities before changes in operating assets and liabilities	6,576,249,365	6,135,924,633	(196,840,387)	(124,772,171)
Operating assets (increase) decrease				
Trade and other receivables	(101,263,570)	15,506,027	(781,361,688)	1,949,966,518
Bunker oil	(23,426,715)	18,830,573	-	-
Other current assets	(25,503,936)	(10,372,746)	4,813,472	(1,276,891)
Other non-current assets	(60,048)	-	-	-
Operating liabilities increase (decrease)				
Trade and other payables	214,079,889	70,978,907	2,469,320,539	578,456,760
Advances received from charterers	(40,155,707)	(563,441,815)	-	-
Other current liabilities	(2,729,860)	41,263,982	(2,061,373)	41,109,193
Non-current liabilities	19,455,150	194,207,543	11,268,176	136,143,568
Cash flows from operating activities	6,616,644,568	5,902,897,104	1,505,138,739	2,579,626,977
Cash paid for long-term employee benefits	(9,441,060)	(3,079,425)	(8,160,261)	(3,079,425)
Cash paid for corporate income tax and withholding tax deducted at source	(3,150,552)	(4,388,883)	(1,791,168)	(1,552,347)
<b>Net cash flows from operating activities</b>	<b>6,604,052,956</b>	<b>5,895,428,796</b>	<b>1,495,187,310</b>	<b>2,574,995,205</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 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
<b>Cash flows from investing activities</b>				
Acquisitions of condominium unit, vessels, equipment and payment of dry-dock and special survey expenses	(2,446,160,135)	(255,979,214)	(5,334,756)	(3,459,740)
Cash received from sales of motor vehicle and equipment	359,551	734,388	359,551	711,594
Acquisitions of computer software	(400,706)	-	(294,212)	-
Cash paid for investments in subsidiary in ordinary shares	-	-	(420,000,000)	-
Cash paid for investments in subsidiaries in preference shares	-	-	(46,379,601)	-
Decrease in long-term loans to subsidiary	-	-	2,285,751,120	1,361,157,084
Dividend received	30,282,716	19,890,961	-	1,246,583,113
<b>Net cash flows from (used in) investing activities</b>	<b>(2,415,918,574)</b>	<b>(235,353,865)</b>	<b>1,814,102,102</b>	<b>2,604,992,051</b>
<b>Cash flows from financing activities</b>				
Decrease (increase) in restricted bank deposits	22,711,824	(119,999,498)	-	-
Cash paid for interest expense	(371,819,680)	(415,463,566)	-	(155,943,491)
Cash paid for deferred financial fees	(6,539,484)	(74,172,066)	-	-
Cash paid for lease liabilities	(7,071,527)	(6,435,368)	(5,553,389)	(5,050,400)
Cash paid for derivative	(1,352,892)	(61,397,576)	-	-
Cash received from long-term loans	591,824,160	4,397,359,535	-	-
Repayment of long-term loans	(1,345,752,868)	(1,429,562,520)	-	-
Prepayment of long-term loans	(1,079,688,540)	(1,584,605,203)	-	-
Repayment of debentures - net	-	(3,569,217,818)	-	(3,569,217,818)
Dividend paid	(3,507,538,702)	(1,559,109,632)	(3,507,538,702)	(1,559,109,632)
<b>Net cash flows used in financing activities</b>	<b>(5,705,227,709)</b>	<b>(4,422,603,712)</b>	<b>(3,513,092,091)</b>	<b>(5,289,321,341)</b>
Increase (decrease) in translation adjustments	104,551,417	130,247,931	(17,668,150)	34,556,872
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,412,541,910)</b>	<b>1,367,719,150</b>	<b>(221,470,829)</b>	<b>(74,777,213)</b>
Cash and cash equivalents at beginning of year	2,468,209,354	1,100,490,204	537,947,101	612,724,314
<b>Cash and cash equivalents at end of year</b>	<b>1,055,667,444</b>	<b>2,468,209,354</b>	<b>316,476,272</b>	<b>537,947,101</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Dividend income from subsidiaries offset against payable to subsidiaries	-	-	3,187,145,190	-

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 2022**

#### **1. General 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.

#### **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 in accordance with the regulatory requirements in Thailand, which differs from the functional currency of the Company, which is US Dollar. Assets and liabilities are translated into the Thai Baht at the rate of exchange prevailing at the reporting period end date, 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	
			2022	2021
			%	%
<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 Lakes Limited	Shipowner	Thailand	99.99	99.99
7. Precious Oceans Limited	Shipowner	Thailand	99.99	99.99
8. Precious Planets Limited	Shipowner	Thailand	99.99	99.99
9. Precious Diamonds Limited**	Shipowner	Thailand	99.99	99.99
10. Precious Sapphires Limited	Shipowner	Thailand	99.99	99.99
11. Precious Emeralds Limited	Shipowner	Thailand	99.99	99.99
12. Precious Rubies Limited	Shipowner	Thailand	99.99	99.99
13. Precious Opals Limited	Shipowner	Thailand	99.99	99.99
14. Precious Garnets Limited**	Shipowner	Thailand	99.99	99.99
15. Precious Pearls Limited	Shipowner	Thailand	99.99	99.99
16. Precious Flowers Limited	Shipowner	Thailand	99.99	99.99
17. Precious Forests Limited	Shipowner	Thailand	99.99	99.99
18. Precious Trees Limited	Shipowner	Thailand	99.99	99.99
19. Precious Ponds Limited	Shipowner	Thailand	99.99	99.99
20. Precious Ventures Limited	Shipowner	Thailand	99.99	99.99
21. Precious Capitals Limited**	Shipowner	Thailand	99.99	99.99
22. Precious Jasmines Limited	Shipowner	Thailand	99.99	99.99
23. Precious Orchids Limited	Shipowner	Thailand	99.99	99.99
24. Precious Lagoons Limited	Shipowner	Thailand	99.99	99.99
25. Precious Resorts Limited**	Shipowner	Thailand	99.99	99.99
26. Precious Comets Limited	Shipowner	Thailand	99.99	99.99
27. Precious Ornaments Limited	Shipowner	Thailand	99.99	99.99
28. Precious Moons Limited**	Shipowner	Thailand	99.98	99.98
29. Precious Venus Limited	Shipowner	Thailand	99.99	99.99
30. Precious Neptune Limited	Shipowner	Thailand	99.99	99.99
31. Precious Shipping (Panama) S.A.	Shipowner/ Chartering	Panama	99.99	99.99
32. Precious Shipping (Singapore) Pte. Limited	Holding company/ Chartering	Singapore	100.00	100.00
33. Precious Shipping (UK) Limited	Chartering	England	100.00	100.00
34. Great Circle Shipping Agency Limited	Technical manager of ships	Thailand	99.99	99.99
35. Associated Bulk Carriers Pte. Limited	Holding company	Singapore	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2022	2021
			%	%
<u>Subsidiaries held by subsidiaries</u>				
36. Precious Forests Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
37. Precious Fragrance Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
38. Precious Thoughts Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
39. Precious Comforts Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
40. Precious Sparks Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
41. Precious Visions Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
42. Precious Bridges Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
43. Precious Tides Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
44. Precious Skies Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
45. Precious Grace Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
46. Precious Sonnets Pte. Ltd.***	Shipowner	Singapore	-	100.00
47. Precious Glories Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
48. Precious Wisdom Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
49. ABC One Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
50. ABC Two Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
51. ABC Three Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
52. ABC Four Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
<u>Associate held by a subsidiary</u>				
53. International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40

\* Shareholding percentage of only ordinary shares. The preference shares held by the Company are non-voting.

\*\* In the liquidation process.

\*\*\* Liquidation process completed in 2022.

- 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**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. 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 Group has adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9, *Financial Instruments*, and TFRS 7, *Disclosure of Financial Instruments*, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The adoption of these temporary exemptions does not have any significant impact on the Group's financial statements.

### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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. Significant accounting policies**

### **4.1 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.

### ***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.

## **4.2 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.

## **4.3 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.

## **4.4 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).

#### **4.5 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	25 years
Vessels equipment	5 year or depreciated over the residual useful lives of vessels
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.

#### **4.6 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.

#### **4.7 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 7 years.

#### **4.8 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.

#### **4.9 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.

#### **4.10 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.

##### **The Group as a lessee**

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, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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.

## **4.11 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 associates, 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.

#### **4.12 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.

#### **4.13 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 assets 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.

#### **4.14 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) Other long-term employee benefits

The Group's obligation in respect of accrued employee benefits is classified as long-term employee benefits other than retirement benefit plans, and is the amount of future benefit that employees have earned in return for their service in the current period.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in the income statement.

d) 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.

#### **4.15 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.

#### **4.16 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.

#### **4.17 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.

#### **4.18 Financial instruments**

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.

## **Recognition and derecognition of financial instruments**

Financial assets are recognised or derecognised on the settlement date, i.e., the date on which an asset is delivered to or by the Group. This includes regular way trades.

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 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. ECLs are calculated 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.

### **4.19 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 including interest income 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.

#### **4.20 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.

## **5. 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 addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **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.

### **Litigation in relation to the arrest of M.V. Chayanee Naree and her crew in Nigeria**

The Company has disclosed the contingent liabilities in respect of the arrest of M.V. Chayanee Naree and her 22 Thai crew members in Nigeria for alleged drug smuggling in Note 31 to the financial statements. Based on the opinion of the Group's legal counsel and its legal counsel, the Company's management believes that it is premature at this stage to reliably estimate the amount of liability (if any) and therefore, no provisions have been made in respect of this case.

## 6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash	768	895	756	884
Bank deposits	1,054,899	2,467,314	315,720	537,063
Total	1,055,667	2,468,209	316,476	537,947

As at 31 December 2022, bank deposits carried interest between 0.04% and 2.75% per annum for USD savings and current deposits and between 0.15% and 0.40% per annum for Baht savings deposits (2021: between 0.01% and 0.30% per annum for USD savings deposits and between 0.05% and 0.13% per annum for Baht savings deposits).

## 7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	279,149	162,729	-	-
3 - 6 months	-	12,533	-	-
6 - 12 months	-	67	-	-
Over 12 months	52	437	-	-
Total	279,201	175,766	-	-
Less: Allowance for expected credit losses	(52)	(437)	-	-
Total trade receivables - unrelated parties, net	279,149	175,329	-	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 8)	-	-	2,900,018	2,061,657
Total other receivables	-	-	2,900,018	2,061,657
Total trade and other receivables - net	279,149	175,329	2,900,018	2,061,657

## 8. Related party transactions

In addition to relationship among the Group as stated in Notes 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 relationships 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
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
MJets Limited	Air transportation service	Related by way of common shareholders and directors
Eka Software Solutions Pte Ltd., Singapore	Software expenses	Related by way of common shareholders and directors
Christiani & Nielsen Energy Solutions Company Limited	Purchase of solar panels for ships	Related by way of common shareholders and directors
Mega Lifesciences Nigeria Limited	Service fee	Related by way of common shareholders and directors
RZHA GmbH	Consultancy services for ship chartering	Related by way of Company Directors' close family member as the related party's shareholder
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		
	2022	2021	2022	2021	
<b>Transactions with subsidiaries</b>					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	109,471	90,899	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Dividend received	-	-	3,187,145	1,246,074	As declared
Interest income	-	-	440,079	180,669	At interest rate of 5.00% per annum
Condominium rental expenses	-	-	7,775	7,359	Market price
<b>Transaction with associate</b>					
Dividend received	30,283	19,382	-	-	As declared
<b>Transactions with related companies</b>					
Rental and service expenses	23,285	32,498	10,009	10,209	Market price
<b>Transaction with related person</b>					
Acquisition of a condominium unit	7,500	-	-	-	At agreed price

The balances of the accounts as at 31 December 2022 and 2021 between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Other receivables - related parties (Note 7)</b>				
Subsidiaries	-	-	2,900,018	2,061,657
Total other receivables - related parties	-	-	2,900,018	2,061,657
<b>Trade and other payables - related parties</b>				
Subsidiaries	-	-	1,938,799	2,537,688
Related companies	12	394	12	319
Total trade and other payables - related parties	12	394	1,938,811	2,538,007
<b>Lease liabilities - related parties</b>				
Related company	3,843	5,432	3,843	5,432
Total lease liabilities - related parties	3,843	5,432	3,843	5,432

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 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	99,275	107,450	98,487	105,707
Post-employment benefits	1,594	1,910	1,311	1,642
Other long-term benefits	45,033	63,617	42,607	60,457
Total	<u>145,902</u>	<u>172,977</u>	<u>142,405</u>	<u>167,806</u>

#### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries in relation to the loans from banks.

#### **9. Restricted bank deposits**

Balance as at 31 December 2022 represented the Subsidiaries' deposits of USD 2.90 million (2021: USD 3.59 million), in accordance with the terms of a facility agreement signed in 2021 and referred to in Note 17 to the financial statements.

#### **10. Long-term loans to a subsidiary**

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 of 31 December 2022, the outstanding on this long-term loan to PSSP was USD 23 million (2021: USD 77 million).



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

(Unit: Thousand Baht)

	Separate financial statements	
	2022	2021
Balance at beginning of the year	2,571,252	3,378,394
Interest income for the year	440,079	180,669
Decrease	(2,285,751)	(1,361,157)
Reversal of expected credit losses	12,834	-
Translation adjustment	52,190	373,346
Balance at end of the year	<u>790,604</u>	<u>2,571,252</u>

During 2022, the Company reversed the write-down of an allowance for expected credit losses of long-term loans to subsidiary in the amount of Baht 12.83 million (2021: nil). This was mainly because of a revision in the loan repayment schedule, resulting in an adjustment to the future repayment plan. Furthermore, interest income for the year also included a portion from repayment of loans ahead of the plan amounting to Baht 288.81 million (2021: nil).

## 11. Investments in subsidiaries

These represent investments in ordinary shares and preference shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	2022	2021	2022	2021	2022	2021
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	366,212	354,106
Precious Wishes Limited	230,000	230,000	99.99	99.99	311,739	301,434
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	291,203	281,577
Precious Minerals Limited	230,000	230,000	99.99	99.99	264,799	256,046
Precious Lands Limited	306,000	306,000	99.99	99.99	335,124	324,046
Precious Lakes Limited	184,000	184,000	99.99	99.99	193,286	186,897
Precious Oceans Limited	175,000	175,000	99.99	99.99	237,193	229,352
Precious Planets Limited	270,000	270,000	99.99	99.99	321,620	310,988
Precious Diamonds Limited	205,000	205,000	99.99	99.99	201,357	194,701
Precious Sapphires Limited	144,000	144,000	99.99	99.99	136,611	132,095
Precious Emeralds Limited	366,000	366,000	99.99	99.99	327,573	316,745
Precious Rubies Limited	259,360	259,360	99.99	99.99	273,503	264,462
Precious Opals Limited	249,360	249,360	99.99	99.99	264,731	255,980
Precious Garnets Limited	379,000	379,000	99.99	99.99	337,871	326,702
Precious Pearls Limited	173,000	173,000	99.99	99.99	192,977	186,598
Precious Flowers Limited	336,000	336,000	99.99	99.99	372,075	359,776

(Unit: Thousand Baht)

Separate financial statements						
Subsidiaries' name	Paid-up capital		Shareholding percentage		Cost	
	2022	2021	2022	2021	2022	2021
			%	%		
Precious Forests Limited	286,000	286,000	99.99	99.99	289,267	279,705
Precious Trees Limited	202,000	202,000	99.99	99.99	225,815	218,351
Precious Ponds Limited	124,000	124,000	99.99	99.99	135,825	131,335
Precious Ventures Limited	202,000	202,000	99.99	99.99	244,942	236,845
Precious Capitals Limited	200,000	200,000	99.99	99.99	271,077	262,116
Precious Jasmines Limited	567,000	147,000	99.99	99.99	595,246	178,080
Precious Orchids Limited	217,000	217,000	99.99	99.99	208,116	201,237
Precious Lagoons Limited	140,000	140,000	99.99	99.99	189,754	183,481
Precious Resorts Limited	140,000	140,000	99.99	99.99	189,754	183,481
Precious Comets Limited	141,000	141,000	99.99	99.99	144,267	139,498
Precious Ornaments Limited	156,000	156,000	99.99	99.99	158,334	153,100
Precious Moons Limited	1,000	1,000	99.98	99.98	1,056	1,021
Precious Venus Limited	298,800	298,800	99.99	99.99	293,069	283,382
Precious Neptune Limited	298,800	298,800	99.99	99.99	293,069	283,382
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	346	334
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	1,943,182	1,878,948
Precious Shipping (UK) Limited	250	250	100.00	100.00	346	334
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	374,801	362,411
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
<u>Indirectly owned Singapore incorporated subsidiaries</u>						
Precious Forests Pte. Ltd.	2,514*	-	67.00	-	2,484	-
Precious Fragrance Pte. Ltd.	2,514*	-	67.00	-	2,485	-
Precious Thoughts Pte. Ltd.	2,514*	-	67.00	-	2,485	-
Precious Comforts Pte. Ltd.	2,542*	-	67.00	-	2,449	-
Precious Sparks Pte. Ltd.	2,514*	-	67.00	-	2,484	-
Precious Visions Pte. Ltd.	2,514*	-	36.00	-	2,485	-
Precious Bridges Pte. Ltd.	2,514*	-	67.00	-	2,485	-
Precious Tides Pte. Ltd.	2,431*	-	67.00	-	2,485	-
Precious Skies Pte. Ltd.	2,431*	-	67.00	-	2,485	-
Precious Grace Pte. Ltd.	2,431*	-	67.00	-	2,485	-
Precious Glories Pte. Ltd.	2,514*	-	67.00	-	2,484	-
Precious Wisdom Pte. Ltd.	2,514*	-	67.00	-	2,484	-
ABC One Pte. Ltd.	3,588*	-	67.00	-	3,456	-
ABC Two Pte. Ltd.	3,588*	-	67.00	-	3,456	-
ABC Three Pte. Ltd.	3,588*	-	67.00	-	3,456	-
ABC Four Pte. Ltd.	3,588*	-	67.00	-	3,456	-
Total investments in subsidiaries					10,029,744	9,258,546
Less: Allowance for loss on investments in subsidiaries					(1,497,151)	(1,447,660)
Total investments in subsidiaries - net					<u>8,532,593</u>	<u>7,810,886</u>

\* Paid-up non-voting and non-cumulative preference shares

During 2022, the Company received dividends in the amount of Baht 3,187.15 million from subsidiaries and recognised as dividend income in the separate income statement (2021: Baht 1,246.58 million).

As of 31 December 2022, the Company has pledged the shares of 23 subsidiaries amounting to Baht 2,607.12 million (net of allowance for loss on investments) (2021: 18 subsidiaries amounting to Baht 4,345.33 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 17 to the financial statements.

In addition, as of 31 December 2022, the subsidiaries in Singapore, Precious Shipping (Singapore) Pte. Limited has pledged the shares of 9 subsidiaries amounting to Baht 12.11 million (2021: 11 subsidiaries amounting to Baht 14.18 million), stated under the cost method, and Associated Bulk Carriers Pte. Limited has pledged the shares of 4 subsidiaries amounting to Baht 6.91 million (2021: 4 subsidiaries amounting to Baht 6.68 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 17 to the financial statements.

The changes in cost of investments in subsidiaries is from the exchange differences on translation of functional currency to presentation currency financial statements and capital increase of subsidiary as follows.

On 17 June 2022, the Extraordinary General Meeting of Shareholders of Precious Jasmines Limited (“the Subsidiary”) passed a resolution to increase the registered share capital from Baht 147.0 million (1.47 million ordinary shares with a par value of Baht 100 each) to Baht 567.0 million (5.67 million ordinary shares with a par value of Baht 100 each), by issuing 4.2 million additional ordinary shares with a par value of Baht 100 each, totaling Baht 420.0 million. The Company has implemented the abovementioned increase in share capital for its investment in this subsidiary and registered the increase of its share capital with the Ministry of Commerce in June 2022.

On 2 September 2022, the 6 subsidiaries have registered its dissolution with the Ministry of Commerce. Currently, the subsidiaries are in the process of liquidation.

As of 31 December 2022 and 2021, the amounts under allowance for loss on investments in subsidiaries in the separate financial statements are derived from subsidiaries that 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	
			2022	2021	2022	2021	2022	2021
			%	%				
International Seaports (Haldia)								
Private Limited	Port development	India	22.40	22.40	70,426	68,098	80,645	91,238

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		Dividend received		
	2022	2021	2022	2021	
International Seaports (Haldia) Private Limited	29,132	22,799	30,283	19,382	

Share of profit from investment in associate held by a subsidiary for the years ended 31 December 2022 and 2021, included in the consolidated income statements, was calculated based on the financial information of that associate as at 30 September 2022 and 2021, 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 for the years ended		Profit for the years ended	
	30 September		30 September		30 September		30 September		30 September	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Thousand INR    Thousand INR										
International Seaports										
(Haldia) Private Limited	440,580	440,580	398,810	451,900	38,789	44,588	573,029	457,946	130,052	101,780

## 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 total issued and paid-up 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 2022	277,172	28,697,323	571,056	29,268,379	66,233	14,637	16,256	29,642,677
Acquisitions	9,926	2,020,820	408,347	2,429,167	5,528	1,539	-	2,446,160
Disposals/write-off	-	-	(204,269)	(204,269)	(355)	(1,537)	-	(206,161)
Translation adjustment	9,783	908,649	13,270	921,919	2,031	501	555	934,789
31 December 2022	296,881	31,626,792	788,404	32,415,196	73,437	15,140	16,811	32,817,465
<b>Accumulated depreciation</b>								
1 January 2022	231,000	8,788,308	259,645	9,047,953	49,472	13,658	15,613	9,357,696
Depreciation for the year	2,709	1,093,795	215,488	1,309,283	5,172	818	197	1,318,179
Depreciation on disposals/write-off	-	-	(204,269)	(204,269)	(333)	(1,537)	-	(206,139)
Translation adjustment	7,842	278,860	10,178	289,038	1,595	577	531	299,583
31 December 2022	241,551	10,160,963	281,042	10,442,005	55,906	13,516	16,341	10,769,319
<b>Net book value</b>								
1 January 2022	46,172	19,909,015	311,411	20,220,426	16,761	979	643	20,284,981
31 December 2022	55,330	21,465,829	507,362	21,973,191	17,531	1,624	470	22,048,146
<b>Depreciation for the year</b>								
2022								1,318,179

(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 2021	246,422	25,743,274	623,486	26,366,760	59,852	14,451	14,806	26,702,291
Acquisitions	2,853	54,634	192,936	247,570	5,556	-	-	255,979
Disposals/write-off	-	-	(313,692)	(313,692)	(6,031)	(1,313)	(205)	(321,241)
Translation adjustment	27,897	2,899,415	68,326	2,967,741	6,856	1,499	1,655	3,005,648
31 December 2021	277,172	28,697,323	571,056	29,268,379	66,233	14,637	16,256	29,642,677
<b>Accumulated depreciation</b>								
1 January 2021	205,811	6,997,892	302,194	7,300,086	46,385	11,494	13,956	7,577,732
Depreciation for the year	1,934	963,440	236,224	1,199,664	3,897	2,219	288	1,208,002
Depreciation on disposals/write-off	-	-	(313,692)	(313,692)	(6,005)	(1,313)	(205)	(321,215)
Translation adjustment	23,255	826,976	34,919	861,895	5,195	1,258	1,574	893,177
31 December 2021	231,000	8,788,308	259,645	9,047,953	49,472	13,658	15,613	9,357,696
<b>Net book value</b>								
1 January 2021	40,611	18,745,382	321,292	19,066,674	13,467	2,957	850	19,124,559
31 December 2021	46,172	19,909,015	311,411	20,220,426	16,761	979	643	20,284,981
<b>Depreciation for the year</b>								
2021								1,208,002

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
<b>Cost</b>				
1 January 2022	24,749	14,637	11,141	50,527
Acquisitions	3,796	1,539	-	5,335
Disposals/write-off	(348)	(1,537)	-	(1,885)
Translation adjustment	664	501	381	1,546
31 December 2022	28,861	15,140	11,522	55,523
<b>Accumulated depreciation</b>				
1 January 2022	17,935	13,658	10,812	42,405
Depreciation for the year	2,205	818	111	3,134
Depreciation on disposals/write-off	(326)	(1,537)	-	(1,863)
Translation adjustment	577	577	368	1,522
31 December 2022	20,391	13,516	11,291	45,198
<b>Net book value</b>				
1 January 2022	6,814	979	329	8,122
31 December 2022	8,470	1,624	231	10,325
<b>Depreciation for the year</b>				
2022				3,134

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
<b>Cost</b>				
1 January 2021	23,189	14,451	10,209	47,849
Acquisitions	3,460	-	-	3,460
Disposals/write-off	(4,586)	(1,313)	(205)	(6,104)
Translation adjustment	2,686	1,499	1,137	5,322
31 December 2021	24,749	14,637	11,141	50,527
<b>Accumulated depreciation</b>				
1 January 2021	18,925	11,494	9,819	40,238
Depreciation for the year	1,478	2,219	101	3,798
Depreciation on disposals/write-off	(4,568)	(1,313)	(205)	(6,086)
Translation adjustment	2,100	1,258	1,097	4,455
31 December 2021	17,935	13,658	10,812	42,405
<b>Net book value</b>				
1 January 2021	4,264	2,957	390	7,611
31 December 2021	6,814	979	329	8,122
<b>Depreciation for the year</b>				
2021				3,798

On 30 May 2022, Precious Stones Shipping Limited and Precious Jasmines Limited (“the subsidiaries”) signed a Memorandum of Agreement (MOA) to acquire two secondhand vessels for an aggregate price of USD 51.0 million, which have been named “Phatra Naree” and “Pavida Naree”, respectively. The subsidiaries took delivery of the vessels on 13 June 2022 and 25 July 2022, respectively and the vessels were registered in Thailand.

As at 31 December 2022, 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 304.94 million (2021: Baht 286.59 million) in the consolidated financial statements and Baht 39.00 million (2021: Baht 30.09 million) in the separate financial statements.

As at 31 December 2022, the subsidiaries have mortgaged 25 vessels (2021: 33 vessels) with net book value of Baht 15,202.12 million (2021: Baht 19,265.67 million) with banks to secure long-term loans as referred to in Note 17 to the financial statements.



## 15. Intangible assets

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Cost</b>				
Cost at beginning of year	64,865	58,300	64,418	57,898
Acquisitions	401	-	294	-
Translation adjustment	2,195	6,565	2,186	6,520
Cost at end of year	67,461	64,865	66,898	64,418
<b>Accumulated amortisation</b>				
Accumulated amortisation at				
beginning of year	58,494	51,394	58,328	51,313
Amortisation for the year	1,410	1,261	1,320	1,189
Translation adjustment	1,973	5,839	1,969	5,826
Accumulated amortisation at end of year	61,877	58,494	61,617	58,328
<b>Net book value as at 31 December</b>	<b>5,584</b>	<b>6,371</b>	<b>5,281</b>	<b>6,090</b>
<b>Amortisation for the year</b>	<b>1,410</b>	<b>1,261</b>	<b>1,320</b>	<b>1,189</b>

## 16. Deferred contract costs

Movements of the deferred contract costs account during the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Balance at beginning of year	143,371	145,482
Amortisation for the year	(19,490)	(17,780)
Translation adjustment	5,263	15,669
Balance at end of year	129,144	143,371

## 17. Long-term loan facilities

As of 31 December 2022 and 2021, long-term loan accounts are presented below.

(Unit: Thousand Baht)

Consolidated financial statements												
As at 31 December 2022												
	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	1,288,084	-	-	437,748	-	750,004	148,964	139,632	1,088,878	2,355,611	541,766	6,750,687
Add (less): Deferred financial fees	22,330	-	-	(2,425)	-	(1,506)	(2,120)	(421)	(12,100)	(39,856)	(5,516)	(41,614)
Total	1,310,414	-	-	435,323	-	748,498	146,844	139,211	1,076,778	2,315,755	536,250	6,709,073
Less: Current portion	(200,090)	-	-	(40,495)	-	(96,580)	(28,790)	(139,211)	(187,149)	(371,969)	(97,500)	(1,161,784)
Long-term loans - net of current portion	1,110,324	-	-	394,828	-	651,918	118,054	-	889,629	1,943,786	438,750	5,547,289

(Unit: Thousand Baht)

Consolidated financial statements												
As at 31 December 2021												
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Total	
Long-term loans	1,435,670	554,394	305,479	462,653	303,047	818,788	172,279	270,033	1,235,899	2,715,994	8,274,236	
Add (less): Deferred financial fees	33,902	(9,792)	(2,918)	(2,840)	(1,685)	(1,927)	(3,069)	(1,450)	(16,756)	(49,839)	(56,374)	
Total	1,469,572	544,602	302,561	459,813	301,362	816,861	169,210	268,583	1,219,143	2,666,155	8,217,862	
Less: Current portion	(194,699)	(141,758)	(40,342)	(39,133)	(301,362)	(93,356)	(27,736)	(134,292)	(180,512)	(255,413)	(1,408,603)	
Long-term loans - net of current portion	1,274,873	402,844	262,219	420,680	-	723,505	141,474	134,291	1,038,631	2,410,742	6,809,259	

Movements of the long-term loans accounts during the years ended 31 December 2022 and 2021 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	Total
Balance as at 1 January 2022	1,469,572	544,602	302,561	459,813	301,362	816,861	169,210	268,583	1,219,143	2,666,155	-	8,217,862
Add: Drawdown	-	-	-	-	-	-	-	-	-	-	591,824	591,824
Amortisation of financial fees	(12,957)	10,081	3,011	521	1,722	495	1,072	1,092	5,321	11,905	1,071	23,334
Less: Deferred financial fees	-	-	-	-	-	-	-	-	-	-	(6,539)	(6,539)
Repayment	(200,315)	(53,508)	(10,101)	(41,476)	(250,884)	(98,570)	(29,747)	(142,223)	(192,784)	(274,095)	(52,050)	(1,345,753)
Prepayment	-	(518,754)	(305,808)	-	(63,403)	-	-	-	-	(191,723)	-	(1,079,688)
Exchange losses	-	-	-	-	2,441	-	-	-	-	-	-	2,441
Translation adjustment	54,114	17,579	10,337	16,465	8,762	29,712	6,309	11,759	45,098	103,513	1,944	305,592
Balance as at 31 December 2022	1,310,414	-	-	435,323	-	748,498	146,844	139,211	1,076,778	2,315,755	536,250	6,709,073

(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	Other facility	Total
Balance as at 1 January 2021	1,504,098	583,680	281,256	448,187	650,523	817,818	176,416	-	-	-	1,768,369*	6,230,347
Add: Drawdown	-	-	-	-	-	-	-	318,187	1,268,231	2,810,942	-	4,397,360
Amortisation of financial fees	(13,207)	6,462	990	505	5,796	496	1,119	900	2,625	3,468	5,685	14,839
Less: Deferred financial fees	-	-	-	-	-	-	-	(2,227)	(19,192)	(52,753)	-	(74,172)
Repayment	(182,744)	(108,067)	(11,391)	(37,838)	(391,445)	(89,924)	(27,137)	(67,165)	(45,768)	(89,509)	(378,575)	(1,429,563)
Prepayment	-	-	-	-	-	-	-	-	-	(35,227)	(1,549,378)	(1,584,605)
Unrealised exchange gain	-	-	-	-	(19,794)	-	-	-	-	-	-	(19,794)
Translation adjustment	161,425	62,527	31,706	48,959	56,282	88,471	18,812	18,888	13,247	29,234	153,899	683,450
Balance as at 31 December 2021	1,469,572	544,602	302,561	459,813	301,362	816,861	169,210	268,583	1,219,143	2,666,155	-	8,217,862

\* On 25 May 2021, 7 September 2021 and 8 September 2021, the Company prepaid all outstanding loans.

The Group's bank loan facilities are summarised below:

Facility	Bank	Borrower	Interest rate per loan/amendment agreement
Facility 1	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 2	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 3	BNP Paribas	The Company and indirect subsidiary in Singapore	LIBOR + margin
Facility 4	Export-Import Bank of Thailand	The Company and local subsidiary	LIBOR + margin
Facility 5	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 6	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 7	SinoPac Capital International (HK) Limited	Indirect subsidiary in Singapore	LIBOR + margin
Facility 8	Export-Import Bank of Thailand	The Company and local subsidiary and indirect subsidiary in Singapore	LIBOR + margin
Facility 9	Crédit Agricole Corporate and Investment Bank	Indirect subsidiaries in Singapore	LIBOR + margin
Facility 10	International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited	Indirect subsidiaries in Singapore	LIBOR + margin
Facility 11	Bangkok Bank PLC. (Singapore Branch)	Indirect subsidiary in Singapore	SOFR + margin

As at 31 December 2022 and 2021, the Group did not have an undrawn loan balance.

The details of each loan facility are summarised as follows:

### Facility 1

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.

## Facility 2

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.

Facility / Description	Post-delivery facility
<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 10,600,000 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.

### **Facility 3**

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.

<b>Facility / Description</b>	<b>Post-delivery facility</b>
<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>	<ul style="list-style-type: none"> <li>a) 1st priority mortgage on the vessel</li> <li>b) Pledge of shares of the Subsidiary Borrower</li> <li>c) 1st priority charge over the Earnings Account and Retention Account of the Subsidiary Borrower</li> <li>d) 1st priority assignment of all insurance and requisition compensation of the vessel</li> <li>e) 1st priority assignment of any charterparties (for a period of 36 months or more)</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 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 5 April 2022, the Group prepaid the loan outstanding under the BNP Paribas facility in full.

#### **Facility 4**

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 5**

The Company and local subsidiaries entered into the Loan Agreement dated 18 January 2007 to 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 the 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 the terms and conditions with one of the three local commercial banks and the loan was used for the 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 total debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of 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 the loan outstanding under the Thanachart Bank PLC facility.

On 30 September 2022, the Group fully repaid loan Facility 5 from Krung Thai Bank Plc, Bank of Ayudhya Plc and TMBThanachart Bank Plc.

## Facility 6

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 7

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>	a) 1st priority mortgage on the vessel 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 c) Guarantee from the Company

### Facility 8

On 30 April 2021, 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 refinancing the loan provided by EXIM under the loan agreement dated 28 May 2020. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The final maturity, repayment and security 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>	USD 10,100,000
<b>Final maturity</b>	Not exceeding 2.5 years
<b>Repayment</b>	The loan shall be repaid in 10 quarterly installments of USD 1,010,000, beginning from the end of the next quarter after drawdown date with balance amount repayable at the end of the 10 <sup>th</sup> quarter.
<b>Security</b>	a) 1 <sup>st</sup> priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower c) 1 <sup>st</sup> priority assignment of any charterparties with a period exceeding 12 months.

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 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.

### Facility 9

On 21 June 2021, the Company's 6 indirect subsidiaries incorporated in Singapore have executed a USD 38.35 million Senior Secured Amortizing Term Loan Agreement ("Agreement") with Crédit Agricole Corporate and Investment Bank ("CACIB"). The proceeds were used to reimburse Precious Shipping (Singapore) Pte. Ltd. ("PSSP") for the intra-group loans owed by the Subsidiaries. The Company and PSSP, the Company's Singapore subsidiary, are the Guarantors under the Agreement. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

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

Facility	Description																					
<b>Loan facility</b>	Up to USD 38,350,000																					
<b>Drawdown</b>	The lower of USD 38,350,000 or 65% of the market value of each vessel																					
<b>Final maturity</b>	5 years after the drawdown																					
<b>Repayment</b>	<p>The loan under each Tranche shall be repaid over 5 years, in 20 equal quarterly installments beginning three calendar months after the drawdown date together with a balloon (except Tranche F) payable on final maturity of the loan.</p> <table border="1"> <thead> <tr> <th>Tranche</th> <th>Quarterly Installment Amount (USD)</th> <th>Balloon Payment Amount (USD)</th> </tr> </thead> <tbody> <tr> <td><b>A</b></td> <td>230,208</td> <td>3,683,340</td> </tr> <tr> <td><b>B</b></td> <td>223,438</td> <td>4,468,740</td> </tr> <tr> <td><b>C</b></td> <td>257,292</td> <td>1,029,160</td> </tr> <tr> <td><b>D</b></td> <td>257,292</td> <td>1,029,160</td> </tr> <tr> <td><b>E</b></td> <td>189,583</td> <td>758,340</td> </tr> <tr> <td><b>F</b></td> <td>211,250</td> <td>Nil</td> </tr> </tbody> </table>	Tranche	Quarterly Installment Amount (USD)	Balloon Payment Amount (USD)	<b>A</b>	230,208	3,683,340	<b>B</b>	223,438	4,468,740	<b>C</b>	257,292	1,029,160	<b>D</b>	257,292	1,029,160	<b>E</b>	189,583	758,340	<b>F</b>	211,250	Nil
Tranche	Quarterly Installment Amount (USD)	Balloon Payment Amount (USD)																				
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<b>E</b>	189,583	758,340																				
<b>F</b>	211,250	Nil																				

Facility	Description
<b>Security</b>	<ul style="list-style-type: none"> <li>a) Guarantee from the Guarantors</li> <li>b) 1<sup>st</sup> priority mortgage on the 6 Vessels</li> <li>c) Pledge of shares in the 6 Subsidiaries</li> <li>d) 1<sup>st</sup> priority assignment of insurances and requisition compensation, earnings, any charterparties (for a period of 12 months or more) and any charter guarantee in relation to the Vessels</li> <li>e) 1<sup>st</sup> priority charge over the Borrowers' Earnings Accounts and Retention Accounts</li> <li>f) 1<sup>st</sup> priority charge over the Borrowers' rights under the hedging agreement</li> </ul>

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 the maximum funded debt to total shareholders' equity ratio of 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 8 July 2021, the Subsidiaries completed drawdown of USD 38.35 million and entered into Interest Rate Swap Transactions, to swap the interest of the loan facility of USD 38.35 million, from a floating interest rate (LIBOR) to a fixed interest rate.

#### **Facility 10**

On 29 June 2021, the Company's 5 indirect subsidiaries incorporated in Singapore as the Borrowers signed a USD 85.00 million Senior Secured Sustainability-Linked Amortizing Term Loan Facility ("Loan Facility") with International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited, to refinance 4 Cement Carriers, 1 Supramax Dry Bulk Vessel and to redeem the remaining outstanding principal of the Company's PSL211A Debentures. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

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

<b>Facility</b>	<b>Description</b>
<b>Loan facility</b>	Up to USD 85,000,000
<b>Drawdown</b>	Totally USD 85,000,000
<b>Final maturity</b>	30 June 2029
<b>Repayment</b>	The Loan, shall be repaid over a maximum tenor of 8 years, in 32 quarterly installments as the amounts stipulated in the agreement beginning on 30 December 2021 together with a balloon payment payable on final maturity of the Loan.
<b>Guarantors</b>	<ul style="list-style-type: none"> <li>a) Precious Shipping Public Company Limited (the “Company”)</li> <li>b) Precious Shipping (Singapore) Pte. Ltd., Singapore subsidiary of the Company</li> <li>c) Associated Bulk Carriers Pte. Ltd., Singapore subsidiary of the Company</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>a) Guarantee from the Guarantors;</li> <li>b) 1st priority mortgage on the 5 Vessels;</li> <li>c) Pledge of shares in the 5 Subsidiaries;</li> <li>d) 1st priority assignment of the long-term charter contracts in relation to the 5 Vessels;</li> <li>e) 1st priority general assignment of insurances, requisition compensation and earnings in relation to the 5 Vessels;</li> <li>f) 1st priority charge over the earnings and retention accounts of the Borrowers.</li> </ul>

The loan agreement contains covenants that, among other things, require the Borrowers to maintain Debt Service Coverage Ratio on their year end consolidated USD financial statement at least 1.1:1.

On 15 September 2021, the Subsidiaries completed drawdown of USD 85.00 million.

On 23 December 2021, 5 Subsidiaries entered into Interest Rate Swap Transactions from floating interest rate (LIBOR) to fixed interest rate on 4 facilities for a total of USD 67.65 million for interest payable during the period 28 December 2021 to 30 June 2029 and one facility of USD 7.84 million for interest payable during the period 28 December 2021 to 30 June 2027.

## Facility 11

On 20 June 2022, Precious Grace Pte. Ltd., one of the Company's Singapore incorporated subsidiaries as Borrower and the Company as Guarantor executed a USD 17.10 million Senior Secured Amortizing Term Loan Agreement ("Agreement") with Bangkok Bank Public Company Limited, Singapore Branch, mainly to reimburse or refinance any shareholder's loan which was used to support the Borrower's operations and to provide intercompany loans for the Guarantor's vessel acquisitions. The loan carries interest at USD SOFR 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 17,100,000
<b>Drawdown</b>	The lower of USD 17,100,000 or 60% of the market value of the vessel
<b>Final maturity</b>	6 years after the drawdown
<b>Repayment</b>	The Loan shall be repaid in 24 quarterly installments of USD 712,500 beginning from three calendar months after the drawdown date.
<b>Security</b>	a) 1st priority mortgage on the Borrower's vessel b) Pledge of shares of the Borrower c) 1st priority charge over the Earnings Account and Retention Account of the Borrower d) 1st priority assignment of all insurance and requisition compensation, earnings and any charterparties (for a period of 12 months or more) of the Borrower's vessel e) Guarantee from the Guarantor

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 net debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 225,000,000.

In addition, the loan agreement requires the Borrower to maintain certain financial ratios on its USD financial statements which include:

- a) maintenance of a minimum free cash balance of USD 100,000 per vessel;
- b) maintenance of debt service coverage ratio of at least 1.2:1.

As at 31 December 2022, the Subsidiaries deposited USD 2.90 million (2021: USD 3.59 million) in the debt service reserve account (DSRA) in accordance with the terms of the loan facility. The required minimum balance for the DSRA is reviewed by the lenders once a year.



## 18. 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 years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2021	24,159	20,368
Depreciation for the year	(5,652)	(4,405)
Translation adjustment	2,491	2,115
As at 31 December 2021	20,998	18,078
Depreciation for the year	(6,195)	(4,829)
Translation adjustment	830	707
As at 31 December 2022	<u>15,633</u>	<u>13,956</u>

### b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Lease payments	16,508	22,544	14,887	19,626
Less: Deferred interest expenses	(1,738)	(2,748)	(1,674)	(2,556)
Total	14,770	19,796	13,213	17,070
Less: Portion due within one year	(5,705)	(5,419)	(4,459)	(4,207)
Lease liabilities - net of current portion	<u>9,065</u>	<u>14,377</u>	<u>8,754</u>	<u>12,863</u>

Movements of the lease liability account for the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of year	19,796	24,865	17,070	21,001
Accretion of interest	(1,738)	(2,748)	(1,674)	(2,556)
Repayments	(7,072)	(6,435)	(5,553)	(5,050)
Translation adjustment	3,784	4,114	3,370	3,675
Balance at end of year	<u>14,770</u>	<u>19,796</u>	<u>13,213</u>	<u>17,070</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	6,195	5,652	4,829	4,405
Interest expense on lease liabilities	1,121	1,303	985	1,115

**19. Provision for maritime claims**

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Balance at beginning of year	39,225	67,069
Increase during the year	38,279	49,877
Decrease (including actual claims) during the year	(22,976)	(85,627)
Translation adjustment	906	7,906
Balance at end of year	55,434	39,225

**20. 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	
	2022	2021	2022	2021
<b>Provision for long-term employee benefits at beginning of year</b>	175,293	166,064	129,467	124,997
Included in income statement:				
Current service cost	9,746	10,350	5,620	6,172
Interest cost	1,860	1,979	1,179	1,355
Included in other comprehensive income:				
Actuarial gain arising from				
Financial assumptions changes	(37,595)	-	(24,665)	-
Experience adjustments	(9,800)	-	(6,059)	-
Benefits paid during the year	(9,441)	(3,080)	(8,160)	(3,080)
Translation adjustment	49	(20)	39	23
<b>Provision for long-term employee benefits at end of year</b>	130,112	175,293	97,421	129,467

The Group expects to pay Baht 27.89 million of long-term employee benefits during the next year (The Company only: Baht 26.83 million) (2021: Baht 21.26 million, The Company only: Baht 18.42 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 5 years (The Company only: 5 years) (2021: 7 years, The Company only: 7 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Discount rate	2.80	1.50	2.80	1.50
Salary increase rate	3.50	6.50	3.50	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 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 December 2022			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	1.0%	1.0%	1.0%	1.0%
Discount rate	(5,938)	6,611	(3,850)	4,281
Salary increase rate	7,293	(6,655)	4,659	(4,260)

	(Unit: Thousand Baht)			
	As at 31 December 2021			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	1.0%	1.0%	1.0%	1.0%
Discount rate	(9,353)	10,733	(5,159)	5,890
Salary increase rate	11,097	(9,975)	6,450	(5,744)

## 21. 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. During the year 2022, the Company did not set any statutory reserve (2021: Baht 52 million) since the statutory reserve has fully been set aside.

According to Section 1202 of the Thai Civil and Commercial Code, the subsidiaries (incorporated under Thai Laws) are 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. During 2022, the subsidiaries set the statutory reserve amounting to Baht 151 million (2021: nil).

## 22. 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 2022, the Company set aside Baht 24.25 million (2021: Baht 22.37 million) to a reserve for CSR activities and reversed Baht 3.35 million (2021: Baht 3.88 million) from the reserve when the Company made related payments against the reserve.

## 23. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest expense on borrowings	375,919	362,019	-	131,613
Interest expense on lease liabilities	1,121	1,303	985	1,115
Interest expense (income) from derivatives designated as hedging instruments in cash flow hedge	(18,484)	23,313	-	223
Others finance cost	33,793	28,592	744	3,460
Total	392,349	415,227	1,729	136,411

## 24. Expenses by nature

Significant expenses by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Salary, wages and other benefits of employees and crews	1,727,766	1,697,202	294,473	370,610
Rental expenses from operating lease agreements	201	325	-	-

## 25. Income tax

Income tax expense for 2022 of the Company was calculated at the rate of 20% on net profit and added back certain expenses that are disallowable for tax computation purposes.

No corporate income tax was payable for 2021, since the Company had tax losses.

### Local subsidiaries

- 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.
- Corporate income tax for the year ended 31 December 2022 has been calculated at a rate of 20% (2021: 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 2022, 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 4,385.66 million (2021: Baht 4,636.03 million) (The Company only: Baht 1,769.07 million (2021: Baht 2,005.99 million)). However, the Group did not recognise deferred tax assets because the Group has been granted certain promotional privileges under the Director-General's notification and the provisions of the Investment Promotion Act for their marine transportation business. Hence, the Group believes that the deferred tax assets will not be utilised in the future.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
31 December 2022	118	534	-	-
31 December 2023	392,997	393,216	-	-
31 December 2024	550,701	550,884	-	-
31 December 2025	820,031	1,852,213	-	1,028,619
31 December 2026	412,665	412,809	-	-
31 December 2027	515,092	-	172,758	-
	<u>2,691,604</u>	<u>3,209,656</u>	<u>172,758</u>	<u>1,028,619</u>

As at 31 December 2022, Precious Shipping (Singapore) Pte. Limited (“PSSP”), an overseas subsidiary, has unused tax losses totaling Baht 12.32 million (2021: Baht 14.34 million). The Inland Revenue Authority of Singapore (IRAS) rules stipulate that unused tax losses have no expiry date.

As at 31 December 2022, the Group has a temporary difference arising from an investment in associate held by a subsidiary under which a deferred tax liability has been recognised in the aggregate amount of Baht 1.53 million (2021: Baht 3.47 million).

## 26. 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 business. 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 2022, the subsidiaries have 7 vessels (2021: 8 vessels) under investment promotion operations.

Revenues and expenses for 2022 and 2021 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues	1,418,899	1,659,999	3,790,113	3,125,035	7,810,365	5,689,933	(3,843,604)	(1,637,874)	9,175,773	8,837,093
Costs and expenses	(513,200)	(649,503)	(1,664,969)	(1,384,962)	(2,387,438)	(2,538,826)	240,623	211,130	(4,324,984)	(4,362,161)

## 27. Earnings per share

Basic earnings per share is calculated by dividing profit 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.

## 28. 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 2022 and 2021.

(Unit: Thousand Baht)

	Consolidated financial statements									
	Time charter		Voyage charter		Total		Elimination		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Time charter income	8,992,496	7,722,877	-	-	8,992,496	7,722,877	-	-	8,992,496	7,722,877
Voyage charter income	-	-	200,625	944,813	200,625	944,813	(68,328)	(55,937)	132,297	888,876
Total vessel operating income	8,992,496	7,722,877	200,625	944,813	9,193,121	8,667,690	(68,328)	(55,937)	9,124,793	8,611,753
Voyage disbursements	-	-	(107,267)	(166,626)	(107,267)	(166,626)	68,328	55,937	(38,939)	(110,689)
Bunker consumption	-	-	(48,438)	(200,298)	(48,438)	(200,298)	-	-	(48,438)	(200,298)
Total voyage expenses	-	-	(155,705)	(366,924)	(155,705)	(366,924)	68,328	55,937	(87,377)	(310,987)
Net vessel operating income/time charter equivalent income	8,992,496	7,722,877	44,920	577,889	9,037,416	8,300,766	-	-	9,037,416	8,300,766

For 2022, the Group has revenues from 2 major customers (2021: 2 customers) in the aggregate amount of Baht 2,032.81 million (2021: Baht 1,605.38 million).

## 29. 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 2022 amounting to approximately Baht 5.58 million (2021: Baht 5.33 million) were recognised as expenses. (The Company only: Baht 2.50 million, 2021: Baht 2.35 million).



### 30. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends for 2021	The Company's Board of Directors meeting on 16 August 2021	779.57	0.50
Interim dividends for 2021	The Company's Board of Directors meeting on 15 November 2021	779.54	0.50
Total for 2021		<u>1,559.11</u>	<u>1.00</u>
Interim dividends for 2021	The Company's Board of Directors meeting on 14 February 2022	779.56	0.50
Final dividends for 2021	The Annual General Meeting of Shareholders for 2022 on 4 April 2022	389.79	0.25
Interim dividends for 2022	The Company's Board of Directors meeting on 11 May 2022	779.60	0.50
Interim dividends for 2022	The Company's Board of Directors meeting on 15 August 2022	779.55	0.50
Interim dividends for 2022	The Company's Board of Directors meeting on 11 November 2022	779.04	0.50
Total for 2022		<u>3,507.54</u>	<u>2.25</u>

### 31. Contingent liabilities

On 5 August 2021, Precious Visions Pte. Ltd.(the "Subsidiary") which is a subsidiary of the Company and the owner of M.V. Chayanee Naree (the "Vessel"), signed a voyage charter contract to load 46,000 metric tons (MTS) of bulk sugar from Santos, Brazil for discharge in Lagos, Nigeria.

On 18 September 2021, drugs were found inside one of the cargo holds of the Vessel. The Brazilian authorities conducted a thorough investigation, after which they were satisfied that none of our crew members were involved in or assisted in the smuggling of drugs.

On 19 September 2021, the Brazilian authorities permitted the Vessel to sail out from Brazil without pressing any charges on any crew members and/or the Subsidiary.

On 9 October 2021, the Vessel arrived and berthed at Lagos in Nigeria. The Nigerian authorities conducted an extensive search of the Vessel, however, no suspicious objects were uncovered.

On 13 October 2021, while cargo discharge was on-going, drugs were uncovered in a hold of the Vessel.

On 29 October 2021, the National Drug Law Enforcement Agency (NDLEA) of Nigeria obtained an ex-parte order from Lagos high court to remand the Vessel and crew for 14 days. On the same day, the Subsidiary received a claim of approximately USD 3.9 million from the cargo receivers.

On 8 December 2021, NDLEA filed a charge in the Federal High Court of Nigeria against the Vessel and 3 crew members (and 9 unrelated persons who are not working for the Company) for alleged unlawful transport of drugs.

On 4 January 2022, the insurers of the Subsidiary issued two Letters of Undertaking (“LOUs”) to NDLEA as security for the release of the Vessel and the 19 crew members that have not been charged.

On 13 January 2022, the Federal High Court of Nigeria ordered the release of the Vessel and the 19 crew members on board the Vessel.

On 19 January 2022, the Subsidiary entered into an Escrow Account Agreement with NDLEA as a security for NDLEA’s granting an administrative bail to the three crew members to move from an NDLEA detention facility to a hotel.

On 24 January 2022, NDLEA filed an amended Charge to include another 7 crew members of the Vessel, making a total of 10 crew members who are being charged, and are required to remain in Nigeria until legal proceedings are completed.

On 28 January 2022, the Subsidiary signed a bond/undertaking as one of the conditions for NDLEA’s issuing a Release Letter for the Vessel.

On 31 January 2022, NDLEA issued a Release Letter for the Vessel and the crew members who have not been charged.

On 8 February 2022, the Subsidiary remitted USD 700,000 to the escrow account towards administrative bail for the additional 7 crew members that were charged.

On 24 February 2022, the Federal High Court of Nigeria reiterated its order to immediately release the Vessel.

On 17 May 2022, the Vessel sailed out of Lagos port in Nigeria. However, the 10 crew members, who have been charged, are required to remain in Nigeria until legal proceedings are completed.

During the second quarter of 2022, the Subsidiary received a letter of acceptance for insurance proceeds in relation to Chyanee Naree’s detention claim and received payment in the amount of USD 1.42 million. Of this, USD 0.84 million pertained to operating costs, USD 0.44 million to bunker expenses, and USD 0.14 million to port charges and other miscellaneous expenses.

Based on the opinion of the Group's legal counsel and its legal counsel, the Company's management believes that it is premature at this stage to reliably estimate the amount of liability (if any) and therefore, no provisions have been made in respect of this case.

### 32. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Derivatives				
Interest rate swaps contracts - Loans	-	274,862	-	274,862
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments of non-listed company	-	-	18,100	18,100

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Derivatives				
Interest rate swaps contracts - Loans	-	8,452	-	8,452
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments of non-listed company	-	-	14,705	14,705
<b>Liabilities measured at fair value</b>				
Derivatives				
Interest rate swaps contracts - Loans	-	13,089	-	13,089
Cross currency swaps contracts - Loans	-	2,144	-	2,144

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	18,100	18,100

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	14,705	14,705

During 2022, there were no change in the methods and assumptions used by the Group in estimating the fair value of financial instruments and no transfers within the fair value hierarchy.

### 33. Financial instruments

#### 33.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Derivative assets</b>				
Derivative assets designated as hedging instruments				
Interest rate swaps contracts - Loans	274,862	8,452	-	-
<b>Total derivative assets</b>	<b>274,862</b>	<b>8,452</b>	<b>-</b>	<b>-</b>
<b>Derivative liabilities</b>				
Derivative liabilities designated as hedging instruments				
Interest rate swaps contracts - Loans	-	13,089	-	-
Cross currency swaps contracts - Loans	-	2,144	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>15,233</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 swaps as hedging instruments to hedge cash flows on loans 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 swaps contracts, and interest rate swaps contracts. 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 held the following derivatives as hedging instruments as at 31 December 2022 and 2021:

	Maturity							
	Less than 1 year		1 to 5 years		Over 5 years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Cross currency swaps</b>								
Notional amount								
(Unit: Thousand Baht)	-	93,897	-	-	-	-	-	93,897
Average exchange rate								
(Baht : US dollar)	-	32.34, 33.15	-	-	-	-	-	32.34, 33.15
<b>Interest rate swaps</b>								
Notional amount								
(Unit: Thousand USD)	16,424	19,535	65,639	73,869	14,467	22,661	96,530	116,065
Average fixed rate (%)	3.70 - 4.75	3.70 - 4.95	3.70 - 4.75	3.70 - 4.95	4.59 - 4.75	4.59 - 4.75	3.70 - 4.75	3.70 - 4.95

The impact of hedged items on the consolidated statement of financial position as at 31 December 2022 and 2021 is as follows:

(Unit: Thousand Baht)

	Change in fair value used for measuring ineffectiveness		Cash flow hedge reserve				Cost of hedging reserve	
			Continuing hedges		Discontinued hedges			
	2022	2021	2022	2021	2022	2021	2022	2021
Loans - Interest rate swaps contracts	279,499	9,577	285,692	(2,694)	1,928	-	-	-
Loans - Cross currency swaps contracts	2,144	(21,269)	-	(22,532)	(693)	-	357	1,168

The impact of the hedging instruments on the consolidated statement of financial position as at 31 December 2022 and 2021 and the effect of the cash flow hedge in the consolidated statements of comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

As at 31 December 2022

	Notional amounts	Carrying amount	Line item in the statements of financial position	Changes in fair value used for measuring ineffectiveness	Effectiveness	Ineffectiveness	Line item in income statement	Cost of	Amount of	Line item in income statement
					recognised in other comprehensive income	recognised in income statement		hedging recognised in equity	cash flow hedge reserve reclassified to income statement	
Interest rate swaps - hedge the risk arising from loans	USD 113,839 thousand	3,336,298	Non-current derivative assets	279,499	285,692	-	-	-	(8,658)	Finance cost
Cross currency swaps - hedge the risk arising from loans	-	-	-	2,144	(693)	1,970	Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	357	-	-
Total				<u>281,643</u>	<u>284,999</u>	<u>1,970</u>		<u>357</u>	<u>(8,658)</u>	

(Unit: Thousand Baht)

As at 31 December 2021

	Notional amounts	Carrying amount	Line item in the statements of financial position	Changes in fair value used for measuring ineffectiveness	Effectiveness recognised in other comprehensive income	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
Interest rate swaps - hedge the risk arising from loans	USD 38,350 thousand	1,235,899	Non-current derivative assets	8,175	8,175	-	-	-	2,290	Finance cost
Cross currency swaps - hedge the risk arising from loans	1,502,348	93,413	Current derivative liabilities	(21,269)	(22,532)	1,263	Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	1,168	20,458	Exchange losses
Interest rate swaps - hedge the risk arising from loans	USD 64,818 thousand	209,634	Current derivative liabilities	6,883	-	6,883	Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	2,337	Finance cost
Interest rate swaps - hedge the risk arising from loans	USD 75,489 thousand	2,433,336	Non-current derivative liabilities	(10,868)	(10,868)	-	-	-	164	Finance cost
<b>Total</b>				<u>(17,079)</u>	<u>(25,225)</u>	<u>8,146</u>		<u>1,168</u>	<u>25,249</u>	

### **Impacts of interest rate benchmark reform**

The Group has exposure in relation to the replacement or reform of the benchmark InterBank Offered Rates (“IBORs”) of its financial instruments since there is uncertainty over the timing and the methods of transition in some jurisdictions in which the Group operates. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. The Group applies temporary exceptions which enable entities to continue applying hedge accounting during the period of uncertainty. Specifically, the temporary exceptions state that for the purpose of determining whether a forecast transaction is highly probable for cash flow hedging purposes, it is assumed that the benchmark interest rate on which the hedged cash flows are based is unchanged as a result of IBOR reform.

The risk management committee monitors and manages the Group’s transition to alternative benchmark rates. The committee evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

As at 31 December 2022, the Group has interest rate swaps with nominal amounts of USD 113.84 million that are designated as hedging instruments to hedge cash flows on loans that carry interest at floating rates based on USD LIBOR and mature within 2029.

### **33.2 Financial risk management**

The Group’s financial instruments principally comprise cash and cash equivalents, trade receivables, investments, long-term loans to subsidiary, trade and other payables, lease liabilities 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 deposits with banks and financial institutions, trade receivables, 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 receivables***

The Group is exposed to credit risk primarily with respect to trade 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, lease liabilities and long-term loans. The management mitigates part of its interest rate risk by using interest rate swaps contract and cross currency swaps contract as hedging instruments to hedge cash flows on variable rate loans, as described in Note 33.1 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 2022

	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
<u>Financial assets</u>									
Cash and cash equivalents	408,453	-	-	488,353	158,861	1,055,667	0.20 - 0.74	0.04 - 2.75	0.15 - 0.40
Total	408,453	-	-	488,353	158,861	1,055,667			
<u>Financial liabilities</u>									
Lease liabilities	5,705	9,065	-	-	-	14,770	5.28 - 5.53	-	-
Long-term loans	552,746	2,234,658	605,129	3,316,540	-	6,709,073	3.70 - 4.75	5.92 - 8.34	-
Total	558,451	2,243,723	605,129	3,316,540	-	6,723,843			

(Unit: Thousand Baht)

## Consolidated financial statements

As at 31 December 2021

	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
<u>Financial assets</u>									
Cash and cash equivalents	737,725	-	-	1,315,705	414,779	2,468,209	0.20 - 0.30	0.01 - 0.05	0.05 - 0.13
Total	737,725	-	-	1,315,705	414,779	2,468,209			
<u>Financial liabilities</u>									
Lease liabilities	5,419	12,915	1,462	-	-	19,796	5.28 - 5.53	-	-
Long-term loans	635,304	2,425,796	1,032,372	4,124,390	-	8,217,862	3.70 - 4.95	2.33 - 3.81	4.65
Total	640,723	2,438,711	1,033,834	4,124,390	-	8,237,658			

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2022

	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
<u>Financial assets</u>									
Cash and cash equivalents	174,730	-	-	141,023	723	316,476	0.20	0.04 - 0.05	0.15 - 0.40
Long-term loan to subsidiary	5,401	293,022	492,181	-	-	790,604	5.00	-	-
Total	180,131	293,022	492,181	141,023	723	1,107,080			
<u>Financial liabilities</u>									
Lease liabilities	4,459	8,754	-	-	-	13,213	5.28 - 5.53	-	-
Total	4,459	8,754	-	-	-	13,213			

Separate financial statements									
As at 31 December 2021									
	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		Fixed USD	Floating USD	Baht
<u>Financial assets</u>									
Cash and cash equivalents	334,199	-	-	202,815	933	537,947	0.20	0.04 - 0.05	0.05 - 0.13
Long-term loan to subsidiary	86,327	1,799,553	685,372	-	-	2,571,252	5.00	-	-
Total	420,526	1,799,553	685,372	202,815	933	3,109,199			
<u>Financial liabilities</u>									
Lease liabilities	4,207	11,400	1,463	-	-	17,070	5.28 - 5.53	-	-
Total	4,207	11,400	1,463	-	-	17,070			

### *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 2022 and 2021.

	Increase/ decrease (%)	2022		2021	
		Effect on income statement (Thousand Baht)	Effect on equity (Thousand Baht)	Effect on income statement (Thousand Baht)	Effect on equity (Thousand Baht)
US Dollars borrowing	+1	(34,965)	83,235	(49,790)	123,100
	-1	34,965	(83,235)	49,790	(123,100)

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. 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 foreign currency derivatives as at 31 December 2022 and 2021. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase/ decrease (%)	2022		2021	
		Effect on income statement (Thousand Baht)	Effect on equity (Thousand Baht)	Effect on income statement (Thousand Baht)	Effect on equity (Thousand Baht)
Thai Baht	+1	-	-	-	(84)
	- 1	-	-	-	12

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	
	2022	2021	2022	2021
	(Million)	(Million)	(USD per 1 foreign currency unit)	
Baht loan	-	93.90	-	0.0298

As at 31 December 2021, the Group had the Foreign currency swaps contracts outstanding are summarised below. (2022: Nil).

As at 31 December 2021			
Bought amount	Sold amount	Contractual exchange rate	Contractual maturity date
(USD per 1 foreign currency unit)			
<u>Subsidiaries</u>			
Baht 93.90 million	USD 2.87 million	0.0302, 0.0309	Quarterly corresponding to the loan repayment schedule upto September 2022

### 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 not more than 25% of revenues and limiting exposure to the short-term market through fixing ships on long term charters. Approximately 24% of the Group's debts will maturity less than one year as of 31 December 2022 (2021: 21%) 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 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>				
Trade and other payables	229,486	-	-	229,486
Lease liabilities	6,201	10,307	-	16,508
Long-term loans	1,799,029	5,330,227	945,544	8,074,800
<b>Total non-derivatives</b>	<b>2,034,716</b>	<b>5,340,534</b>	<b>945,544</b>	<b>8,320,794</b>
<b>Derivatives</b>				
Derivative assets	-	90,373	184,489	274,862
<b>Total derivatives</b>	<b>-</b>	<b>90,373</b>	<b>184,489</b>	<b>274,862</b>

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>				
Trade and other payables	105,315	-	-	105,315
Lease liabilities	6,040	14,748	1,756	22,544
Long-term loans	1,697,934	5,823,709	1,741,660	9,263,303
<b>Total non-derivatives</b>	<b>1,809,289</b>	<b>5,838,457</b>	<b>1,743,416</b>	<b>9,391,162</b>
<b>Derivatives</b>				
Derivative assets	-	8,452	-	8,452
Derivative liabilities	3,996	-	11,237	15,233
<b>Total derivatives</b>	<b>3,996</b>	<b>8,452</b>	<b>11,237</b>	<b>23,685</b>

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 Years	Over 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	724	-	-	724
Lease liabilities	-	4,904	9,983	-	14,887
Advances received from related parties	1,938,799	-	-	-	1,938,799
<b>Total non-derivatives</b>	<u>1,938,799</u>	<u>5,628</u>	<u>9,983</u>	<u>-</u>	<u>1,954,410</u>

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 Years	Over 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	1,264	-	-	1,264
Lease liabilities	-	4,743	13,127	1,756	19,626
Advances received from related parties	2,537,688	-	-	-	2,537,688
<b>Total non-derivatives</b>	<u>2,537,688</u>	<u>6,007</u>	<u>13,127</u>	<u>1,756</u>	<u>2,558,578</u>

### 33.3 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, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

### 33.4 Reconciliation of recurring fair value measurements of assets 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 2021	16,295
Net loss recognised into other comprehensive income	(3,425)
Translation adjustment	1,835
Balance as of 31 December 2021	14,705
Net gain recognised into other comprehensive income	2,892
Translation adjustment	503
Balance as of 31 December 2022	18,100

### 34. 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 and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

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 2022, the Group's debt-to-equity ratio was 0.48:1 (2021: 0.64:1) and the Company's was 0.23:1 (2021: 0.29:1) which is calculated from USD functional currency financial statements.

### 35. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2022 and 2021 and income statements for the years ended 31 December 2022 and 2021 are as follows.



Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	30,544	73,854	9,156	16,096
Trade and other receivables	8,076	5,246	83,907	61,690
Bunker oil	1,210	646	-	-
Other current assets				
Advances to vessel masters	1,071	899	-	-
Claim recoverables	370	243	-	-
Lube oil stock on board	2,634	2,285	-	-
Others	1,157	894	339	503
Total other current assets	5,232	4,321	339	503
<b>Total current assets</b>	<b>45,062</b>	<b>84,067</b>	<b>93,402</b>	<b>78,289</b>
<b>Non-current assets</b>				
Restricted bank deposits	2,904	3,591	-	-
Long-term loans to a subsidiary	-	-	22,874	76,938
Derivative assets	7,953	253	-	-
Investments in subsidiaries	-	-	246,875	233,720
Investment in associate held by a subsidiary	2,333	2,730	-	-
Investment in equity instrument of non-listed company	524	440	524	440
Property, plant and equipment	637,923	606,973	299	243
Right-of-use assets	452	628	404	541
Intangible assets	162	191	153	182
Other non-current assets				
Claim recoverables - maritime claims	2,048	829	-	-
Deferred contract costs	3,737	4,290	-	-
Others	93	95	69	71
Total other non-current assets	5,878	5,214	69	71
<b>Total non-current assets</b>	<b>658,129</b>	<b>620,020</b>	<b>271,198</b>	<b>312,135</b>
<b>Total assets</b>	<b>703,191</b>	<b>704,087</b>	<b>364,600</b>	<b>390,424</b>

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

**Statement of financial position (continued)**

**As at 31 December 2022**

(Unit: Thousand USD)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2022	2021	2022	2021
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables				
Trade and other payables	6,640	3,151	21	38
Advances received from related parties	-	-	56,096	75,934
Accrued crew accounts	2,922	2,657	-	-
Accrued expenses	2,361	1,861	42	26
Current portion of accrued employee benefits	4,985	2,933	3,540	2,056
Total trade and other payables	16,908	10,602	59,699	78,054
Advances received from charterers	1,583	2,601	-	-
Current portion of long-term loans	33,614	42,148	-	-
Current portion of lease liabilities	165	162	129	126
Derivative liabilities	-	119	-	-
Income tax payable	51	1	-	-
Other current liabilities	1,711	1,716	1,515	1,508
<b>Total current liabilities</b>	<b>54,032</b>	<b>57,349</b>	<b>61,343</b>	<b>79,688</b>
<b>Non-current liabilities</b>				
Accrued employee benefits - net of current portion	6,662	5,865	4,600	4,112
Long-term loans - net of current portion	160,501	203,749	-	-
Lease liabilities - net of current portion	262	430	253	385
Derivative liabilities	-	336	-	-
Deferred tax liabilities	44	104	-	-
Provision for maritime claims	1,604	1,174	-	-
Provision for long-term employee benefits	3,765	5,245	2,818	3,874
<b>Total non-current liabilities</b>	<b>172,838</b>	<b>216,903</b>	<b>7,671</b>	<b>8,371</b>
<b>Total liabilities</b>	<b>226,870</b>	<b>274,252</b>	<b>69,014</b>	<b>88,059</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	4,372	4,372	4,372	4,372
- subsidiaries	15,955	11,741	-	-
Corporate social responsibility reserve	1,698	1,110	1,698	1,110
Unappropriated	329,762	296,004	170,396	177,847
Other components of shareholders' equity	5,369	(2,557)	(44)	(128)
Equity attributable to owners of the Company	476,320	429,834	295,586	302,365
Non-controlling interests of the subsidiaries	1	1	-	-
<b>Total shareholders' equity</b>	<b>476,321</b>	<b>429,835</b>	<b>295,586</b>	<b>302,365</b>
<b>Total liabilities and shareholders' equity</b>	<b>703,191</b>	<b>704,087</b>	<b>364,600</b>	<b>390,424</b>

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

**Income statement**

**For the year ended 31 December 2022**

(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>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>				
Vessel operating income				
Time charter income	256,144	237,470	-	-
Voyage charter income	3,704	28,136	-	-
Total vessel operating income	259,848	265,606	-	-
Service income	112	113	3,109	2,832
Interest income	408	57	12,441	5,651
Dividend income	-	16	87,676	37,696
Exchange gains	-	6,233	75	5,955
Gain on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	33	-	-
Other income	82	36	10	23
<b>Total revenues</b>	<u>260,450</u>	<u>272,094</u>	<u>103,311</u>	<u>52,157</u>
<b>Expenses</b>				
Vessel operating costs				
Vessel running expenses	56,211	55,169	-	-
Voyage disbursements	1,087	3,510	-	-
Bunker consumption	1,350	6,383	-	-
Total vessel operating costs	58,648	65,062	-	-
Depreciation	37,571	37,792	227	255
Cost of services	160	167	-	-
Administrative expenses	10,540	12,615	5,593	7,214
Management remuneration including perquisites	4,158	5,344	4,058	5,185
Reversal expected credit losses	(11)	(279)	(263)	-
Exchange losses	1	-	-	-
Loss on derivatives	40	2,094	-	378
<b>Total expenses</b>	<u>111,107</u>	<u>122,795</u>	<u>9,615</u>	<u>13,032</u>
<b>Operating profit</b>	<u>149,343</u>	<u>149,299</u>	<u>93,696</u>	<u>39,125</u>
Share of profit from investment in associate held by a subsidiary	813	703	-	-
Finance cost	(11,116)	(12,997)	(49)	(4,346)
<b>Profit before income tax expenses</b>	<u>139,040</u>	<u>137,005</u>	<u>93,647</u>	<u>34,779</u>
Income tax expenses	(427)	(50)	-	-
<b>Profit for the year</b>	<u>138,613</u>	<u>136,955</u>	<u>93,647</u>	<u>34,779</u>
<b>Profit attributable to:</b>				
Equity holders of the Company	138,613	136,955	93,647	34,779
Non-controlling interests of the subsidiaries	-	-	-	-
<b>Profit for the year</b>	<u>138,613</u>	<u>136,955</u>	<u>93,647</u>	<u>34,779</u>
<b>Basic earnings per share</b>				
Profit attributable to equity holders of the Company	<u>0.0889</u>	<u>0.0878</u>	<u>0.0601</u>	<u>0.0223</u>

**36. Events after the reporting period**

On 10 February 2023, the Company's Board of Directors' meeting passed the significant resolutions to propose to the Annual General Meeting of Shareholders for the year 2023 of the Company to adopt a resolution to pay a final dividend for the year 2022 of Baht 0.25 per share, or a total of Baht 389.82 million, to the shareholders in respect of the Company's retained earnings as of 31 December 2022. Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

**37. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 10 February 2023.