

Precious Shipping Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of Precious Shipping Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Precious Shipping Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Precious Shipping Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Precious Shipping Public Company Limited and its subsidiaries and of Precious Shipping Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

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

I have examined the revenue recognition of the Group by

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

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



Vissuta Jariyathanakorn
Certified Public Accountant (Thailand) No. 3853

EY Office Limited
Bangkok: 14 February 2022

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	6	2,468,209,354	1,100,490,204	537,947,101	612,724,314
Trade and other receivables	7, 8	175,329,039	168,701,268	2,061,657,283	3,648,305,236
Bunker oil		21,575,202	34,626,909	-	-
Derivative assets	19, 35	-	515,862,197	-	515,862,197
Other current assets					
Advances to vessel masters		30,065,102	27,222,610	-	-
Claim recoverables		8,120,546	9,828,095	-	-
Lube oil stock on board		76,348,181	45,690,580	-	-
Others		29,861,416	35,468,103	16,795,122	14,632,864
Total other current assets		144,395,245	118,209,388	16,795,122	14,632,864
Total current assets		2,809,508,840	1,937,889,966	2,616,399,506	4,791,524,611
Non-current assets					
Restricted bank deposits	9	119,999,498	-	-	-
Long-term loans to a subsidiary	10	-	-	2,571,251,793	3,378,394,114
Derivative assets	35	8,452,494	17,838,406	-	-
Investments in subsidiaries	11	-	-	7,810,885,894	7,020,259,208
Investment in associate held by a subsidiary	12	91,237,864	74,311,329	-	-
Investment in equity instrument of non-listed company	13	14,705,103	16,295,352	14,705,103	16,295,352
Property, plant and equipment	14	20,284,980,785	19,124,559,416	8,122,486	7,611,177
Right-of-use assets	20	20,997,859	24,158,589	18,078,364	20,368,392
Intangible assets	15	6,371,093	6,905,670	6,089,865	6,584,635
Other non-current assets					
Claim recoverables - maritime claims		27,707,403	46,246,717	-	-
Deferred contract costs	17	143,370,720	145,482,410	-	-
Others		3,169,593	3,158,633	2,395,091	2,396,230
Total other non-current assets		174,247,716	194,887,760	2,395,091	2,396,230
Total non-current assets		20,720,992,412	19,458,956,522	10,431,528,596	10,451,909,108
Total assets		23,530,501,252	21,396,846,488	13,047,928,102	15,243,433,719

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables					
Trade and other payables	8	105,315,282	113,675,898	1,263,537	281,220
Advances received from related parties	8	-	-	2,537,687,814	1,825,508,984
Accrued crew accounts		88,778,986	83,066,645	-	-
Accrued expenses		62,205,894	80,160,675	885,416	23,035,048
Current portion of accrued employee benefits		98,012,687	-	68,706,512	-
Total trade and other payables		354,312,849	276,903,218	2,608,543,279	1,848,825,252
Advances received from charterers		86,911,294	606,063,035	-	-
Current portion of long-term loans	18	1,408,602,518	1,500,006,906	-	-
Current portion of debentures	19	-	935,514,642	-	935,514,642
Current portion of lease liabilities	20	5,418,838	5,325,635	4,207,231	4,136,935
Derivative liabilities	35	3,995,773	-	-	-
Income tax payable		13,676	1,594,084	-	-
Other current liabilities		57,341,601	13,898,776	50,413,753	9,217,788
Total current liabilities		1,916,596,549	3,339,306,296	2,663,164,263	2,797,694,617
Non-current liabilities					
Accrued employee benefits - net of current portion		196,025,373	-	137,413,024	-
Long-term loans - net of current portion	18	6,809,259,448	4,730,340,297	-	-
Debentures - net of current portion	19	-	2,855,650,470	-	2,855,650,470
Lease liabilities - net of current portion	20	14,377,261	19,538,932	12,862,752	16,864,357
Derivative liabilities	35	11,237,536	82,621,251	-	-
Deferred tax liabilities	27	3,470,971	1,965,935	-	-
Provision for maritime claims	21	39,225,204	67,069,060	-	-
Provision for long-term employee benefits	22	175,293,042	166,063,671	129,466,640	124,997,299
Total non-current liabilities		7,248,888,835	7,923,249,616	279,742,416	2,997,512,126
Total liabilities		9,165,485,384	11,262,555,912	2,942,906,679	5,795,206,743

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital					
Registered share capital					
1,559,291,862 ordinary shares of Baht 1 each		1,559,291,862	1,559,291,862	1,559,291,862	1,559,291,862
Issued and paid-up share capital					
1,559,291,862 ordinary shares of Baht 1 each		1,559,291,862	1,559,291,862	1,559,291,862	1,559,291,862
Paid-in capital					
Premium on ordinary shares		1,967,897,516	1,967,897,516	1,967,897,516	1,967,897,516
Premium on treasury stock		172,445,812	172,445,812	172,445,812	172,445,812
Retained earnings					
Appropriated					
Statutory reserve - the Company	23	155,929,186	103,952,060	155,929,186	103,952,060
- subsidiaries	23	420,420,000	420,420,000	-	-
Corporate social responsibility reserve	24	36,261,237	17,769,466	36,261,237	17,769,466
Unappropriated		10,471,445,662	7,626,094,265	5,423,178,688	5,904,977,010
Other components of shareholders' equity		(418,712,005)	(1,733,611,140)	790,017,122	(278,106,750)
Equity attributable to owners of the Company		14,364,979,270	10,134,259,841	10,105,021,423	9,448,226,976
Non-controlling interests of the subsidiaries		36,598	30,735	-	-
Total shareholders' equity		14,365,015,868	10,134,290,576	10,105,021,423	9,448,226,976
Total liabilities and shareholders' equity		23,530,501,252	21,396,846,488	13,047,928,102	15,243,433,719

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

Directors

Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Vessel operating income					
Time charter income		7,722,877,287	2,874,426,465	-	-
Voyage charter income		888,876,146	851,870,074	-	-
Total vessel operating income		8,611,753,433	3,726,296,539	-	-
Service income	8	3,632,948	3,766,377	90,899,139	89,895,129
Interest income		1,870,185	8,523,278	181,561,985	191,560,220
Dividend income	11	509,281	-	1,246,583,113	48,808,160
Exchange gains		194,370,139	-	185,399,483	-
Gains on ineffective portion of cash flow hedge					
on fair value adjustment of hedging instruments		1,041,074	-	-	-
Gain on derivative		-	11,991,915	-	13,713,928
Gain on liquidation of subsidiaries		-	-	-	6,702,483
Other income		1,117,433	479,579	711,625	15,351
Total revenues		8,814,294,493	3,751,057,688	1,705,155,345	350,695,271
Expenses					
Vessel operating costs					
Vessel running expenses		1,774,511,844	1,557,391,220	-	-
Voyage disbursements		110,688,544	163,171,189	-	-
Bunker consumption		200,298,325	288,483,387	-	-
Total vessel operating costs		2,085,498,713	2,009,045,796	-	-
Depreciation	14, 20	1,213,654,309	1,213,009,012	8,203,397	7,706,738
Cost of services		5,358,997	3,980,753	-	-
Administrative expenses	8	407,870,640	278,688,209	233,167,551	198,539,673
Management remuneration including perquisites	8	172,977,473	56,924,197	167,805,999	60,140,386
Losses on settlement agreement	16	-	868,716,922	-	860,601,697
Losses on impairment of investments in subsidiaries	11	-	-	-	4,714,343
Expected credit losses (reversal)	7, 10	(8,776,627)	9,009,676	-	28,582,361
Exchange losses		-	14,743,899	-	11,054,460
Losses on ineffective portion of cash flow hedge					
on fair value adjustment of hedging instruments		-	1,018,311	-	-
Losses on derivative		68,667,974	-	11,786,995	-
Total expenses		3,945,251,479	4,455,136,775	420,963,942	1,171,339,658
Operating profit (loss)		4,869,043,014	(704,079,087)	1,284,191,403	(820,644,387)
Share of profit from investment in					
associate held by a subsidiary	12.1	22,798,670	10,813,223	-	-
Finance cost	25	(415,226,947)	(597,148,713)	(136,411,196)	(287,694,091)
Profit (loss) before income tax expenses		4,476,614,737	(1,290,414,577)	1,147,780,207	(1,108,338,478)
Income tax expenses	27	(1,682,458)	(4,441,846)	-	-
Profit (loss) for the year		4,474,932,279	(1,294,856,423)	1,147,780,207	(1,108,338,478)

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

Precious Shipping Public Company Limited and its subsidiaries

Income statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit (loss) attributable to:					
Equity holders of the Company		4,474,929,926	(1,294,854,929)	1,147,780,207	(1,108,338,478)
Non-controlling interests of the subsidiaries		2,353	(1,494)	-	-
Profit (loss) for the year		<u>4,474,932,279</u>	<u>(1,294,856,423)</u>	<u>1,147,780,207</u>	<u>(1,108,338,478)</u>
Basic earnings per share					
	29				
Profit (loss) attributable to equity holders of the Company		<u>2.87</u>	<u>(0.83)</u>	<u>0.74</u>	<u>(0.71)</u>

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit (loss) for the year	4,474,932,279	(1,294,856,423)	1,147,780,207	(1,108,338,478)
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency - net of income tax	(4,121,925)	(1,690,350)	-	-
Gains (losses) on cash flow hedges	84,294,806	(228,797,964)	10,166,459	(178,170,062)
Changes in cost of hedging	(1,511,483)	68,344,830	(2,730,051)	66,292,774
Other comprehensive income to be reclassified to profit or loss in subsequent periods	78,661,398	(162,143,484)	7,436,408	(111,877,288)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Losses on measurement of fair value of investment in equity instrument of non-listed company	(3,425,444)	(751,918)	(3,425,444)	(751,918)
Exchange differences on translation of functional currency to presentation currency financial statements	1,239,666,691	33,039,987	1,064,112,908	21,039,779
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	1,236,241,247	32,288,069	1,060,687,464	20,287,861
Other comprehensive income for the year	1,314,902,645	(129,855,415)	1,068,123,872	(91,589,427)
Total comprehensive income for the year	5,789,834,924	(1,424,711,838)	2,215,904,079	(1,199,927,905)
Total comprehensive income attributable to:				
Equity holders of the Company	5,789,829,061	(1,424,710,302)	2,215,904,079	(1,199,927,905)
Non-controlling interests of the subsidiaries	5,863	(1,536)	-	-
	5,789,834,924	(1,424,711,838)	2,215,904,079	(1,199,927,905)

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
	Equity attributable to owners of the Company							Other components of shareholders' equity							
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings			Unappropriated	Exchange differences on translation of financial statements	Losses on measurement of fair value of investment in equity			Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated		Corporate social responsibility reserve			Cash flow hedge reserve	Cost of hedging reserve	Total other components of shareholders' equity				
			Statutory reserve	Subsidiaries											
Balance as at 1 January 2020	1,559,291,862	1,967,897,516	172,445,812	103,952,060	523,320,000	17,696,466	8,818,122,194	(1,677,260,039)	-	139,019,746	(65,515,474)	(1,603,755,767)	11,558,970,143	32,271	11,559,002,414
Loss for the year	-	-	-	-	-	-	(1,294,854,929)	-	-	-	-	-	(1,294,854,929)	(1,494)	(1,294,856,423)
Other comprehensive income for the year	-	-	-	-	-	-	-	31,349,679	(751,918)	(228,797,964)	68,344,830	(129,855,373)	(129,855,373)	(42)	(129,855,415)
Total comprehensive income for the year	-	-	-	-	-	-	(1,294,854,929)	31,349,679	(751,918)	(228,797,964)	68,344,830	(129,855,373)	(1,424,710,302)	(1,536)	(1,424,711,838)
Reversal of statutory reserve (Note 23)	-	-	-	-	(102,900,000)	-	102,900,000	-	-	-	-	-	-	-	-
Appropriated to corporate social responsibility reserve (Note 24)	-	-	-	-	-	73,000	(73,000)	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	1,559,291,862	1,967,897,516	172,445,812	103,952,060	420,420,000	17,769,466	7,626,094,265	(1,645,910,360)	(751,918)	(89,778,218)	2,829,356	(1,733,611,140)	10,134,259,841	30,735	10,134,290,576
Balance as at 1 January 2021	1,559,291,862	1,967,897,516	172,445,812	103,952,060	420,420,000	17,769,466	7,626,094,265	(1,645,910,360)	(751,918)	(89,778,218)	2,829,356	(1,733,611,140)	10,134,259,841	30,735	10,134,290,576
Profit for the year	-	-	-	-	-	-	4,474,929,926	-	-	-	-	-	4,474,929,926	2,353	4,474,932,279
Other comprehensive income for the year	-	-	-	-	-	-	-	1,235,541,256	(3,425,444)	84,294,806	(1,511,483)	1,314,899,135	1,314,899,135	3,510	1,314,902,645
Total comprehensive income for the year	-	-	-	-	-	-	4,474,929,926	1,235,541,256	(3,425,444)	84,294,806	(1,511,483)	1,314,899,135	5,789,829,061	5,863	5,789,834,924
Dividend paid (Note 32)	-	-	-	-	-	-	(1,559,109,632)	-	-	-	-	-	(1,559,109,632)	-	(1,559,109,632)
Appropriated to statutory reserve (Note 23)	-	-	-	51,977,126	-	-	(51,977,126)	-	-	-	-	-	-	-	-
Appropriated to corporate social responsibility reserve (Note 24)	-	-	-	-	-	18,491,771	(18,491,771)	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	1,559,291,862	1,967,897,516	172,445,812	155,929,186	420,420,000	36,261,237	10,471,445,662	(410,369,104)	(4,177,362)	(5,483,412)	1,317,873	(418,712,005)	14,364,979,270	36,598	14,365,015,868

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements											
							Other components of shareholders' equity					
							Other comprehensive income					
	Retained earnings						Exchange differences on translation of financial statements	Losses on measurement of fair value of investment in equity non-listed company	Cash flow hedge reserve	Cost of hedging reserve	Total other components of shareholders' equity	Total shareholders' equity
Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Statutory reserve	Corporate social responsibility reserve	Unappropriated							
Balance as at 1 January 2020	1,559,291,862	1,967,897,516	172,445,812	103,952,060	17,696,466	7,013,388,488	(285,612,741)	-	160,647,989	(61,552,571)	(186,517,323)	10,648,154,881
Loss for the year	-	-	-	-	-	(1,108,338,478)	-	-	-	-	-	(1,108,338,478)
Other comprehensive income for the year	-	-	-	-	-	-	21,039,779	(751,918)	(178,170,062)	66,292,774	(91,589,427)	(91,589,427)
Total comprehensive income for the year	-	-	-	-	-	(1,108,338,478)	21,039,779	(751,918)	(178,170,062)	66,292,774	(91,589,427)	(1,199,927,905)
Appropriated to corporate social responsibility reserve (Note 24)	-	-	-	-	73,000	(73,000)	-	-	-	-	-	-
Balance as at 31 December 2020	1,559,291,862	1,967,897,516	172,445,812	103,952,060	17,769,466	5,904,977,010	(264,572,962)	(751,918)	(17,522,073)	4,740,203	(278,106,750)	9,448,226,976
Balance as at 1 January 2021	1,559,291,862	1,967,897,516	172,445,812	103,952,060	17,769,466	5,904,977,010	(264,572,962)	(751,918)	(17,522,073)	4,740,203	(278,106,750)	9,448,226,976
Profit for the year	-	-	-	-	-	1,147,780,207	-	-	-	-	-	1,147,780,207
Other comprehensive income for the year	-	-	-	-	-	-	1,064,112,908	(3,425,444)	10,166,459	(2,730,051)	1,068,123,872	1,068,123,872
Total comprehensive income for the year	-	-	-	-	-	1,147,780,207	1,064,112,908	(3,425,444)	10,166,459	(2,730,051)	1,068,123,872	2,215,904,079
Dividend paid (Note 32)	-	-	-	-	-	(1,559,109,632)	-	-	-	-	-	(1,559,109,632)
Appropriated to statutory reserve (Note 23)	-	-	-	51,977,126	-	(51,977,126)	-	-	-	-	-	-
Appropriated to corporate social responsibility reserve (Note 24)	-	-	-	-	18,491,771	(18,491,771)	-	-	-	-	-	-
Balance as at 31 December 2021	1,559,291,862	1,967,897,516	172,445,812	155,929,186	36,261,237	5,423,178,688	799,539,946	(4,177,362)	(7,355,614)	2,010,152	790,017,122	10,105,021,423

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

Precious Shipping Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) before tax	4,476,614,737	(1,290,414,577)	1,147,780,207	(1,108,338,478)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,214,915,813	1,214,072,572	9,391,878	8,749,561
Expected credit losses (reversal)	(8,776,627)	9,009,676	-	28,582,361
Losses on impairment of investments in subsidiaries	-	-	-	4,714,343
Amortisation of deferred contract costs	17,780,093	17,390,156	-	-
Losses on settlement agreement	-	868,716,922	-	860,601,697
Write-off equipment	26,378	15,379	16,975	15,378
Gains on sales of equipment	(734,380)	(134,135)	(711,589)	(15,338)
Share of profit from investment in associate held by a subsidiary	(22,798,670)	(10,813,223)	-	-
Reversal of provision for maritime claims	(11,763,717)	(786,045)	-	-
Provision for long-term employee benefits	12,329,100	14,005,110	7,526,416	9,303,207
Unrealised exchange losses (gains)	(15,210,775)	3,729,763	(8,160,264)	2,740,436
Amortised financial fees to interest expenses	14,839,208	18,335,505	-	-
Finance cost	389,687,738	580,264,012	132,950,986	279,639,763
Amortisation of deferred debentures issuing cost	217,819	4,689,483	217,819	4,689,483
Dividend income	(509,281)	-	(1,246,583,113)	(48,808,160)
(Gains) losses on derivative	68,667,974	(11,991,915)	11,786,995	(13,713,928)
(Gains) losses on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	(1,041,074)	1,018,311	-	-
Gain on liquidation of subsidiaries	-	-	-	(6,702,483)
Interest income	-	-	(180,668,778)	(186,536,220)
Write-off withholding tax deducted at source	1,680,297	1,665,893	1,680,297	1,665,893
Profit (loss) from operating activities before changes in operating assets and liabilities	6,135,924,633	1,418,772,887	(124,772,171)	(163,412,485)
Operating assets (increase) decrease				
Trade and other receivables	15,506,027	5,531,578	1,949,966,518	(205,473,923)
Bunker oil	18,830,573	148,968,348	-	-
Other current assets	(10,372,746)	21,921,684	(1,276,891)	766,322
Other non-current assets	-	1,627,747	-	1,627,747
Operating liabilities increase (decrease)				
Trade and other payables	70,978,907	(243,361,663)	578,456,760	411,384,624
Advances received from charterers	(563,441,815)	537,873,946	-	-
Other current liabilities	41,263,982	(10,193,834)	41,109,193	(4,091,734)
Non-current liabilities	191,128,118	(13,612,347)	133,064,143	(13,612,347)
Cash flows from operating activities	5,899,817,679	1,867,528,346	2,576,547,552	27,188,204
Cash paid for corporate income tax and withholding tax deducted at source	(4,388,883)	(3,565,150)	(1,552,347)	(1,215,836)
Net cash flows from operating activities	5,895,428,796	1,863,963,196	2,574,995,205	25,972,368

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

Precious Shipping Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Acquisitions of condominium unit, equipment and payment of dry-dock and special survey expenses	(255,979,214)	(272,940,951)	(3,459,740)	(4,450,930)
Cash received from sales of equipment	734,388	163,726	711,594	44,903
Acquisitions of computer software	-	(1,260,994)	-	(904,878)
Cash received from settlement agreement	-	1,269,067,500	-	1,269,067,500
Decrease in long-term loans to subsidiaries	-	-	1,361,157,084	540,177,755
Dividend received	19,890,961	2,057,537	1,246,583,113	48,808,160
Net cash flows from (used in) investing activities	(235,353,865)	997,086,818	2,604,992,051	1,852,742,510
Cash flows from financing activities				
Increase in restricted bank deposits	(119,999,498)	-	-	-
Cash paid for interest expense	(415,463,566)	(592,998,193)	(155,943,491)	(297,815,939)
Cash paid for deferred financial fees	(74,172,066)	(16,019,379)	-	-
Cash paid for lease liabilities	(6,435,368)	(5,828,956)	(5,050,400)	(4,820,439)
Cash paid for derivative	(61,397,576)	(20,027,323)	-	(18,305,310)
Cash received from long-term loans	4,397,359,535	1,717,826,610	-	-
Repayment of long-term loans	(1,429,562,520)	(980,121,482)	-	-
Prepayment of long-term loans	(1,584,605,203)	(1,656,434,867)	-	-
Repayment of debentures - net	(3,569,217,818)	(1,374,794,550)	(3,569,217,818)	(1,374,794,550)
Dividend paid	(1,559,109,632)	-	(1,559,109,632)	-
Net cash flows used in financing activities	(4,422,603,712)	(2,928,398,140)	(5,289,321,341)	(1,695,736,238)
Increase (decrease) in translation adjustments	130,247,931	(13,342,598)	34,556,872	(13,505,049)
Net increase (decrease) in cash and cash equivalents	1,367,719,150	(80,690,724)	(74,777,213)	169,473,591
Cash and cash equivalents at beginning of year	1,100,490,204	1,181,180,928	612,724,314	443,250,723
Cash and cash equivalents at end of year	2,468,209,354	1,100,490,204	537,947,101	612,724,314

Supplemental cash flows information

Non-cash transactions

Decrease in advance payables from subsidiaries

net of investment returned - - - 369,479,205

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

Precious Shipping Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2021

1. General information

1.1 Corporate information

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

1.2 Coronavirus disease 2019 Pandemic

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

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

These financial statements are presented in Thai Baht in accordance with the regulatory requirements in Thailand, which differs from the functional currency of the Company, which is US Dollar. Assets and liabilities are translated into the Thai Baht at the rate of exchange prevailing at the reporting period end date, and at a rate that approximates the actual rate at the date of the transaction in respect of revenues and expenses, differences being recorded as “Exchange differences on translation of financial statements” in other comprehensive income, other components of shareholders' equity.

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2021	2020
			%	%
<u>Subsidiaries held by the Company</u>				
1. Precious Metals Limited	Shipowner	Thailand	99.99	99.99
2. Precious Wishes Limited	Shipowner	Thailand	99.99	99.99
3. Precious Stones Shipping Limited	Shipowner	Thailand	99.99	99.99
4. Precious Minerals Limited	Shipowner	Thailand	99.99	99.99
5. Precious Lands Limited	Shipowner	Thailand	99.99	99.99
6. Precious Lakes Limited	Shipowner	Thailand	99.99	99.99
7. Precious Oceans Limited	Shipowner	Thailand	99.99	99.99
8. Precious Planets Limited	Shipowner	Thailand	99.99	99.99
9. Precious Diamonds Limited	Shipowner	Thailand	99.99	99.99
10. Precious Sapphires Limited	Shipowner	Thailand	99.99	99.99
11. Precious Emeralds Limited	Shipowner	Thailand	99.99	99.99
12. Precious Rubies Limited	Shipowner	Thailand	99.99	99.99
13. Precious Opals Limited	Shipowner	Thailand	99.99	99.99
14. Precious Garnets Limited	Shipowner	Thailand	99.99	99.99
15. Precious Pearls Limited	Shipowner	Thailand	99.99	99.99
16. Precious Flowers Limited	Shipowner	Thailand	99.99	99.99
17. Precious Forests Limited	Shipowner	Thailand	99.99	99.99
18. Precious Trees Limited	Shipowner	Thailand	99.99	99.99
19. Precious Ponds Limited	Shipowner	Thailand	99.99	99.99
20. Precious Ventures Limited	Shipowner	Thailand	99.99	99.99
21. Precious Capitals Limited	Shipowner	Thailand	99.99	99.99
22. Precious Jasmines Limited	Shipowner	Thailand	99.99	99.99
23. Precious Orchids Limited	Shipowner	Thailand	99.99	99.99
24. Precious Lagoons Limited	Shipowner	Thailand	99.99	99.99
25. Precious Resorts Limited	Shipowner	Thailand	99.99	99.99
26. Precious Comets Limited	Shipowner	Thailand	99.99	99.99
27. Precious Ornaments Limited	Shipowner	Thailand	99.99	99.99
28. Precious Moons Limited	Shipowner	Thailand	99.98	99.98
29. Precious Venus Limited	Shipowner	Thailand	99.99	99.99
30. Precious Neptune Limited	Shipowner	Thailand	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2021	2020
			%	%
31. Precious Shipping (Panama) S.A.	Shipowner/ Chartering	Panama	99.99	99.99
32. Precious Shipping (Singapore) Pte. Limited	Holding company/ Chartering	Singapore	100.00	100.00
33. Precious Shipping (UK) Limited	Chartering	England	100.00	100.00
34. Great Circle Shipping Agency Limited	Technical manager of ships	Thailand	99.99	99.99
35. Associated Bulk Carriers Pte. Limited	Holding company	Singapore	100.00	100.00
<u>Subsidiaries held by subsidiaries</u>				
36. Precious Projects Pte. Limited*	Investment holding company	Singapore	-	100.00
37. Precious Forests Pte. Ltd.	Shipowner	Singapore	100.00	100.00
38. Precious Fragrance Pte. Ltd.	Shipowner	Singapore	100.00	100.00
39. Precious Thoughts Pte. Ltd.	Shipowner	Singapore	100.00	100.00
40. Precious Comforts Pte. Ltd.	Shipowner	Singapore	100.00	100.00
41. Precious Sparks Pte. Ltd.	Shipowner	Singapore	100.00	100.00
42. Precious Visions Pte. Ltd.	Shipowner	Singapore	100.00	100.00
43. Precious Bridges Pte. Ltd.	Shipowner	Singapore	100.00	100.00
44. Precious Tides Pte. Ltd.	Shipowner	Singapore	100.00	100.00
45. Precious Skies Pte. Ltd.	Shipowner	Singapore	100.00	100.00
46. Precious Grace Pte. Ltd.	Shipowner	Singapore	100.00	100.00
47. Precious Sonnets Pte. Ltd.**	Shipowner	Singapore	100.00	100.00
48. Precious Glories Pte. Ltd.	Shipowner	Singapore	100.00	100.00
49. Precious Wisdom Pte. Ltd.	Shipowner	Singapore	100.00	100.00
50. ABC One Pte. Ltd.	Shipowner	Singapore	100.00	100.00
51. ABC Two Pte. Ltd.	Shipowner	Singapore	100.00	100.00
52. ABC Three Pte. Ltd.	Shipowner	Singapore	100.00	100.00
53. ABC Four Pte. Ltd.	Shipowner	Singapore	100.00	100.00
<u>Associate held by a subsidiary</u>				
54. International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40

* Completed the liquidation process in the year 2021

** In the process of the liquidation

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

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

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

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

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

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

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

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

However, the Group has adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9, *Financial Instruments*, and TFRS 7, *Disclosure of Financial Instruments*, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

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

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Vessel operating income

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

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

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

Rendering of services

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

Interest income

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

Finance cost

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

Dividend received

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

4.2 Cash and cash equivalents

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

4.3 Bunker oil

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

4.4 Investments in subsidiaries and associate

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

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

4.5 Property, plant and equipment/Depreciation

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

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

Vessels	25 years
Vessels equipment	5 year or depreciated over the residual useful lives of vessels
Dry-dock and special survey expenses	2 years and 4 years, respectively
Condominium units	17 - 20 years
Leasehold improvement	5 years
Others	5 years

Depreciation is included in determining income.

No depreciation is provided on asset under construction.

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

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Intangible assets and amortisation

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

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

The estimated useful lives of computer software are 5 years and 7 years.

4.8 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

4.9 Deferred contract costs

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

4.10 Leases

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

The Group as a lessee

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

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

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

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

4.11 Related party transactions

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

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

4.12 Foreign currencies

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

a) Transactions and balances

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

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

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

b) Group companies

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

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

4.13 Impairment of non-financial assets

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

An impairment loss is recognised in the income statement.

4.14 Employee benefits

a) Short-term employee benefits

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

b) Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

c) Other long-term employee benefits

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

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

d) Termination benefits

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

4.15 Provisions

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

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

Provisions for maritime claims

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

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.17 Premium on treasury stock

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

4.18 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets designated at FVOCI (equity instruments)

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

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

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

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

Classification and measurement of financial liabilities

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

Recognition and derecognition of financial instruments

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

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

Impairment of financial assets

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

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

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

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

Offsetting of financial instruments

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

4.19 Derivatives and hedge accounting

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

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

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

Hedge accounting

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

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

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

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

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

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

Cash flow hedges

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

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

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

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

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

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments and estimates

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

Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

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

Allowance for expected credit losses of trade receivables

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

Fair value of financial instruments

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

Property, plant and equipment/Depreciation

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

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

Post-employment benefits under defined benefit plans

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

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

The Company has disclosed the contingent liabilities in respect of the arrest of M.V. Chayanee Naree and her 22 Thai crew members in Nigeria for alleged drug smuggling in Note 33 to the financial statements. Based on the opinion of the Company's in-house legal counsel, the Company's management believes that it is premature at this stage to reliably estimate the amount of liability (if any) and therefore, no provisions have been made in respect of this case.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash	895	867	884	856
Bank deposits	2,467,314	1,099,623	537,063	611,868
Total	2,468,209	1,100,490	537,947	612,724

As at 31 December 2021, bank deposits carried interest between 0.01% and 0.30% per annum for USD savings deposits and between 0.05% and 0.13% per annum for Baht savings deposits (2020: between 0.01% and 0.60% per annum for USD savings deposits and between 0.05% and 0.13% per annum for Baht savings deposits).

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	162,729	166,927	-	-
3 - 6 months	12,533	1,643	-	-
6 - 12 months	67	131	-	-
Over 12 months	437	8,809	-	-
Total	175,766	177,510	-	-
Less: Allowance for expected credit losses	(437)	(8,809)	-	-
Total trade receivables - unrelated parties, net	175,329	168,701	-	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 8)	-	-	2,061,657	3,648,305
Total other receivables	-	-	2,061,657	3,648,305
Total trade and other receivables - net	175,329	168,701	2,061,657	3,648,305

8. Related party transactions

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

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

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

	(Unit: Thousand Baht)				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2021	2020	2021	2020	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	90,899	89,895	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Dividend received	-	-	1,246,074	48,808	As declared
Interest income	-	-	180,669	186,522	At interest rate of 5.00% per annum
Condominium rental expenses	-	-	7,359	8,157	Market price

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2021	2020	2021	2020	
Transaction with associate					
Dividend received	19,382	2,058	-	-	As declared
Transactions with related companies					
Brokerage income	-	239	-	-	Market price
Air ticket expenses	-	245	-	184	Market price
Rental and service expenses	32,498	21,184	10,209	6,845	Market price

The balances of the accounts as at 31 December 2021 and 2020 between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Other receivables - related parties (Note 7)				
Subsidiaries	-	-	2,061,657	3,648,305
Total other receivables - related parties	-	-	2,061,657	3,648,305
Trade and other payables - related parties				
Subsidiaries	-	-	2,537,688	1,825,509
Related companies	394	937	319	8
Total trade and other payables - related parties	394	937	2,538,007	1,825,517
Lease liabilities - related parties				
Related company	5,432	6,346	5,432	6,346
Total lease liabilities - related parties	5,432	6,346	5,432	6,346

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

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Short-term employee benefits	107,450	53,828	105,707	57,044
Post-employment benefits	1,910	3,096	1,642	3,096
Other long-term benefits	63,617	-	60,457	-
Total	172,977	56,924	167,806	60,140

Guarantee obligations with related parties

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

9. Restricted bank deposits

Balance as at 31 December 2021 represents the Subsidiaries' deposits of USD 3.59 million, in accordance with the terms of a facility agreement signed in 2021 and referred to in Note 18 to the financial statements.

10. Long-term loans to a subsidiary

On 30 December 2019, the Company executed a loan agreement with Precious Shipping (Singapore) Pte. Limited ("PSSP") in order to refinance the existing loans amounting to USD 150 million between the Company as lender and PSSP as borrower.

As of 31 December 2021, the outstanding on this long-term loan to PSSP was USD 77 million (2020: USD 112 million).

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

	(Unit: Thousand Baht)	
	Separate financial statements	
	2021	2020
Balance at beginning of the year	3,378,394	4,652,762
Adjustments of long-term loans to subsidiary due to adoption financial reporting standards related to financial instruments	-	(888,021)
Interest income for the year	180,669	186,522
Decrease	(1,361,157)	(540,178)
Expected credit losses	-	(28,582)
Translation adjustment	373,346	(4,109)
Balance at end of the year	<u>2,571,252</u>	<u>3,378,394</u>

For the year ended 31 December 2020, the Company recognised an allowance for expected credit losses of long-term loans to subsidiary in the amount of Baht 28.58 million (2021: nil). This was mainly because of a revision in the loan repayment schedule, resulting in an adjustment to the future repayment plan.

11. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	2021	2020	2021	2020	2021	2020
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	354,106	318,263
Precious Wishes Limited	230,000	230,000	99.99	99.99	301,434	270,923
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	281,577	253,075
Precious Minerals Limited	230,000	230,000	99.99	99.99	256,046	230,129
Precious Lands Limited	306,000	306,000	99.99	99.99	324,046	291,245
Precious Lakes Limited	184,000	184,000	99.99	99.99	186,897	167,979
Precious Oceans Limited	175,000	175,000	99.99	99.99	229,352	206,137
Precious Planets Limited	270,000	270,000	99.99	99.99	310,988	279,510
Precious Diamonds Limited	205,000	205,000	99.99	99.99	194,701	174,993
Precious Sapphires Limited	144,000	144,000	99.99	99.99	132,095	118,724
Precious Emeralds Limited	366,000	366,000	99.99	99.99	316,745	284,684
Precious Rubies Limited	259,360	259,360	99.99	99.99	264,462	237,693
Precious Opals Limited	249,360	249,360	99.99	99.99	255,980	230,070
Precious Garnets Limited	379,000	379,000	99.99	99.99	326,702	293,633
Precious Pearls Limited	173,000	173,000	99.99	99.99	186,598	167,710
Precious Flowers Limited	336,000	336,000	99.99	99.99	359,776	323,359
Precious Forests Limited	286,000	286,000	99.99	99.99	279,705	251,393
Precious Trees Limited	202,000	202,000	99.99	99.99	218,351	196,249
Precious Ponds Limited	124,000	124,000	99.99	99.99	131,335	118,042
Precious Ventures Limited	202,000	202,000	99.99	99.99	236,845	212,871
Precious Capitals Limited	200,000	200,000	99.99	99.99	262,116	235,585
Precious Jasmines Limited	147,000	147,000	99.99	99.99	178,080	160,054
Precious Orchids Limited	217,000	217,000	99.99	99.99	201,237	180,867
Precious Lagoons Limited	140,000	140,000	99.99	99.99	183,481	164,909
Precious Resorts Limited	140,000	140,000	99.99	99.99	183,481	164,909
Precious Comets Limited	141,000	141,000	99.99	99.99	139,498	125,377
Precious Ornaments Limited	156,000	156,000	99.99	99.99	153,100	137,603
Precious Moons Limited	1,000	1,000	99.98	99.98	1,021	917
Precious Venus Limited	298,800	298,800	99.99	99.99	283,382	254,698
Precious Neptune Limited	298,800	298,800	99.99	99.99	283,382	254,698
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	334	300
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	1,878,948	1,688,759
Precious Shipping (UK) Limited	250	250	100.00	100.00	334	300
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	362,411	325,728
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Total investments in subsidiaries					9,258,546	8,321,386
Less: Allowance for loss on investments in subsidiaries					(1,447,660)	(1,301,127)
Total investments in subsidiaries - net					7,810,886	7,020,259

During the year 2021, the Company received dividends in the amount of Baht 1,246.58 million from Associated Bulk Carriers Pte. Limited and recognised as dividend income in the separate income statement (2020: Baht 48.81 million).

As of 31 December 2021, the Company has pledged the shares of 18 subsidiaries amounting to Baht 4,345.33 million (net of allowance for loss on investments) (2020: 18 subsidiaries amounting to Baht 3,905.49 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 18 to the financial statements.

In addition, as of 31 December 2021, the overseas subsidiaries in Singapore, Precious Shipping (Singapore) Pte. Limited has pledged the shares of 12 subsidiaries amounting to Baht 18.70 million (2020: 5 subsidiaries amounting to Baht 8.58 million) and Associated Bulk Carriers Pte. Limited has pledged the shares of 4 subsidiaries amounting to Baht 6.68 million (2020: 4 subsidiaries amounting to Baht 6.01 million) with banks to secure the long-term loans referred to in Note 18 to the financial statements.

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

As of 31 December 2021 and 2020, the amounts under allowance for loss on investments in subsidiaries in the separate financial statements are derived from subsidiaries that have sold vessels and insofar have no plan of buying replacement vessels.

12. Investment in associate held by a subsidiary

12.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2021	2020	2021	2020	2021	2020
			%	%				
International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40	68,098	61,205	91,238	74,311

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

(Unit: Thousand Baht)

Associate's name	Consolidated financial statements			
	For the years ended 31 December			
	Share of profit		Dividend received	
	2021	2020	2021	2020
International Seaports (Haldia) Private Limited	22,799	10,813	19,382	2,058

Share of profit from investment in associate held by a subsidiary for the years ended 31 December 2021 and 2020, included in the consolidated income statements, was calculated based on the financial information of that associate as at 30 September 2021 and 2020, respectively.

12.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues		Profit	
	30 September		30 September		30 September		for the years ended		for the years ended	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Thousand INR	Thousand INR								
International Seaports (Haldia) Private Limited	440,580	440,580	451,900	377,943	44,588	46,196	457,946	370,463	101,780	48,273

13. Investment in equity instrument of non-listed company

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

14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

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

(Unit: Thousand Baht)

Consolidated financial statements

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

As at 31 December 2021, certain condominium units and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 286.59 million (2020: Baht 262.68 million) in the consolidated financial statements and Baht 30.09 million (2020: Baht 31.57 million) in the separate financial statements.

As at 31 December 2021, the subsidiaries have mortgaged 33 vessels (2020: 26 vessels) with net book value of Baht 19,265.67 million (2020: Baht 13,985.90 million) with banks to secure long-term loans as referred to in Note 18 to the financial statements.

15. Intangible assets

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

	(Unit: Thousand Baht)			
	Consolidated		Separated	
	financial statements		financial statements	
	2021	2020	2021	2020
Cost				
Cost at beginning of year	58,300	57,319	57,898	57,258
Acquisitions	-	1,261	-	905
Translation adjustment	6,565	(280)	6,520	(265)
Cost at end of year	<u>64,865</u>	<u>58,300</u>	<u>64,418</u>	<u>57,898</u>
Accumulated amortisation				
Accumulated amortisation at				
beginning of year	51,394	50,569	51,313	50,508
Amortisation for the year	1,261	1,063	1,189	1,043
Translation adjustment	5,839	(238)	5,826	(238)
Accumulated amortisation at end of year	<u>58,494</u>	<u>51,394</u>	<u>58,328</u>	<u>51,313</u>
Net book value as at 31 December	<u>6,371</u>	<u>6,906</u>	<u>6,090</u>	<u>6,585</u>
Amortisation for the year	<u>1,261</u>	<u>1,063</u>	<u>1,189</u>	<u>1,043</u>

16. Advances for vessel constructions

Movements of the advances for vessel constructions account during the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance at beginning of year	-	2,047,470	-	2,039,751
Losses on settlement agreement	-	(868,717)	-	(860,602)
Cash received from settlement				
agreement	-	(1,269,067)	-	(1,269,067)
Translation adjustment	-	90,314	-	89,918
Balance at end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

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

17. Deferred contract costs

Movements of the deferred contract costs account during the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Balance at beginning of year	145,482	162,783
Amortisation for the year	(17,780)	(17,390)
Translation adjustment	15,669	89
Balance at end of year	143,371	145,482

18. Long-term loan facilities

As at 31 December 2021 and 2020, long-term loans accounts are presented below.

(Unit: Thousand Baht)

Consolidated financial statements																
As at 31 December 2021																
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12	Facility 13	Facility 14	Facility 15	Total
Long-term loans	-	-	-	1,435,670	554,394	305,479	462,653	303,047	-	818,788	-	172,279	270,033	1,235,899	2,715,994	8,274,236
Add (less): Deferred financial fees	-	-	-	33,902	(9,792)	(2,918)	(2,840)	(1,685)	-	(1,927)	-	(3,069)	(1,450)	(16,756)	(49,839)	(56,374)
Total	-	-	-	1,469,572	544,602	302,561	459,813	301,362	-	816,861	-	169,210	268,583	1,219,143	2,666,155	8,217,862
Less: Current portion	-	-	-	(194,699)	(141,758)	(40,342)	(39,133)	(301,362)	-	(93,356)	-	(27,736)	(134,292)	(180,512)	(255,413)	(1,408,603)
Long-term loans - net of current portion	-	-	-	1,274,873	402,844	262,219	420,680	-	-	723,505	-	141,474	134,291	1,038,631	2,410,742	6,809,259

(Unit: Thousand Baht)

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

Movements of the long-term loans accounts during the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements

	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12	Facility 13	Facility 14	Facility 15	Total
Balance as at 1 January 2021	602,595	318,371	190,524	1,504,098	583,680	281,256	448,187	650,523	355,916	817,818	300,963	176,416	-	-	-	6,230,347
Add: Drawdown	-	-	-	-	-	-	-	-	-	-	-	-	318,187	1,268,231	2,810,942	4,397,360
Amortisation of financial fees	5,376	1,308	714	(13,207)	6,462	990	505	5,796	(4,216)	496	2,503	1,119	900	2,625	3,468	14,839
Less: Deferred financial fees	-	-	-	-	-	-	-	-	-	-	-	-	(2,227)	(19,192)	(52,753)	(74,172)
Repayment	-	-	-	(182,744)	(108,067)	(11,391)	(37,838)	(391,445)	(378,575)	(89,924)	-	(27,137)	(67,165)	(45,768)	(89,509)	(1,429,563)
Prepayment	(668,871)	(351,837)	(210,483)	-	-	-	-	-	-	-	(318,187)	-	-	-	(35,227)	(1,584,605)
Unrealised exchange gain	-	-	-	-	-	-	-	(19,794)	-	-	-	-	-	-	-	(19,794)
Translation adjustment	60,900	32,158	19,245	161,425	62,527	31,706	48,959	56,282	26,875	88,471	14,721	18,812	18,888	13,247	29,234	683,450
Balance as at 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,469,572</u>	<u>544,602</u>	<u>302,561</u>	<u>459,813</u>	<u>301,362</u>	<u>-</u>	<u>816,861</u>	<u>-</u>	<u>169,210</u>	<u>268,583</u>	<u>1,219,143</u>	<u>2,666,155</u>	<u>8,217,862</u>

(Unit: Thousand Baht)

Consolidated financial statements

	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12	Other Facility	Total
Balance as at 1 January 2020	738,522	387,234	294,205	1,597,814	562,545	344,563	466,070	804,403	476,395	-	-	-	1,477,399*	7,149,150
Add: Drawdown	-	-	-	-	336,068	-	-	-	-	890,627	308,101	183,031	-	1,717,827
Amortisation of financial fees	2,016	444	420	(2,156)	7,250	1,042	1,689	6,886	(4,282)	464	632	115	3,815	18,335
Less: Deferred financial fees	-	-	-	-	(6,161)	-	-	-	-	(2,796)	(3,081)	(3,981)	-	(16,019)
Repayment	(80,483)	(40,414)	(46,437)	(88,643)	(33,139)	(9,692)	(18,354)	(154,676)	(118,806)	(21,354)	-	-	(368,124)	(980,122)
Prepayment	(58,757)	(29,505)	(59,741)	-	(279,264)	(56,804)	-	-	-	-	-	-	(1,172,364)	(1,656,435)
Unrealised exchange gain	-	-	-	-	-	-	-	(9,059)	-	-	-	-	-	(9,059)
Translation adjustment	1,297	612	2,077	(2,917)	(3,619)	2,147	(1,218)	2,969	2,609	(49,123)	(4,689)	(2,749)	59,274	6,670
Balance as at 31 December 2020	<u>602,595</u>	<u>318,371</u>	<u>190,524</u>	<u>1,504,098</u>	<u>583,680</u>	<u>281,256</u>	<u>448,187</u>	<u>650,523</u>	<u>355,916</u>	<u>817,818</u>	<u>300,963</u>	<u>176,416</u>	<u>-</u>	<u>6,230,347</u>

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

The Group's bank loan facilities are summarised below.

Facility	Bank	Borrower	Interest rate per loan/amendment agreement
Facility 1	Bangkok Bank PLC. (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin
Facility 2	Bangkok Bank PLC. (Singapore Branch)	ABC Four Pte. Limited	LIBOR + margin
Facility 3	TMB Bank PLC.	ABC One Pte. Limited	LIBOR + margin
Facility 4	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 5	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 6	BNP Paribas	The Company and indirect subsidiary in Singapore	LIBOR + margin
Facility 7	Export-Import Bank of Thailand	The Company and local subsidiary	LIBOR + margin
Facility 8	Krung Thai Bank PLC. and 2 other banks, total 3 banks	The Company and local subsidiaries	MLR-1 for Thai Baht loan and LIBOR + margin for USD loan
Facility 9	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 10	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 11	Export-Import Bank of Thailand	The Company and local subsidiary and indirect subsidiary in Singapore	LIBOR + margin
Facility 12	SinoPac Capital International (HK) Limited	Indirect subsidiary in Singapore	LIBOR + margin
Facility 13	Export-Import Bank of Thailand	The Company and local subsidiary and indirect subsidiary in Singapore	LIBOR + margin
Facility 14	Crédit Agricole Corporate and Investment Bank	Indirect subsidiaries in Singapore	LIBOR + margin
Facility 15	International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited	Indirect subsidiaries in Singapore	LIBOR + margin

As at 31 December 2021 and 2020, the Group did not have an undrawn loan balance.

The details of each loan facility are summarised as follows.

Facility 1

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

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

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

Facility / Description	Post-delivery facility		
Maximum Loan Facility	Maximum loan facility for both Vessels shall not exceed USD 38,688,000 of which, each vessel loan shall not exceed USD 19,344,000 per vessel.		
Drawdown	USD 19,344,000 or 80% of the contract price to be made available in a single disbursement for each vessel loan part of which will be used to repay the pre-delivery facility.		
Final maturity	10 years after drawdown of each vessel loan		
Repayment	For each Vessel, in 39 equal quarterly installments and a balloon repayment together with the last installment. The first repayment installment to be due 3 months after the final drawdown of each vessel.		
	Details of repayment	ABC Two	ABC Three
	Installments	USD 319,650	USD 322,400
	The balance loans together with the final installment	USD 6,712,650	USD 6,770,400
	Final installment dates	2 April 2024	1 July 2024
Security	<ul style="list-style-type: none"> a) 1st priority mortgage over each vessel b) 1st priority assignment of all earnings insurance policies and requisition compensation of the vessels c) 1st priority assignment of Time Charter contracts d) 1st priority charge over the Earnings Account and Retention Account e) Pledge of shares of borrowers f) Corporate guarantee from ABC Company g) Corporate guarantee from the Company for up to USD 8 million per vessel 		

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

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

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

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

On 8 September 2021, ABC Two and ABC Three prepaid the loan in full.

Facility 2

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

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

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

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

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

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

On 8 September 2021, ABC Four prepaid the loan in full.

Facility 3

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

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

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

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

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

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

On 7 September 2021, ABC One prepaid the loan in full.

Facility 4

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

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

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

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

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

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

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

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

Facility 5

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

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

Facility / Description	Post-delivery facility
Loan Facility	Up to USD 37,500,000 divided into two vessel loans for Vessel Hull no. SF130128 and SF130126 ("Vessel Loan" or "Vessel Loans")
Drawdown	Up to the lower of USD 18,750,000 or 75% of the market value of each vessel to be drawn upon delivery of each vessel.
Final maturity	8 years after drawdown of each Vessel Loan
Repayment	Each Vessel Loan shall be repaid over 8 years, in 32 quarterly installments beginning from three calendar months after each drawdown. The 1st to 16th such quarterly installment shall be an amount of USD 312,500 and the 17th to 32nd such quarterly installment shall be an amount of USD 468,750 along with a balloon repayment of USD 6,250,000 on the due date of each of the final installments of the respective Vessel Loan.
Security	<ol style="list-style-type: none"> a) 1st priority mortgage on the vessels b) Pledge of shares of the Subsidiary Borrowers c) 1st priority charge over the Earnings Account and Retention Account of the Subsidiary Borrowers d) 1st priority assignment of all insurance and requisition compensation of the vessels

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

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

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

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

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

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

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

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

Facility 6

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

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

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

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

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

Facility 7

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

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

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

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

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

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

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

Facility 8

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

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

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

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

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

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

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

Facility 9

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

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

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

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

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

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

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

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

On 30 December 2021, the Company repaid the indebtedness under this loan.

Facility 10

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

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

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

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

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

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

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

Facility 11

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

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

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

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

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

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

On 25 May 2021, the Company prepaid this loan.

Facility 12

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

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

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

Facility 13

On 30 April 2021, the Company along with 2 subsidiaries executed a USD 10.10 million Term loan Facility with Export-Import Bank of Thailand (“EXIM”) to be used for refinancing the loan provided by EXIM under the loan agreement dated 28 May 2020. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

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

Facility	Description
Loan facility	Up to USD 10,100,000
Drawdown	USD 10,100,000
Final maturity	Not exceeding 2.5 years
Repayment	The loan shall be repaid in 10 quarterly installments of USD 1,010,000, beginning from the end of the next quarter after drawdown date with balance amount repayable at the end of the 10 th quarter.
Security	<ul style="list-style-type: none"> a) 1st priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower c) 1st priority assignment of any charterparties with a period exceeding 12 months.

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

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

Facility 14

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

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

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

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

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

- a) maintenance of the maximum funded debt to total shareholders' equity ratio of 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

On 8 July 2021, the Subsidiaries completed drawdown of USD 38.35 million and entered into Interest Rate Swap Transactions, to swap the interest of the loan facility of USD 38.35 million, from a floating interest rate (LIBOR) to a fixed interest rate.

Facility 15

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

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

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

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

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

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

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

19. Debentures

As at 31 December 2021 and 2020, details of debentures are as follows.

Series	Maturity date	No. of units (Thousand units)	Interest rate (% p.a.)	Term of interest payment	(Unit: Thousand Baht) Carrying amount	
					2021	2020
1 (PSL211A)	Extended the maturity date to 22 July 2022 (6.5 years)	3,590	6.75	Quarterly	-	2,855,865
2 (PSL206A)	Extended the maturity date to 9 December 2021 (5 years)	1,960	6.50	Quarterly	-	935,515
Total					-	3,791,380
Less: Deferred debenture issuing costs					-	(215)
Debentures - net					-	3,791,165
Less: Current portion					-	(935,515)
Debentures - net of current portion					-	2,855,650

PSL211A

Since the functional currency of the Company is US Dollars, with a view to covering the currency risk on the Thai Baht denominated liability of the Company, the entire proceeds of Baht 3,590.00 million were swapped into US Dollars, amounting to USD 99.72 million on 22 January 2016 vide a 5-year Cross Currency Swap entered into by the Company. The Company also swapped THB fixed interest rate of 5.25% per annum to USD fixed interest rate of 5.99% per annum.

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

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

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

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

In the fourth quarter of 2020, the Company exercised its right to redeem 20% of the original Baht 3,590.00 million issue size, which is equivalent to Baht 718.00 million. After this redemption payment, the remaining balance was Baht 2,872.00 million.

On 30 April 2021, the Company exercised its right to redeem Baht 287.20 million, which is equivalent to 10% of outstanding balance of Baht 2,872.00 million. The remaining balance after this redemption payment was Baht 2,584.80 million.

On 22 July 2021, the Company exercised its right to redeem Baht 1,163.16 million, which is equivalent to 45% of outstanding balance of Baht 2,584.80 million. The remaining balance after this redemption payment is Baht 1,421.64 million.

On 27 September 2021, the Company exercised its right to redeem Baht 1,421.64 million, which is the final redemption of PSL211A's outstanding balance.

PSL206A

Since the functional currency of the Company is US Dollars, with a view to covering the currency risk on the Thai Baht denominated liability of the Company, on 4 January 2017, the entire proceeds of Baht 1,960.00 million were swapped into US Dollars, amounting to USD 54.90 million vide a 3.5-year Cross Currency Swap entered into by the Company. The Company also swapped THB fixed interest rate of 5.00% per annum to USD fixed interest rate of 5.75% per annum.

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

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

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

On 19 May 2020, the bondholders' meeting approved the abovementioned amended terms and conditions. On 9 June 2020, the Company made an upfront redemption payment equivalent to 20 percent of the outstanding principal or Baht 392.00 million. Following this redemption payment, the outstanding balance of this debenture was Baht 1,568.00 million. Subsequently on 16 June 2020, the Company purchased a 1.5-year tenor put option with a strike of Baht 30.15 to protect against the appreciation of the Thai Baht against the US Dollar, for Baht 1,250.00 million of the outstanding amount.

During the fourth quarter of 2020, the Company exercised its right to redeem a further Baht 627.20 million, which is equivalent to 40% of the outstanding balance of Baht 1,568.00 million. After these redemption payments, the remaining balance was Baht 940.80 million.

On 5 January 2021, the Company exercised its right to redeem a further Baht 282.24 million, which is equivalent to 30% of the outstanding balance of Baht 940.80 million. The remaining balance after this redemption payment was Baht 658.56 million. On 12 March 2021, the Company exercised its right to redeem a further Baht 329.28 million, which is equivalent to 50% of the outstanding balance of Baht 658.56 million. The balance remaining after this redemption payment was Baht 329.28 million.

On 23 April 2021, the Company exercised its right to redeem Baht 329.28 million, which is the final redemption of PSL206A's outstanding balance.

Derivative assets

As at 31 December 2021 and 2020, the Group had a decrease in derivative assets relating to debentures amounting to Baht 515.86 million, arising from the full redemption payment of debentures during the year, which are summarised as below:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2021	2020
Cross currency swaps contracts	-	485,991
Put option	-	29,871
Total	-	515,862

20. Leases

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

a) Right-of-use assets

Movements of right-of-use assets which are buildings for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2020	29,171	24,491
Depreciation for the year	(5,515)	(4,298)
Translation adjustment	503	175
As at 31 December 2020	24,159	20,368
Depreciation for the year	(5,652)	(4,405)
Translation adjustment	2,491	2,115
As at 31 December 2021	20,998	18,078

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separated	
	financial statements		financial statements	
	2021	2020	2021	2020
Lease payments	22,544	28,556	19,626	24,343
Less: Deferred interest expenses	(2,748)	(3,691)	(2,556)	(3,342)
Total	19,796	24,865	17,070	21,001
Less: Portion due within one year	(5,419)	(5,326)	(4,207)	(4,137)
Lease liabilities - net of current portion	14,377	19,539	12,863	16,864

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated		Separated	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance at beginning of year	24,865	34,266	21,001	29,065
Accretion of interest	(2,748)	(3,691)	(2,556)	(3,342)
Repayments	(6,435)	(5,829)	(5,050)	(4,820)
Translation adjustment	4,114	119	3,675	98
Balance at end of year	19,796	24,865	17,070	21,001

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

(Unit: Thousand Baht)

	Consolidated		Separated	
	financial statements		financial statements	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	5,652	5,515	4,405	4,298
Interest expense on lease liabilities	1,303	1,444	1,115	1,267

21. Provision for maritime claims

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Balance at beginning of year	67,069	46,240
Increase during the year	49,877	47,769
Decrease (including actual claims) during the year	(85,627)	(26,117)
Translation adjustment	7,906	(823)
Balance at end of year	39,225	67,069

22. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	166,064	165,911	124,997	129,517
Included in income statement:				
Current service cost	10,350	11,751	6,172	7,599
Interest cost	1,979	2,254	1,355	1,704
Benefits paid during the year	(3,080)	(13,612)	(3,080)	(13,612)
Translation adjustment	(20)	(240)	23	(211)
Provision for long-term employee benefits at end of year	<u>175,293</u>	<u>166,064</u>	<u>129,467</u>	<u>124,997</u>

The Group expects to pay Baht 21.26 million of long-term employee benefits during the next year (The Company only: Baht 18.42 million) (2020: Baht 35.39 million, The Company only: Baht 34.20 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 10 years (The Company only: 10 years) (2020: 10 years, The Company only: 10 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Discount rate	1.50	1.50	1.50	1.50
Salary increase rate	6.50	6.50	6.50	6.50

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. During the year, the Company set the statutory reserve amounting to Baht 52 million (2020: nil) and the statutory reserve has fully been set aside.

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

24. Corporate social responsibility (CSR) reserve

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

During the year 2021, the Company set aside Baht 22.37 million (2020: Baht 1.75 million) to a reserve for CSR activities and reversed Baht 3.88 million (2020: Baht 1.68 million) from the reserve when the Company made related payments against the reserve.

25. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Interest expense on borrowings	362,019	539,087	131,613	276,258
Interest expense on lease liabilities	1,303	1,444	1,115	1,267
Interest expense from derivatives designated as hedging instruments in cash flow hedge	23,313	21,354	223	2,115
Others finance cost	28,592	35,264	3,460	8,054
Total	415,227	597,149	136,411	287,694

26. Expenses by nature

Significant expenses by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Salary, wages and other benefits of employees and crews	1,697,202	1,283,214	370,610	142,891
Rental expenses from operating lease agreements	325	470	-	57

27. Income tax

No corporate income tax was payable for the years 2021 and 2020, since the Company had tax losses.

Local subsidiaries

- a) In accordance with the Director - General's Notification on Income Tax No. 72 dated 20 March 1998, the local subsidiaries are exempted from the payment of income tax on their marine transportation income. In addition, the subsidiaries are exempted from the payment of income tax on their marine transportation business under the provisions of the Investment Promotion Act B.E. 2520.
- b) Corporate income tax for the year ended 31 December 2021 has been calculated at a rate of 20% (2020: 20%) on net profit, after adding back certain provisions and expenses which are disallowed for tax computation purposes.

Overseas subsidiaries and associate

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

As at 31 December 2021, the Group has deductible temporary differences, mainly arising from exchange difference occurring while translating financial statements in functional currency into presentation currency and unused tax losses totaling Baht 4,636.03 million (2020: Baht 6,704.00 million) (The Company only: Baht 2,005.99 million (2020: Baht 3,459.67 million)). However, the Group did not recognise deferred tax assets as the Group believes that it is not probable that future taxable profit will be available to allow the entire deferred tax assets to be utilised.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
31 December 2021	-	630,480	-	-
31 December 2022	534	534	-	-
31 December 2023	393,216	393,216	-	-
31 December 2024	550,884	550,884	-	-
31 December 2025	1,852,213	2,516,072	1,028,619	1,692,649
31 December 2026	128,769	-	-	-
	<u>2,925,616</u>	<u>4,091,186</u>	<u>1,028,619</u>	<u>1,692,649</u>

As at 31 December 2021, Precious Shipping (Singapore) Pte. Limited (“PSSP”), an overseas subsidiary, has unused tax losses totaling Baht 14.34 million (2020: Baht 11.12 million). The Inland Revenue Authority of Singapore (IRAS) rules stipulate that unused tax losses have no expiry date.

As at 31 December 2021, the Group has a temporary difference arising from an investment in associate held by a subsidiary under which a deferred tax liability has been recognised in the aggregate amount of Baht 3.47 million (2020: Baht 1.97 million).

28. Promotional privileges

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

Under the provisions of the Investment Promotion Act B.E. 2520, the local subsidiaries were granted certain promotional privileges for their marine transportation. The promotional privileges include, among other things, exemption from the payment of income tax for a period of 8 years commencing as from the date of first earning operating income on the condition that the vessels owned by the subsidiaries are registered in Thailand. During the year ended 31 December 2021, the subsidiaries have 8 vessels (2020: 14 vessels) under investment promotion operations.

Revenues and expenses for 2021 and 2020 classified between promoted and non-promoted operations can be summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations				Eliminations		Total	
	2021	2020	Director-General's Notification on Income Tax No. 72		Other non-promoted operations		2021	2020	2021	2020
			2021	2020	2021	2020				
Revenues	1,659,999	976,183	3,125,035	814,851	5,689,933	2,875,727	(1,637,874)	(904,891)	8,837,093	3,761,870
Costs and expenses	(649,503)	(1,055,400)	(1,384,962)	(1,007,275)	(2,538,826)	(4,066,320)	211,130	1,072,268	(4,362,161)	(5,056,727)

29. Earnings per share

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

30. Segment information

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

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

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

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

The following table presents net vessel operating income from Time charter and Voyage charter of the Group for the years ended 31 December 2021 and 2020.

(Unit: Thousand Baht)

	Consolidated financial statements									
	Time charter		Voyage charter		Total		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Time charter income	7,722,877	2,874,426	-	-	7,722,877	2,874,426	-	-	7,722,877	2,874,426
Voyage charter income	-	-	944,813	1,003,238	944,813	1,003,238	(55,937)	(151,368)	888,876	851,870
Total vessel operating income	7,722,877	2,874,426	944,813	1,003,238	8,667,690	3,877,664	(55,937)	(151,368)	8,611,753	3,726,296
Voyage disbursements	-	-	(166,626)	(314,539)	(166,626)	(314,539)	55,937	151,368	(110,689)	(163,171)
Bunker consumption	-	-	(200,298)	(288,484)	(200,298)	(288,484)	-	-	(200,298)	(288,484)
Total voyage expenses	-	-	(366,924)	(603,023)	(366,924)	(603,023)	55,937	151,368	(310,987)	(451,655)
Net vessel operating income/time charter equivalent income	7,722,877	2,874,426	577,889	400,215	8,300,766	3,274,641	-	-	8,300,766	3,274,641

For the year 2021, the Group has revenues from two major customers (2020: 2 customers) in the aggregate amount of Baht 1,605.38 million (2020: Baht 1,135.53 million).

31. Provident Fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributed to the fund monthly at the rate of 5% of basic salary. For employees, the maximum allowable contribution has been increased from 5% to 15% of basic salary. The fund, which is managed by Kasikornbank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 5.33 million (2020: Baht 5.39 million) were recognised as expenses. (The Company only: Baht 2.35 million, 2020: Baht 2.42 million).

32. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends for 2021	The Company's Board of Directors meeting on 16 August 2021	779.57	0.50
Interim dividends for 2021	The Company's Board of Directors meeting on 15 November 2021	779.54	0.50
Total for 2021		1,559.11	1.00

33. Contingent liabilities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Subsidiary is working with its insurers and lawyers to resolve all the issues arising out of this incident. The Company's management believes that it is premature at this stage to reliably estimate the amount of liability (if any) and therefore, no provisions have been made in respect of this incident.

34. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Cross currency swaps contracts - Loans	-	17,838	-	17,838
Cross currency interest rate swaps contracts			-	
- Debenture	-	485,991		485,991
Put option - Debenture	-	29,871	-	29,871
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	16,295	16,295
Liabilities measured at fair value				
Derivatives				
Interest rate swaps contracts - Loans	-	82,621	-	82,621

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2021

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	14,705	14,705

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Cross currency interest rate swaps contracts				
- Debenture	-	485,991	-	485,991
Put option - Debenture	-	29,871	-	29,871
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	16,295	16,295

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

35. Financial instruments

35.1 Derivatives and hedge accounting

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Derivative assets				
Derivative assets not designated as hedging instruments				
Put option - Debenture	-	8,961	-	8,961
Derivative assets designated as hedging instruments				
Interest rate swaps contracts - Loans	8,452	-	-	-
Cross currency swaps contracts - Loans	-	17,838	-	-
Cross currency interest rate swaps contracts				
- Debenture	-	485,991	-	485,991
Put option - Debenture	-	20,910	-	20,910
Total derivative assets	8,452	533,700	-	515,862
Derivative liabilities				
Derivative liabilities designated as hedging instruments				
Interest rate swaps contracts - Loans	13,089	82,621	-	-
Cross currency swaps contracts - Loans	2,144	-	-	-
Total derivative liabilities	15,233	82,621	-	-

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk and Interest rate risk

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

- Cross currency interest rate swaps as hedging instruments to hedge cash flows on fixed-rate debentures not denominated in the functional currency. These are defined as a combined hedge of currency risk and interest rate risk.
- Cross currency swaps and put option as hedging instruments to hedge cash flows on loans and debentures not denominated in the functional currency. These are defined as a combined hedge of currency risk.

- Interest rate swaps as hedging instruments to hedge cash flows on variable rate loans in foreign currencies. The Group receives a variable rate LIBOR of interest and pays interest at a fixed-rate. These are defined as a hedge of interest rate risk.

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

Hedge ineffectiveness can arise from:

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

The Group is holding the following derivatives as hedging instruments as at 31 December 2021 and 2020:

	Maturity							
	Less than 1 year		1 to 5 years		Over 5 years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Cross currency interest rate swaps								
Notional amount (Unit: Thousand Baht)	-	2,872,000	-	-	-	-	-	2,872,000
Average fixed rate (%)	-	5.99	-	-	-	-	-	5.99
Average exchange rate (Baht : US dollar)	-	36.00	-	-	-	-	-	36.00
Cross currency swaps								
Notional amount (Unit: Thousand Baht)	93,897	125,195	-	93,897	-	-	93,897	219,092
Average exchange rate (Baht : US dollar)	32.34, 33.15	32.34, 33.15	-	32.34, 33.15	-	-	32.34, 33.15	32.34, 33.15
Put option								
Notional amount (Unit: Thousand Baht)	-	658,560	-	-	-	-	-	658,560
Strike rate (Baht : US dollar)	-	30.15	-	-	-	-	-	30.15
Interest rate swaps								
Notional amount (Unit: Thousand USD)	19,535	12,711	73,869	42,049	22,661	-	116,065	54,760
Average fixed rate (%)	3.70 - 4.95	4.95 - 5.33	3.70 - 4.95	4.95 - 5.33	4.59 - 4.75	-	3.70 - 4.95	4.95 - 5.33

The impact of hedged items on the consolidated statement of financial position as at 31 December 2021 and 2020 is, as follows:

	(Unit: Thousand Baht)							
	Change in fair value used for measuring ineffectiveness		Cash flow hedge reserve				Cost of hedging reserve	
			Continuing hedges		Discontinued hedges			
	2021	2020	2021	2020	2021	2020	2021	2020
Loans - Interest rate swaps contracts	9,577	(50,062)	(2,694)	(47,640)	-	-	-	-
Loans - Cross currency swaps contracts	(21,269)	(16,150)	(22,532)	(16,150)	-	-	1,168	2,542
Debenture - Cross currency interest rate swaps contracts	-	(198,235)	-	(198,235)	-	-	-	54,121
Debenture - Put option	-	13,144	-	4,590	-	(13,955)	-	11,682

The impact of the hedging instruments on the consolidated statement of financial position as at 31 December 2021 and 2020 and the effect of the cash flow hedge in the consolidated statement of comprehensive income for the years ended 31 December 2021 and 2020 are, as follows:

(Unit: Million Baht)

As at 31 December 2021

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

(Unit: Million Baht)

As at 31 December 2020

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

Impacts of interest rate benchmark reform

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

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

As at 31 December 2021, the Group has interest rate swaps with nominal amounts of USD 178.66 million that are designated as hedging instruments to hedge cash flows on loans that carry interest at floating rates based on USD LIBOR and mature within 2029.

35.2 Financial risk management

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

Credit risk

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

Trade and other receivables

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

Financial instruments and cash deposits

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

Market risk

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, long-term loans to subsidiary, debentures and long-term loans. The management mitigates part of its interest rate risk by using interest rate swaps contract and cross currency interest rate swaps contract as hedging instruments to hedge cash flows on variable rate loans, as described in Note 35.1 to the financial statements. The interest rate risk is expected to be minimal.

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

(Unit: Thousand Baht)

Consolidated financial statements									
As at 31 December 2021									
	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		Fixed USD	Floating USD	Baht
Financial assets									
Cash and cash equivalents	737,725	-	-	1,315,705	414,779	2,468,209	0.20 - 0.30	0.01 - 0.05	0.05 - 0.13
Total	737,725	-	-	1,315,705	414,779	2,468,209			
Financial liabilities									
Lease liabilities	5,419	12,915	1,462	-	-	19,796	5.28 - 5.53	-	-
Long-term loans	635,304	2,425,796	1,032,372	4,124,390	-	8,217,862	3.70 - 4.95	2.33 - 3.81	4.65
Total	640,723	2,438,711	1,033,834	4,124,390	-	8,237,658			

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2020

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

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2021

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

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2020

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

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's income statement to a reasonably possible change in interest rates on that portion of the floating rate long-term loans from affected and equity changes as a result of an increase or decrease in the fair value of the cash flow hedges of interest rate swaps contracts as at 31 December 2021 and 2020.

	Increase/ decrease (%)	2021		2020	
		Effect on income statement	Effect on equity	Effect on income statement	Effect on equity
		(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
US Dollars borrowing	+1	(49,790)	123,100	(46,919)	40,673
	-1	49,790	(123,100)	46,919	(40,673)

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

Foreign currency risk

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

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

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's income statement and equity to a reasonably possible change in Thai Baht exchange rates, with all other variables held constant. The impact on the Group's income statement and equity is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives as at 31 December 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase/ decrease (%)	2021		2020	
		Effect on income statement	Effect on equity	Effect on income statement	Effect on equity
		(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Thai Baht	+1	-	(84)	(3,029)	(2,676)
	- 1	-	12	(4,536)	(26,483)

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

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

Foreign currency	Consolidated financial statements			
	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2021	2020	2021	2020
	(Million)	(Million)	(USD per 1 foreign currency unit)	
Baht loan	93.90	219.09	0.0298	0.0331
Baht Debenture	-	2,872.00	-	0.0331
Baht Debenture	-	940.80	-	0.0331

Foreign currency	Separate financial statements			
	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2021	2020	2021	2020
	(Million)	(Million)	(USD per 1 foreign currency unit)	
Baht Debenture	-	2,872.00	-	0.0331
Baht Debenture	-	940.80	-	0.0331

Foreign currency swaps contracts outstanding are summarised below.

As at 31 December 2021			
<u>Bought amount</u>	<u>Sold amount</u>	<u>Contractual exchange rate</u>	<u>Contractual maturity date</u>
(USD per 1 foreign currency unit)			
<u>Subsidiaries</u>			
Baht 93.90 million	USD 2.87 million	0.0302, 0.0309	Quarterly corresponding to the loan repayment schedule upto September 2022
As at 31 December 2020			
<u>Bought amount</u>	<u>Sold amount</u>	<u>Contractual exchange rate</u>	<u>Contractual maturity date</u>
(USD per 1 foreign currency unit)			
<u>The Company</u>			
Baht 2,872.00 million	USD 79.78 million	0.0278	January 2021
<u>Subsidiaries</u>			
Baht 219.09 million	USD 6.69 million	0.0302, 0.0309	Quarterly corresponding to the loan repayment schedule upto September 2022

As at 31 December 2020, the Group had the put option outstanding as summarised below (2021: Nil).

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

Liquidity risk

The Group manages liquidity risk by spreading out debt maturities, raising debt that is both amortising and non-amortising, maintaining sufficient cash reserves, tightly controlling operating costs, ensuring adequate insurance cover, limiting single counterparty exposure to no more than 25% of revenues and limiting exposure to the short-term market through fixing ships on long term charters. Approximately 21% of the Group's debt will mature in less than one year as of 31 December 2021 (2020: 30%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2020			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	113,676	-	-	113,676
Lease liabilities	6,022	20,778	1,755	28,555
Long-term loans	1,712,529	4,635,584	577,103	6,925,216
Debentures	996,323	3,171,751	-	4,168,074
Total non-derivatives	2,828,550	7,828,113	578,858	11,235,521
Derivatives				
Derivative assets	515,862	17,838	-	533,700
Derivative liabilities	-	82,621	-	82,621
Total derivatives	515,862	100,459	-	616,321

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2020				
On demand	Less than 1 year	1 to 5 Years	Over 5 years	Total
Non-derivatives				
Trade and other payables	-	281	-	281
Lease liabilities	-	4,726	17,862	24,343
Debentures	-	996,323	3,171,751	4,168,074
Advances received from related parties	1,825,509	-	-	1,825,509
Total non-derivatives	1,825,509	1,001,330	3,189,613	6,018,207
Derivatives				
Derivative assets	-	515,862	-	515,862
Total derivatives	-	515,862	-	515,862

35.3 Fair values of financial instruments

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

35.4 Reconciliation of recurring fair value measurements of assets categorised within Level 3 of the fair value hierarchy

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Investment in equity instrument of non-listed company	
Balance as of 1 January 2020	17,047
Net loss recognised into other comprehensive income	(752)
Balance as of 31 December 2020	16,295
Net loss recognised into other comprehensive income	(3,425)
Translation adjustment	1,835
Balance as of 31 December 2021	14,705

36. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

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

As at 31 December 2021, the Group's debt-to-equity ratio was 0.64:1 (2020: 1.11:1) and the Company's was 0.29:1 (2020: 0.61:1) which is calculated from USD functional currency financial statements.

37. Events after the reporting period

On 14 February 2022, the Company's Board of Directors' meeting passed the significant resolutions as follows;

- 1) to pay an interim dividend for the year 2021 of 0.50 Baht per share, or a total of Baht 779.65 million. Such dividend will be paid on 11 March 2022.
- 2) to propose to the Annual General Meeting of Shareholders for the year 2022 of the Company to adopt a resolution to pay a final dividend for the year 2021 of Baht 0.25 per share, or a total of Baht 389.82 million, to the shareholders in respect of the Company's retained earnings as of 31 December 2021. Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

38. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2021 and 2020 and income statements for the years ended 31 December 2021 and 2020 are as follows.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

	(Unit: Thousand USD)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Assets				
Current assets				
Cash and cash equivalents	73,854	36,638	16,096	20,399
Trade and other receivables	5,246	5,616	61,690	121,460
Bunker oil	646	1,153	-	-
Derivative assets	-	17,174	-	17,174
Other current assets				
Advances to vessel masters	899	906	-	-
Claim recoverables	243	327	-	-
Lube oil stock on board	2,285	1,521	-	-
Others	894	1,181	503	487
Total other current assets	4,321	3,935	503	487
Total current assets	84,067	64,516	78,289	159,520
Non-current assets				
Restricted bank deposits	3,591	-	-	-
Long-term loans to a subsidiary	-	-	76,938	112,474
Derivative assets	253	594	-	-
Investments in subsidiaries	-	-	233,720	233,720
Investment in associate held by a subsidiary	2,730	2,474	-	-
Investment in equity instrument of non-listed company	440	543	440	543
Property, plant and equipment	606,973	636,698	243	253
Right-of-use assets	628	804	541	678
Intangible assets	191	230	182	219
Other non-current assets				
Claim recoverables - maritime claims	829	1,540	-	-
Deferred contract costs	4,290	4,843	-	-
Others	95	105	71	80
Total other non-current assets	5,214	6,488	71	80
Total non-current assets	620,020	647,831	312,135	347,967
Total assets	704,087	712,347	390,424	507,487

Precious Shipping Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2021

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade and other payables	3,151	3,785	38	9
Advances received from related parties	-	-	75,934	60,775
Accrued crew accounts	2,657	2,765	-	-
Accrued expenses	1,861	2,669	26	767
Current portion of accrued employee benefits	2,933	-	2,056	-
Total trade and other payables	10,602	9,219	78,054	61,551
Advances received from charterers	2,601	20,177	-	-
Current portion of long-term loans	42,148	49,938	-	-
Current portion of debentures	-	31,145	-	31,145
Current portion of lease liabilities	162	177	126	138
Derivative liabilities	119	-	-	-
Income tax payable	1	53	-	-
Other current liabilities	1,716	463	1,508	307
Total current liabilities	57,349	111,172	79,688	93,141
Non-current liabilities				
Accrued employee benefits - net of current portion	5,865	-	4,112	-
Long-term loans - net of current portion	203,749	157,483	-	-
Debentures - net of current portion	-	95,071	-	95,071
Lease liabilities - net of current portion	430	650	385	561
Derivative liabilities	336	2,751	-	-
Deferred tax liabilities	104	65	-	-
Provision for maritime claims	1,174	2,233	-	-
Provision for long-term employee benefits	5,245	5,529	3,874	4,161
Total non-current liabilities	216,903	263,782	8,371	99,793
Total liabilities	274,252	374,954	88,059	192,934
Shareholders' equity				
Share capital				
Registered share capital	51,055	51,055	51,055	51,055
Issued and paid-up share capital	51,055	51,055	51,055	51,055
Paid-in capital				
Premium on ordinary shares	63,290	63,290	63,290	63,290
Premium on treasury stock	4,819	4,819	4,819	4,819
Retained earnings				
Appropriated				
Statutory reserve - the Company	4,372	2,802	4,372	2,802
- subsidiaries	11,741	14,460	-	-
Corporate social responsibility reserve	1,110	553	1,110	553
Unappropriated	296,004	205,556	177,847	192,294
Other components of shareholders' equity	(2,557)	(5,143)	(128)	(260)
Equity attributable to owners of the Company	429,834	337,392	302,365	314,553
Non-controlling interests of the subsidiaries	1	1	-	-
Total shareholders' equity	429,835	337,393	302,365	314,553
Total liabilities and shareholders' equity	704,087	712,347	390,424	507,487

Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2021

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues				
Vessel operating income				
Time charter income	237,470	91,915	-	-
Voyage charter income	28,136	27,160	-	-
Total vessel operating income	265,606	119,075	-	-
Service income	113	120	2,832	2,869
Interest income	57	270	5,651	6,110
Dividend income	16	-	37,696	1,600
Exchange gains	6,233	-	5,955	-
Gain on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	33	-	-	-
Gain on derivative	-	371	-	427
Gain on liquidation of subsidiaries	-	-	-	220
Other income	36	15	23	1
Total revenues	<u>272,094</u>	<u>119,851</u>	<u>52,157</u>	<u>11,227</u>
Expenses				
Vessel operating costs				
Vessel running expenses	55,169	49,741	-	-
Voyage disbursements	3,510	5,190	-	-
Bunker consumption	6,383	9,163	-	-
Total vessel operating costs	65,062	64,094	-	-
Depreciation	37,792	38,711	255	246
Cost of services	167	127	-	-
Administrative expenses	12,615	8,863	7,214	6,303
Management remuneration including perquisites	5,344	1,821	5,185	1,924
Losses on settlement agreement	-	27,400	-	27,144
Losses on impairment of investments in subsidiaries	-	-	-	155
Expected credit losses (reversal)	(279)	283	-	937
Exchange losses	-	501	-	377
Losses on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	33	-	-
Loss on derivatives	2,094	-	378	-
Total expenses	<u>122,795</u>	<u>141,833</u>	<u>13,032</u>	<u>37,086</u>
Operating profit (loss)	<u>149,299</u>	<u>(21,982)</u>	<u>39,125</u>	<u>(25,859)</u>
Share of profit from investment in associate held by a subsidiary	703	346	-	-
Finance cost	(12,997)	(19,021)	(4,346)	(9,168)
Profit (loss) before income tax expenses	<u>137,005</u>	<u>(40,657)</u>	<u>34,779</u>	<u>(35,027)</u>
Income tax expenses	(50)	(145)	-	-
Profit (loss) for the year	<u>136,955</u>	<u>(40,802)</u>	<u>34,779</u>	<u>(35,027)</u>
Profit (loss) attributable to:				
Equity holders of the Company	136,955	(40,802)	34,779	(35,027)
Non-controlling interests of the subsidiaries	-	-	-	-
Profit (loss) for the year	<u>136,955</u>	<u>(40,802)</u>	<u>34,779</u>	<u>(35,027)</u>
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>0.0878</u>	<u>(0.0262)</u>	<u>0.0223</u>	<u>(0.0225)</u>

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 14 February 2022.