

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Asian Marine Services Public Company Limited

Opinion

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

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Asian Marine Services Public Company Limited and its subsidiaries as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Asian Marine Services Public Company Limited as at December 31, 2020, and its financial performance and its 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 the Group and Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis Matter

I draw attention to the notes to financial statements Note 15 on August 23, 2018, Treasury Department of Samutprakarn has a letter requesting the Company to pay the rent, rental fee and additional damages in the case of constructing buildings and structures without permission, damages from the demolition of buildings and structures under the original lease agreements and using the state property to obtain unauthorized benefits totaling Baht 222.17 million. Consequently, the Company has issued a letter requesting an objection to such fees and damages collection. However, the Company has always paid the rent and complied correctly with lease agreement. Such matter is under the consideration by the Treasury Department of Samutprakarn. Because such matter is still uncertain about the payment, the Company has not provided the provision for this contingent liability in the financial statements as at December 31, 2020. The above observation is not an expression of a qualified opinion.

Key Audit Matters

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

Revenue recognition from shipbuilding and ship repairing

The company's revenues from employment as presented in the statements of comprehensive income for the year ended December 31, 2020 amounted to Baht 475.80 million (separate financial statements). The revenue recognition policy for shipbuilding and ship repairing under the agreement is the work completion ratio approach and the survey and work completion evaluation approach by the Company's engineers. Since the revenue from the shipbuilding and ship repairing has a significant amount and affected the accuracy and completeness of related accounting transactions, including revenue from employment, unbilled revenue, cost of employment, work in process and accrued construction costs ;therefore, the estimate of the stage of work completion is a matter that requires the judgment and experience of the engineers to evaluate the stage of work completion if such outstanding work is being done as at the preparation date of the financial report.

Risk response by auditor

Regarding my audit approach, I have inquired, understood and tested the internal control system that is related to the revenue from employment, costs of employment, including the preparation approach of estimating costs of employment, considered the reasonableness of the assessment of the work completion, checked the comparison of work completion with actual costs and observed the progress of work in construction, monitored the events after the end of the period to ensure the work is ongoing without interruption as well as sufficient disclosure of relevant information.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will 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 identified above when it becomes available 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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate 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 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 consolidated financial statements and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate 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 and the Company'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 and the Company'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 consolidated financial statements and separate 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 and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate 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 the internal control system 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 consolidated financial statements and separate 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Peradate Pongsathiansak.

(Mr. Peradate Pongsathiansak)

Certified Public Accountant

Registration No. 4752

Dharmniti Auditing Company Limited

Bangkok, Thailand

12 February, 2021

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents		24,873,502	66,803,512	19,701,615	63,920,381
Trade and other current receivables					
Related parties	7,8	552,413	13,000,203	427,223	12,586,327
Unrelated parties		51,227,920	53,143,607	51,083,774	52,941,202
Other current receivables - related parties	7	2,090,449	800	2,201,082	87,983
Other current receivables - unrelated parties		9,125,674	11,158,298	6,384,556	6,190,646
Less: Allowance for doubtful accounts		(11,365,467)	(12,520,107)	(11,365,467)	(12,520,107)
Total trade and other receivables	8	51,630,989	64,782,801	48,731,168	59,286,051
Current portion of lease receivables	9	3,731,165	-	3,731,165	-
Unbilled complete construction in progress					
Related parties	7	5,764,930	959,101	15,656,492	14,193,952
Unrelated parties		58,580,842	45,653,459	47,924,396	31,445,496
Total unbilled complete construction in progress	10	64,345,772	46,612,560	63,580,888	45,639,448
Inventories	11	34,699,527	49,313,387	34,375,111	49,036,777
Assets held for sale	12	-	8,469,118	-	8,469,118
Other current assets		3,737,965	2,617,529	3,852,225	2,728,045
Total current assets		183,018,920	238,598,907	173,972,172	229,079,820
Non-current assets					
Investments in subsidiaries under the cost method	13	-	-	27,079,979	26,882,479
Lease receivables	9	4,449,144	-	4,449,144	-
Property, plant and equipment	14	425,936,268	443,261,673	420,249,761	442,428,664
Leasehold right of land and building	5,15	-	23,777,844	-	23,777,844
Right-of-use assets	15	54,000,903	-	54,000,903	-
Intangible assets	16	10,262,617	10,421,692	10,120,384	10,421,692
Deferred tax assets	17	6,506,536	13,179,783	6,291,860	12,983,995
Withholding tax deducted at source	18	30,187,572	21,450,950	27,600,228	18,602,821
Other non-current assets		3,923,421	4,468,246	3,898,470	4,468,246
Total non-current assets		535,266,461	516,560,188	553,690,729	539,565,741
Total assets		718,285,381	755,159,095	727,662,901	768,645,561

Notes to financial statements form an integral part of these statements.

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	19	75,000,000	140,000,000	75,000,000	140,000,000
Trade accounts payable					
Related parties	7	-	-	5,216,240	2,320,793
Unrelated parties		29,238,580	34,822,668	28,738,784	34,265,005
Total trade accounts payable		29,238,580	34,822,668	33,955,024	36,585,798
Accrued construction cost		260,533	1,598,052	260,533	1,598,052
Warranty provisions	20	500,489	403,546	500,489	403,546
Current portion of lease liabilities	21	2,018,253	750,462	2,018,252	750,462
Current portion of long - term loans - related parties	7	-	-	8,600,000	20,000,000
Current portion of long - term loans from bank	22	20,598,120	20,598,120	20,598,120	20,598,120
Advance received from customers	10	10,791,294	125,000	10,791,294	-
Accrued expenses		18,723,123	16,105,950	17,120,669	14,071,827
Accrued corporate income tax		-	103,231	-	-
Other current liabilities		5,956,814	5,645,767	4,789,072	5,636,175
Total current liabilities		163,087,206	220,152,796	173,633,453	239,643,980
Non-current liabilities					
Lease liabilities	21	35,194,346	667,380	35,194,346	667,380
Long - term loans - related parties	7	-	-	5,000,000	-
Long - term loans from bank	22	59,640,025	87,258,145	59,640,025	87,258,145
Employee benefit obligations	23	16,990,802	18,140,452	15,899,575	16,937,850
Total non-current liabilities		111,825,173	106,065,977	115,733,946	104,863,375
Total liabilities		274,912,379	326,218,773	289,367,400	344,507,355

Notes to financial statements form an integral part of these statements.

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered share capital					
		(258,291,110 ordinary shares of Baht 1 each)			
		258,291,110	258,291,110	258,291,110	258,291,110
Issued and paid-up share capital					
		(258,291,087 ordinary shares of Baht 1 each)			
		258,291,087	258,291,087	258,291,087	258,291,087
Retained earnings					
Appropriated					
		Statutory reserve			
	24	25,829,111	25,829,111	25,829,111	25,829,111
		Unappropriated			
		157,768,718	143,409,423	154,175,303	140,018,008
Equity attributable to the parent company's shareholders					
		441,888,916	427,529,621	438,295,501	424,138,206
Non-controlling interests					
		1,484,086	1,410,701	-	-
Total shareholders' equity					
		443,373,002	428,940,322	438,295,501	424,138,206
Total liabilities and shareholders' equity					
		718,285,381	755,159,095	727,662,901	768,645,561

Notes to financial statements form an integral part of these statements.

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Service income		480,059,407	430,620,301	475,798,552	427,129,684
Other income		13,635,757	10,150,617	14,002,433	10,712,873
Dividend received from subsidiary		-	-	-	8,159,916
Total revenues		493,695,164	440,770,918	489,800,985	446,002,473
Expenses					
Cost of services		334,504,947	302,868,157	339,054,000	306,007,478
Selling expenses		7,688,053	7,442,567	7,042,489	7,400,673
Administrative expenses		89,859,872	104,747,138	82,253,171	96,120,974
Management remuneration	7	14,699,183	15,220,540	14,699,183	15,220,540
Total expenses		446,752,055	430,278,402	443,048,843	424,749,665
Profit from operating activities		46,943,109	10,492,516	46,752,142	21,252,808
Finance costs		7,513,723	8,418,999	7,750,066	8,665,624
Income before tax expense (income)		39,429,386	2,073,517	39,002,076	12,587,184
Tax expense (income)	17	8,732,563	1,013,234	8,576,513	812,105
Profit for the year		30,696,823	1,060,283	30,425,563	11,775,079
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial losses from defined employee benefit plans					
- net of income tax		(409,799)	(3,104,218)	(413,924)	(3,296,049)
Total comprehensive income for the year		30,287,024	(2,043,935)	30,011,639	8,479,030
Profit attributable to :					
Parent company's shareholders		30,621,048	1,006,481	30,425,563	11,775,079
Non-controlling interests		75,775	53,802	-	-
		30,696,823	1,060,283	30,425,563	11,775,079
Total comprehensive income attributable to :					
Parent company's shareholders		30,213,639	(2,091,716)	30,011,639	8,479,030
Non-controlling interests		73,385	47,781	-	-
		30,287,024	(2,043,935)	30,011,639	8,479,030
Earnings per share					
Profit for the year of parent company's shareholders	25	30,621,048	1,006,481	30,425,563	11,775,079
Weighted average number of ordinary shares (Shares)		258,291,087	258,291,087	258,291,087	258,291,087
Basic earnings per share for the year (Baht per share)		0.119	0.004	0.118	0.046

Notes to financial statements form an integral part of these statements.

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Baht)

Consolidated financial statements						
Common shareholders						
Note	Issued and paid up share capital	Retained earnings		Total	Non-controlling interests	Total
	Appropriated- statutory reserve	Unappropriated				
Beginning balance, as at January 1, 2019	258,291,087	25,829,111	171,330,218	455,450,416	1,963,004	457,413,420
Total comprehensive income for the year 2019	-	-	(2,091,716)	(2,091,716)	47,781	(2,043,935)
Dividend paid	-	-	(25,829,079)	(25,829,079)	-	(25,829,079)
Dividend received from subsidiary	-	-	-	-	(600,084)	(600,084)
Ending balance, as at December 31, 2019	258,291,087	25,829,111	143,409,423	427,529,621	1,410,701	428,940,322
Cumulative effect of change in accounting policy	-	-	(2,939,790)	(2,939,790)	-	(2,939,790)
Beginning balance, as at January 1, 2020 - as restated	258,291,087	25,829,111	140,469,633	424,589,831	1,410,701	426,000,532
Total comprehensive income for the year 2020	-	-	30,213,639	30,213,639	73,385	30,287,024
Dividend paid	-	-	(12,914,554)	(12,914,554)	-	(12,914,554)
Ending balance, as at December 31, 2020	258,291,087	25,829,111	157,768,718	441,888,916	1,484,086	443,373,002

Notes to financial statements form an integral part of these statements.

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Baht)

Separate financial statements				
Retained earnings				
Note	Issued and paid-up share capital	Appropriated - statutory reserve	Unappropriated	Total
Beginning balance, as at January 1, 2019	258,291,087	25,829,111	157,368,057	441,488,255
Total comprehensive income for the year 2019	-	-	8,479,030	8,479,030
Dividend paid	-	-	(25,829,079)	(25,829,079)
Ending balance, as at December 31, 2019	258,291,087	25,829,111	140,018,008	424,138,206
Cumulative effect of change in accounting policy	-	-	(2,939,790)	(2,939,790)
Beginning balance, as at January 1, 2020 - as restated	258,291,087	25,829,111	137,078,218	421,198,416
Total comprehensive income for the year 2020	-	-	30,011,639	30,011,639
Dividend paid	-	-	(12,914,554)	(12,914,554)
Ending balance, as at December 31, 2020	258,291,087	25,829,111	154,175,303	438,295,501

Notes to financial statements form an integral part of these statements.

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit for the year	30,696,823	1,060,283	30,425,563	11,775,079
Adjustments to reconcile net profit for the year to net cash provided by (paid from) operating activities: -				
Allowance for doubtful accounts (reverse)	(3,074,724)	2,419,089	(3,074,724)	2,419,089
Write-off bad debtors				
Increase (decrease) in stock obsolescence	19,949	109,797	19,949	109,797
Depreciation and amortization	42,347,114	37,088,007	42,045,480	36,786,097
Loss (gain) on sale of assets	(201,464)	(431,150)	(197,305)	(397,570)
Loss on fixed assets write-off	2,926,872	278,327	2,789,252	277,892
Loss on impairment of other non-current assets	-	129,941	-	129,941
Warranty provisions	1,050,000	400,000	1,050,000	400,000
Warranty provisions (reversal)	(99,469)	(905,955)	(99,469)	(905,955)
Unrealized foreign exchange loss (gain)	(242,809)	406,450	(242,809)	406,450
Employee benefits obligations	1,889,234	4,695,463	1,742,047	4,429,882
Dividend received	-	-	-	(8,159,916)
Interest income	(185,923)	(70,865)	(139,178)	(54,454)
Interest expenses	7,214,016	7,993,706	7,468,327	8,270,811
Income tax expenses	8,732,563	1,013,234	8,576,513	812,105
Income from operating activities before changes in operating assets and liabilities	91,072,182	54,186,327	90,363,646	56,299,248
Decrease (increase) in operating assets				
Trade and other current receivables	14,158,768	(4,845,118)	11,561,839	(2,398,686)
Lease receivables	1,201,823	-	1,201,823	-
Unbilled complete construction in progress	(17,733,212)	44,432,241	(17,941,440)	45,405,353
Inventories	14,593,911	(8,698,422)	14,641,717	(8,787,943)
Other current assets	(1,708,447)	891,449	(1,712,191)	1,445,697
Other non-current assets	544,825	385,464	569,776	385,464

Notes to financial statements form an integral part of these statements.

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Increase (decrease) in operating liabilities				
Trade accounts payable	(5,584,088)	767,925	(2,618,937)	(4,767,383)
Accrued cost of construction	(1,337,519)	1,320,338	(1,337,519)	1,320,338
Advance received from customers	10,666,294	125,000	10,791,294	-
Accrued expenses	7,449,759	(1,710,226)	7,881,429	(2,440,097)
Other current liabilities	311,047	(7,672,940)	(847,103)	(5,657,247)
Cash received (paid) from operating activities	113,635,343	79,192,038	112,554,334	80,804,744
Cash received from interest income	129,386	70,865	82,642	54,454
Corporate income taxes paid	(9,972,205)	(13,743,807)	(8,997,407)	(12,257,807)
Cash refund from withholding tax refunded	811,863	-	-	-
Warranty provisions paid	(853,588)	(247,960)	(853,588)	(247,960)
Employee benefit obligations paid	(3,544,232)	(1,116,753)	(3,297,727)	(1,116,753)
Net cash from (used in) operating activities	100,206,567	64,154,383	99,488,254	67,236,678
Cash flows from investing activities				
Cash paid for purchase of fixed assets	(25,194,971)	(36,108,569)	(20,047,126)	(36,011,664)
Proceeds from sale of fixed assets	1,078,535	510,192	1,073,894	470,115
Cash paid for investment in subsidiary	-	-	(197,500)	-
Cash paid for purchase of intangible assets	(1,565,462)	(322,088)	(1,415,462)	(322,088)
Received for dividend in subsidiary	-	-	-	8,159,916
Net cash from (used in) investing activities	(25,681,898)	(35,920,465)	(20,586,194)	(27,703,721)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(65,000,000)	53,000,000	(65,000,000)	53,000,000
Repayment of lease liabilities	(3,433,403)	(1,189,405)	(3,433,403)	(1,189,405)
Received for long-term loans - related parties	-	-	5,000,000	9,000,000
Repayment for long-term loans - related parties	-	-	(11,400,000)	(2,000,000)
Repayment of long-term loans to bank	(27,618,120)	(20,598,120)	(27,618,120)	(20,598,120)
Dividend paid	(13,558,505)	(25,782,293)	(13,558,505)	(25,782,293)
Dividend payment from subsidiary to non-controlling interest	-	(600,084)	-	-
Interest paid	(7,211,167)	(8,066,747)	(7,477,314)	(8,334,278)
Net cash from (used in) financing activities	(116,821,195)	(3,236,649)	(123,487,342)	4,095,904

Notes to financial statements form an integral part of these statements.

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net increase (decrease) in cash and cash equivalents	(42,296,526)	24,997,269	(44,585,282)	43,628,861
Unrealized gain (loss) on exchange rate				
from deposit in foreign currency	366,516	(402,771)	366,516	(402,771)
Cash and cash equivalents at the beginning of the year	66,803,512	42,209,014	63,920,381	20,694,291
Cash and cash equivalents at the end of the year	24,873,502	66,803,512	19,701,615	63,920,381
Supplemental disclosure of cash flows information: -				
1. Cash and cash equivalents consisted of: -				
Cash on hand	377,969	207,168	148,819	179,168
Cash at bank - Savings account	20,419,028	64,618,609	15,832,955	62,159,849
- Current account	3,702,475	1,918,683	3,345,811	1,522,312
Fixed deposit 3 months or less	374,030	59,052	374,030	59,052
	24,873,502	66,803,512	19,701,615	63,920,381
2. Non-cash items consisted of :-				
Purchase of fixed assets under the lease agreement	1,808,891	1,165,421	1,808,891	1,165,421

Notes to financial statements form an integral part of these statements.

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. GENERAL INFORMATION

1.1 Legal status and address

Asian Marine Services Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand.

The address of its registered office is as follows:

128 Moo 3 Suksawad Road, Leamfapa, Prasamutjedee, Samutprakarn, Thailand.

1.2 Nature of the Company’s business

The main business activities are principally engaged in the shipbuilding and ship repair services.

1.3 Major shareholder

The major shareholder is Tanphaibul Company Limited, a company incorporated in Thailand.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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 such financial statements in Thai language.

2.2 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles as summarized below.

Financial reporting standards related to financial instruments:

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

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

TFRS 16 Leases

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

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

January 1, 2020, the Company and its subsidiaries have adopted TFRSs related to financial instruments and TFRS 16 in its financial statements by applying modified retrospective approach. The impact from the first-time adoption has been disclosed in Note 5 to the financial statements.

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact by applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

The Company and its subsidiaries have elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses in the case that a simplified approach is used to determine expected credit losses.
- Not to include information relating to the uncertain COVID-19 situation, which may affect the estimation of future taxable profits as data to estimate the adequacy of future taxable profits in order to take advantage of deferred tax assets.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36 : Impairment of Assets.

2.3 Financial reporting standards that become effective in the future

During the year, the Federation of Accounting Professions issued a notification of the Federation of Accounting Professions and published in the Government Gazette for the conceptual framework of financial reporting (new) and several revised financial reporting standards from the year 2019 that become effective for the accounting period beginning on or after January 1, 2021 onwards. Such adjustments are to improve/ revise the principles of the financial reporting as follows:

Adjustment is reference to the conceptual framework in the financial reporting standards

Several financial reporting standards are reference to “ IASC’ s Framework for the Preparation and Presentation of Financial Statements.” The adjustment of reference project on the conceptual framework in the financial reporting standards has updated reference or partial reference adjustment and other to describe clearly whether each document is reference to “ the conceptual framework” of which year.

Conceptual Framework for Financial Reporting

The conceptual framework for financial reporting consisted of revised definitions of assets and liabilities. Criteria for the recognition of assets and liabilities in the financial statements. It also includes the following new principles and guidance:

1. Measurement, including factors that must be considered in selecting the valuation criteria
2. Presentation and disclosure which includes when the income and expenses are classified into other comprehensive income.
3. Reporting entities
4. When the assets and liabilities derecognition from the financial statements

In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

Business definition revised in the financial reporting standard No. 3 " Business Combination" describes more clearly on definition of business. The objective is for the business to establish that such transaction has to be recorded as " business combination" or " purchase of assets" or not. Adjustments are as follows:

1. Describe clearly on the consideration of "business", activity group and acquired assets must include input data factor, key process that at least combined will significantly generate outputs.
2. Eliminate the assessment that the market partner can substitute input factor or missing process and generate further outputs from the standards.
3. Add practice guide and example to support understanding and help the company assess whether the key process is acquired.
4. Narrow down the definition of business and definition of outputs by placing interest in the product and service provided to the customer and eliminate the reference on ability to reduce cost from the standards.
5. Add the intention test as an alternative which allows to make assessment easily whether the activity group and acquired assets are business or not.

Definition of significance

The definition of significance has resulted in revising the accounting standard No. 1 “Presentation of Financial Statements, Presentation of Financial Statements and Accounting Standards No.8 – Accounting Policy, Change of Accounting Estimates and Error and the revision that resulted in other financial reporting standards.

The adjustment creates better understanding of the definition of significance by

1. For the definition to follow the same direction of the financial reporting standards and conceptual framework to avoid the confusion that may arise from the definition difference.
2. Include the requirements together of the accounting standard No.1 “Presentation of financial statements” in the definition for it to become clearer and describe how the materiality can be clearly applied.
3. Applying existing practice guidance of the definition of the materiality in the same place as the definition.

Reform of swap interest rate

The reform of swap interest rate resulted in the adjustment of the financial reporting standards No. 9 financial instruments and financial reporting standards No.7 financial instrument disclosure. Such adjustment has changed the hedge accounting requirements, especially to reduce the impact arising from the uncertainty as a result of the swap interest rate reform such as interbank offer rates-IBORs. In addition, the adjustment requires the business to provide additional information to investors regarding the relation of hedging directly impacted from any uncertainties.

The management of the company and its subsidiaries are in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

2.4 Thai Financial Reporting Standard No.16 “Leases”

The Federation of Accounting Professions has revised TFRS 16 lease agreements and published in the Government Gazette on January 27, 2021 with the following revisions.

1. The Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

2. Added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted.

The management of the Company and its subsidiaries are in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

3. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and the following subsidiaries which were incorporated in Thailand.

Company's name	Nature of business	Percentage of shareholding		Percentage of assets included in total assets as at		Percentage of revenues included in total revenues for the years	
		2020	2019	2020	2019	2020	2019
		Percent	Percent	Percent	Percent	Percent	Percent
General Marine Co., Ltd.	Agent of machinery and equipment for marine service	100	100	0.65	0.68	0.47	0.04
Asimar Marine Co., Ltd.	Subcontractor of ship repair	100	100	1.33	1.29	5.69	6.47
Eco Marine Co., Ltd.	Pollution control and environmental management services	93	93	4.48	4.54	5.40	4.14
Asian Marine Joint Venture Co., Ltd.	Shipbuilding	80	-	0.03	-	0.00	-

- a) The consolidated financial statements are prepared by using uniform accounting policies so that the transactions and other events which are the same or the similar circumstances have been used the identical policies to record those transactions.
- b) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- c) 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 profit or loss and within equity in the consolidated statement of financial position.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

Service revenue is recognized over time when services have been rendered considering the stage of completion. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a service rendering contract cannot be estimated reliably, service revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

The recognized revenue which is not yet due per the contracts has been presented as “Unbilled complete construction in progress” in the statement of financial position, which is classified as trade receivables when the Group is entitled to receive without condition such as upon completion of services and acceptance by the customer.

The obligation to transfer service to a customer for which the subsidiaries have consideration or an amount of consideration is due from the customer is presented as “Advance received from customers” in the statement of financial position. Deferred income will be recognized as revenue when the Group has completely performed the obligation stated in the contract.

Interest income is recognized on an accrued basis, based on the effective rate method.

Other income is recognized on an accrual basis.

4.2 Cost of services

Cost of services are determined by allocating cost of material, direct labour and overhead as anticipated to be incurred for the whole project and recognizing as cost of services in the income statements in proportion to percentage of completion.

The recognized cost of services which has not yet been paid has been shown under the caption of “Accrued construction cost” in the statements of financial position. In case that the cost of service according to the percentage of completion method is lower than the incurring cost of service, it will be shown as “work in process” under the inventory account in the statement of financial position.

4.3 Cash and cash equivalents

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

4.4 Trade receivables

Applicable from January 1, 2020

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade receivables are stated at the amount expected to be collectible, the Company and its subsidiaries apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, that requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company and its subsidiaries have identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognized in profit or loss in administrative expenses.

Applicable prior to January 1, 2020

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is generally based on collection experiences and analysis of each debtor aging that is expected to have collection problem.

4.5 Financial assets and financial liabilities

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company and its subsidiaries classify its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company and its subsidiaries reclassify debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

At initial recognition, the Company and its subsidiaries measure a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Company and its subsidiaries' s business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company and its subsidiaries classify its debt instruments:

- Amortized cost: A financial assets will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, 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. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, 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. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Dividends from such investments continue to be recognized in profit or loss when the Company and its subsidiaries' s right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Classification and measurement of financial liabilities and equity

Financial instruments issued by the Company and its subsidiaries must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Company and its subsidiaries have an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company and its subsidiaries' s own equity instruments.
- Where the Company and its subsidiaries have no contractual obligation or have an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Company and its subsidiaries measure financial liabilities at fair value. The Company and its subsidiaries reclassify all financial liabilities as subsequently measured at amortised cost, except for derivatives.

Recognition and derecognition

The Company and its subsidiaries shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Company and its subsidiaries become party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company and its subsidiaries commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company and its subsidiaries have transferred substantially all the risks and rewards of ownership of the financial assets.

Impairment

The Company and its subsidiaries assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company and its subsidiaries apply general approach for credit-impaired consideration.

4.6 Inventories

Inventories are valued at the lower of cost and net realizable value. Costs of raw materials and semi-raw materials are determined on the first-in, first-out basis and are charged to cost of ship building or ship repair whenever consumed.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the sale.

Allowance for obsolete stock is provided at the rate 100 percent for old, slow-moving, deteriorated and at the rate 20 percent for unmovable inventories over 2 years.

4.7 Lease receivables

Lease receivables are stated at the value is calculated from future cash flows that are discounted using the interest rate for the Company's capital. The difference between fair value and investment in accounts receivable are included in determining income.

4.8 Investments in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements.

4.9 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives and remaining value at the discontinuation of the assets are as follows:-

	<u>Years</u>	<u>Residual Value at disabled date</u>
Floating dockyards	20	Estimated by the engineer
Building and other constructions	5 - 20	Estimated by the engineer
Building improvements	5 - 20	-
Machinery and equipments	1 - 5	Estimated by the engineer
Furniture and fixtures	1 - 5	-
Marine and motor vehicles	5 - 10	-

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

4.10 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

4.11 Intangible assets and amortization

Intangible assets that are acquired by the Company with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any). Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Know-how for use in building pollution control ships	10	years
Software (Application software)	3 -10	years
Licence	6	years

4.12 Leases

At the inception of a contract, the Company and its subsidiaries assess whether the 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 Company and its subsidiaries assess the lease term for the non-cancellable period as stipulated in the lease contract or the remaining period of active leases at the date of initial application (as at January 1, 2020) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Right-of-use assets-as a lessee

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

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Company and its subsidiaries exercising the option to terminate.

In calculating the present value of lease payments, the Company and its subsidiaries use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, 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

The Company and its subsidiaries apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

4.13 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.14 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currencies outstanding at the statement of financial position date are translated into Baht at the exchange rates ruling on the statement of financial position date.

Gains and losses on exchange are included in determining income.

4.15 Impairment of assets

As at the statement of financial position date, the Company and its subsidiaries assesses whether there is an indication of asset impairment. If any such indication exists, the Company and its subsidiaries will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

4.16 Employee benefits

Short-term employee benefits

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

Post-employment benefit (Defined Contribution plans)

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

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments to employees upon retirement under the Company's article and labour law. The Company treated these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses for post-employment benefits of the employees are recognized in other comprehensive income.

4.17 Provisions

Provisions are recognized when the Company and its subsidiaries have 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.

4.18 Corporate income tax

Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiaries records income tax expense, if any, based on the amount currently payable. Income tax is calculated in accordance with tax laws and at the rate 20% of net profit after deducting other income which is exempt from corporate income tax and adding back certain expenses and provisions which are forbidden expenses for tax computation purposes.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Company and its subsidiaries offsets deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

4.19 Significant accounting judgement and estimates

Preparation of financial statements in conformity with the financial reporting standards requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates. Significant estimates are as follows :

Allowances for doubtful accounts

IFRS 9 simplified approach is applied to measuring expected credit losses which uses a simplified approach that requires expected lifetime losses to be recognized from the initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Allowances for defective inventories and net realizable value

Management maintains an allowance for defective inventories. The allowance is based on for obsolete stock provided at the rate 100 percent for old, slow-moving, deteriorated and at the rate 20 percent for unmovable inventories over 2 years. The Company also maintains an allowance for below cost sale based on the consideration of estimate from the expected selling price in the ordinary course of business less the estimated costs to complete the sale.

Property, plant and equipment and right - of - use - assets and intangible assets

Management determines the estimated useful lives and residual values for the Company's property, plant and equipment and right - of - use - assets and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

Estimated for cost of project and percentage of completion

Management determines the estimated for cost of project and percentage of completion based on the assessment of completion of a physical proportion of work under the contract by its engineer. The provision for the total anticipated loss on ship building and ship repair will be made in the accounts when the possibility of loss is ascertained.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Provisions from the work guarantee

The management has set the provisions on the work guarantee from the damage that may arise. It is applied for the shipbuilding project that has been delivered by using the basis of cost expected to be paid according to the provisions determined by the engineers of the Company.

Determining the lease term of contracts with renewal and termination options

The Company and its subsidiaries determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiaries reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

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.

5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.2 to the financial statements, the Company and its subsidiaries have adopted TFRSs related to financial instruments and TFRS 16 during the year. The cumulative effect of the changes in accounting policies are recognized as an adjustment to retained earnings as at January 1, 2020 and the comparative information was not restated.

The changes in accounting policies due to the adoption of above financial reporting standards are summarized below.

(Unit : Baht)

	Consolidated financial statement			As at January 1, 2020
	As at December 31, 2019	TFRS 9	TFRS 16	
Statement of financial position				
Current assets				
Trade and other current receivables	61,410,142	(1,944,061)	-	59,466,081
Non-current assets				
Property, plant and equipment	443,261,673	-	(3,857,950)	439,403,723
Leasehold right of land and building	23,777,844	-	(23,777,844)	-
Right-of-use assets	-	-	58,086,953	58,086,953
Deferred tax assets	13,179,783	388,812	1,392,085	14,960,680
Total assets	<u>541,629,442</u>	<u>(1,555,249)</u>	<u>31,843,244</u>	<u>571,917,437</u>
Current liabilities				
Current portion of lease liabilities	750,462	-	2,612,530	3,362,992
Accrued expense	13,737,885	-	(4,191,484)	9,546,401
Non-current liabilities				
Lease liabilities	667,380	-	34,806,739	35,474,119
Total liabilities	<u>15,155,727</u>	<u>-</u>	<u>33,227,785</u>	<u>48,383,512</u>
Unappropriated retained earnings	<u>143,409,423</u>	<u>(1,555,249)</u>	<u>(1,384,541)</u>	<u>140,469,633</u>
Total equity	<u>428,940,322</u>	<u>(1,555,249)</u>	<u>(1,384,541)</u>	<u>426,000,532</u>

(Unit: Baht)

	Separate financial statement			As at January 1, 2020
	As at December 31, 2019	TFRS 9	TFRS 16	
Statement of financial position				
Current assets				
Trade and other current receivables	58,314,355	(1,944,061)	-	56,370,294
Non-current assets				
Property, plant and equipment	442,428,664	-	(3,857,950)	438,570,714
Leasehold right of land and building	23,777,844	-	(23,777,844)	-
Right-of-use assets	-	-	58,086,953	58,086,953
Deferred tax assets	12,983,995	388,812	1,392,085	14,764,892
Total assets	<u>537,504,858</u>	<u>(1,555,249)</u>	<u>31,843,244</u>	<u>567,792,853</u>
Current liabilities				
Current portion of lease liabilities	750,462	-	2,612,530	3,362,992
Accrued expense	12,513,370	-	(4,191,484)	8,321,886
Non-current liabilities				
Lease liabilities	667,380	-	34,806,739	35,474,119
Total liabilities	<u>13,931,212</u>	<u>-</u>	<u>33,227,785</u>	<u>47,158,997</u>
Unappropriated retained earnings	<u>140,018,009</u>	<u>(1,555,249)</u>	<u>(1,384,541)</u>	<u>137,078,219</u>
Total equity	<u>424,138,206</u>	<u>(1,555,249)</u>	<u>(1,384,541)</u>	<u>421,198,416</u>

5.1 Financial instruments

The total impact on the retained earnings as at January 1, 2020 is as follows:

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
Unappropriated retained earnings as at December 31, 2019	143,409,423	140,018,009
Increase in loss allowance for trade and other current receivables	(1,555,249)	(1,555,249)
Adjustment to unappropriated retained earnings from adoption of TFRS 9 on January 1, 2020	(1,555,249)	(1,555,249)
Unappropriated retained earnings as at January 1, 2020 - TFRS 9 before restatement for TFRS 16	<u>141,854,174</u>	<u>138,462,760</u>

On January 1, 2020 (the date of initial application), the Company and its subsidiaries's management has assessed the business models applied to manage financial assets and liabilities held by the Company and its subsidiaries and has classified the financial assets and liabilities as follows:

	(Unit : Baht)				
	Consolidated financial statements				
	FVPL	Fair value - Derivatives	FVOCI	Amortized cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	-	-	-	66,803,512	66,803,512
Trade and other current receivables	-	-	-	62,838,740	62,838,740
Unbilled complete construction in progress	-	-	-	46,612,560	46,612,560
Assets held for sale	-	-	-	8,469,118	8,469,118
	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,723,930</u>	<u>184,723,930</u>

(Unit : Baht)

	Consolidated financial statements		
	Fair value -	Amortized	Total
	Derivatives	cost	
Financial liabilities as at January 1, 2020			
Bank overdrafts and short-term loans from financial institutions	-	140,000,000	140,000,000
Trade accounts payable	-	34,822,668	34,822,668
Accrued construction cost	-	1,598,052	1,598,052
Advance received from customers	-	125,000	125,000
Accrued expenses	-	16,105,950	16,105,950
Lease liabilities	-	38,837,111	38,837,111
Long-term loans from bank	-	107,856,265	107,856,265
	-	339,345,046	339,345,046

(Unit: Baht)

	Separate financial statements				
	FVPL	Fair value -	FVOCI	Amortized	Total
		Derivatives		cost	
Financial assets as at January 1, 2020					
Cash and cash equivalents	-	-	-	63,920,381	63,920,381
Trade and other current receivables	-	-	-	57,341,990	57,341,990
Unbilled complete construction in progress	-	-	-	45,639,448	45,639,448
Assets held for sale	-	-	-	8,469,118	8,469,118
	-	-	-	175,370,937	175,370,937

(Unit : Baht)

	Separate financial statements		
	Fair value -	Amortized	Total
	Derivatives	cost	
Financial liabilities as at January 1, 2020			
Bank overdrafts and short-term loans from financial institutions	-	140,000,000	140,000,000
Trade accounts payable	-	36,585,798	36,585,798
Accrued construction cost	-	1,598,052	1,598,052
Accrued expense	-	14,071,827	14,071,827
Lease liabilities	-	38,837,111	38,837,111
Long-term loans from bank	-	107,856,265	107,856,265
	-	338,949,053	338,949,053

Impairment of financial assets

The Company and its subsidiaries have trade receivables that are subject to the expected credit loss model. The Company and its subsidiaries have trade receivables and long-term loans to related parties that are subject to the expected credit loss model.

Trade receivables

The Company and its subsidiaries apply the simplified approach to measuring expected credit losses, which use a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles, the corresponding historical credit losses experienced and the impact of potential factor to the expected loss rates.

On that basis, the loss allowance for trade receivables was as follows:

	(Unit: Baht)					
	Consolidated financial statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Gross carrying amount	23,433,301	6,648,836	8,313,017	21,172,478	6,576,178	66,143,810
Loss allowance	961,384	333,794	648,883	5,943,929	6,576,178	14,464,168

	(Unit: Baht)					
	Separate financial statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Gross carrying amount	23,204,824	6,261,032	8,313,017	21,172,478	6,576,178	65,527,529
Loss allowance	961,384	333,794	648,883	5,943,929	6,576,178	14,464,168

The loss allowance for trade receivables as at December 31, 2019 is reconciled to the opening loss allowance for trade receivables as at January 1, 2020 as follows:

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
<u>Loss allowance for trade receivables</u>		
As at December 31, 2019	12,520,107	12,520,107
Amounts restated through opening unappropriated retained earnings	1,944,061	1,944,061
Opening loss allowance as at January 1, 2020	14,464,168	14,464,168

5.2 Leases

These liabilities were measured at the present value of the remaining lease payments, discounted using the Company and its subsidiaries's incremental borrowing rates. The Company and its subsidiaries incremental borrowing rates applied to the lease liabilities as at January 1, 2020 was ranged between 1.99% to 6.90%.

For leases previously classified as finance leases applying TAS 17, the Company and its subsidiaries reclassified the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments disclosed as at December 31, 2019	55,511,820	55,511,820
<u>Add:</u> Purchase or extension options reasonably certain to be exercised	1,044,300	1,044,300
<u>Less:</u> Contracts reassessed as service agreements	(393,000)	(393,000)
Total	56,163,120	56,163,120
<u>Less:</u> Deferred interest expenses	(18,743,851)	(18,743,851)
Additional lease liabilities from TFRS 16 adoption	37,419,269	37,419,269
Finance lease liabilities as at December 31, 2019	1,417,842	1,417,842
Lease liabilities recognised as at January 1, 2020	<u>38,837,111</u>	<u>38,837,111</u>
Of which are:		
Current lease liabilities	3,362,992	3,362,992
Non-current lease liabilities	35,474,119	35,474,119
	<u>38,837,111</u>	<u>38,837,111</u>

The recognized right-of-use assets are divided into the following types of assets:

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
As at January 1, 2020		
Leasehold right of land and building	50,024,063	50,024,063
Vehicles	8,062,890	8,062,890
Total right-of-use assets	<u>58,086,953</u>	<u>58,086,953</u>

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On January 1, 2020 (the date of initial application of new financial reporting standards), the Company and its subsidiaries's management have assessed which business models applied to the financial assets and liabilities and have classified the financial assets and liabilities balances as at January 1, 2020 as disclosed in Note 5.

(Unit : Baht)

	Consolidated financial statements				
	Fair value -		FVOCI	Amortized cost	Total
	FVPL	Derivatives			
Financial assets as at 31 December 2020					
Cash and cash equivalents	-	-	-	24,873,502	24,873,502
Trade and other current receivables	-	-	-	51,630,989	51,630,989
Unbilled complete construction in progress	-	-	-	64,345,772	64,345,772
Lease receivable	-	-	-	8,180,309	8,180,309
	-	-	-	149,030,572	149,030,572

(Unit : Baht)

	Consolidated financial statements			
	Fair value -		Amortized cost	Total
	Derivatives	FVOCI		
Financial liabilities as at December 31, 2020				
Bank overdrafts and short-term loans from financial institutions		-	75,000,000	75,000,000
Trade accounts payables		-	29,238,580	29,238,580
Accrued construction cost		-	260,533	260,533
Advance received from customers		-	10,791,294	10,791,294
Accrued expenses		-	18,723,123	18,723,123
Lease liabilities		-	37,212,599	37,212,599
Long-term loans from bank		-	80,238,145	80,238,145
		-	251,464,274	251,464,274

(Unit : Baht)

	Separate financial statements			
	Fair value -		Amortized cost	Total
	Derivatives	FVOCI		
Financial assets as at December 31, 2020				
Cash and cash equivalents	-	-	19,701,615	19,701,615
Trade and other receivables	-	-	48,731,168	48,731,168
Unbilled complete construction in progress	-	-	63,580,888	63,580,888
Lease receivable	-	-	8,180,309	8,180,309
	-	-	140,193,980	140,193,980

	(Unit : Baht)		
	Separate financial statements		
	Fair value - Derivatives	Amortized cost	Total
Financial liabilities as at December 31, 2020			
Bank overdrafts and short-term loans from financial institutions	-	75,000,000	75,000,000
Trade accounts payables	-	33,955,024	33,955,024
Accrued construction cost	-	260,533	260,533
Advance received from customers	-	10,791,294	10,791,294
Accrued expenses	-	17,120,669	17,120,669
Lease liabilities	-	37,212,599	37,212,599
Long-term loans from bank	-	80,238,145	80,238,145
	-	254,578,264	254,578,264

7. RELATED PARTY TRANSACTIONS

During the years, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

<u>Transactions with subsidiaries</u>	Million Baht		Pricing Policy
	2020	2019	
(being eliminated from the consolidated financial statement)			
Shipbuilding income	21.3	13.2	Based on each subcontractor work order
Ship repair income	0.38	0.04	Price close to that charged to ordinary customers
Dividend received	-	8.2	Approval at the Annual General Meeting of Shareholders of a subsidiary
Other income	1.1	1.5	Supervisor fee and office service fee amounted to Baht 7,000-50,000 per month and rental fee for storage room amounted to Baht 1,500 per month and supplies were sold at cost plus margin 3 - 10% and service income at cost plus margin 20%
Cost of services	27.4	28.4	Baht 300 - 450 per day per person and agreed upon basis
Purchase material	2.7	0.6	Cost plus margin 10-150%
Interest expense	0.3	0.3	Interest rate 1.45%
<u>Transactions with related parties</u>			
Ship repair income	9.2	36.8	Price close to that charged to ordinary customers
Service income and sales	0.8	1.08	Price close to that charged to ordinary customers

The outstanding balances as at December 31, 2020 and 2019 between the Company and the related companies are as follows:

		(Unit: Baht)			
	Relationship	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<u>Trade accounts receivable - related parties</u>					
Seatran Ferry Co., Ltd.	Common directors	552,413	12,672,997	427,223	12,265,327
Seatran Discovery Co., Ltd.	Common directors	-	321,000	-	321,000
Seatran Travel Co., Ltd.	Common directors	-	6,206	-	-
		<u>552,413</u>	<u>13,000,203</u>	<u>427,223</u>	<u>12,586,327</u>
<u>Other current receivables - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	66,252	37,422
Asimar Marine Co., Ltd.	Subsidiary	-	-	37,381	42,761
General Marine Co., Ltd.	Subsidiary	-	-	7,000	7,000
Seatran Ferry Co., Ltd.	Common directors	2,090,449	800	2,090,449	800
		<u>2,090,449</u>	<u>800</u>	<u>2,201,082</u>	<u>87,983</u>
<u>Unbilled complete construction in progress - related parties</u>					
Seatran Ferry Co., Ltd.	Common directors	5,764,930	959,101	5,764,930	959,101
Eco Marine Co., Ltd.	Subsidiary	-	-	9,891,562	13,234,851
		<u>5,764,930</u>	<u>959,101</u>	<u>15,656,492</u>	<u>14,193,952</u>
<u>Trade accounts payable - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	353,564	101,361
Asimar Marine Co., Ltd.	Subsidiary	-	-	2,865,535	2,193,848
General Marine Co., Ltd.	Subsidiary	-	-	1,983,394	-
		<u>-</u>	<u>-</u>	<u>5,202,493</u>	<u>2,295,209</u>
<u>Accrued interest - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	9,326	16,224
Asimar Marine Co., Ltd.	Subsidiary	-	-	3,193	3,202
General Marine Co., Ltd.	Subsidiary	-	-	1,228	6,158
		<u>-</u>	<u>-</u>	<u>13,747</u>	<u>25,584</u>
		<u>-</u>	<u>-</u>	<u>5,216,240</u>	<u>2,320,793</u>
<u>Long-term loans - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	10,000,000	12,400,000
Asimar Marine Co., Ltd.	Subsidiary	-	-	2,600,000	2,600,000
General Marine Co., Ltd.	Subsidiary	-	-	1,000,000	5,000,000
		<u>-</u>	<u>-</u>	<u>13,600,000</u>	<u>20,000,000</u>
Long-term loans- related parties, beginning balance		-	-	20,000,000	13,000,000
Add Addition loan during the year		-	-	5,000,000	9,000,000
Less Repayments during the year		-	-	(11,400,000)	(2,000,000)
Long-term loans- related parties, ending balance		-	-	13,600,000	20,000,000
Less Current portion		-	-	(8,600,000)	(20,000,000)
Net		<u>-</u>	<u>-</u>	<u>5,000,000</u>	<u>-</u>

As at December 31, 2020 and as at December 31, 2019, the Company has long-term loans with 3 subsidiaries totaling Baht 13.60 million and Baht 20.00 million, respectively, with interest rates of 0.75 and 1.45 percent per annum. The repayment of long-term loans is made from the period of 5 February, 2021 to May 20, 2022.

Management remuneration

Management remuneration represents the benefit paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management remuneration for the years ended December 31, 2020 and 2019 are as follows;

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	14,424,825	14,621,540	14,424,825	14,621,540
Post employee benefits	274,358	599,000	274,358	599,000
Total	14,699,183	15,220,540	14,699,183	15,220,540

8. TRADE AND OTHER CURRENT RECEIVABLES

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade accounts receivable - related parties</u>				
Trade accounts receivable - ship repair	427,223	12,586,327	427,223	12,586,327
Trade accounts receivable - service	125,190	413,876	-	-
Total	552,413	13,000,203	427,223	12,586,327
<u>Trade accounts receivable - non-related parties</u>				
Trade accounts receivable - ship repair	26,283,760	31,136,474	26,283,760	31,136,474
Trade accounts receivable - shipbuilding	22,807,064	6,576,178	22,807,064	6,576,178
Trade accounts receivable - service	2,137,096	15,430,955	1,992,950	15,228,550
Total	51,227,920	53,143,607	51,083,774	52,941,202
Less: Allowance for doubtful accounts	(11,365,467)	(12,520,107)	(11,365,467)	(12,520,107)
Net	39,862,453	40,623,500	39,718,307	40,421,095
Total trade accounts receivable - net	40,414,866	53,623,703	40,145,530	53,007,422
<u>Other current receivables - related parties</u>	2,090,449	800	2,201,082	87,983

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Other current receivables - unrelated parties</u>				
Advance payment for purchase of goods	3,091,002	3,188,295	2,961,002	1,326,925
Prepaid expenses	2,263,977	2,751,014	2,232,193	2,735,861
Revenue department receivables	2,903,985	3,372,659	557,046	971,696
Other	866,710	1,846,330	634,315	1,156,164
Total other current receivables - unrelated parties	9,125,674	11,158,298	6,384,556	6,190,646
Total trade and other current receivables - net	51,630,989	64,782,801	48,731,168	59,286,051

The agings of the outstanding balances of trade accounts receivable as at December 31, 2020 and 2019, as classified by due dates, are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade receivables</u>				
<u>Age of receivables</u>				
Undue	30,603,628	23,433,301	30,383,940	23,204,824
Not over 3 months	6,547,230	6,648,836	6,519,731	6,261,032
Over 3 months to 6 months	3,118,246	8,313,017	3,118,246	8,313,017
Over 6 months to 12 months	2,015,099	21,172,478	1,992,950	21,172,478
Over 12 months	9,496,130	6,576,178	9,496,130	6,576,178
Total	51,780,333	66,143,810	51,510,997	65,527,529
Less: Allowance for doubtful accounts	(11,365,467)	(12,520,107)	(11,365,467)	(12,520,107)
Net	40,414,866	53,623,703	40,145,530	53,007,422
Other current receivables - related parties	2,090,449	800	2,201,082	87,983
Other current receivables - unrelated parties				
Advance payment for purchase of goods	3,091,002	3,188,295	2,961,002	1,326,925
Prepaid expenses	2,263,977	2,751,014	2,232,193	2,735,861
Revenue department receivables	2,903,985	3,372,659	557,046	971,696
Other	866,710	1,846,330	634,315	1,156,164
Total other current receivable - unrelated parties	9,125,674	11,158,298	6,384,556	6,190,646
Total trade and other current receivables	51,630,989	64,782,801	48,731,168	59,286,051

The movements of allowance for doubtful accounts were as follows :-

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance	(12,520,107)	(10,355,908)	(12,520,107)	(10,355,908)
Impact of first-time adoption of new accounting standards TFRS 9 (Note 5)	(1,944,061)	-	(1,944,061)	-
Balance as restated	(14,464,168)	(10,355,908)	(14,464,168)	(10,355,908)
Doubtful debt recovered	3,000,000	1,500	3,000,000	1,500
Write-off bad debtors	-	3,523,339	-	3,523,339
(Increase) decrease of allowance	98,701	(5,689,038)	98,701	(5,689,038)
Ending Balance	<u>(11,365,467)</u>	<u>(12,520,107)</u>	<u>(11,365,467)</u>	<u>(12,520,107)</u>

The Company has long time outstanding balances of trade accounts receivable as at December 31, 2020 totaling Baht 9.5 million. (As at December 31, 2019 : Baht 12.5 million). The Company has set aside an allowance for doubtful accounts in the amount of approximately Baht 11.4 million (As at December 31, 2019 : Baht 12.5 million). These accounts are followed up by the Company.

9. LEASE RECEIVABLES

Movements of the lease receivables account for the year ended December 31, 2020 are summarized as follows:

	(Unit: Baht)	
	Consolidated financial statements/ Separate financial statements	
	2020	2019
Lease receivables	8,346,000	-
<u>Less: Deferred interest income</u>	<u>(165,691)</u>	<u>-</u>
Total	8,180,309	-
<u>Less: Current portion</u>	<u>(3,731,165)</u>	<u>-</u>
Lease receivables - net	<u><u>4,449,144</u></u>	<u><u>-</u></u>

On January 8, 2020, the Company has entered into a ship purchase agreement with another company at a price of Baht 9.63 million (Included Vat), in which the buyer agrees to pay to the Company by paying in total of 30 installments, the installments No. 1 - 4 at Baht 160,500 each, the installments No. 5-18 at Baht 321,000 each, and the installments No. 19 - 30 at Baht 374,500 each. The first installment payment is made on February 28, 2020 and the payment is due on July 30, 2022. The Company has delivered the ship to the buyer within 15 days from the date of this agreement and will register the ownership transfer to buyer within 30 days from the date complete payment is fully received under the agreement. The Company will be responsible for the fees and expenses related to the transfer of ownership.

On April 30, 2020, the Company received a letter requesting an extension period for payment from the debtor which formerly the payment due date was on July 30, 2022 to the payment due date on December 30, 2022. The Company has approved and classified the portion due within 1 year in accordance with the new payment condition.

10. UNBILLED COMPLETE CONSTRUCTION IN PROGRESS/ADVANCES RECEIVED FROM CUSTOMERS

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenue recognized in the years - Shipbuilding	86,389,379	44,653,416	107,656,477	57,888,268
- Ship repair	373,279,191	364,916,842	373,654,450	364,955,086
- Service	20,255,837	21,050,043	(5,512,375)	4,286,330
- Sale equipment for marine service	135,000	-	-	-
	<u>480,059,407</u>	<u>430,620,301</u>	<u>475,798,552</u>	<u>427,129,684</u>
Aggregate amount of cost incurred	<u>72,149,740</u>	<u>37,838,652</u>	<u>75,431,192</u>	<u>49,151,204</u>
Unbilled complete construction				
in progress for - Shipbuilding	22,502,178	3,933,416	21,737,294	17,168,268
- Ship repair	41,843,594	25,558,906	41,843,594	25,558,906
- Service	-	17,120,238	-	2,912,274
	<u>64,345,772</u>	<u>46,612,560</u>	<u>63,580,888</u>	<u>45,639,448</u>
Advances received from customers - Shipbuilding	<u>10,791,294</u>	<u>125,000</u>	<u>10,791,294</u>	<u>-</u>

11. INVENTORIES

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Raw materials	33,202,120	43,397,527	32,952,666	43,174,637
Work in process	521,501	7,151,632	446,538	7,097,912
Goods in transit	2,231,627	-	2,231,627	-
Total	35,955,248	50,549,159	35,630,832	50,272,549
Less : Allowance for stock obsolescence	(1,255,721)	(1,235,772)	(1,255,721)	(1,235,772)
Net	34,699,527	49,313,387	34,375,111	49,036,777

Allowance for stock obsolescence of inventories is changed during the years as follows :

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance	(1,235,772)	(1,125,975)	(1,235,772)	(1,125,975)
Increase	(19,949)	(109,797)	(19,949)	(109,797)
Decrease	-	-	-	-
Ending balance	(1,255,721)	(1,235,772)	(1,255,721)	(1,235,772)

12. ASSETS HELD FOR SALE

Movements of the other assets held for sale account for the year ended December 31, 2020 and 2019 are summarized below.

(Unit : Baht)

	Consolidated financial statements/ Separate financial statements	
	2020	2019
Value of ship	-	43,000,000
<u>Less</u> Allowance for impairment	-	(34,530,882)
Net book value	-	8,469,118

The Company has sold such assets to another company in the amount of Baht 9.63 million (Included Vat). The buyer has agreed to pay to the Company for 30 installments as stated in Note 9.

The movements of allowance for impairment during the years were as follows :-

	(Unit : Baht)	
	Consolidated financial statements/ Separate financial statements	
	2020	2019
Beginning balance	-	34,400,941
Increase	-	129,941
Ending balance	-	34,530,882

13. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR UNDER THE COST METHOD

These represent investments in ordinary shares in the following subsidiaries.

Company's name	(Unit: Baht)									
	Consolidated financial statements									
	Paid-up capital		Shareholding		Cost		Carrying amounts based on		Dividend	
	2020	2019	percentage		2020	2019	equity method		2020	2019
(Million Baht)	(Million Baht)	(Percent)	(Percent)							
Investments in subsidiaries										
General Marine Co., Ltd.	10.0	10.0	100	100	10,000,000	10,000,000	4,610,889	4,911,172	-	-
Less Allowance for impairment					(5,115,021)	(5,115,021)	-	-	-	-
					4,884,979	4,884,979	4,610,889	4,911,172	-	-
Asimar Marine Co., Ltd.	5.0	5.0	100	100	4,998,200	4,998,200	7,189,179	7,180,243	-	-
Eco Marine Co., Ltd.	18.25	18.25	93	93	16,999,300	16,999,300	19,704,447	19,239,112	-	8,159,916
Asian Marine Joint Venture Co., Ltd.	0.25	-	80	-	197,500	-	140,920	-	-	-
					<u>27,079,979</u>	<u>26,882,479</u>	<u>31,645,435</u>	<u>31,330,527</u>	-	<u>8,159,916</u>

On March 20, 2019 at the Annual General Meeting of Shareholders Year 2019 of Eco Marine Co., Ltd., it was approved to declare a cash dividend payment to the shareholders from its 2018 operations at the rate of Baht 12 per share for an amount of Baht 8.76 million. The payment was made on April 19, 2019.

On February 27, 2020, the Board of Directors' Meeting No. 1/2020, it had a resolution to establish the subsidiary by jointly investing with the company that has previously working on aluminum shipbuilding. On March 6, 2020, the Company had entered into the joint venture agreement with Dolphin Chumphon Marine Co.,Ltd. with the registered capital of Baht 1,000,000 by dividing into 10,000 ordinary shares at Baht 100 per share. The Company has the shareholding for 7,900 shares or 80 percent. On March 10, 2020, the Company had paid the investment for 7,900 shares at Baht 25 per share, to talling Baht 197,500.

14. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

	Consolidated financial statements					Book value as at December 31, 2020
	Book value as at December 31, 2019	Transactions				
		Additions	Deduction	Transferred in	Transferred out	
Cost						
Land	86,081,287	-	-	-	-	86,081,287
Floating dockyards	310,187,228	-	-	8,458,109	-	318,645,337
Building, building improvement and other constructions	301,300,825	-	(4,889,865)	68,520,567	-	364,931,527
Machinery and equipment	226,274,169	3,531,171	(10,103,280)	3,990,759	-	223,692,819
Furnitures and fixtures	29,375,613	703,362	(3,477,640)	30,513	-	26,631,848
Vehicles	43,486,772	5,015,000	(5,318,631)	5,241,640	(6,061,747)	42,363,034
Construction in progress	72,044,879	15,945,438	-	-	(84,020,038)	3,970,279
Total	1,068,750,773	25,194,971	(23,789,416)	86,241,588	(90,081,785)	1,066,316,131
Less: Accumulated depreciation						
Floating dockyards	(199,984,076)	(9,723,977)	-	-	-	(209,708,053)
Building, building improvement and other constructions	(199,686,703)	(11,538,263)	4,645,372	-	-	(206,579,594)
Machinery and equipment	(162,328,138)	(12,543,654)	9,443,266	-	-	(165,428,526)
Furnitures and fixtures	(26,156,961)	(1,226,682)	3,432,155	-	-	(23,951,488)
Vehicles	(37,333,222)	(717,146)	5,123,085	(3,988,715)	2,203,796	(34,712,202)
Total	(625,489,100)	(35,749,722)	22,643,878	(3,988,715)	2,203,796	(640,379,863)
Equipment, net	443,261,673					425,936,268

(Unit : Baht)

	Consolidated financial statements					Book value as at December 31, 2019
	Book value as at December 31, 2018	Transactions				
		Additions	Deduction	Transferred in	Transferred out	
Cost						
Land	86,081,287	-	-	-	-	86,081,287
Floating dockyards	306,639,112	-	-	3,548,116	-	310,187,228
Building, building improvement and other constructions	299,168,048	-	-	2,132,777	-	301,300,825
Machinery and equipment	213,664,120	2,387,376	(1,287,896)	11,510,569	-	226,274,169
Furnitures and fixtures	29,265,664	1,464,876	(1,390,026)	35,099	-	29,375,613
Vehicles	43,120,659	1,255,621	(1,117,107)	227,599	-	43,486,772
Construction in progress	57,610,814	32,166,117	-	-	(17,732,052)	72,044,879
Total	1,035,549,704	37,237,990	(3,795,029)	17,454,160	(17,732,052)	1,068,750,773
Less: Accumulated depreciation						
Floating dockyards	(191,343,223)	(8,640,853)	-	-	-	(199,984,076)
Building, building improvement and other constructions	(189,320,285)	(10,366,418)	-	-	-	(199,686,703)
Machinery and equipment	(151,611,007)	(11,960,100)	1,242,969	-	-	(162,328,138)
Furnitures and fixtures	(25,829,968)	(1,682,905)	1,355,912	-	-	(26,156,961)
Vehicles	(36,858,457)	(1,591,871)	1,117,106	-	-	(37,333,222)
Total	(594,962,940)	(34,242,147)	3,715,987	-	-	(625,489,100)
Equipment, net	440,586,764					443,261,673
Depreciation for the year						
2020 (Baht 28.11 million included in cost of services, and the rest in administrative expenses)						<u>35,749,722</u>
2019 (Baht 24.88 million included in cost of services, and the rest in administrative expenses)						<u>34,242,147</u>

(Unit : Baht)

	Separate financial statements					Book value as at December 31, 2020
	Book value as at December 31, 2019	Transactions				
		Additions	Deduction	Transferred in	Transferred out	
Cost						
Land	86,081,287	-	-	-	-	86,081,287
Floating dockyards	310,187,228	-	-	8,458,109	-	318,645,337
Building, building improvement and other constructions	278,175,187	-	(4,889,865)	68,520,567	-	341,805,889
Machinery and equipment	225,129,449	3,464,021	(10,059,545)	3,990,759	-	222,524,684
Furnitures and fixtures	28,944,635	637,667	(3,459,940)	30,513	-	26,152,875
Vehicles	23,614,217	-	(5,318,631)	5,241,640	(6,061,747)	17,475,479
Construction in progress	72,044,880	15,945,438	-	-	(84,020,038)	3,970,280
Total	1,024,176,883	20,047,126	(23,727,981)	86,241,588	(90,081,785)	1,016,655,831
Less Accumulated depreciation						
Floating dockyards	(199,984,076)	(9,723,977)	-	-	-	(209,708,053)
Building, building improvement and other constructions	(176,561,075)	(11,538,263)	4,645,372	-	-	(183,453,966)
Machinery and equipment	(161,274,963)	(12,484,728)	9,400,009	-	-	(164,359,682)
Furnitures and fixtures	(25,771,330)	(1,204,904)	3,414,457	-	-	(23,561,777)
Vehicles	(18,156,775)	(503,983)	5,123,085	(3,988,715)	2,203,796	(15,322,592)
Total	(581,748,219)	(35,455,855)	22,582,923	(3,988,715)	2,203,796	(596,406,070)
Equipment, net	442,428,664					420,249,761

(Unit : Baht)

	Separate financial statements					Book value as at December 31, 2019
	Book value as at December 31, 2018	Transactions				
		Additions	Deduction	Transferred in	Transferred out	
Cost						
Land	86,081,287	-	-	-	-	86,081,287
Floating dockyards	306,639,112	-	-	3,548,116	-	310,187,228
Building, building improvement and other constructions	276,042,410	-	-	2,132,777	-	278,175,187
Machinery and equipment	212,390,890	2,322,091	(1,094,101)	11,510,569	-	225,129,449
Furnitures and fixtures	28,773,313	1,433,256	(1,297,033)	35,099	-	28,944,635
Vehicles	23,248,104	1,255,621	(1,117,107)	227,599	-	23,614,217
Construction in progress	57,610,815	32,166,117	-	-	(17,732,052)	72,044,880
Total	990,785,931	37,177,085	(3,508,241)	17,454,160	(17,732,052)	1,024,176,883
Less Accumulated depreciation						
Floating dockyards	(191,343,223)	(8,640,853)	-	-	-	(199,984,076)
Building, building improvement and other constructions	(166,194,657)	(10,366,418)	-	-	-	(176,561,075)
Machinery and equipment	(150,479,652)	(11,848,099)	1,052,788	-	-	(161,274,963)
Furnitures and fixtures	(25,374,689)	(1,662,443)	1,265,802	-	-	(25,771,330)
Vehicles	(17,851,457)	(1,422,424)	1,117,106	-	-	(18,156,775)
Total	(551,243,678)	(33,940,237)	3,435,696	-	-	(581,748,219)
Equipment, net	439,542,253					442,428,664
Depreciation for the year						
2020 (Baht 28.07 million included in cost of services, and the rest in administrative expenses)						35,749,722
2019 (Baht 24.78 million included in cost of services, and the rest in administrative expenses)						34,242,147

As at December 31, 2020 and 2019, the Company capitalizes borrowing cost as the cost of construction amount of Baht 0.46 million and Baht 1.3 million, respectively (interest rate of 3.82 - 4.35% per annum)

Portion of buildings of the Company and its subsidiary are erected on the land which the Company has a lease agreement of the state land and construction with the Treasury Department and the right of such assets will be transferred to the lessor at the end of the agreement. (See note 15). As at December 31, 2020, cost value and book value of those assets were Baht 254.5 million and Baht 106.0 million, respectively. (The Company only : Baht 231.4 million and Baht 106.0 million, respectively).

As at December 31, 2020 and 2019, the Company has mortgaged two floating dockyards, with a total net book value, of Baht 108.9 million and Baht 110.2 million, respectively, and land and construction thereon with a total net book value of Baht 193.5 million and 130.4 million, respectively, and machinery, with a net book value of Baht 8.5 million and Baht 0.0 million, respectively, to secure the credit facilities and loans obtained from the financial institutions. (See notes 19 and 22)

As at December 31, 2020 and 2019, the subsidiary has mortgaged two ships, with a total net book value of Baht 0.03 million, to secure the credit facilities and loans obtained from the financial institutions. (See note 19)

As at December 31, 2020 and 2019, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 501.1 million and Baht 512.5 million, respectively. (The Company Only: As at December 31, 2020 and 2019, Baht 450.2 million and Baht 462.0 million, respectively).

15. RIGHT-OF-USE ASSETS / LEASEHOLD RIGHT OF LAND AND BUILDING

Movements of the right-of-use assets / leasehold right of land and building account during the year ended December 31, 2020 are summarized below.

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Cost		
As at December 31, 2019	32,036,250	32,036,250
Effects of the adoption of TFRS16 as at January 1, 2020	45,500,215	45,500,215
Transfer from property, plant and equipment	6,061,746	6,061,746
As at January 1, 2020	83,598,211	83,598,211
Transfer to property, plant and equipment	(5,241,640)	(5,241,640)
Addition	1,808,891	1,808,891
Written-off	-	-
As at December 31, 2020	80,165,462	80,165,462
Accumulated depreciation		
As at December 31, 2019	(8,258,406)	(8,258,406)
Effects of the adoption of TFRS16 as at January 1, 2020	(15,049,056)	(15,049,056)
Transfer from property, plant and equipment	(2,203,796)	(2,203,796)
As at January 1, 2020	(25,511,258)	(25,511,258)
Transfer to property, plant and equipment	3,988,715	3,988,715
Depreciation - written-off	(4,642,016)	(4,642,016)
As at December 31, 2020	(26,164,559)	(26,164,559)
Net book value		
As at December 31, 2019	23,777,844	23,777,844
As at January 1, 2020	58,086,953	58,086,953
As at December 31, 2020	54,000,903	54,000,903

Right-of-use assets include leasehold right of land and buildings and vehicle. The leasehold right of land and buildings is leasing the area with the Treasury Department. Such agreement period is 30 years from the years 2012 to 2042.

On August 23, 2018, Treasury Department Samutprakan has issued a letter requesting the Company to pay the rent, rental fees and additional damages in case of building construction and structures without permission, damages from demolition of buildings and structures under the original lease agreement and in case seeking benefits from royal property without permission at the total amount of Baht 222.17 million.

Later on September 12, 2018, the Company has issued a letter of objection to the collection of rent, rental fees and compensation in such amount. The significant reason is the land and buildings lease agreement that is legitimate in accordance with the Ministry of Finance. It is carried out according to the resolution of the state property No. 1/2012 as well as informing the rental rate, rental fees and other conditions. The Company has considered and agreed to enter into the lease agreement and always pay the rent and follow the agreement correctly. Therefore, this claim is not in the terms of the agreement. In addition, the various claims for damages is a matter between Ministry of Finance and the lease parties during that time (The Agricultural Co-operative Federation of Thailand). The Company, with such facts, has not recorded rental fees and additional fees according to the request from Treasury Department in the financial statements as at December 31, 2020.

16. INTANGIBLE ASSETS

(Unit : Baht)						
Consolidated financial statements						
	Book value	Transactions			Book value	
	as at December 31, 2019	Additions	Deduction	Transferred in	Transferred out	as at December 31, 2020
<u>Cost</u>						
Know - how for use in building						
pollution control ships	4,806,653	-	-	-	-	4,806,653
Copy-right ship blue print	3,651,170	-	-	-	-	3,651,170
Software	21,559,767	-	(6,997,291)	-	-	14,562,476
Licence	464,070	538,172	-	230,873	-	1,233,115
Copy-right ship blue print in progress	-	1,027,290	-	-	-	1,027,290
Total	<u>30,481,660</u>	<u>1,565,462</u>	<u>(6,997,291)</u>	<u>230,873</u>	<u>-</u>	<u>25,280,704</u>
<u>Less Accumulated amortization</u>						
Know - how for use in building						
pollution control ships	(4,806,653)	-	-	-	-	(4,806,653)
Copy-right ship blue print in progress	(1,084,491)	(365,117)	-	-	-	(1,449,608)
Software	(14,046,767)	(1,346,219)	6,997,257	-	-	(8,395,729)
Licence	(122,057)	(244,040)	-	-	-	(366,097)
Total	<u>(20,059,968)</u>	<u>(1,955,376)</u>	<u>6,997,257</u>	<u>-</u>	<u>-</u>	<u>(15,018,087)</u>
Net book value	<u>10,421,692</u>					<u>10,262,617</u>

(Unit : Baht)

Consolidated financial statements						
	Book value	Transactions				Book value
	as at December	Additions	Deduction	Transferred in	Transferred out	as at December
	31, 2018					31, 2019
<u>Cost</u>						
Know - how for use in building						
pollution control ships	4,806,653	-	-	-	-	4,806,653
Copy-right ship blue print	3,651,170	-	-	-	-	3,651,170
Software	21,237,679	322,088	-	-	-	21,559,767
Licence	464,070	-	-	-	-	464,070
Total	<u>30,159,572</u>	<u>322,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,481,660</u>
<u>Less Accumulated amortization</u>						
Know - how for use in building						
pollution control ships	(4,806,653)	-	-	-	-	(4,806,653)
Copy-right ship blue print	(719,374)	(365,117)	-	-	-	(1,084,491)
Software	(12,711,244)	(1,335,523)	-	-	-	(14,046,767)
Licence	(44,712)	(77,345)	-	-	-	(122,057)
Total	<u>(18,281,983)</u>	<u>(1,777,985)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,059,968)</u>
Net book value Total	<u>11,877,589</u>					<u>10,421,692</u>
Amortization for the years						
2020						<u>1,955,376</u>
2019						<u>1,777,985</u>

(Unit : Baht)

Separate financial statements						
	Book value	Transactions				Book value
	as at December	Additions	Deduction	Transferred in	Transferred out	as at December
	31, 2019					31, 2020
<u>Cost</u>						
Copy-right ship blue print	3,651,170	-	-	-	-	3,651,170
Software	21,559,767	-	(6,997,291)	-	-	14,562,476
Licence	464,070	388,172	-	230,873	-	1,083,115
Copy-right ship blue print in progress	-	1,027,290	-	-	-	1,027,290
Total	<u>25,675,007</u>	<u>1,415,462</u>	<u>(6,997,291)</u>	<u>230,873</u>	<u>-</u>	<u>20,324,051</u>
<u>Less Accumulated amortization</u>						
Copy-right ship blue print	(1,084,491)	(365,117)	-	-	-	(1,449,608)
Software	(14,046,767)	(1,346,219)	6,997,257	-	-	(8,395,729)
Licence	(122,057)	(236,273)	-	-	-	(358,330)
Total	<u>(15,253,315)</u>	<u>(1,947,609)</u>	<u>6,997,257</u>	<u>-</u>	<u>-</u>	<u>(10,203,667)</u>
Net book value	<u>10,421,692</u>					<u>10,120,384</u>

(Unit : Baht)

	Separate financial statements					Book value as at December 31, 2019
	Book value as at December 31, 2018	Transactions				
		Additions	Deduction	Transferred in	Transferred out	
Cost						
Copy-right ship blue print	3,651,170	-	-	-	-	3,651,170
Software	21,237,679	322,088	-	-	-	21,559,767
Licence	464,070	-	-	-	-	464,070
Total	25,352,919	322,088	-	-	-	25,675,007
Less Accumulated amortization						
Copy-right ship blue print	(719,374)	(365,117)	-	-	-	(1,084,491)
Software	(12,711,244)	(1,335,523)	-	-	-	(14,046,767)
Licence	(44,712)	(77,345)	-	-	-	(122,057)
Total	(13,475,330)	(1,777,985)	-	-	-	(15,253,315)
Net book value	11,877,589					10,421,692
Amortization for the years						
2020						1,947,609
2019						1,777,985

As at December 31, 2020 and 2019, certain software items of the Company have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 1 million.

17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

17.1 Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2020

are summarized as follows:

(Unit:Baht)

	Consolidated financial statements				Balance as at December 31, 2020
	Balance as at December 31, 2019	The impact of adoption of TFRS 9 and TFRS 16	Revenue (expenses) during the year		
			In profit or loss	In other comprehensive income	
Deferred tax assets:					
Trade receivables	1,188,786	388,812	(614,945)	-	962,653
Inventories	247,154	-	3,990	-	251,144
Assets held for sale	6,906,176	-	(6,906,176)	-	-
Property, plant and equipment	214,376	-	36,896	-	251,272
Intangible assets	3,556	-	(3,597)	-	(41)
Warranty provisions	80,709	-	19,389	-	100,098
Employee benefit obligations	3,583,358	-	(284,316)	95,549	3,394,591
Lease liabilities	-	6,641,328	(80,566)	-	6,560,762
Operating lease	955,668	-	(955,668)	-	-
Total	13,179,783	7,030,140	(8,784,993)	95,549	11,520,479
Deferred tax liabilities:					
Right-of-use assets	-	(5,249,243)	235,300	-	(5,013,943)
Total	13,179,783	1,780,897	(8,549,693)	95,549	6,506,536

(Unit: Baht)

	Separate financial statements				Balance as at December 31, 2020
	Balance as at December 31, 2019	The impact of adoption of TFRS 9 and TFRS 16	Revenue (expenses) during the year		
			In profit or loss	In other comprehensive income	
Deferred tax assets:					
Trade receivables	1,188,786	388,812	(614,945)	-	962,653
Inventories	247,154	-	3,990	-	251,144
Assets held for sale	6,906,176	-	(6,906,176)	-	-
Property, plant and equipment	214,376	-	36,896	-	251,272
Intangible assets	3,556	-	(3,597)	-	(41)
Warranty provisions	80,709	-	19,389	-	100,098
Employee benefit obligations	3,387,570	-	(311,136)	103,481	3,179,915
Lease liabilities	-	6,641,328	(80,566)	-	6,560,762
Operating lease	955,668	-	(955,668)	-	-
Total	12,983,995	7,030,140	(8,811,813)	103,481	11,305,803
Deferred tax liabilities:					
Right-of-use assets	-	(5,249,243)	235,300	-	(5,013,943)
	12,983,995	1,780,897	(8,576,513)	103,481	6,291,860

17.2 Tax expense (income)

17.2.1 Major components of tax expense (income) for the years ended December 31, 2020 and 2019 consisted of:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the periods	182,869	2,783,576	-	2,533,955
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	8,549,693	(1,770,342)	8,576,513	(1,721,850)
Total	8,732,562	1,013,234	8,576,513	812,105
Income tax relating to components of other comprehensive income :				
Deferred tax relating to actuarial losses from defined employee benefit plans	95,549	727,171	103,481	824,012
Total	95,549	727,171	103,481	824,012

17.2.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2020 and 2019 is as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit (loss) for the year	39,429,386	2,073,517	39,002,076	12,587,184
Add loss from subsidiary	344,465	2,442,882	-	-
Total	39,773,851	4,516,399	39,002,376	12,587,184
The applicable tax rate (%)	20	20	20	20
Tax expense (income) at the applicable tax rate	7,954,770	903,280	7,800,415	2,517,437
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	278,752	823,090	146,231	760,053
- Expenses which is deductible increasing from actual payment	(1,033,317)	(834,408)	(1,025,866)	(2,465,385)
- Reversal of deferred tax assets with change in accounting policies	955,668	-	955,668	-
- Unrecognized tax losses deferred tax assets	576,690	-	700,065	-
- Others	-	121,272	-	-
Total reconciliation items	777,793	109,954	776,098	(1,705,332)
Total tax expense (income)	8,732,563	1,013,234	8,576,513	812,105

17.2.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2020 and 2019 is summarized as follows:

	(Unit: Baht)			
	Consolidated financial statements			
	2020		2019	
Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)	
Accounting profit (loss) before tax expense for the year	39,773,850		4,516,399	
Tax expense (income) at the applicable tax rate	7,954,770	20	903,280	20
Reconciliation items	777,793	1.96	109,954	2.43
Tax expense (income) at the average effective tax rate	8,732,563	21.96	1,013,234	22.43

(Unit: Baht)

	Separate financial statements			
	2020		2019	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	39,002,076		12,587,184	
Tax expense (income) at the applicable tax rate	7,800,415	20	2,517,437	20
Reconciliation items	776,098	1.99	(1,705,332)	(13.55)
Tax expense (income) at the average effective tax rate	<u>8,576,513</u>	<u>21.99</u>	<u>812,105</u>	<u>6.45</u>

18. WITHHOLDING TAX

This represents the withholding tax of the following years:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Year 2017	871,344	871,344	-
Year 2018	8,878,968	9,827,812	8,878,968	8,878,968
Year 2019	10,751,155	10,751,794	9,723,853	9,723,853
Year 2020	9,686,106	-	8,997,407	-
Total	<u>30,187,573</u>	<u>21,450,950</u>	<u>27,600,228</u>	<u>18,602,821</u>

The Company and its subsidiaries regard withholding tax as an asset since they have the right to claim for refund or during refundable process. However, the net realizable value of withholding tax is subject to the exercise of the claim by the Company and its subsidiaries, and the result of the Company and its subsidiaries' tax audit by the Revenue officials.

19. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit: Baht)

	Interest rate per annum		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
	Promissory notes	2.50 - 2.63	3.00 - 4.25	75,000,000	140,000,000	75,000,000
Total			<u>75,000,000</u>	<u>140,000,000</u>	<u>75,000,000</u>	<u>140,000,000</u>

As at December 31, 2020 and 2019, the Company has bank overdraft facilities amounted to approximately Baht 20 million, short-term loans Baht 160 million and trust receipt Baht 120 million (As at December 31, 2019 : Bank overdraft facilities Baht 38 million, short-term loans Baht 160 million and trust receipt Baht 110 million), secured by the mortgage of the Company's two floating dockyards and land and construction thereon.

As at December 31, 2020 and 2019, the subsidiaries has bank overdraft facilities amounted to approximately Baht 2 million and short-term loans Baht 10 million, secured by the mortgage of the subsidiary's two ships and secured by the parent company.

20. PROVISION FOR WARRANTY UNDER CONTRACT

The Company has set a provision for product warranty against any loss or damage that might occur for the ship building project delivery applied by warranty upon management criteria and experience.

	(Unit : Baht)	
	Consolidated financial statements/ Separate financial statements	
	2020	2019
Balance, at the beginning of the year	403,546	1,157,461
<u>Add</u> Addition during the year	1,050,000	400,000
<u>Less</u> Payment during the year	(853,588)	(247,960)
Reversal	(99,469)	(905,955)
Balance, at the end of the year	<u>500,489</u>	<u>403,546</u>

In 2020 and 2019, the Company has set the provisions from the work guarantee amounting to Baht 1.05 million and Baht 0.40 million, respectively, according to the estimates from the engineers.

21. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2020 are summarized below.

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
As at December 31, 2019	1,417,842	1,417,842
Effects of the adoption of TFRS16	37,419,269	37,419,269
As at January 1, 2020	38,837,111	38,837,111
Addition	1,808,891	1,808,891
Addition of interest	-	-
Payments	(3,433,403)	(3,433,403)
Decrease from contract cancellation	-	-
As at December 31, 2020	37,212,599	37,212,599
Less: current portion	(2,018,253)	(2,018,253)
Lease liabilities - net of current portion	35,194,346	35,194,346

The following are the amounts recognized in profit or loss:

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Depreciation of right-of-use assets	4,642,016	4,642,016
Interest expense on lease liabilities	1,431,715	1,431,715
Total	6,073,731	6,073,731

The Company and its subsidiaries had total cash outflows for leases of Baht 3.43 million (the separate: Baht 3.43 million) and also had non-cash additions to right-of-use assets and lease liabilities of Baht 1.81 million (the separate: Baht 1.81 million).

The Company entered into a lease agreement to pay for the land and construction leasehold right on the agreement, the lease has a term of 30 years starting from 2012 and to 2042. As at December 31, 2020, the Company has the obligation to pay the outstanding lease payment under the agreement as follows:

Payable within	(Unit: Baht) Consolidated financial statements/ Separate financial statements
1 year	1,687,210
1 to 5 years	7,761,160
Over 5 years	40,681,840
Total	50,130,210

22. LONG-TERM LOANS FROM BANK

Long-term loan consisted of:

	(Unit : Baht)	
	Consolidated financial statements/ Separate financial statements	
	2020	2019
Loan from local commercial bank		
Total long-term loans	80,238,145	107,856,265
<u>Less</u> Current portion	(20,598,120)	(20,598,120)
Long-term loans from bank-net	59,640,025	87,258,145

As at December 31, 2020 and 2019, the Company entered into two long-term loan agreements with a local bank at the amount of Baht 125 million and Baht 72 million, respectively

First agreement : Long-term loan amounted Baht 125 million divided into 2 parts as follows:

Loan for land and construction thereon amounted Baht 105 million, MLR-2.00 per annum, 108 installments with Baht 0.98 million per installment, first installment will repay on the final business date of 13th month from the first withdrawal date from bank and finish within 120 months from the first withdrawal month.

Loan for shipyard maintenance amounted Baht 20 million, MLR-2.25 per annum, 48 installments with Baht 0.42 million per installment, first installment will repay on the final business date of 13th month from the first withdrawal date from bank and finish within 60 months from the first withdrawal month.

Such long-term loans are guaranteed by land and construction thereon (See note 14).

Second agreement : Long-term loan amounted Baht 160 million for harbor improvement as follows:

- Month No. 1-36, MLR-1.90 per annum
- Month No. 37-60 MLR-1.65 per annum
- Month No. 61-120 MLR-1.40 per annum

Later on December 26, 2017, the Company has reduced some parts of loan amount according to the credit agreement by the loan agreement from the bank in total Baht 72 million.

The total repayments are 108 installments, the first installment will be made on the final business date of 13th month from the first withdrawal installment from bank and finish within 120 months from the first withdrawal month under the repayment conditions as follows :

- Installment no. 1: Repay the loan principal not less than Baht 1.49 million
- Installment no. 2- 13: Repay the loan principal Baht 10,110 each
- Installment no. 14-107: Repay the loan principal Baht 736,510 each
- Installment no. 108: Agree to pay equal to the outstanding amount of principal loan
and interest under the loan agreement completely

Such long-term loan is guaranteed by a floating dockyards (See note 14).

Other significant practice according to agreement

The Company has to comply with the conditions as specified in the loan agreement on significant matters such as the Company has not to take the loan for other purposes except specified in the agreement and has not to transfer, sell, rent, dispose or coursing any encumbrance to assets and debt obligations or burden by loan or guarantee any persons. As a result, the ratio of total liabilities to shareholders' equity is more than 1.3:1. However, it must not be less than zero. The Company agrees to hold the ratio of the ability to repay debt at the ratio of not less than 1.5 times.

23. EMPLOYEE BENEFIT OBLIGATIONS

The Company and its subsidiaries' obligations for employee benefits are as follows :

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Employee benefit obligations, balance forward	18,140,452	10,730,353	16,937,850	9,504,660
Past service cost and interest				
- Change in post employment plan amendment	-	2,865,606	-	2,734,502
Current cost and interest	1,889,234	1,829,857	1,742,047	1,695,379
Actuarial losses from defined				
employee benefit plans	505,348	3,831,389	517,405	4,120,062
Employee benefit paid in the year	(3,544,232)	(1,116,753)	(3,297,727)	(1,116,753)
Employee benefit obligations, ending forward	<u>16,990,802</u>	<u>18,140,452</u>	<u>15,899,575</u>	<u>16,937,850</u>

Expense recognized in the statements of comprehensive income for the years ended December 31, 2020 and 2019 :-

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Past service costs and interest	-	2,865,606	-	2,734,502
Current service costs				
Cost of services	679,971	593,891	679,971	593,891
Distribution costs	81,521	66,358	81,521	66,358
Administrative expenses	828,035	750,472	698,816	640,318
Total	1,589,527	1,410,721	1,460,308	1,300,567
Interest on obligation	299,707	419,136	281,739	394,813
Total	1,889,234	4,695,463	1,742,047	4,429,882

Assumptions in the estimates based on the actuarial principles

	Percentage			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.32 - 1.80	1.50 - 1.91	1.69	1.69
Salary increase rate	3.00 - 6.00	3.00 - 6.00	5.00	5.00
Employee turnover rate	1.91 - 57.30	1.91 - 57.30	5.73 - 34.38	5.73 - 34.38
Mortality rate (Of Thai mortality table 2017)	105	105	105	105

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2020 are summarized below:

	(Unit: Million Baht)					
	Percentage		Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate	1	1	(17.26)	20.51	(15.88)	19.01
Salary increase rate	2	2	22.78	(15.46)	21.10	(14.37)
Turnover rate	40	60	(14.02)	26.36	(12.95)	24.60
Mortality rate	40	60	(18.22)	19.18	(16.90)	17.80

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the income statement.

During the year 2019, a subsidiary has transferred 4 employees to the Company. Regarding the transferring employees has resulted in the increase for recognizing actuarial losses of Baht 0.69 million, past service costs and interest from the revision of employee benefit plan in the increase amount of Baht 0.15 million and current service costs and interest increased by Baht 0.03 million and Baht 0.01 million, respectively.

During the year 2019, long-term interest rate has significantly reduced that affected the discount rate assumed by the actuary from 2.80% to 1.69%. The Company and its subsidiaries have considered to record the increase of employee benefit obligations in the amount of Baht 1.63 million (the Company : Baht 1.45 million) and to recognize the past service costs in other comprehensive income at the same amount.

24. STATUTORY RESERVE

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

25. EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares issued during the year.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit for the years (Baht)	30,621,048	1,006,481	30,425,563	11,775,079
Weighted average number of ordinary shares (Share)	258,291,087	258,291,087	258,291,087	258,291,087
Basic earnings per share (Baht/Share)	0.119	0.004	0.118	0.046

26. EXPENSE BY NATURE

Significant expenses by nature are as follows :

	(Unit : Baht)			
	For the year ended December 31			
	Consolidated statement of comprehensive income		Separate statement of comprehensive income	
	2020	2019	2020	2019
Raw material and consumable used	196,781,367	147,063,311	192,524,785	146,618,952
Change in material and work in process	14,593,911	(8,698,422)	14,641,717	(8,787,943)
Depreciation and amortization	42,347,114	37,088,007	42,045,480	36,786,097
Employee benefit cost	118,109,495	117,641,610	88,606,783	86,118,496
Employee benefit after retired	1,589,527	4,276,327	1,460,308	4,035,069

27. FINANCIAL INFORMATION BY OPERATING SEGMENTS

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 and assess the performance of the Company's operating segment.

The Company and its subsidiaries' business operations involve 2 principal segments: (1) Ship repairing and (2) Ship building. These operations are mainly carried on in Thailand.

Below is the consolidated financial information for the years ended December 31, 2020 and 2019 of the Company and its subsidiaries by operating segments.

(Unit: Million Baht)

	Consolidated financial statements									
	For the year ended December 31,									
	Ship repairing segment		Ship building segment		Other segments		Elimination of inter-segment revenues		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external customers	373.3	364.9	86.4	44.7	20.4	21.0	-	-	480.1	430.6
Inter-segment revenues	0.4	-	21.2	13.2	30.2	29.0	(51.8)	(42.2)	-	-
Total revenues	<u>373.7</u>	<u>364.9</u>	<u>107.6</u>	<u>57.9</u>	<u>50.6</u>	<u>50.0</u>	<u>(51.8)</u>	<u>(42.2)</u>	<u>480.1</u>	<u>430.6</u>
Segment income (loss)	111.9	115.3	31.6	11.7	2.0	0.7	-	-	145.5	127.7
Unallocated income and expenses:										
Interest income									0.1	0.1
Other income									13.6	10.1
Distribution costs and administrative expenses									(112.3)	(127.4)
Finance costs									(7.5)	(8.4)
Income taxes expense									(8.7)	(1.0)
Profit (loss) for the year									<u>30.7</u>	<u>1.1</u>
Property, plant and equipment - net									425.9	443.3
Intangible assets									10.3	10.4
Leasehold right									-	23.8
Right-of-use assets									54.0	-
Unallocated assets									228.1	277.6
Total assets									<u>718.3</u>	<u>755.1</u>

28. PROVIDENT FUND

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contributed to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by Tisco Bank Public Company Limited (2019 : Siam Commercial Bank Public Company Limited), will be paid to employees upon termination in accordance with the fund rules. For the years 2020 and 2019, the Company and its subsidiary contributed in the amount totaling Baht 4.5 million and Baht 4.6 million, respectively, (the Company only : Baht 4.3 million and Baht 4.3 million, respectively).

29. CAPITAL MANAGEMENT

The primary objective of the Company'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.

According to the separate statements of financial position as at December 31, 2020 and 2019, the Company's debt-to-equity ratio was 0.66 : 1 and 0.81 : 1, respectively.

30. DIVIDEND

YEAR 2020

At the Annual General Meeting of the Shareholders held on April 3, 2020, it had the resolution to approve the dividend payment for the 2019 earnings in cash at the rate of Baht 0.05 per share, totaling Baht 12.91 million. Payment was scheduled on April 30, 2020.

YEAR 2019

At the Annual General Meeting of the Shareholders held on April 4, 2019, it had the resolution to approve the dividend payment for the 2018 earnings in cash at the rate of Baht 0.10 per share, totaling Baht 25.83 million. Payment was scheduled on May 3, 2019.

31. PRIVILEGES AND BENEFITS UNDER INVESTMENT PROMOTION

The Company has received several tax privileges according to the Investment Promotion Act B.E. 2520 approved on April 26, 2018, with the Promotional Certificate No. 61-0481-1-04-1-0 for improving the production efficiency to reduce the impact on the environment. It can be summarized as follows:

1. To approve a promoted person shall be granted permission to bring into the Country who are skilled workers or experts, spouses and dependents of persons in both types and in such numbers and for such periods of time as the Board may deem appropriate even in excess of such quotas or period of time permitted to stay in the country approved by the Board for the period of permitted stay in the country.
2. To be exempted from import duties for the machineries under the Board approval.
3. To be exempted from corporate income tax on the net profit derived from the promoted activity altogether not over 50 percent of the investment amount in order to improve the production efficiency excluding cost of land and working capital for a period of 3 years from the date income is first derived from such activity.
4. To be exempted from including the dividends derived from a promoted activity that is granted an exemption of corporate income tax under section 31 from calculating of taxable income.
5. To approve a promoted person to take out or remit abroad money in foreign currency.

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Baht)

	Consolidated financial statements						
	Balance	Cash flows	The impact of	Non-cash transaction			Balance
	as at January 1, 2020	Increase (decrease)*	adoption of TFRS 16	Increase	Acquisition of subsidiary	Differences on translation of financial	as at December 31, 2020
Short-term borrowings from financial institutions	140,000,000	(65,000,000)	-	-	-	-	75,000,000
Long-term borrowings from financial institutions	107,856,265	(27,618,120)	-	-	-	-	80,238,145
Lease liabilities	1,417,842	(3,433,403)	37,419,269	1,808,891	-	-	37,212,599
Total	249,274,107	(96,051,523)	37,419,269	1,808,891	-	-	192,450,744

(Unit : Baht)

	Consolidated financial statements					
	Balance	Cash flows	Non-cash transaction			Balance
	as at January 1, 2019	Increase (decrease)*	Increase	Acquisition of subsidiary	Differences on translation of financial	as at December 31, 2019
Short-term borrowings from financial institutions	87,000,000	53,000,000	-	-	-	140,000,000
Long-term borrowings from financial institutions	128,454,385	(20,598,120)	-	-	-	107,856,265
Lease liabilities	1,441,826	(1,189,405)	1,165,421	-	-	1,417,842
Total	216,896,211	31,212,475	1,165,421	-	-	249,274,107

(Unit : Baht)

	Separate financial statements						
	Balance	Cash flows	The impact of	Non-cash transaction			Balance
	as at January 1, 2020	Increase (decrease)*	adoption of TFRS 16	Increase	Acquisition of subsidiary	Differences on translation of financial	as at December 31, 2020
Short-term borrowings from financial institutions	140,000,000	(65,000,000)	-	-	-	-	75,000,000
Long-term borrowings from financial institutions	107,856,265	(27,618,120)	-	-	-	-	80,238,145
Long-term borrowings from related - parties	20,000,000	(6,400,000)	-	-	-	-	13,600,000
Lease liabilities	1,417,842	(3,433,403)	37,419,269	1,808,891	-	-	37,212,599
Total	269,274,107	(102,451,523)	37,419,269	1,808,891	-	-	206,050,744

	(Unit : Baht)				
	Separate financial statements				
	Balance as at January 1, 2019	Cash flows Increase (decrease)*	Non-cash transaction		Balance as at December 31, 2019
			Increase	Acquisition of subsidiary	Translation on exchange rate
Short-term borrowings from financial institutions	87,000,000	53,000,000	-	-	-
Long-term borrowings from financial institutions	128,454,385	(20,598,120)	-	-	-
Long-term borrowings from related - parties	13,000,000	7,000,000	-	-	-
Lease liabilities	1,441,826	(1,189,405)	1,165,421	-	-
Total	<u>229,896,211</u>	<u>38,212,475</u>	<u>1,165,421</u>	<u>-</u>	<u>-</u>

* Financing cash flows included net proceeds and repayment of cash transactions in the statements of cash flows.

33. COMMITMENTS AND CONTINGENT LIABILITIES

33.1 Commitments relating to operating lease and service agreements

The Company and its subsidiaries have entered into service agreements relating to the staff bus service, hire of work agreement, and other services agreements.

As at December 31, 2020 and 2019, future minimum lease payments under these operating leases contracts were as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Payable within:				
In up to 1 year	397,000	3,455,410	397,000	3,455,410
In over 1 and up to 5 years	-	9,434,280	-	9,434,280
In over 5 years	-	42,622,130	-	42,622,130
	<u>397,000</u>	<u>55,511,820</u>	<u>397,000</u>	<u>55,511,820</u>

As at December 31, 2020, the Company and its subsidiaries had no obligations under the lease agreements and related service agreements as a result of the adoption of TFRS 16 as at January 1, 2020. The Company and its subsidiaries recognized the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted incremental borrowing rate, as described in Note 5.2 to the interim financial statements.

33.2 Commitments relating to ship building and ship repairing contracts

As at December 31, 2020 the Company has undelivered agreement related to unrendered ship building and ship repair contracts to be paid for another Baht 49.54 million with an advance received from the customer in the amount of Bath 10.79 million (See note 10).

33.3 Commitments for purchase of goods

As at December 31, 2020, the Company has outstanding commitments on the contracts to purchase machinery and equipment for ship repair of Baht 5.63 million and Singapore Dollar 0.01.

33.4 Guarantees

As at December 31, 2020, there were outstanding bank guarantees of approximately Baht 27.99 million (The Company Only: Baht 22.90 million) which have been issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the ordinary course of business of the Company and its subsidiaries.

33.5 Securities against credit facilities and loans as obtained from financial institutions

As at December 31, 2020, the Company's credit facilities and loans obtained from banks at the amount of Baht 477 million have been secured by the mortgage of the Company's two floating dockyards and land and construction thereon.

As at December 31, 2020, the subsidiary's credit facilities and loans obtained from banks at the amount of Baht 12 million have been secured by the mortgage of the subsidiary's two ships and secured by the parent company.

34. FINANCIAL INSTRUMENTS

34.1 Financial risk management and policies

The Company and its subsidiaries' financial instruments, principally comprise cash and cash equivalents, trade and other current receivable, unbilled complete construction in progress, lease receivables, loan, bank overdrafts and short-term loans from financial institutions, trade accounts and other payable, lease liabilities and long-term loans from bank. The financial risks associated with these financial instruments and how they are managed are described below.

34.1.1 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other current receivable and loans. The management manages the risk by adopting credit control policies and procedures, and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts trade and other current receivables, lease receivable and loans as stated in the statements of financial position.

The Company is subject to concentrations of credit risk because the Company builds and repairs ships for general customers, in both the private and public sectors. The ability of these debtors to meet their obligations is related to the country's economic conditions.

34.1.2 Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to their cash at financial institutions, loans from subsidiaries, bank overdrafts and short-term loans from financial institutions, long-term loans from bank, and interest bearing. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at December 31, 2020 classified by type of interest rates are summarized 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).

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
	(Million Baht)						
Financial assets							
Cash and cash equivalents	0.37	-	-	20.42	4.08	24.87	0.050 - 0.125
	<u>0.37</u>	<u>-</u>	<u>-</u>	<u>20.42</u>	<u>4.08</u>	<u>24.87</u>	
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
	(Million Baht)						
Financial liabilities							
Promissory notes	-	-	-	75.00	-	75.00	2.50 - 2.63
Long - term loans from bank	-	-	-	80.24	-	80.24	3.47 - 4.35
	<u>-</u>	<u>-</u>	<u>-</u>	<u>155.24</u>	<u>-</u>	<u>155.24</u>	

34.1.3 Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arise mainly from trading and service transactions that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies as at December 31, 2020 are summarized below.

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Exchange rate as at December 31, 2020 (Baht per 1 foreign currency unit)
US dollar	0.37	-	29.8674
Euro	0.12	-	36.4949

34.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial assets and parts of their financial liabilities are short-term in nature, and lendings and loan borrowings carry floating interest rates, the fair value of these financial assets and liabilities is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

35. RECLASSIFICATION

Certain amounts in the financial statements for the year ended December 31, 2019 have been reclassified to conform to the current year's classification but with no effect to previously reported net profit or shareholders' equity.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Directors on 12 February, 2021.