

**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**REVIEWED REPORT AND INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2020**

## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

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

I have reviewed the accompanying statement of financial position of Asian Marine Services Public Company Limited and its subsidiaries as at June 30, 2020 and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, changes in shareholders' equity and cash flows for the six-month period then ended and the condensed notes and have reviewed the separate financial information of Asian Marine Services Public Company Limited as well. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **SCOPE OF REVIEW**

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

### **CONCLUSION**

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

(Mr. Peradate Pongsathiansak)  
Certified Public Accountant  
Registration No. 4752

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
August 11, 2020

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2020**

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at June	As at December	As at June	As at December
		30, 2020	31, 2019	30, 2020	31, 2019
Assets					
Current assets					
Cash and cash equivalents		34,137	66,804	30,385	63,920
Trade and other current receivables					
Related parties	5,6	1,851	13,000	1,804	12,586
Unrelated parties		44,798	53,144	44,573	52,941
Other current receivables - related parties	5	4,181	1	4,310	88
Other current receivables - unrelated parties		4,196	7,786	3,639	5,219
Less: Allowance for doubtful accounts		(13,918)	(12,520)	(13,918)	(12,520)
Total trade and other receivables	6	41,108	61,411	40,408	58,314
Current portion of lease receivables	7	2,752	-	2,752	-
Unbilled complete construction in progress					
Related parties	5	1,450	959	2,370	14,194
Unrelated parties		44,943	45,653	44,943	31,446
Total unbilled complete construction in progress	8	46,393	46,612	47,313	45,640
Inventories	9	43,562	49,313	43,286	49,037
Assets held for sale	10	-	8,469	-	8,469
Other current assets		7,252	5,990	5,308	3,700
Total current assets		175,204	238,599	169,452	229,080
Non-current assets					
Investments in subsidiaries under the cost method	11	-	-	27,080	26,882
Lease receivables	7	6,336	-	6,336	-
Property, plant and equipment	12	437,430	443,261	436,647	442,429
Leasehold right of land and building	4,13	-	23,778	-	23,778
Right-of-use assets	13	59,169	-	59,169	-
Intangible assets	14	9,730	10,422	9,730	10,422
Deferred tax assets	15	6,963	13,180	6,762	12,984
Withholding tax deducted at source		26,550	21,451	23,390	18,603
Other non-current assets		3,918	4,468	3,918	4,468
Total non-current assets		550,096	516,560	573,032	539,566
Total assets		725,300	755,159	742,484	768,646

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

Draft for you consideration and acceptance

Authorized for issuing by \_\_\_\_\_

Date \_\_\_\_\_

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (Continued)**

**AS AT JUNE 30, 2020**

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at June	As at December	As at June	As at December
Note		30, 2020	31, 2019	30, 2020	31, 2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	16	75,000	140,000	75,000	140,000
Trade accounts payable					
Related parties	5	-	-	3,017	2,321
Unrelated parties		27,453	34,823	26,707	34,265
Total trade accounts payable		27,453	34,823	29,724	36,586
Accrued construction cost		810	1,598	810	1,598
Warranty provisions	17	899	404	899	404
Current portion of lease liabilities	18	3,023	750	3,023	750
Current portion of long - term loans - related parties	5	-	-	14,600	20,000
Current portion of long - term loans from bank	19	20,598	20,598	20,598	20,598
Other current liabilities					
Advance received from customers	8	14,090	125	14,090	-
Accrued expenses		15,351	13,738	13,697	12,514
Accrued corporate income tax		103	103	-	-
Others		8,928	8,014	8,433	7,195
Total current liabilities		166,255	220,153	180,874	239,645
Non-current liabilities					
Lease liabilities	18	37,161	667	37,161	667
Long - term loans - related parties	5	-	-	8,600	-
Long - term loans from bank	19	76,959	87,258	76,959	87,258
Employee benefit obligations	20	17,256	18,141	16,235	16,938
Total non-current liabilities		131,376	106,066	138,955	104,863
Total liabilities		297,631	326,219	319,829	344,508

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (Continued)**

**AS AT JUNE 30, 2020**

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
Note	30, 2020	31, 2019	30, 2020	31, 2019
<b>Liabilities and shareholders' equity (continued)</b>				
<b>Shareholders' equity</b>				
Share capital				
Registered share capital				
(258,291,110 ordinary shares of Baht 1 each)	258,291	258,291	258,291	258,291
Issued and paid-up share capital				
(258,291,087 ordinary shares of Baht 1 each)	258,291	258,291	258,291	258,291
Retained earnings				
Appropriated				
Statutory reserve	25,829	25,829	25,829	25,829
Unappropriated	142,049	143,409	138,535	140,018
Equity attributable to the parent company's shareholders	426,169	427,529	422,655	424,138
Non-controlling interests	1,500	1,411	-	-
<b>Total shareholders' equity</b>	<b>427,669</b>	<b>428,940</b>	<b>422,655</b>	<b>424,138</b>
<b>Total liabilities and shareholders' equity</b>	<b>725,300</b>	<b>755,159</b>	<b>742,484</b>	<b>768,646</b>

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020**

(Unit : Thousand Baht)					
		Consolidated		Separate financial statements	
		For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	Note	2020	2019	2020	2019
<b>Revenues</b>					
Service income		106,551	94,842	105,548	95,276
Other income		2,492	3,129	2,765	3,263
<b>Total revenues</b>		<b>109,043</b>	<b>97,971</b>	<b>108,313</b>	<b>98,539</b>
<b>Expenses</b>					
Cost of services		75,581	71,256	76,048	71,196
Distribution costs		1,402	1,537	1,250	1,534
Administrative expenses		22,453	26,376	20,469	23,615
Management remuneration	5	3,785	3,763	3,785	3,763
<b>Total expenses</b>		<b>103,221</b>	<b>102,932</b>	<b>101,552</b>	<b>100,108</b>
Profit (loss) from operating activities		5,822	(4,961)	6,761	(1,569)
Finance costs		1,892	2,226	1,958	2,280
Profit (loss) before tax expense		3,930	(7,187)	4,803	(3,849)
Tax expense (income)	15	214	(978)	327	(833)
<b>Profit (loss) for the period</b>		<b>3,716</b>	<b>(6,209)</b>	<b>4,476</b>	<b>(3,016)</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit or loss					
(Loss) on re-measurements of defined benefit plans					
- net of income tax		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>3,716</b>	<b>(6,209)</b>	<b>4,476</b>	<b>(3,016)</b>
<b>Profit (loss) attributable to :</b>					
Parent company's shareholders		3,806	(5,818)	4,476	(3,016)
Non-controlling interests		(90)	(391)	-	-
		<b>3,716</b>	<b>(6,209)</b>	<b>4,476</b>	<b>(3,016)</b>
<b>Total comprehensive income attributable to :</b>					
Parent company's shareholders		3,756	(6,200)	4,476	(3,016)
Non-controlling interests		(40)	(9)	-	-
		<b>3,716</b>	<b>(6,209)</b>	<b>4,476</b>	<b>(3,016)</b>
<b>Earnings per share</b>					
Profit (loss) for the period of parent company's shareholders		3,806	(5,818)	4,476	(3,016)
Weighted average number of ordinary shares (Shares)		258,291	258,291	258,291	258,291
Basic earnings per share for the period (Baht per share)		0.015	(0.023)	0.017	(0.012)

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME (CONT.)**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020**

(Unit : Thousand Baht)				
Note	Consolidated		Separate financial statements	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2020	2019	2020	2019
<b>Revenues</b>				
Service income	236,688	201,419	230,453	201,272
Other income	5,853	5,660	5,829	5,926
Dividend received from subsidiary	11	-	-	8,160
<b>Total revenues</b>	<b>242,541</b>	<b>207,079</b>	<b>236,282</b>	<b>215,358</b>
<b>Expenses</b>				
Cost of services	159,593	141,408	157,947	143,724
Distribution costs	3,344	3,830	3,178	3,797
Administrative expenses	44,905	55,272	40,754	49,874
Management remuneration	5	7,561	7,879	7,879
<b>Total expenses</b>	<b>215,403</b>	<b>208,389</b>	<b>209,440</b>	<b>205,274</b>
Profit (loss) from operating activities	27,138	(1,310)	26,842	10,084
Finance costs	4,035	4,265	4,167	4,373
Profit (loss) before tax expense	23,103	(5,575)	22,675	5,711
Tax expense (income)	15	8,283	(806)	(744)
<b>Profit (loss) for the period</b>	<b>14,820</b>	<b>(4,769)</b>	<b>14,612</b>	<b>6,455</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
(Loss) on re-measurements of defined benefit plans				
- net of income tax	(410)	1,763	(414)	1,583
<b>Total comprehensive income for the period</b>	<b>14,410</b>	<b>(6,532)</b>	<b>14,198</b>	<b>4,872</b>
<b>Profit (loss) attributable to :</b>				
Parent company's shareholders	14,778	(4,760)	14,612	6,455
Non-controlling interests	42	(9)	-	-
	<b>14,820</b>	<b>(4,769)</b>	<b>14,612</b>	<b>6,455</b>
<b>Total comprehensive income attributable to :</b>				
Parent company's shareholders	14,321	(6,521)	14,198	4,872
Non-controlling interests	89	(11)	-	-
	<b>14,410</b>	<b>(6,532)</b>	<b>14,198</b>	<b>4,872</b>
<b>Earnings per share</b>				
Profit (loss) for the period of parent company's shareholders	14,778	(4,760)	14,612	6,455
Weighted average number of ordinary shares (Shares)	258,291	258,291	258,291	258,291
Basic earnings per share for the period (Baht per share)	0.057	(0.018)	0.057	0.025

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020**

(Unit : Thousand Baht)

Consolidated financial statements						
Note	Common shareholders			Non-controlling interests		
	Issued and paid up share capital	Retained earnings		Total		Total
		Appropriated-legal reserve	Unappropriated			
<b>Beginning balance, as at January 1, 2020</b>	258,291	25,829	143,409	427,529	1,411	428,940
Cumulative effect of change in accounting policy	4	-	(2,766)	(2,766)	-	(2,766)
<b>Beginning balance, as at January 1, 2020 - as restated</b>	258,291	25,829	140,643	424,763	1,411	426,174
Total comprehensive income (loss) for the six-month	-	-	14,321	14,321	89	14,410
Dividend paid	22	-	(12,915)	(12,915)	-	(12,915)
<b>Ending balance, as at June 30, 2020</b>	258,291	25,829	142,049	426,169	1,500	427,669
<b>Beginning balance, as at January 1, 2019</b>	258,291	25,829	177,948	462,068	1,963	464,031
Total comprehensive income (loss) for the six-month	-	-	(6,521)	(6,521)	(11)	(6,532)
Dividend paid	22	-	(25,829)	(25,829)	-	(25,829)
Dividend paid of subsidiary	11	-	-	-	(600)	(600)
<b>Ending balance, as at June 30, 2019</b>	258,291	25,829	145,598	429,718	1,352	431,070

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020**

(Unit : Thousand Baht)

Separate financial statements				
Note	Issued and paid-up share capital	Retained earnings		Total
		Appropriated - legal reserve	Unappropriated	
<b>Beginning balance, as at January 1, 2020</b>	258,291	25,829	140,018	424,138
Cumulative effect of change in accounting policy	4	-	(2,766)	(2,766)
<b>Beginning balance, as at January 1, 2020 - as restated</b>	258,291	25,829	137,252	421,372
Total comprehensive income for the six-month	-	-	14,198	14,198
Dividend paid	22	-	(12,915)	(12,915)
<b>Ending balance, as at June 30, 2020</b>	258,291	25,829	138,535	422,655
<b>Beginning balance, as at January 1, 2019</b>	258,291	25,829	163,986	448,106
Total comprehensive income for the six-month	-	-	4,872	4,872
Dividend paid	22	-	(25,829)	(25,829)
<b>Ending balance, as at June 30, 2019</b>	258,291	25,829	143,029	427,149

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020**

(Unit : Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the six-month		For the six-month	
	periods ended June 30,		periods ended June 30,	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	14,820	(4,769)	14,612	6,455
Adjustments to reconcile net profit to net cash provided by (paid from) operating activities: -				
Allowance for doubtful accounts (reversal)	(708)	(3,526)	(708)	(3,526)
Increase (decrease) in stock obsolescence	(75)	46	(75)	46
Depreciation and amortization	20,413	18,503	20,286	18,347
Loss (gain) on sale of assets	(375)	(418)	(375)	(417)
Loss on assets write-off	2,789	132	2,789	132
Loss on impairment of asset held for sale	-	64	-	64
Warranty provisions (reversal)	1,000	-	1,000	-
Unrealized foreign exchange loss (gain)	27	259	27	259
Employee benefits obligations	948	3,780	871	3,394
Dividend received	-	-	-	(8,160)
Interest income	(61)	(45)	(55)	(30)
Interest expenses	3,885	4,056	4,027	4,186
Income tax expenses	8,283	(806)	8,063	(744)
Income from operating activities before changes in operating assets and liabilities	50,946	17,276	50,462	20,006
Decrease (increase) in operating assets				
Trade and other current receivables	18,926	(42,625)	16,529	(42,386)
Lease receivables	300	-	300	-
Unbilled income	219	60,984	(1,673)	60,064
Inventories	5,826	(3,625)	5,826	(3,766)
Other current assets	(1,844)	(1,241)	(2,216)	(392)
Other non-current assets	525	340	550	340

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

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (Continued)**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020**

(Unit : Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the six-month		For the six-month	
	periods ended June 30,		periods ended June 30,	
	2020	2019	2020	2019
Increase (decrease) in operating liabilities				
Increase (decrease) in trust receipts payable	-	10,189	-	10,189
Trade accounts payable	(7,370)	(4,025)	(6,861)	(6,659)
Accrued cost of construction	(788)	706	(788)	706
Advance received from customers	13,965	6,730	14,090	6,730
Other current liabilities	6,671	280	6,566	884
Cash received (paid) from operating activities	87,376	44,989	82,785	45,716
Cash received from interest income	32	45	27	30
Corporate income taxes paid	(5,333)	(7,181)	(4,788)	(6,286)
Warranty provisions paid	(505)	(157)	(505)	(157)
Employee benefit obligations paid	(2,338)	(557)	(2,092)	(557)
Net cash from (used in) operating activities	79,232	37,139	75,427	38,746
<b>Cash flows from investing activities</b>				
Cash paid for purchase of fixed assets	(18,344)	(19,440)	(18,266)	(19,364)
Proceeds from sale of fixed assets	704	444	704	442
Cash paid for investment in subsidiary	-	-	(198)	-
Cash paid for purchase of intangible assets	-	(308)	-	(308)
Dividend received from subsidiary	-	-	-	8,160
Net cash from (used in) investing activities	(17,640)	(19,304)	(17,760)	(11,070)
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(65,000)	15,000	(65,000)	15,000
Repayment of lease liabilities	(2,322)	(768)	(2,322)	(768)
Receipt of long - term loans - related parties	-	-	5,000	13,000
Repayment for long - term loans - related parties	-	-	(1,800)	(8,000)
Repayment for long-term loans to bank	(10,299)	(10,299)	(10,299)	(10,299)

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (Continued)**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020**

(Unit : Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the six-month		For the six-month	
	periods ended June 30,		periods ended June 30,	
	2020	2019	2020	2019
Dividend paid	(12,868)	(25,771)	(12,868)	(25,771)
Dividend payment from subsidiary to non-controlling interests	-	(600)	-	-
Interest paid	(3,884)	(4,038)	(4,027)	(4,163)
Net cash from (used in) financing activities	(94,373)	(26,476)	(91,316)	(21,001)
Net increase (decrease) in cash and cash equivalents	(32,781)	(8,641)	(33,649)	6,675
Unrealized gain (loss) on exchange rate				
from deposit in foreign currency	114	(259)	114	(259)
Cash and cash equivalents at the beginning of the period	66,804	42,209	63,920	20,694
Cash and cash equivalents at the end of the period	34,137	33,309	30,385	27,110
<b>Supplemental disclosure of cash flows information: -</b>				
1. Cash and cash equivalents consisted of: -				
Cash on hand	378	214	149	179
Cash at bank - Savings account	18,592	28,532	15,456	22,914
- Current account	5,508	4,504	5,121	3,958
Fixed deposit 3 months or less	9,659	59	9,659	59
	34,137	33,309	30,385	27,110
2. Non-cash item consisted of: -				
Purchase of fixed assets under lease agreement	-	1,165	-	1,165

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**ASIAN MARINE SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**1. GENERAL INFORMATION**

**1.1 Legal status and address**

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

The address of its registered office is as follows:

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

**1.2 Nature of the Company’s business**

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

**1.3 Major shareholder**

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

**2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

**2.1 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasize on the information previously reported. The interim financial statements should, therefore, be read in conjunction with the financial statements for the year ended December 31, 2019.

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

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

2.2 Financial reporting standards that became effective in the current period

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

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

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

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

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

### **TFRS 16 Leases**

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

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

The Company and its subsidiaries have adopted TFRSs related to financial instruments and TFRS 16 the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated. The cumulative effect of the change is described in Note 4 to the interim financial statements.

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

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

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

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

- Not to take into account forward-looking information when determining expected credit losses in the case that a simplified approach is used to determine expected credit losses.
- Not to include information relating to the COVID-19 situation that may affect financial forecasts. In the future, used in conjunction with relevant fair value measurement techniques TFRS 13, Fair Value.

- Not to include information relating to the uncertain COVID-19 situation, which may affect the estimation of future taxable profits as data to estimate the adequacy of future taxable profits in order to take advantage of deferred tax assets.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36 : Impairment of Assets.
- Not to consider the COVID-19 situation as an event that results in the current obligation as a result of past events.

### 2.3 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019 except the changes in accounting policies as follows:

#### **Financial assets and financial liabilities**

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

##### (1) Classification and measurement of financial assets

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost. Classification is driven by the Company and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss or through other comprehensive income.

Financial liabilities are classified and measured at amortized cost.

Derivatives are classified and measured at fair value through profit or loss.



(2) Impairment of financial assets

The Company and its subsidiaries recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company and its subsidiaries accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company and its subsidiaries apply a simplified approach to determine the lifetime expected credit losses.

**Leases**

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

**Right-of-use assets-lessee**

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

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

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

### **Lease liabilities**

At the commencement date of the lease, lease liabilities are measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the 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 modification or reassessment.

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

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

## **3. BASIS OF CONSOLIDATION**

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

Company's name	Nature of business	Percentage of shareholding		Percentage of assets included in total assets as at		Percentage of revenues included in total revenues for the period	
		June	December	June	December	June	June
		30, 2020	31, 2019	30, 2020	31, 2019	30, 2020	30, 2019
		Percent	Percent	Percent	Percent	Percent	Percent
General Marine Co., Ltd.	Agent of machinery and equipment for marine service	100	100	0.63	0.68	0.04	0.02
Asimar Marine Co., Ltd.	Subcontractor of ship repair	100	100	1.32	1.29	5.54	7.60
Eco Marine Co., Ltd.	Pollution control and environmental management services	93	93	3.18	4.54	5.87	1.07
Asian Marine Joint Venture Co., Ltd.	Shipbuilding and ship repair services.	80	-	0.03	-	-	-

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

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

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

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

	(Unit : Baht)			
	Consolidated financial statement			
	As at December 31, 2019	TFRS 9	TFRS 16	As at January 1, 2020
<b>Statement of financial position</b>				
Current assets				
Trade and other current receivables	61,410,142	(1,944,061)	-	59,466,081
Non-current assets				
Property, plant and equipment	443,261,673	-	(3,857,950)	439,403,723
Leasehold right of land and building	23,777,844	-	(23,777,844)	-
Right-of-use assets	-	-	61,973,281	61,973,281
Deferred tax assets	13,179,783	388,812	1,348,604	14,917,199
Total assets	<u>541,629,442</u>	<u>(1,555,249)</u>	<u>35,686,091</u>	<u>575,760,284</u>
Current liabilities				
Current portion of lease liabilities	750,462	-	2,828,002	3,578,464
Accrued expense	13,737,885	-	(4,191,484)	9,546,401
Non-current liabilities				
Lease liabilities	667,380	-	38,260,190	38,927,570
Total liabilities	<u>15,155,727</u>	<u>-</u>	<u>36,896,708</u>	<u>52,052,435</u>
Unappropriated retained earnings	<u>143,409,423</u>	<u>(1,555,249)</u>	<u>(1,210,617)</u>	<u>140,643,557</u>
Total equity	<u>428,940,322</u>	<u>(1,555,249)</u>	<u>(1,210,617)</u>	<u>426,174,456</u>

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(Unit: Baht)				
	Separate financial statement			
	As at December	TFRS 9	TFRS 16	As at January
	31, 2019			1, 2020
<b>Statement of financial position</b>				
Current assets				
Trade and other current receivables	58,314,355	(1,944,061)	-	56,370,294
Non-current assets				
Property, plant and equipment	442,428,664	-	(3,857,950)	438,570,714
Leasehold right of land and building	23,777,844	-	(23,777,844)	-
Right-of-use assets	-	-	61,973,281	61,973,281
Deferred tax assets	12,983,995	388,812	1,348,604	14,721,411
Total assets	537,504,858	(1,555,249)	35,686,091	571,635,700
Current liabilities				
Current portion of lease liabilities	750,462	-	2,828,002	3,578,464
Accrued expense	12,513,370	-	(4,191,484)	8,321,886
Non-current liabilities				
Lease liabilities	667,380	-	38,260,190	38,927,570
Total liabilities	13,931,212	-	36,896,708	50,827,920
Unappropriated retained earnings	140,018,009	(1,555,249)	(1,210,617)	137,252,143
Total equity	424,138,206	(1,555,249)	(1,210,617)	421,372,340

#### 4.1 Financial instruments

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

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

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# Classification and measurement

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

	(Unit : Baht)				
	Consolidated financial statements				
	FVPL	Fair value - Derivatives	FVOCI	Amortized cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	-	-	-	66,803,512	66,803,512
Trade and other current receivables	-	-	-	59,466,081	59,466,081
Unbilled complete construction in progress	-	-	-	46,612,560	46,612,560
Assets held for sale	-	-	-	8,469,118	8,469,118
Other current assets	-	-	-	5,990,187	5,990,187
Withholding tax	-	-	-	21,450,950	21,450,950
Other non-current assets	-	-	-	4,468,246	4,468,246
	-	-	-	213,260,654	213,260,654

	(Unit : Baht)		
	Consolidated financial statements		
	Fair value - Derivatives	Amortized cost	Total
Financial liabilities as at January 1, 2020			
Bank overdrafts and short-term loans from financial institutions	-	140,000,000	140,000,000
Trade accounts payable	-	34,822,668	34,822,668
Accrued construction cost	-	1,598,052	1,598,052
Provision for warranty under contract	-	403,546	403,546
Other non-current liabilities	-	21,979,948	21,979,948
Lease liabilities	-	42,506,034	42,506,034
Long-term loans from financial institutions	-	107,856,265	107,856,265
	-	349,166,513	349,166,513

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	(Unit: Baht)				
	Separate financial statements				
	FVPL	Fair value - Derivatives	FVOCI	Amortized cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	-	-	-	63,920,381	63,920,381
Trade and other current receivables	-	-	-	56,370,294	56,370,294
Unbilled complete construction in progress	-	-	-	45,639,448	45,639,448
Assets held for sale	-	-	-	8,469,118	8,469,118
Other non-current assets	-	-	-	3,699,741	3,699,741
Withholding tax	-	-	-	18,602,821	18,602,821
Other non-current assets	-	-	-	4,468,246	4,468,246
	-	-	-	201,170,049	201,170,049

	(Unit : Baht)		
	Separate financial statements		
	Fair value - Derivatives	Amortized cost	Total
Financial liabilities as at January 1, 2020			
Bank overdrafts and short-term loans from financial institutions	-	140,000,000	140,000,000
Trade accounts payable	-	36,585,798	36,585,798
Accrued construction cost	-	1,598,052	1,598,052
Provision for warranty under contract	-	403,546	403,546
Other non-current liabilities	-	19,708,002	19,708,002
Lease liabilities	-	42,506,034	42,506,034
Long-term loans from financial institutions	-	107,856,265	107,856,265
	-	348,657,697	348,657,697

Impairment of financial assets

Trade receivables

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

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

#### 4.2 Leases

Upon initial application of TFRS 16, the Company and its subsidiaries recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company and its subsidiaries recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments disclosed as at December 31, 2019	55,511,820	55,511,820
<u>Add: Purchase or extension options reasonably certain to be exercised</u>	1,044,300	1,044,300
<u>Less: Contracts reassessed as service agreements</u>	(393,000)	(393,000)
Total	56,163,120	56,163,120
<u>Less: Deferred interest expenses</u>	(15,074,928)	(15,074,928)
Additional lease liabilities from TFRS 16 adoption	41,088,192	41,088,192
Finance lease liabilities as at December 31, 2019	1,417,842	1,417,842
Lease liabilities recognised as at January 1, 2020	42,506,034	42,506,034
Of which are:		
Current lease liabilities	3,578,464	3,578,464
Non-current lease liabilities	38,927,570	38,927,570
	42,506,034	42,506,034

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

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
As at January 1, 2020		
Leasehold right of land and building	53,910,391	53,910,391
Vehicles	8,062,890	8,062,890
Total right-of-use assets	61,973,281	61,973,281

## 5. RELATED PARTY TRANSACTIONS

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

	Million Baht				
	For the three-month		For the six-month		
	periods ended June 30,		periods ended June 30,		
<u>Transactions with subsidiaries</u>	2020	2019	2020	2019	Pricing Policy
(being eliminated from the consolidated financial statement)					
Ship building income	2.1	-	7.3	-	Based on each subcontractor work order
Ship repair income	0.05	-	0.25	-	Price close to that charged to ordinary customers
Dividend received	-	-	-	8.2	Approval at the Annual General Meeting of Shareholders of a subsidiary
Other income	0.3	0.4	0.7	1.0	Supervisor fee and office service fee amounted to Baht 7,000-50,000 per month and rental fee for storage room amounted to Baht 1,500 per month and supplies were sold at cost plus margin 3 - 10% and service income at cost plus margin 20%
Cost of services	6.6	6.0	12.8	15.7	Baht 300 - 450 per day per person and agreed upon basis
Purchase of materials	0.05	0.11	0.35	0.32	Cost plus margin 10-150%
Interest expense	0.07	0.07	0.14	0.13	Interest rate 1.45%
<u>Transactions with related parties</u>					
Ship repair income	-	(0.6)	2.2	15.4	Price close to that charged to ordinary customers
Other income	-	0.3	-	0.4	Price close to that charged to ordinary customers



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The outstanding balances as at June 30, 2020 and December 31, 2019 between the Company and the related companies are as follows:

(Unit: Baht)					
Relationship		Consolidated financial statements		Separate financial statements	
		As at June	As at December	As at June	As at December
		30, 2020	31, 2019	30, 2020	31, 2019
<b><u>Trade accounts receivable - related parties</u></b>					
Seatran Ferry Co., Ltd.	Common directors	1,850,462	12,672,997	1,803,917	12,265,327
Seatran Discovery Co., Ltd.	Common directors	-	321,000	-	321,000
Seatran Travel Co., Ltd.	Common directors	-	6,206	-	-
		1,850,462	13,000,203	1,803,917	12,586,327
<b><u>Amounts due from related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	71,703	37,422
Asimar Marine Co., Ltd.	Subsidiary	-	-	50,575	42,761
General Marine Co., Ltd.	Subsidiary	-	-	7,000	7,000
Seatran Ferry Co., Ltd.	Common directors	4,180,899	800	4,180,899	800
		4,180,899	800	4,310,177	87,983
<b><u>Unbilled complete construction in progress</u></b>					
Seatran Ferry Co., Ltd.	Common directors	1,450,000	959,101	1,450,000	959,101
Eco Marine Co., Ltd.	Subsidiary	-	-	919,541	13,234,851
		1,450,000	959,101	2,369,541	14,193,952
<b><u>Trade accounts payable - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	16,128	101,361
Asimar Marine Co., Ltd.	Subsidiary	-	-	2,975,152	2,193,848
		-	-	2,991,280	2,295,209
<b><u>Accrued interest - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	17,463	16,224
Asimar Marine Co., Ltd.	Subsidiary	-	-	3,090	3,202
General Marine Co., Ltd.	Subsidiary	-	-	4,714	6,158
		-	-	25,267	25,584
		-	-	3,016,547	2,320,793

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		(Unit: Baht)			
	Relationship	Consolidated financial statements		Separate financial statements	
		As at June	As at December	As at June	As at December
		30, 2020	31, 2019	30, 2020	31, 2019
<b><u>Long-term loans - related parties</u></b>					
Eco Marine Co., Ltd.	Subsidiary	-	-	17,100,000	12,400,000
Asimar Marine Co., Ltd.	Subsidiary	-	-	2,600,000	2,600,000
General Marine Co., Ltd.	Subsidiary	-	-	3,500,000	5,000,000
		-	-	23,200,000	20,000,000
Long-term loans- related parties, beginning balance		-	-	20,000,000	13,000,000
<u>Add</u> Addition loan during the year		-	-	5,000,000	9,000,000
<u>Less</u> Repayments during the year		-	-	(1,800,000)	(2,000,000)
Long-term loans- related parties, ending balance		-	-	23,200,000	20,000,000
<u>Less</u> Current portion		-	-	(14,600,000)	(20,000,000)
Net		-	-	8,600,000	-

As at June 30, 2020 and as at December 31, 2019, the Company has long-term loans with 3 subsidiaries totaling Baht 23.20 million and Baht 20.00 million, respectively, with interest rates of 0.75 and 1.45 percent per annum. The repayment of long-term loans is made from the period of September 30, 2020 to May 20, 2022.

### **Management remuneration**

Management remuneration represents the benefit paid to the Company’s management such as salaries and related benefit including the benefit paid by other means. The Company’s management is the person who is defined under the Securities and Exchange Act. The management remuneration for the three-month and six-month periods ended June 30, 2020 and 2019 are as follows;

	For the three-month periods ended June 30,				For the six-month periods ended June 30,			
	Consolidated financial		Separate financial		Consolidated financial		Separate financial	
	statements		statements		statements		statements	
	2020	2019	2020	2019	2020	2019	2020	2019
Short-term employee benefits	3,716,508	3,325,450	3,716,508	3,325,450	7,423,335	7,388,020	7,423,335	7,388,020
Post employee benefits	68,590	437,810	68,590	437,810	137,179	490,810	137,179	490,810
Total	3,785,098	3,763,260	3,785,098	3,763,260	7,560,514	7,878,830	7,560,514	7,878,830

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## 6. TRADE AND OTHER CURRENT RECEIVABLES

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
<b><u>Trade accounts receivable - related parties</u></b>				
Trade accounts receivable - ship repair	1,803,917	12,586,327	1,803,917	12,586,327
Trade accounts receivable - service	46,545	413,876	-	-
Total	1,850,462	13,000,203	1,803,917	12,586,327
<b><u>Trade accounts receivable - unrelated parties</u></b>				
Trade accounts receivable - shipbuilding	6,738,166	6,576,178	6,738,166	6,576,178
Trade accounts receivable - ship repair	27,650,892	31,136,474	27,650,892	31,136,474
Trade accounts receivable - service	10,408,744	15,430,955	10,183,871	15,228,550
Total	44,797,802	53,143,607	44,572,929	52,941,202
<u>Less:</u> Allowance for doubtful accounts	(13,917,804)	(12,520,107)	(13,917,804)	(12,520,107)
Net	30,879,998	40,623,500	30,655,125	40,421,095
Total trade accounts receivable - net	32,730,460	53,623,703	32,459,042	53,007,422
<b><u>Other current receivables - related parties</u></b>	4,180,899	800	4,310,177	87,983
<b><u>Other current receivables - unrelated parties</u></b>				
Advance payment for Purchase of goods	916,885	3,188,295	916,885	1,326,925
Prepaid expenses	1,882,755	2,751,014	1,766,782	2,735,861
Other	1,396,447	1,846,330	955,320	1,156,164
Total other current receivables - unrelated parties	4,196,087	7,785,639	3,638,987	5,218,950
Total trade and other current receivables - net	41,107,446	61,410,142	40,408,206	58,314,355

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The agings of the outstanding balances of trade and other current receivable as at June 30, 2020 and as at December 31, 2019, as classified by due dates, are as follows:

	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
<b><u>Trade receivables</u></b>				
<b><u>Age of receivables</u></b>				
Undue	12,983,140	23,433,301	12,797,688	23,204,824
Not over 3 months	9,662,239	6,648,836	9,576,273	6,261,032
Over 3 months to 6 months	1,136,919	8,313,017	1,136,919	8,313,017
Over 6 months to 12 months	10,183,871	21,172,478	10,183,871	21,172,478
Over 12 months	12,682,095	6,576,178	12,682,095	6,576,178
Total	46,648,264	66,143,810	46,376,846	65,527,529
Less: Allowance for doubtful accounts	(13,917,804)	(12,520,107)	(13,917,804)	(12,520,107)
Total trade receivables - Net	32,730,460	53,623,703	32,459,042	53,007,422
<b><u>Other current receivables - related parties</u></b>	4,180,899	800	4,310,177	87,983
<b><u>Other current receivables - unrelated parties</u></b>				
Advance payment for purchase of goods	916,885	3,188,295	916,885	1,326,925
Prepaid expenses	1,882,755	2,751,014	1,766,782	2,735,861
Other	1,396,447	1,846,330	955,320	1,156,164
Total other current receivable - unrelated parties	4,196,087	7,785,639	3,638,987	5,218,950
Total trade and other current receivables	41,107,446	61,410,142	40,408,206	58,314,355

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

	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2020 (for the six-month period)	31, 2019 (for the year ended)	30, 2020 (for the six-month period)	31, 2019 (for the year ended)
Beginning balance	(12,520,107)	(10,355,908)	(12,520,107)	(10,355,908)
Impact of first-time adoption of new accounting standards TFRS 9 (Note 4)	(1,944,061)	-	(1,944,061)	-
Balance as restated	(14,464,168)	(10,355,908)	(14,464,168)	(10,355,908)
Doubtful debt recovered	-	1,500	-	1,500
Write-off bad debtors	-	3,523,339	-	3,523,339
(Increase) decrease of allowance for doubtful debts	546,364	(5,689,038)	546,364	(5,689,038)
Ending balance	(13,917,804)	(12,520,107)	(13,917,804)	(12,520,107)

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The Company has long time outstanding balances of trade accounts receivable as at June 30, 2020 totaling Baht 13.9 million. (As at December 31, 2019 : Baht 12.5 million). The Company has set aside an allowance for doubtful accounts in the amount of approximately Baht 13.9 million (As at December 31, 2019: Baht 12.5 million). These accounts are under follow-up process by the Company.

## **7. LEASE RECEIVABLES**

Movements of the lease receivables account for the six-month period ended June 30, 2020 are summarized as follows:

	(Unit: Baht)	
	Consolidated financial statements/ Separate financial statements	
	As at June 30, 2020	As at December 31, 2019
Lease receivables	9,309,000	-
<u>Less: Deferred interest income</u>	<u>(221,355)</u>	<u>-</u>
Total	9,087,645	-
<u>Less: Current portion</u>	<u>(2,751,371)</u>	<u>-</u>
Lease receivables - net	<u>6,336,274</u>	<u>-</u>

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

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

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## 8. UNBILLED COMPLETE CONSTRUCTION IN PROGRESS/ADVANCES RECEIVED FROM CUSTOMERS

	(Unit : Baht)							
	For the three-month periods ended June 30,				For the six-month periods ended June 30,			
	Consolidated financial statements		Separate financial statements		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenue recognized in the years - shipbuilding	14,641,382	4,164,716	16,721,475	5,084,257	37,642,062	5,331,031	44,922,139	6,250,572
- ship repair	93,923,838	85,867,138	93,964,535	85,905,382	190,419,003	190,696,448	190,668,685	190,734,692
- service	(2,014,285)	4,809,795	(5,137,536)	4,286,330	8,626,612	5,391,431	(5,137,536)	4,286,330
	106,550,935	94,841,649	105,548,474	95,275,969	236,687,677	201,418,910	230,453,288	201,271,594

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Aggregate amount of cost incurred	29,861,679	37,838,652	29,837,412	49,151,204
Unbilled complete construction in progress for - Shipbuilding	8,768,582	3,933,416	9,688,123	17,168,268
- Ship repair	37,624,867	25,558,906	37,624,867	25,558,906
- Service	-	17,120,238	-	2,912,274
	46,393,449	46,612,560	47,312,990	45,639,448
Advance received from customers - Shipbuilding	14,090,000	-	14,090,000	-
- Ship repair	-	125,000	-	-
	14,090,000	125,000	14,090,000	-

## 9. INVENTORIES

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Raw materials	39,341,388	43,397,527	39,100,949	43,174,637
Work in process	5,381,118	7,151,632	5,345,444	7,097,912
Total	44,722,506	50,549,159	44,446,393	50,272,549
Less : Allowance for stock obsolescence	(1,160,924)	(1,235,772)	(1,160,924)	(1,235,772)
Net	43,561,582	49,313,387	43,285,469	49,036,777

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020 (for the six- month period)	As at December 31, 2019 (for the year ended)	As at June 30, 2020 (for the six- month period)	As at December 31, 2019 (for the year ended)
Beginning balance	(1,235,772)	(1,125,975)	(1,235,772)	(1,125,975)
Increase	-	(109,797)	-	(109,797)
Decrease	74,848	-	74,848	-
Ending balance	(1,160,924)	(1,235,772)	(1,160,924)	(1,235,772)

## 10. ASSETS HELD FOR SALE

Movements of the other assets held for sale account for the six-month period ended June 30, 2020 are summarized below.

(Unit : Baht)

	Consolidated financial statements/ Separate financial statements	
	As at June 30, 2020	As at December 31, 2019
Value of ship	-	43,000,000
<u>Less</u> Allowance for impairment	-	(34,530,882)
Net book value	-	8,469,118

The Company has sold such assets to another company in the amount of Baht 9.63 million. The buyer has agreed to pay to the Company for 30 installments as stated in Note 7.

## 11. INVESTMENTS IN SUBSIDIARIES UNDER THE COST METHOD

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Baht)

Company's name	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method		Dividend	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	For the six-month period ended June 30, 2020	For the six-month period ended June 30, 2019
	(Million Baht)	(Million Baht)	(Percent)	(Percent)						
<u>Investments in subsidiaries</u>										
General Marine Co., Ltd.	10.0	10.0	100	100	10,000,000	10,000,000	4,491,015	4,911,172	-	-
<u>Less</u> Allowance for impairment					(5,115,021)	(5,115,021)	-	-	-	-
					4,884,979	4,884,979	4,491,015	4,911,172	-	-
Asimar Marine Co., Ltd.	5.0	5.0	100	100	4,998,200	4,998,200	7,052,450	7,180,243	-	-
Eco marine Co., Ltd.	18.25	18.25	93	93	16,999,300	16,999,300	19,861,420	19,239,112	-	8,159,916
Asian Marine Joint Venture Co., Ltd.	0.25	-	80	-	197,500	-	158,909	-	-	-
					<u>27,079,979</u>	<u>26,882,479</u>	<u>31,563,794</u>	<u>31,330,527</u>	<u>-</u>	<u>8,159,916</u>

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

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



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## 12. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the six-month period ended June 30, 2020 are summarized as below.

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
<b>At cost</b>		
Balance as at December 31, 2019	1,068,750,773	1,024,176,883
Transfer to right-of-use assets	(6,061,746)	(6,061,746)
Balance as at January 1, 2020	1,062,689,027	1,018,115,137
Acquisitions during the period	18,343,368	18,266,218
Transfer in during the period	69,714,000	69,714,000
Transfer from right-of-use assets	586,126	586,126
Transfer out during the period	(72,734,091)	(72,734,091)
Disposals and write-off during the period	(14,291,896)	(14,234,361)
Balance as at June 30, 2020	1,064,306,534	1,019,713,029
<b>Accumulated depreciation</b>		
Balance as at December 31, 2019	625,489,100	581,748,219
Transfer to right-of-use assets	(2,203,796)	(2,203,796)
Balance as at January 1, 2020	623,285,304	579,544,423
Transfer from right-of-use assets	390,131	390,131
Depreciation for the period	16,882,313	16,755,240
Accumulated depreciation on disposals and write-off	(13,680,838)	(13,623,675)
Balance as at June 30, 2020	626,876,910	583,066,119
<b>Net book value</b>		
Balance as at December 31, 2019	443,261,673	442,428,664
Balance as at January 1, 2020	439,403,723	438,570,714
Balance as at June 30, 2020	437,429,624	436,646,910

For the six-month period ended June 30, 2020 and for the year ended December 31, 2019, the Company capitalizes borrowing costs as the cost of construction amount of Baht 0.46 million and Baht 1.3 million, respectively. (Interest rate of 3.82% - 4.35% per annum).

Portion of buildings of the Company and its subsidiary are erected on the land which the Company has a lease agreement of the state land and construction with the Treasury Department and the right of such assets will be transferred to the lessor at the end of the agreement. (See Note 13). As at June 30, 2020, The cost value and book value of those assets were Baht 259.4 million and Baht 110.6 million, respectively. (The Company only : Baht 236.2 million and Baht 110.6 million, respectively).

As at June 30, 2020 and as at December 31, 2019, the Company has mortgaged two floating dockyards with a total net book value of Baht 105.4 million and Baht 110.2 million, respectively, and land and construction thereon with a total net book value of Baht 197.1 million and 130.4 million, respectively, and machinery with a net book value of Baht 8.7 million and Baht 0.0 million, respectively to secure credit facilities and loans obtained from the financial institution (See Note 16 and 19).

As at June 30, 2020 and as at December 31, 2019, the subsidiary has mortgaged two ships, with a total net book value of Baht 0.03 million, to secure credit facilities and loans obtained from the financial institution (See Note 16).

As at June 30, 2020 and as at December 31, 2019, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 506.8 million and Baht 512.5 million, respectively. (The Company Only: As at June 30, 2020 and as at December 31, 2019, Baht 455.9 million and Baht 462.0 million, respectively).

### 13. RIGHT-OF-USE ASSETS / LEASEHOLD RIGHT OF LAND AND BUILDING

Movements of the right-of-use assets / leasehold right of land and building account during the six-month period ended June 30, 2020 are summarized below.

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at January 1, 2020</b>	23,777,844	23,777,844
Adjustments of right-of-use assets due to TFRS16 adoption	34,337,487	34,337,487
Transfer from property, plant and equipment	3,857,950	3,857,950
Net book value as at January 1, 2020 - Adjustment	61,973,281	61,973,281
Increase during period	-	-
Transfer to property, plant and equipment	(195,995)	(195,995)
Depreciation for the period	(2,608,013)	(2,608,013)
<b>Net book value as at June 30, 2020</b>	<b>59,169,273</b>	<b>59,169,273</b>

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

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

Later on September 12, 2018, the Company has issued a letter of objection to the collection of rent, rental fees and compensation in such amount. The significant reason is the land and buildings lease agreement that is legitimate in accordance with the Ministry of Finance. It is carried out according to the resolution of the state property No. 1/2012 as well as informing the rental rate, rental fees and other conditions. The Company has considered and agreed to enter into the lease agreement and always pay the rent and follow the agreement correctly. Therefore, this claim is not in the terms of the agreement. In addition, the various claims for damages is a matter between Ministry of Finance and the lease parties during that time (The Agricultural Co-operative Federation of Thailand). The Company, with such facts, has not recorded rental fees and additional fees according to the request from Treasury Department in the financial statements as at June 30, 2020.

#### 14. INTANGIBLE ASSETS

Movements of intangible assets account for the six-month period ended June 30, 2020 are summarized below.

	(Unit : Baht)	
	Consolidated financial statements	Separate financial statements
<b>At cost</b>		
Balance as at December 31, 2019	30,481,660	25,675,007
Acquisition during the period	-	-
Transfer in during the period	230,873	230,873
Transfer out during the period	-	-
Disposals and write-off during the period	(6,997,291)	(6,997,291)
Balance as at June 30, 2020	23,715,242	18,908,589
<b>Accumulated amortization</b>		
Balance as at December 31, 2019	20,059,968	15,253,315
Amortization for the period	922,368	922,368
Accumulated amortization on disposals and write-off	(6,997,257)	(6,997,257)
Balance as at June 30, 2020	13,985,079	9,178,426
<b>Net book value</b>		
Balance as at December 31, 2019	10,421,692	10,421,692
Balance as at June 30, 2020	9,730,163	9,730,163

As at June 30, 2020 and as at December 31, 2019 certain software items of the Company have been fully amortized but are still in use. The original cost of those assets amounted to Baht 1 million.

## 15. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

15.1 Changes in deferred tax assets and deferred tax liabilities for the six-month period ended June 30, 2020 were summarized as follows:

(Unit: Baht)					
Consolidated financial statements					
	Balance as at Dec. 31, 2019	The impact of adoption of TFRS 9 and TFRS 16	Revenue (expenses) during the year		Balance as at Jun. 30, 2020
			In profit or loss	In other comprehensive income	
Deferred tax assets:					
Trade receivables	1,188,786	388,812	(141,670)	-	1,435,928
Inventories	247,154	-	(14,969)	-	232,185
Other non-current assets	6,906,176	-	(6,906,176)	-	-
Property, plant and equipment	214,376	-	199,723	-	414,099
Intangible assets	3,556	-	(3,283)	-	273
Warranty provisions	80,709	-	99,025	-	179,734
Employee benefit obligations	3,583,358	-	(230,736)	95,550	3,448,172
Lease liabilities	-	7,375,113	(230,690)	-	7,144,423
Operating lease	955,668	-	(955,668)	-	-
Total	13,179,783	7,763,925	(8,184,444)	95,550	12,854,814
Deferred tax liabilities:					
Right-of-use assets	-	(6,026,509)	135,095	-	(5,891,414)
Total	13,179,783	1,737,416	(8,049,349)	95,550	6,963,400
(Unit: Baht)					
Separate financial statements					
	Balance as at Dec. 31, 2019	The impact of adoption of TFRS 9 and TFRS 16	Revenue (expenses) during the year		Balance as at Jun. 30, 2020
			In profit or loss	In other comprehensive income	
Deferred tax assets:					
Trade receivables	1,188,786	388,812	(141,670)	-	1,435,928
Inventories	247,154	-	(14,969)	-	232,185
Other non-current assets	6,906,176	-	(6,906,176)	-	-
Property, plant and equipment	214,376	-	199,723	-	414,099
Intangible assets	3,556	-	(3,283)	-	273
Warranty provisions	80,709	-	99,025	-	179,734
Employee benefit obligations	3,387,570	-	(244,145)	103,481	3,246,906
Lease liabilities	-	7,375,113	(230,690)	-	7,144,423
Operating lease	955,668	-	(955,668)	-	-
Total	12,983,995	7,763,925	(8,197,853)	103,481	12,653,548
Deferred tax liabilities:					
Right-of-use assets	-	(6,026,509)	135,095	-	(5,891,414)
Total	12,983,995	1,737,416	(8,062,758)	103,481	6,762,134

## 15.2 Tax expense (income)

15.2.1 Major components of tax expense (income) for the three-month and six-month periods ended June 30, 2020 and 2019 consisted of:

	(Unit: Baht)							
	For the three-month periods ended June 30,				For the six-month periods ended June 30,			
	Consolidated		Separate financial statements		Consolidated		Separate financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
Income tax expense (income) shown in profit or loss :								
Current tax expense:								
Income tax expense for the periods	(105,894)	(912,742)	-	(777,768)	233,399	14,868	-	-
Deferred tax expense (income):								
Changes in temporary differences relating to the original recognition and reversal	319,740	(65,312)	326,445	(55,454)	8,049,349	(820,987)	8,062,758	(744,103)
Total	213,846	(978,054)	326,445	(833,222)	8,282,748	(806,119)	8,062,758	(744,103)
Income tax relating to components of other comprehensive income :								
Deferred tax relating to actuarial losses from defined employee benefit plans	-	-	-	-	95,550	440,509	103,481	395,648
Total	-	-	-	-	95,550	440,509	103,481	395,648

## 16. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS / TRUST RECEIPTS

	(Unit: Baht)					
	Interest rate		Consolidated financial statements		Separate financial statements	
	Percent per annum		As at June	As at December	As at June	As at December
	2020	2019	30, 2020	31, 2019	30, 2020	31, 2019
Short-term loans from financial institutions	2.60 - 2.85	3.00 - 4.25	75,000,000	140,000,000	75,000,000	140,000,000
Total			75,000,000	140,000,000	75,000,000	140,000,000

As at June 30, 2020, the Company has bank overdraft facilities amounted to Baht 20 million, short-term loans Baht 160 million and trust receipt Baht 120 million (As at December 31, 2019 : Bank overdraft facilities Baht 38 million, short-term loans Baht 160 million and trust receipt Baht 110 million), secured by the mortgage of the Company’s two floating dockyards and land and construction thereon.

As at June 30, 2020, the subsidiary has bank overdraft facilities amounted to Baht 2 million and short-term loans Baht 10 million (As at December 31, 2019 : Bank overdraft facilities Baht 2 million, short-term loans Baht 10 million), secured by the mortgage of the subsidiary’s two ships and secured by the parent company.

## 17. PROVISION FOR WARRANTY UNDER CONTRACT

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

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020 (for the six- month period)	As at December 31, 2019 (for the year)	As at June 30, 2020 (for the six- month period)	As at December 31, 2019 (for the year)
Balance, at the beginning of the period	403,546	1,157,461	403,546	1,157,461
Add Addition during the period	1,000,000	400,000	1,000,000	400,000
Less Payment during the period	(504,878)	(247,960)	(504,878)	(247,960)
Reversal	-	(905,955)	-	(905,955)
Balance, at the end of the period	898,668	403,546	898,668	403,546

In 2020, the Company has provided a provisions for warranty amounting to Baht 1.0 million according to the estimate of the engineers.

## 18. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the six-month period ended June 30, 2020 are summarized below.

(Unit : Baht)

	Consolidated financial statements	Separate financial statements
As at December 31, 2019	1,417,842	1,417,842
Effects of the adoption of TFRS16	41,088,192	41,088,192
As at January 1, 2020	42,506,034	42,506,034
Addition	-	-
Addition of interest	-	-
Payments	(2,322,012)	(2,322,012)
Decrease from contract cancellation	-	-
As at June 30, 2020	40,184,022	40,184,022
Less: current portion	(3,022,780)	(3,022,780)
Lease liabilities - net of current portion	37,161,242	37,161,242

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The following are the amounts recognized in profit or loss:

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Depreciation of right-of-use assets	2,608,013	2,608,013
Interest expense on lease liabilities	610,868	610,868
Total	3,218,881	3,218,881

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

	(Unit: Baht)
Payable within	Consolidated financial statements/ Separate financial statements
1 year	1,687,210
1 to 5 years	7,508,080
Thereafter 5 years	40,934,920
Total	50,130,210

## 19. LONG-TERM LOANS FROM BANK

Long-term loan consisted of:

	(Unit : Baht)	
	Consolidated financial statements/ Separate financial statements	
	As at June 30, 2020	As at December 31, 2019
Loan from local commercial bank	97,557,205	107,856,265
<u>Less</u> Current portion	(20,598,120)	(20,598,120)
Long-term loans from bank-net	76,959,085	87,258,145

As at June 30, 2020 and as at December 31, 2019, the Company entered into two long-term loan agreements with a local bank at the amount of Baht 125 million and Baht 72 million, respectively.



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

Loan for land and construction thereon amounted Baht 105 million, interest rate at MLR-2.00 per annum, 108 installments with Baht 0.98 million per installment. The first installment will be paid on the final business day of 13<sup>th</sup> month from the first withdrawal date from bank and finish within 120 months from the first withdrawal month.

Loan for shipyard maintenance amounted Baht 20 million, interest rate at MLR-2.25 per annum, 48 installments with Baht 0.42 million per installment. The first installment will be paid on the final business day of 13<sup>th</sup> month from the first withdrawal date from bank and finish within 60 months from the first withdrawal month.

Such long-term loan are guaranteed by land and construction thereon (See Note 12).

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

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

Later on December 26, 2017, the Company has reduced some parts of loan amount according to the credit agreement by entering into a loan agreement with the bank for Baht 72 million.

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

Installment No. 1: Repay the loan principal not less than Baht 1.49 million

Installment No. 2-13: Repay the loan principal Baht 10,110 each

Installment No. 14-107: Repay the loan principal Baht 736,510 each

Installment No. 108: Agree to pay equal to the outstanding amount of principal loan and interest under the loan agreement completely

Such long-term loan is guaranteed by a floating dockyards (See Note 12).

Other significant practice under the agreement

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

## 20. EMPLOYEE BENEFIT OBLIGATIONS

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

	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020 (for the six-month period)	As at December 31, 2019 (for the year )	As at June 30, 2020 (for the six-month period)	As at December 31, 2019 (for the year )
Employee benefit obligations, balance forward	18,140,452	10,730,353	16,937,850	9,504,660
Past service cost and interest				
- Post employment plan amendment	-	2,865,606	-	2,734,502
Current cost and interest	948,838	1,829,857	871,024	1,695,379
Actuarial losses from defined employee benefit plans	505,348	3,831,389	517,405	4,120,062
Employee benefit paid in the period	(2,338,251)	(1,116,753)	(2,091,747)	(1,116,753)
Employee benefit obligations, carried forward	17,256,387	18,140,452	16,234,532	16,937,850

Expenses recognized in the statements of comprehensive income for the three-month and six-month periods ended June 30, 2020 and 2019 are as follows:-

	Baht							
	For the three-month periods ended June 30,				For the six-month periods ended June 30,			
	Consolidated financial statements		Separate financial statements		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
Past service costs and interest	-	-	-	-	-	2,865,606	-	2,579,765
Current service costs								
Cost of services	169,993	137,182	169,993	137,182	339,986	274,363	339,986	274,363
Distribution costs	20,380	16,589	20,380	16,589	40,760	33,179	40,760	33,179
Administrative expenses	208,078	198,910	174,704	160,079	417,584	397,819	349,408	320,158
Total	398,451	352,681	365,077	313,850	798,330	705,361	730,154	627,700
Interest on obligation	75,123	104,784	70,435	93,518	150,508	209,568	140,870	187,037
Total	473,574	457,465	435,512	407,368	948,838	3,780,535	871,024	3,394,502

The Company and its subsidiaries' business operations involve 2 principal segments: (1) Ship repairing and (2) Shipbuilding. These operations are mainly carried on in a single geographic segment in the country.

Below is the consolidated financial information for the three-month and six-month periods ended June 30, 2020 and 2019 of the Company and its subsidiaries by operating segments.

(Unit: Million Baht)

	Consolidated									
	For the three-month periods ended June 30,									
	Ship repairing segment		Shipbuilding segment		Other segments		Elimination of inter-segment revenues		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external customers	94.0	85.8	14.6	4.1	(2.0)	4.9	-	-	106.6	94.8
Inter-segment revenues	-	-	2.1	1.0	6.6	6.1	(8.7)	(7.1)	-	-
Total revenues	<u>94.0</u>	<u>85.8</u>	<u>16.7</u>	<u>5.1</u>	<u>4.6</u>	<u>11.0</u>	<u>(8.7)</u>	<u>(7.1)</u>	<u>106.6</u>	<u>94.8</u>
Segment income (loss)										
Unallocated income and expenses:	31.8	24.2	3.1	1.2	(3.9)	(1.8)	-	-	31.0	23.6
Other income									2.5	3.2
Distribution costs and administrative expenses									(27.6)	(31.7)
Finance costs									(1.9)	(2.3)
Tax expense (income)									(0.3)	1.0
Profit (loss) for the period									<u>3.7</u>	<u>(6.2)</u>
<u>As at June 30</u>										
Property, plant and equipment - net									437.4	443.9
Intangible assets									9.7	11.3
Leasehold right of land and building									-	24.3
Right-of-use assets									59.2	-
Unallocated assets									219.0	270.6
Total assets									<u>725.3</u>	<u>750.1</u>

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(Unit: Million Baht)

	Consolidated									
	For the six-month periods ended June 30,									
	Ship repairing segment		Shipbuilding segment		Other segments		Elimination of inter-segment revenues		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external customers	190.5	190.7	37.6	5.3	8.6	5.4	-	-	236.7	201.4
Inter-segment revenues	0.2	-	7.3	1.0	13.1	16.0	(20.6)	(17.0)	-	-
Total revenues	190.7	190.7	44.9	6.3	21.7	21.4	(20.6)	(17.0)	236.7	201.4
Segment income (loss)										
Unallocated income and expenses:	63.8	58.5	14.5	3.6	(1.2)	(2.1)	-	-	77.1	60.0
Other income									5.8	5.7
Distribution costs and administrative expenses									(55.8)	(67.0)
Finance costs									(4.0)	(4.3)
Tax expense (income)									(8.3)	0.8
Profit (loss) for the period									14.8	(4.8)
<u>As at June 30</u>										
Property, plant and equipment - net									437.4	443.9
Intangible assets									9.7	11.3
Leasehold right of land and building									-	24.3
Right-of-use assets									59.2	-
Unallocated assets									219.0	270.6
Total assets									725.3	750.1

## 22. DIVIDEND

### For the year 2020

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

### For the year 2019

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

## **23. COMMITMENTS AND CONTINGENT LIABILITIES**

### **23.1 Commitments relating to operating lease and service agreements**

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

As at June 30, 2020 and December 31, 2019, future minimum lease payments under these operating leases contracts were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at June	As at December	As at June	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Payable within:				
In up to 1 year	580,000	3,455,410	580,000	3,455,410
In over 1 and up to 5 years	-	9,434,280	-	9,434,280
In over 5 years	-	42,622,130	-	42,622,130
	<u>580,000</u>	<u>55,511,820</u>	<u>580,000</u>	<u>55,511,820</u>

As at June 30, 2020, the Company and its subsidiaries had no obligations under the lease agreements and related service agreements as a result of the adoption of TFRS 16 as at January 1, 2020. The Company and its subsidiaries recognized the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted incremental borrowing rate, as described in Note 4.2 to the interim financial statements.

### **23.2 Commitments relating to ship building and ship repairing contracts**

As at June 30, 2020, the Company has undelivered or unrendered ship building and ship repair contracts totaling approximately Baht 49.28 million.

### **23.3 Commitments for purchase of goods**

As at June 30, 2020, the Company has outstanding commitments on the contracts to purchase machinery and equipment for ship repair of Baht 12.67 million and USD 0.07 million.

## 23.4 Guarantees

As at June 30, 2020, the Company and its subsidiaries had outstanding bank guarantees of Baht 24.65 million (The Company Only : Baht 20.53 million) which have been issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the ordinary course of business of the Company and its subsidiaries.

## 23.5 Securities against credit facilities and loans obtained from financial institutions

As at June 30, 2020, the Company’s credit facilities and loans obtained from banks at the amount of Baht 497 million have been secured by the mortgage of the Company’s two floating dockyards and land and construction thereon.

As at June 30, 2020, the subsidiary’s credit facilities and loans obtained from banks at the amount of Baht 12 million have been secured by the mortgage of the subsidiary’s two ships and guaranteed by the parent company.

## 24. Financial derivatives

As at June 30, 2020 and December 31, 2019, the significant outstanding balances of the Company and its subsidiaries’ financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	(Unit: Million foreign currency unit)							
	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
US dollar	0.34	0.29	-	-	0.34	320	-	-
Euro	0.12	0.12	-	-	0.12	0.12	-	-
Foreign currency						Average exchange rate		
						As at June 30, 2020	As at December 31, 2019	
US dollar						30.7151	29.9767	
Euro						34.3318	33.3775	

## 25. RECLASSIFICATION

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

**26. CORONAVIRUS DISEASE 2019 PANDEMIC**

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Company and its subsidiaries, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing situation and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

**27. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial statements were authorized for issue by the Company's Directors on August 11, 2020.