

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REVIEWED REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying statement of financial position of Asian Marine Services Public Company Limited and its subsidiaries (the Group) as at September 30, 2021 and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, consolidated statements of changes in shareholders’ equity and consolidated statements of cash flows for the nine-month period then ended and the condensed notes to the consolidated financial statements and have reviewed the separate financial information of Asian Marine Services Public Company Limited (the Company) as well. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

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

CONCLUSION

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

Emphasis Matter

I draw attention to the notes to financial statements Note 11 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 unauthorised 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 the lease agreement. Such matter is under the consideration by the Treasury Department of Samutprakarn. Later, on March 31, 2021 and August 4, 2021 such office sent a confirmation letter, collected the rent and adjusted the rent collection to Baht 206.46 million. 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 September 30, 2021. The above observation is not a qualified conclusion.

(Mr. Peradate Pongsathiansak)

Certified Public Accountant

Registration No. 4752

Dharmniti Auditing Company Limited

Bangkok, Thailand

November 11, 2021

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ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Assets					
Current assets					
Cash and cash equivalents		82,102	24,874	24,118	19,702
Trade and other current receivables					
Related parties	4, 5	3,555	552	3,555	427
Unrelated parties		62,369	51,228	62,176	51,084
Other current receivables - related parties	4	-	2,091	188	2,201
Other current receivables - unrelated parties		48,623	9,126	48,256	6,385
Less: Allowance for expected credit losses		(18,130)	(11,366)	(18,130)	(11,366)
Total trade and other receivables	5	96,417	51,631	96,045	48,731
Current portion of lease receivables	6	6,071	3,731	6,071	3,731
Unbilled complete construction in progress					
Related parties	4	5,383	5,765	47,574	15,657
Unrelated parties		22,740	58,581	22,740	47,924
Total unbilled complete construction in progress	7	28,123	64,346	70,314	63,581
Inventories	8	31,764	34,699	31,444	34,375
Other current assets		6,742	3,738	6,733	3,852
Total current assets		251,219	183,019	234,725	173,972
Non-current assets					
Investments in subsidiaries under the cost method	9	-	-	27,080	27,080
Lease receivables	6	1,492	4,449	1,492	4,449
Property, plant and equipment	10	400,963	425,936	395,750	420,250
Right-of-use assets	11	49,687	54,001	49,687	54,001
Intangible assets	12	9,563	10,263	9,432	10,120
Deferred tax assets	13	8,761	6,506	8,526	6,292
Withholding tax deducted at source		35,608	30,188	31,775	27,600
Other non-current assets		4,008	3,923	3,988	3,899
Total non-current assets		510,082	535,266	527,730	553,691
Total assets		761,301	718,285	762,455	727,663

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

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ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT SEPTEMBER 30, 2021

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	14	101,803	75,000	101,803	75,000
Trade accounts payable					
Related parties	4	-	-	2,095	5,216
Unrelated parties		33,848	29,238	33,525	28,739
Total trade accounts payable		33,848	29,238	35,620	33,955
Accrued construction cost		2,766	261	2,766	261
Warranty provisions	15	3,895	501	3,895	501
Current portion of lease liabilities	16	2,054	2,018	2,054	2,018
Current portion of long - term loans - related parties	4	-	-	-	8,600
Current portion of long - term loans from bank	17	20,570	20,598	20,570	20,598
Advance received from customers	7	48,370	10,791	47,912	10,791
Accrued expenses		12,220	18,723	11,170	17,121
Other current liabilities		6,966	5,957	4,742	4,789
Total current liabilities		232,492	163,087	230,532	173,634
Non-current liabilities					
Lease liabilities	16	33,199	35,194	33,199	35,194
Long - term loans - related parties	4	-	-	10,000	5,000
Long - term loans from bank	17	44,220	59,640	44,220	59,640
Provisions for employee benefit	18	17,390	16,991	16,191	15,900
Total non-current liabilities		94,809	111,825	103,610	115,734
Total liabilities		327,301	274,912	334,142	289,368

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

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ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT SEPTEMBER 30, 2021

(Unit : Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered share capital				
(258,291,110 ordinary shares of Baht 1 each)	258,291	258,291	258,291	258,291
Issued and paid-up share capital				
(258,291,087 ordinary shares of Baht 1 each)	258,291	258,291	258,291	258,291
Retained earnings				
Appropriated				
Statutory reserve	25,829	25,829	25,829	25,829
Unappropriated	148,394	157,769	144,193	154,175
Equity attributable to the parent company's shareholders	432,514	441,889	428,313	438,295
Non-controlling interests	1,486	1,484	-	-
Total shareholders' equity	434,000	443,373	428,313	438,295
Total liabilities and shareholders' equity	761,301	718,285	762,455	727,663

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

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ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Unit : Thousand Baht)					
		Consolidated financial statements		Separate financial statements	
		For the three-month		For the three-month	
		periods ended September 30,		periods ended September 30,	
	Note	2021	2020	2021	2020
Revenues					
Service income		88,799	121,446	87,701	124,508
Other income		3,667	2,155	3,883	2,362
Total revenues		92,466	123,601	91,584	126,870
Expenses					
Cost of services		75,263	85,025	76,119	85,995
Distribution costs		754	2,506	737	2,049
Administrative expenses		22,490	23,046	20,369	21,102
Management remuneration	4	4,927	3,650	4,927	3,650
Total expenses		103,434	114,227	102,152	112,796
Profit (loss) from operating activities		(10,968)	9,374	(10,568)	14,074
Finance costs		1,792	1,754	1,789	1,822
Profit (loss) before tax expense		(12,760)	7,620	(12,357)	12,252
Tax expense (income)	13	(2,443)	(178)	(2,434)	9
Profit (loss) for the period		(10,317)	7,798	(9,923)	12,243
Other comprehensive income					
Items that will not be reclassified to profit or loss					
(Loss) on re-measurements of defined benefit plans					
- net of income tax		-	-	-	-
Total other comprehensive income for the period		-	-	-	-
Total comprehensive income (expense) for the period		(10,317)	7,798	(9,923)	12,243
Profit (loss) attributable to :					
Parent company's shareholders		(10,300)	7,847	(9,923)	12,243
Non-controlling interests		(17)	(49)	-	-
		(10,317)	7,798	(9,923)	12,243
Total comprehensive income attributable to :					
Parent company's shareholders		(10,300)	7,847	(9,923)	12,243
Non-controlling interests		(17)	(49)	-	-
		(10,317)	7,798	(9,923)	12,243
Earnings per share					
Profit (loss) for the period of parent company's shareholders		(10,300)	7,847	(9,923)	12,243
Weighted average number of ordinary shares (Shares)		258,291	258,291	258,291	258,291
Basic earnings per share for the period (Baht per share)		(0.040)	0.030	(0.038)	0.047

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

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ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

		(Unit : Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		For the nine-month		For the nine-month	
		periods ended September 30,		periods ended September 30,	
	Note	2021	2020	2021	2020
Revenues					
Service income		387,575	358,134	382,466	354,961
Other income		12,930	8,008	13,631	8,191
Total revenues		400,505	366,142	396,097	363,152
Expenses					
Cost of services		286,695	244,618	289,418	243,942
Distribution costs		5,820	5,850	5,792	5,227
Administrative expenses		67,366	67,951	60,898	61,856
Management remuneration	4	15,708	11,211	15,708	11,211
Total expenses		375,589	329,630	371,816	322,236
Profit from operating activities		24,916	36,512	24,281	40,916
Finance costs		5,270	5,789	5,312	5,989
Profit before tax expense		19,646	30,723	18,969	34,927
Tax expense (income)	13	3,190	8,105	3,122	8,072
Profit for the period		16,456	22,618	15,847	26,855
Other comprehensive income					
Items that will not be reclassified to profit or loss					
(Loss) on re-measurements of defined benefit plans					
- net of income tax		-	(410)	-	(414)
Total other comprehensive income for the period		-	(410)	-	(414)
Total comprehensive income (expense) for the period		16,456	22,208	15,847	26,441
Profit attributable to :					
Parent company's shareholders		16,454	22,625	15,847	26,855
Non-controlling interests		2	(7)	-	-
		16,456	22,618	15,847	26,855
Total comprehensive income attributable to :					
Parent company's shareholders		16,454	22,168	15,847	26,441
Non-controlling interests		2	40	-	-
		16,456	22,208	15,847	26,441
Earnings per share					
Profit for the period of parent company's shareholders		16,454	22,625	15,847	26,855
Weighted average number of ordinary shares (Shares)		258,291	258,291	258,291	258,291
Basic earnings per share for the period (Baht per share)		0.064	0.087	0.061	0.104

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

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ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Unit : Thousand Baht)

		Consolidated financial statements					
		Common shareholders			Non-controlling		
		Issued and	Retained earnings		interests		
		paid-up	Appropriated-	Unappropriated			
Note		share capital	statutory reserve		Total	Total	
Beginning balance, as at January 1, 2021		258,291	25,829	157,769	441,889	1,484	443,373
Total comprehensive income for the nine-month		-	-	16,454	16,454	2	16,456
Dividend paid		20	-	(25,829)	(25,829)	-	(25,829)
Ending balance, as at September 30, 2021		258,291	25,829	148,394	432,514	1,486	434,000
Beginning balance, as at January 1, 2020		258,291	25,829	140,643	424,763	1,411	426,174
Total comprehensive income for the nine-month		-	-	22,168	22,168	40	22,208
Dividend paid		20	-	(12,915)	(12,915)	-	(12,915)
Ending balance, as at September 30, 2020		258,291	25,829	149,896	434,016	1,451	435,467

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

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ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Unit : Thousand Baht)

Separate financial statements				
<u>Note</u>	Issued and paid-up share capital	Retained earnings		Total
		Appropriated - statutory reserve	Unappropriated	
Beginning balance, as at January 1, 2021	258,291	25,829	154,175	438,295
Total comprehensive income for the nine-month	-	-	15,847	15,847
Dividend paid	20	-	(25,829)	(25,829)
Ending balance, as at September 30, 2021	258,291	25,829	144,193	428,313
Beginning balance, as at January 1, 2020	258,291	25,829	137,252	421,372
Total comprehensive income for the nine-month	-	-	26,441	26,441
Dividend paid	20	-	(12,915)	(12,915)
Ending balance, as at September 30, 2020	258,291	25,829	150,778	434,898

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

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ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit for the period	16,456	22,618	15,847	26,855
Adjustments to reconcile net profit to net cash provided by (paid from) operating activities: -				
Allowance for doubtful accounts (reversal)	5,912	(290)	5,912	(290)
Increase (decrease) in stock obsolescence	458	21	458	21
Depreciation and amortisation	34,381	31,398	33,897	31,228
Loss (gain) on sale of assets	(2,357)	(387)	(2,357)	(383)
Loss on assets write-off	-	2,789	-	2,789
Warranty provisions	4,008	1,000	4,008	1,000
Warranty provisions (reversal)	(368)	(99)	(368)	(99)
Unrealised foreign exchange loss (gain)	(654)	(445)	(654)	(445)
	1,391	1,419	1,283	1,306
Interest income	(35)	(89)	(34)	(83)
Interest expenses	5,039	5,564	5,096	5,777
Income tax expenses	3,190	8,105	3,122	8,072
Income from operating activities before changes in operating assets and liabilities	67,421	71,604	66,210	75,748
Decrease (increase) in operating assets				
Trade and other current receivables	(50,341)	16,608	(52,871)	15,523
Lease receivables	617	599	617	599
Unbilled income	36,223	23,323	(6,733)	17,700
Inventories	2,477	8,906	2,473	8,897
Other current assets	(3,005)	(1,982)	(2,881)	(2,278)
Other non-current assets	(85)	561	(89)	561

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

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ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2021	2020	2021	2020
Increase (decrease) in operating liabilities				
Trade accounts payable	(1,893)	(7,954)	(4,274)	(7,629)
Accrued cost of construction	2,505	(794)	2,505	(794)
Advance received from customers	37,121	11,480	37,121	11,565
Other current liabilities	1,467	6,050	(47)	6,250
Cash received (paid) from operating activities	92,507	128,401	42,031	126,142
Cash received from interest income	34	31	34	26
Corporate income taxes paid	(10,865)	(7,358)	(9,531)	(6,587)
Warranty provisions paid	(245)	(841)	(245)	(841)
Employee benefit obligations paid	(991)	(3,093)	(991)	(2,847)
Net cash from (used in) operating activities	80,440	117,140	31,298	115,893
Cash flows from investing activities				
Cash paid for purchase of fixed assets	(5,494)	(19,830)	(5,494)	(19,699)
Proceeds from sale of fixed assets	4,544	1,007	4,544	1,002
Cash paid for investment in subsidiary	-	-	-	(198)
Cash paid for purchase of intangible assets	(1,088)	(355)	(1,088)	(205)
Net cash from (used in) investing activities	(2,038)	(19,178)	(2,038)	(19,100)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term				
loans from financial institutions	26,803	(80,000)	26,803	(80,000)
Repayment of lease liabilities	(1,959)	(3,445)	(1,959)	(3,445)
Receipt of long - term loans - related parties	-	-	15,000	5,000
Repayment for long - term loans - related parties	-	-	(18,600)	(11,400)
Repayment for long-term loans to bank	(15,449)	(22,468)	(15,449)	(22,468)

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

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ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2021	2020	2021	2020
Dividend paid	(25,829)	(12,873)	(25,829)	(12,873)
Interest paid	(5,039)	(5,564)	(5,109)	(5,781)
Net cash from (used in) financing activities	(21,473)	(124,350)	(25,143)	(130,967)
Net increase (decrease) in cash and cash equivalents	56,929	(26,388)	4,117	(34,174)
Unrealised gain (loss) on exchange rate				
from deposit in foreign currency	299	403	299	403
Cash and cash equivalents at the beginning of the period	24,874	66,804	19,702	63,920
Cash and cash equivalents at the end of the period	82,102	40,819	24,118	30,149
Supplemental disclosure of cash flows information: -				
1. Cash and cash equivalents consisted of: -				
Cash on hand	331	379	140	150
Cash at bank - Savings account	77,515	24,231	20,107	14,309
- Current account	3,879	6,550	3,494	6,030
Fixed deposit 3 months or less	377	9,659	377	9,660
	82,102	40,819	24,118	30,149

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

ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 ship building and ship repair services.

1.3 Major shareholder

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

1.4 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is a new wave and continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. This situation may affect the results of operations of business. Nevertheless, the management of the Company and its subsidiaries have continuously monitored ongoing developments and regularly assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should, therefore, be read in conjunction with the financial statements for the year ended December 31, 2020.

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

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

2.2 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2020.

2.3 Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

However, COVID-19 Related Rent Concessions beyond June 30, 2021 were adjusted in the financial reporting standard No.16 lease effective from April 1, 2021. Therefore, it is permitted for the company to adopt before the effective date. Such adjustment is a relief of practice, the lessee does not necessarily have to assess that the consent to reduce the rent is a change of lease agreement or not. The consent to reduce the rent is a direct result of the Coronavirus 2019 pandemic (COVID-19) and that falls under the condition specified (revised paragraph 46 khor.2 from formerly June 30, 2021 to June 30, 2022). The recording of the consent to reduce the rent is as if “not a change of the lease”, which during the period, the Federation of Accounting Professions has issued and published in the Government Gazette.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current period.

2.4 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued several revised financial reporting standards and has been published in the Government Gazette, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and for some financial reporting standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company and its subsidiaries are currently evaluating the impact of these standards 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	
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	September 30, 2020
		Percent	Percent	Percent	Percent	Percent	Percent
General Marine Co., Ltd.	Agent of machinery and equipment for marine service	100	100	0.68	0.65	1.25	0.08
Asimar Marine Co., Ltd.	Subcontractor of ship repair	100	100	1.20	1.33	5.03	5.75
Eco Marine Co., Ltd.	Pollution control and environmental management services	93	93	8.67	4.48	15.35	4.10
Asian Marine Joint Venture Co., Ltd.	Shipbuilding	80	80	0.02	0.03	0.00	0.00

The significant outstanding balances and related transactions of the Company and its subsidiaries have been eliminated from the consolidated financial statements.

4. RELATED PARTY TRANSACTIONS

For the purpose of these interim financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to direct control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group is subject to common significant influence. Related parties may be individual or other entities.

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

Relationship with related parties were as follows :

List of related companies	Relationships
General Marine Co., Ltd.	Subsidiary
Asimar Marine Co., Ltd.	Subsidiary
Eco Marine Co., Ltd.	Subsidiary
Asian Marine Joint Venture Co., Ltd.	Subsidiary
Seatran Ferry Co., Ltd.	Common directors
Seatran Discovery Co., Ltd.	Common directors
Seatran Port Co., Ltd.	Common directors

During the period, 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.

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Million Baht					
For the three-month					
periods ended September 30,					
Consolidated financial		Separate financial			
statements		statements			
2021	2020	2021	2020	Pricing Policy	
<u>Transactions with subsidiaries</u>					
(being eliminated from the consolidated financial statement)					
Shipbuilding income	-	-	15.3	3.7	Based on each subcontractor work order
Ship repair income	-	-	0.2	-	Price close to that charged to ordinary customers
Other income	-	-	0.1	0.2	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	-	-	5.2	7.6	Baht 300 - 450 per day per person and agreed upon basis
Purchase of materials	-	-	0.3	0.2	Cost plus margin 10-150%
Interest expense	-	-	0.1	0.1	Interest rate 1.45%
<u>Transactions with related parties</u>					
Ship repair income	1.8	-	1.8	-	Price close to that charged to ordinary customers
Other income	0.1	-	-	-	Price close to that charged to ordinary customers

Million Baht					
For the nine-month					
periods ended September 30,					
Consolidated financial		Separate financial			
statements		statements			
2021	2020	2021	2020	Pricing Policy	
<u>Transactions with subsidiaries</u>					
(being eliminated from the consolidated financial statement)					
Shipbuilding income	-	-	55.7	11.0	Based on each subcontractor work order
Ship repair income	-	-	0.2	0.3	Price close to that charged to ordinary customers
Other income	-	-	0.9	0.9	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	-	-	20.1	20.4	Baht 300 - 450 per day per person and agreed upon basis
Purchase of materials	-	-	5.3	0.6	Cost plus margin 10-150%
Interest expense	-	-	0.1	0.2	Interest rate 1.45%
<u>Transactions with related parties</u>					
Ship repair income	31.2	2.2	31.2	2.5	Price close to that charged to ordinary customers
Other income	0.3	0.3	-	-	Price close to that charged to ordinary customers

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The outstanding balances as at September 30, 2021 and December 31, 2020 between the Company and the related companies are as follows:

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
Relationship		As at September	As at December	As at September	As at December
		30, 2021	31, 2020	30, 2021	31, 2020
<u>Trade accounts receivable - related parties</u>					
Seatran Ferry Co., Ltd.	Common directors	3,554,882	552,413	3,554,882	427,223
		<u>3,554,882</u>	<u>552,413</u>	<u>3,554,882</u>	<u>427,223</u>
<u>Other current receivables - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	34,293	66,252
Asimar Marine Co., Ltd.	Subsidiary	-	-	46,965	37,381
General Marine Co., Ltd.	Subsidiary	-	-	107,000	7,000
Seatran Ferry Co., Ltd.	Common directors	-	2,090,449	-	2,090,449
		<u>-</u>	<u>2,090,449</u>	<u>188,258</u>	<u>2,201,082</u>
<u>Unbilled complete construction in progress - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	42,190,654	9,891,562
Seatran Ferry Co., Ltd.	Common directors	3,520,130	5,764,930	3,520,130	5,764,930
Seatran Port Co., Ltd.	Common directors	1,862,880	-	1,862,881	-
		<u>5,383,010</u>	<u>5,764,930</u>	<u>47,573,665</u>	<u>15,656,492</u>
<u>Trade accounts payable - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	271,614	353,564
Asimar Marine Co., Ltd.	Subsidiary	-	-	1,821,817	2,865,535
General Marine Co., Ltd.	Subsidiary	-	-	-	1,983,394
		<u>-</u>	<u>-</u>	<u>2,093,431</u>	<u>5,202,493</u>
<u>Accrued interest - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	1,644	9,326
Asimar Marine Co., Ltd.	Subsidiary	-	-	-	3,193
General Marine Co., Ltd.	Subsidiary	-	-	-	1,228
		<u>-</u>	<u>-</u>	<u>1,644</u>	<u>13,747</u>
		<u>-</u>	<u>-</u>	<u>2,095,075</u>	<u>5,216,240</u>
<u>Long-term loans - related parties</u>					
Eco Marine Co., Ltd.	Subsidiary	-	-	10,000,000	10,000,000
Asimar Marine Co., Ltd.	Subsidiary	-	-	-	2,600,000
General Marine Co., Ltd.	Subsidiary	-	-	-	1,000,000
		<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>13,600,000</u>
Long-term loans- related parties, beginning balance		-	-	13,600,000	20,000,000
Add Addition loan during the year		-	-	15,000,000	5,000,000
Less Repayments during the year		-	-	(18,600,000)	(11,400,000)
Long-term loans- related parties, ending balance		-	-	10,000,000	13,600,000
Less Current portion		-	-	-	(8,600,000)
Net		-	-	10,000,000	5,000,000

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As at September 30, 2021, the Company has long-term loans with 1 subsidiary totaling Baht 10.00 million, with interest rates of 0.20 per annum. The repayment of long-term loans is made within August 12, 2023.

As at December 31, 2020, the Company has long-term loans with 3 subsidiaries totaling Baht 13.60 million, with interest rates of 0.75 - 1.45 percent per annum. The repayment of long-term loans is made from the period of October 10, 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 person who is defined under the Securities and Exchange Act. The management remuneration for the three-month and nine-month periods ended September 30, 2021 and 2020 are as follows;

(Unit : Baht)

	For the three-month periods ended September 30,				For the nine-month periods ended September 30,			
	Consolidated financial		Separate financial		Consolidated financial		Separate financial	
	statements		statements		statements		statements	
	2021	2020	2021	2020	2021	2020	2021	2020
Short-term employee benefits	4,855,185	3,581,908	4,855,185	3,581,908	15,494,115	11,005,243	15,494,115	11,005,243
Post employee benefits	71,126	68,589	71,126	68,589	213,377	205,768	213,377	205,768
Total	4,926,311	3,650,497	4,926,311	3,650,497	15,707,492	11,211,011	15,707,492	11,211,011

5. TRADE AND OTHER CURRENT RECEIVABLES

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
<u>Trade accounts receivable - related parties</u>				
Trade accounts receivable - ship repair	3,554,882	427,223	3,554,882	427,223
Trade accounts receivable - other	-	125,190	-	-
Total	3,554,882	552,413	3,554,882	427,223
<u>Trade accounts receivable - non-related parties</u>				
Trade accounts receivable - shipbuilding	12,328,123	26,283,760	12,328,123	26,283,760
Trade accounts receivable - ship repair	49,848,239	22,807,064	49,848,239	22,807,064
Trade accounts receivable - other	193,001	2,137,096	-	1,992,950
Total	62,369,363	51,227,920	62,176,362	51,083,774
Total trade accounts receivable	65,924,245	51,780,333	65,731,244	51,510,997
Less: Allowance for expected credit losses	(18,129,784)	(11,365,467)	(18,129,784)	(11,365,467)
Total trade accounts receivable - net	47,794,461	40,414,866	47,601,460	40,145,530
<u>Other current receivables - related parties</u>	-	2,090,449	188,258	2,201,082

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	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
<u>Other current receivables - unrelated parties</u>				
Advance payment for purchase of goods	42,957,101	3,091,002	42,947,471	2,961,002
Prepaid expenses	2,203,720	2,263,977	2,137,526	2,232,193
Revenue department receivables	1,816,715	2,903,985	1,815,308	557,046
Other	1,644,998	866,710	1,355,490	634,315
Total other current receivables - unrelated parties	48,622,534	9,125,674	48,255,795	6,384,556
Total trade and other current receivables - net	96,416,995	51,630,989	96,045,513	48,731,168

The agings of the outstanding balances of trade accounts receivable as at September 30, 2021 and December 31, 2020, as classified by due dates, are as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
<u>Trade receivables</u>				
<u>Age of receivables</u>				
Undue	28,604,030	30,603,628	28,500,515	30,383,940
Not over 3 months	14,475,813	6,547,230	14,406,119	6,519,731
Over 3 months to 6 months	4,783,599	3,118,246	4,763,807	3,118,246
Over 6 months to 12 months	7,752,750	2,015,099	7,752,750	1,992,950
Over 12 months	10,308,053	9,496,130	10,308,053	9,496,130
Total	65,924,245	51,780,333	65,731,244	51,510,997
Less: Allowance for expected credit losses	(18,129,784)	(11,365,467)	(18,129,784)	(11,365,467)
Net	47,794,461	40,414,866	47,601,460	40,145,530
Other current receivables - related parties	-	2,090,449	188,258	2,201,082
Other current receivables - unrelated parties				
Advance payment for purchase of goods	42,957,101	3,091,002	42,947,471	2,961,002
Prepaid expenses	2,203,720	2,263,977	2,137,526	2,232,193
Revenue department receivables	1,816,715	2,903,985	1,815,308	557,046
Other	1,644,998	866,710	1,355,490	634,315
Total other current receivable - unrelated parties	48,622,534	9,125,674	48,255,795	6,384,556
Total trade and other current receivables	96,416,995	51,630,989	96,045,513	48,731,168

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The movements of allowance for expected credit losses were as follows :-

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2021 (for the nine-month period)	As at December 31, 2020 (for the year ended)	As at September 30, 2021 (for the nine-month period)	As at December 31, 2020 (for the year ended)
Beginning balance	(11,365,467)	(14,464,168)	(11,365,467)	(14,464,168)
The expected credit loss is recovered	-	3,000,000	-	3,000,000
Write-off bad debtors	-	-	-	-
(Increase) decrease of allowance	(6,764,317)	98,701	(6,764,317)	98,701
Ending balance	<u>(18,129,784)</u>	<u>(11,365,467)</u>	<u>(18,129,784)</u>	<u>(11,365,467)</u>

The Company has long time outstanding balances of trade accounts receivable as at September 30, 2021 totaling Baht 10.3 million. (As at December 31, 2020 : Baht 9.5 million). The Company has set aside an allowance for doubtful accounts in the amount of approximately Baht 18.1 million (As at December 31, 2020: Baht 11.4 million). These accounts are under follow-up process by the Company.

6. LEASES RECEIVABLES

Movements of the lease receivables account for nine-month period ended September 30, 2021 are summarised as follows:

(Unit: Baht)

	Consolidated financial statements/ Separate financial statements	
	As at September 30, 2021	As at December 31, 2020
Lease receivables	7,704,000	8,346,000
<u>Less: Deferred interest income</u>	<u>(141,048)</u>	<u>(165,691)</u>
Total	7,562,952	8,180,309
<u>Less: Current portion</u>	<u>(6,070,687)</u>	<u>(3,731,165)</u>
Lease receivables - net	<u>1,492,265</u>	<u>4,449,144</u>

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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.

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

(Unit : Baht)

	For the three-month periods ended September 30,				For the nine-month periods ended September 30,			
	Consolidated financial		Separate financial		Consolidated financial		Separate financial	
	statements		statements		statements		statements	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenue recognised in the years - shipbuilding	18,532,020	22,329,720	33,857,052	26,061,567	59,763,405	59,971,782	115,462,497	70,983,706
- ship repair	53,768,327	98,784,995	53,843,844	98,820,816	265,264,967	289,203,998	265,428,461	289,489,501
- ship supply	15,688,921	706,629	-	-	58,113,367	14,470,777	-	-
- other	810,069	(374,840)	-	(374,840)	4,433,296	(5,512,376)	1,574,763	(5,512,376)
	88,799,337	121,446,504	87,700,896	124,507,543	387,575,035	358,134,181	382,465,721	354,960,831
Aggregate amount of cost incurred	17,788,173	14,847,069	30,073,754	17,955,008	41,434,940	44,708,748	88,090,241	47,792,480

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Unbilled complete construction in progress for - Shipbuilding	4,839,637	22,502,178	47,030,291	21,737,294
- Ship repair	23,283,627	41,843,594	23,283,627	41,843,594
	28,123,264	64,345,772	70,313,918	63,580,888
Advance received from customers				
- Shipbuilding	47,911,834	10,791,294	47,911,834	10,791,294
- Ship repair	457,740	-	-	-
	48,369,574	10,791,294	47,911,834	10,791,294

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8. INVENTORIES

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Raw materials	32,214,619	33,202,120	31,897,167	32,952,666
Work in process	1,262,965	521,501	1,260,987	446,539
Goods in transit	-	2,231,627	-	2,231,627
Total	33,477,584	35,955,248	33,158,154	35,630,832
Less : Allowance for stock obsolescence	(1,713,745)	(1,255,721)	(1,713,745)	(1,255,721)
Net	31,763,839	34,699,527	31,444,409	34,375,111

Allowance for stock obsolescence and decline in value of inventories is changed during the period as follows :

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Beginning balance	(1,255,721)	(1,235,772)	(1,255,721)	(1,235,772)
Increase	(458,024)	(19,949)	(458,024)	(19,949)
Decrease	-	-	-	-
Ending balance	(1,713,745)	(1,255,721)	(1,713,745)	(1,255,721)

9. INVESTMENTS IN SUBSIDIARIES UNDER THE COST METHOD

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
	(Million Baht)	(Million Baht)	(Percent)	(Percent)				
<u>Investments in subsidiaries</u>								
General Marine Co., Ltd.	10.0	10.0	100	100	10,000,000	10,000,000	5,053,045	4,610,889
<u>Less</u> Allowance for impairment					(5,115,021)	(5,115,021)	-	-
					4,884,979	4,884,979	5,053,045	4,610,889
Asimar Marine Co., Ltd.	5.0	5.0	100	100	4,998,200	4,998,200	7,293,991	7,189,179
Eco marine Co., Ltd.	18.25	18.25	93	93	16,999,300	16,999,300	19,780,345	19,704,447
Asian Marine Joint Venture Co., Ltd.	0.25	0.25	80	80	197,500	197,500	125,720	140,920
					27,079,979	27,079,979	32,253,101	31,645,435

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, totaling Baht 197,500.

10. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the nine-month period ended September 30, 2021 are summarised as below.

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
At cost		
Balance as at December 31, 2020	1,066,316,131	1,016,655,831
Acquisitions during the period	5,493,957	5,493,957
Transfer in during the period	1,366,990	1,366,990
Transfer from right-of-use assets	3,550,000	3,550,000
Transfer out during the period	(1,366,990)	(1,366,990)
Disposals and write-off during the period	(6,129,806)	(6,129,806)
Balance as at September 30, 2021	1,069,230,282	1,019,569,982
Accumulated depreciation		
Balance as at December 31, 2020	640,379,863	596,406,070
Transfer from right-of-use assets	2,045,865	2,045,865
Depreciation for the period	29,784,567	29,311,136
Accumulated depreciation on disposals and write-off	(3,943,014)	(3,943,014)
Balance as at September 30, 2021	668,267,281	623,820,057
Net book value		
Balance as at December 31, 2020	425,936,268	420,249,761
Balance as at September 30, 2021	400,963,001	395,749,925

For the year ended December 31, 2020, the Company capitalizes borrowing costs as the cost of construction amount of Baht 0.46 million. (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 11). As at September 30, 2021, cost value and book value of those assets were Baht 254.5 million and Baht 91.2 million, respectively. (The Company only : Baht 231.4 million and Baht 91.2 million, respectively).

As at September 30, 2021 and as at December 31, 2020, the Company has mortgaged two floating dockyards with a total net book value of Baht 99.9 million and Baht 108.9 million, respectively, and land and construction thereon with a total net book value of Baht 188.3 million and Baht 193.5 million, respectively, and machinery with a net book value of Baht 8.1 million and Baht 8.5 million, respectively to secure credit facilities and loans obtained from financial institutions (See Note 14 and 17).

As at September 30, 2021 and as at December 31, 2020, the subsidiary has mortgaged two ships, with a total net book value of Baht 0.03 million, to secure credit facilities and loans obtained from financial institutions (See Note 14).

As at September 30, 2021 and as at December 31, 2020, 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 490.4 million and Baht 501.1 million, respectively. (The Company Only: As at September 30, 2021 and as at December 31, 2020, Baht 454.8 million and Baht 450.2 million, respectively).

11. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets / leasehold right of land and building account during the nine-month period ended September 30, 2021 are summarised below.

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at January 1, 2021	54,000,903	54,000,903
Transfer to property, plant and equipment - net	(1,504,135)	(1,504,135)
Increase during period	-	-
Depreciation for the period	(2,810,130)	(2,810,130)
Net book value as at September 30, 2021	<u>49,686,638</u>	<u>49,686,638</u>

Right-of-use assets include leasehold right of land and buildings and vehicle. The leasehold right of land and buildings are 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 of taking the royal property to seek the benefits 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 from 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). Later, on March 31, 2021 and August 4, 2021, the Company received the letter from the Treasury Office, Samutprakarn for the Company to still pay rent, rental fee and such additional damage by considering to collect Baht 206.46 million (from Baht 222.17 million) However, on April 26, 2021, and August 26, 2021, the Company made an objection letter, collection of rental fee and such additional damage and confirmed the compliance under the lease agreement correctly and completely in accordance with the principles or instruction of the Treasury Office District as described above. The Company, with such facts, has not recorded rental fees and additional fees according to the request from Treasury Department in the financial statements.

12. INTANGIBLE ASSETS

Movements of intangible assets account for the nine-month period ended at September 30, 2021 are summarised below.

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
At cost		
Balance as at December 31, 2020	25,280,704	20,324,051
Acquisitions during the period	1,088,438	1,088,438
Transfer in during the period	2,094,729	2,094,729
Transfer out during the period	(2,094,729)	(2,094,729)
Disposals and write-off during the period	-	-
Balance as at September 30, 2021	26,369,142	21,412,489
Accumulated amortisation		
Balance as at December 31, 2020	15,018,087	10,203,667
Amortisation for the period	1,787,771	1,776,552
Accumulated amortisation on disposals and write-off	-	-
Balance as at September 30, 2021	16,805,858	11,980,219
Net book value		
Balance as at December 31, 2020	10,262,617	10,120,384
Balance as at September 30, 2021	9,563,284	9,432,270

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As at September 30, 2021 and as at December 31, 2020 certain software items of the Company have been fully amortised but are still in use. The original cost of those assets amounted to Baht 1.3 million.

13. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

13.1 Changes in deferred tax assets and deferred tax liabilities for the nine-month period ended September 30, 2021 were summarised as follows:

				(Unit: Baht)
Consolidated financial statements				
	Balance as at Dec. 31, 2020	Revenue (expenses) during the year		Balance as at Sep. 30, 2021
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Trade receivables	962,653	1,182,347	-	2,145,000
Inventories	251,144	91,605	-	342,749
Property, plant and equipment	251,272	194,299	-	445,571
Intangible assets	(41)	(154)	-	(195)
Warranty provisions	100,098	678,900	-	778,998
Employee benefit obligations	3,394,591	79,080	-	3,473,671
Lease liabilities	6,560,762	(147,903)	-	6,412,859
Total	11,520,479	2,078,174	-	13,598,653
Deferred tax liabilities:				
Right-of-use assets	(5,013,943)	176,475	-	(4,837,468)
Total	6,506,536	2,254,649	-	8,761,185
				(Unit: Baht)
Separate financial statements				
	Balance as at Dec. 31, 2020	Revenue (expenses) during the year		Balance as at Sep. 30, 2021
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Trade receivables	962,653	1,182,347	-	2,145,000
Inventories	251,144	91,605	-	342,749
Property, plant and equipment	251,272	194,299	-	445,571
Intangible assets	(41)	(154)	-	(195)
Warranty provisions	100,098	678,900	-	778,998
Employee benefit obligations	3,179,915	58,300	-	3,238,215
Lease liabilities	6,560,762	(147,903)	-	6,412,859
Total	11,305,803	2,057,394	-	13,363,197
Deferred tax liabilities:				
Right-of-use assets	(5,013,943)	176,475	-	(4,837,468)
	6,291,860	2,233,869	-	8,525,729

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13.2 Tax expense (income)

13.2.1 Major components of tax expense (income) for the three-month and nine-month periods ended September 30, 2021 and 2020 consisted of:

	(Unit: Baht)							
	For the three-month periods ended September 30,				For the nine-month periods ended September 30,			
	Consolidated		Separate financial statements		Consolidated		Separate financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020
Income tax expense (income) shown in profit or loss :								
Current tax expense:								
Income tax expense for the periods	(1,640,697)	(180,966)	(1,639,354)	-	5,445,042	52,433	5,355,947	-
Deferred tax expense (income):								
Changes in temporary differences relating to the original recognition and reversal	(801,560)	2,897	(794,633)	9,602	(2,254,649)	8,052,246	(2,233,869)	8,072,360
Total	(2,442,257)	(178,069)	(2,433,987)	9,602	3,190,393	8,104,679	3,122,078	8,072,360
Income tax relating to components of other comprehensive income :								
Deferred tax relating to actuarial losses from defined employee benefit plans	-	-	-	-	-	95,550	-	103,481
Total	-	-	-	-	-	95,550	-	103,481

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

	(Unit: Baht)					
	Interest rate		Consolidated financial statements		Separate financial statements	
	Percent per annum		As at September	As at December	As at September	As at December
	2021	2020	30, 2021	31, 2020	30, 2021	31, 2020
Short-term loans from financial institutions	2.50	2.50 - 2.63	100,000,000	75,000,000	100,000,000	75,000,000
Trust receipts	2.20	-	1,802,641	-	1,802,641	-
Total			101,802,641	75,000,000	101,802,641	75,000,000

As at September 30, 2021, the Company has bank overdraft facilities amounted to Baht 20 million, short-term loans Baht 220 million and trust receipt Baht 240 million (As at December 31, 2020 : Bank overdraft facilities Baht 20 million, short-term loans Baht 160 million and trust receipt Baht 120 million), secured by the mortgage of the Company two floating dockyards and land and construction thereon.

As at September 30, 2021, the subsidiary has bank overdraft facilities amounted to Baht 2 million and short-term loans Baht 10 million (As at December 31, 2020 : Bank overdraft facilities Baht 2 million, short-term loans Baht 10 million), secured by the mortgage of the subsidiary's two ships and secured by parent company.

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15. PROVISION FOR WARRANTY UNDER CONTRACT

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

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2021 (for the nine- month period)	As at December 31, 2020 (for the year)	As at September 30, 2021 (for the nine- month period)	As at December 31, 2020 (for the year)
Balance, at the beginning of the period	500,489	403,546	500,489	403,546
Add Addition during the period	4,007,616	1,050,000	4,007,616	1,050,000
Less Payment during the period	(245,421)	(853,588)	(245,421)	(853,588)
Reversal	(367,697)	(99,469)	(367,697)	(99,469)
Balance, at the end of the year	3,894,987	500,489	3,894,987	500,489

In 2021, the Company has set the provisions from the work guarantee amounting to Baht 4.01 million according to the estimates from the engineers.

16. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the nine-month period ended September 30, 2021 are summarised below.

(Unit : Baht)

	Consolidated financial statements	Separate financial statements
As at December 31, 2020	37,212,599	37,212,599
Addition	-	-
Addition of interest	-	-
Payments	(1,959,093)	(1,959,093)
Decrease from contract cancellation	-	-
As at September 30, 2021	35,253,506	35,253,506
Less: current portion	(2,054,220)	(2,054,220)
Lease liabilities - net of current portion	33,199,286	33,199,286

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The following are the amounts recognised in profit or loss:

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Depreciation of right-of-use assets	2,810,130	2,810,130
Interest expense on lease liabilities	1,027,664	1,027,664
Total	3,837,794	3,837,794

The Company and its subsidiaries had total cash outflows for leases of Baht 1.96 million (the separate: Baht 1.96 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 September 30, 2021, the Company has the obligation to pay the outstanding lease payment under the agreement as follows:

	(Unit: Baht)
Payable within	Consolidated financial statements/ Separate financial statements
1 year	1,940,290
1 to 5 years	7,761,160
Thereafter 5 years	38,741,550
Total	48,443,000

17. LONG-TERM LOANS FROM BANK

Long-term loan consisted of:

	(Unit : Baht)	
	Consolidated financial statements/ Separate financial statements	
	As at September 30, 2021	As at December 31, 2020
Loan from local commercial bank	64,789,555	80,238,145
<u>Less</u> Current portion	(20,569,555)	(20,598,120)
Long-term loans from bank-net	44,220,000	59,640,025

As at September 30, 2021 and as at December 31, 2020, the Company entered into two long-term loan agreements with the bank at the amount of Baht 105 million and Baht 72 million, respectively.

First agreement : Long-term loan amounted Baht 105 million for land and construction thereon, interest rate at 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.

Such long-term loan are guaranteed by land and construction thereon (See note 10).

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

- Month No. 1-36, interest rate at MLR-1.90 per annum
- Month No. 37-60, interest rate at MLR-1.65 per annum
- Month No. 61-120, interest rate at 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 10).

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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 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.

18. EMPLOYEE BENEFIT

The Company and its subsidiarie's provisions for employee benefits are as follows :

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
	(for the nine-month period)	(for the year)	(for the nine-month period)	(for the year)
Provisions for employee benefit balance forward	16,990,802	18,140,452	15,899,575	16,937,850
Current cost and interest	1,390,375	1,889,234	1,282,901	1,742,047
Actuarial losses from defined employee benefit plans	-	505,348	-	517,405
Employee benefit paid in the period	(991,399)	(3,544,232)	(991,399)	(3,297,727)
Provisions for employee benefit ending forward	17,389,778	16,990,802	16,191,077	15,899,575

Expense recognised in the statements of comprehensive income for the three-month and nine-month periods ended September 30, 2021 and 2020 :-

	Baht							
	For the three-month periods ended September 30,				For the nine-month periods ended September 30,			
	Consolidated financial statements		Separate financial statements		Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020
Current service costs								
Cost of services	170,351	169,992	170,351	169,992	511,052	509,978	511,052	509,978
Distribution costs	19,791	20,380	19,791	20,380	59,373	61,140	59,373	61,140
Administrative expenses	196,586	205,225	165,531	174,704	589,759	622,809	496,596	524,112
Total	386,728	395,597	355,673	365,076	1,160,184	1,193,927	1,067,021	1,095,230
Interest on obligation	76,730	74,600	71,960	70,435	230,191	225,108	215,880	211,305
Total	463,458	470,197	427,633	435,511	1,390,375	1,419,035	1,282,901	1,306,535

The Company and its subsidiaries' business operations involve 2 principal segments: (1) Ship repairing (2) Shipbuilding and (3) Ship supply. These operations are mainly carried on in Thailand.

Below is the consolidated financial information for the three-month and nine-month periods ended September 30, 2021 and 2020 of the Company and its subsidiaries by operating segments.

(Unit: Million Baht)

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(Unit : Million Baht)

	Consolidated											
	For the nine-month periods ended September 30,											
	Ship repairing segment		Shipbuilding segment		Ship supply segment		Other segments		Elimination of inter-segment revenues		Consolidation	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from external customers	265.3	289.2	59.8	60.0	58.1	12.1	4.4	(3.1)	-	-	387.6	358.2
Inter-segment revenues	0.2	0.3	55.7	11.0	-	-	25.4	20.9	(81.3)	(32.2)	-	-
Total revenues	265.5	289.5	115.5	71.0	58.1	12.1	29.8	17.8	(81.3)	(32.2)	387.6	358.2
Segment income (loss)	65.0	95.0	27.7	18.8	1.9	1.8	6.3	(2.1)	-	-	100.9	113.5
Unallocated income and expenses:												
Other income											12.9	8.0
Distribution costs and administrative expenses											(88.9)	(85.0)
Finance costs											(5.3)	(5.8)
Tax expense (income)											(3.2)	(8.1)
Profit for the period											16.4	22.6
<u>As at September 30</u>												
Property, plant and equipment - net											401.0	430.4
Right-of-use assets											49.7	58.8
Intangible assets											9.6	9.6
Unallocated assets											301.0	203.3
Total assets											761.3	702.1

20. DIVIDEND

For the year 2021

At the Annual General Meeting of the Shareholders held on April 1, 2021, it had the resolution to approve the dividend payment for the 2020 earnings in cash at the rate of Baht 0.10 per share, totaling Baht 25.83 million. The dividend payment was scheduled on April 30, 2021.

For the 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. The dividend payment was scheduled on April 30, 2020.

21. 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 summarised 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.

In the year 2021, the Company still has no revenue from the promoted business.

22. COMMITMENTS AND CONTINGENT LIABILITIES

22.1 Commitments relating to operating lease and service agreements

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

As at September 30, 2021 and December 31, 2020 future minimum lease payments under these operating leases contracts were as follows:

(Unit : Baht)				
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Payable within:				
In up to 1 year	302,750	397,000	302,750	397,000
In over 1 and up to 5 years	-	-	-	-
In over 5 years	-	-	-	-
	<u>302,750</u>	<u>397,000</u>	<u>302,750</u>	<u>397,000</u>

22.2 Commitments relating to ship building and ship repairing contracts

a) As at September 30, 2021, the Company had the shipbuilding and ship repair agreement that had not been delivered or serviced amounted Baht 260.19 million.

b) As at September 30, 2021, the Company and its subsidiaries entered into the shipbuilding and ship repair agreement amounted Baht 285.11 million with the advance received of the payment from the customer amounted Baht 48.37 million (separate company had entered into the shipbuilding amounted Baht 284.62 million and had the advance received of the payment from the customer amounted Baht 47.91 million) (see note 7).

22.3 Commitments for purchase goods

As at September 30, 2021, the Company has outstanding commitments on the contracts to purchase machinery and equipment for ship repair of Baht 46.18 million, USD 0.07 million and EUR 1.25 million.

22.4 Guarantees

As at September 30, 2021, the Company and its subsidiaries had outstanding bank guarantees of Baht 32.57 million (The Company Only : Baht 28.46 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.

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

As at September 30, 2021, the Company's credit facilities and loans obtained from banks at the amount of Baht 657 million have been secured by the mortgage of the Company's two floating dockyard and land and construction thereon.

As at September 30, 2021, 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.

23. FINANCIAL INSTRUMENTS

23.1 Interest rate risk

Significant financial assets and liabilities as at September 30, 2021 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date).

	Fixed interest rates						
	Within	1 - 5	Over	Floating	Non-interest	Total	Effective
	1 year	years	5 years	interest rate	bearing		interest rate
	(Million Baht)						(% p.a.)
Financial assets							
Cash and cash equivalents	0.38	-	-	77.51	4.21	82.10	0.05 - 0.25
	0.38	-	-	77.51	4.21	82.10	
Financial liabilities							
Promissory notes	-	-	-	100.00	-	100.00	2.50
Trust receipts	-	-	-	1.80	-	1.80	2.20
Long - term loans from bank	-	-	-	64.79	-	64.79	3.47 - 4.07
	-	-	-	166.59	-	166.59	

23.2 Foreign currency risk

As at September 30, 2021 and December 31, 2020, the significant outstanding balances of the Company and its subsidiaries’ financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	(Unit: Million foreign currency unit)							
	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
US dollar	0.35	0.37	-	-	0.35	0.37	-	-
Euro	0.12	0.12	-	-	0.12	0.12	-	-

Foreign currency	Average exchange rate	
	As at September 30, 2021	As at December 31, 2020
	<u>33.7538</u>	<u>29.8674</u>
US dollar	33.7538	29.8674
Euro	38.9765	36.4949

24. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company’s Directors on November 11, 2021.