



ANNUAL REPORT **2020**

PRIMA MARINE PUBLIC COMPANY LIMITED



LEADER

SHIPS BUSINESS IN THAILAND



Total vessel

40
vessels

Revenue from
rendering of services

5,925.75

Million Baht

Net profit

1,701.64

Million Baht



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Definitions

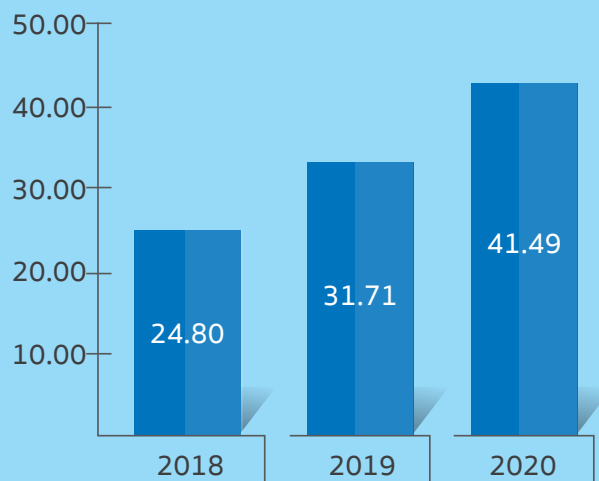
Financial Highlights

| Statement of comprehensive income | Separate Financial Statements | | | Consolidated Financial Statements | | |
|------------------------------------|-------------------------------|----------|----------|-----------------------------------|----------|----------|
| (Unit : Million Baht) | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 |
| Revenue from rendering of services | 1,744.56 | 1,798.27 | 1,854.42 | 4,479.72 | 5,346.66 | 5,925.75 |
| Gross profit | 351.68 | 430.28 | 437.17 | 1,111.16 | 1,695.49 | 2,458.38 |
| EBITDA | 608.61 | 921.86 | 1,475.91 | 1,474.38 | 2,097.82 | 2,842.21 |
| Profit for the year | 382.26 | 610.28 | 1,122.50 | 746.42 | 1,122.49 | 1,701.64 |
| Basic earnings per share | 0.15 | 0.24 | 0.45 | 0.28 | 0.41 | 0.61 |

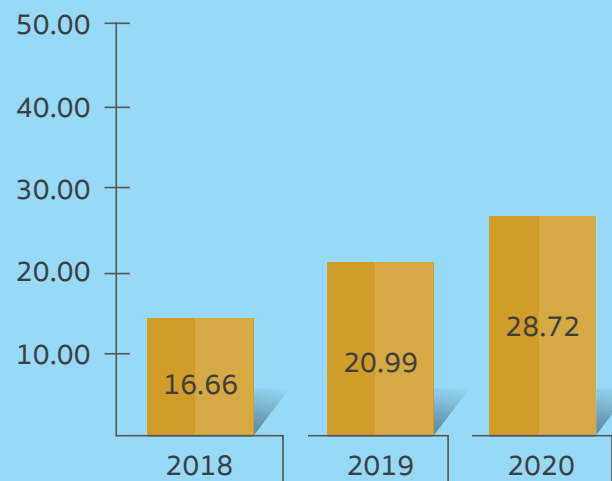
| Statement of financial position | Separate Financial Statements | | | Consolidated Financial Statements | | |
|----------------------------------|-------------------------------|----------|----------|-----------------------------------|-----------|-----------|
| (Unit : Million Baht) | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 |
| Total assets | 6,855.76 | 8,892.26 | 9,175.89 | 10,814.82 | 13,063.00 | 13,642.88 |
| Total liabilities | 805.36 | 2,731.59 | 2,440.58 | 3,844.35 | 5,783.16 | 5,319.01 |
| Total equity | 6,050.40 | 6,160.68 | 6,735.32 | 6,970.47 | 7,279.84 | 8,323.87 |
| Authorized share capital | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 |
| Issued and paid-up share capital | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 |

| Financial Ratio | Separate Financial Statements | | | Consolidated Financial Statements | | |
|-------------------------|-------------------------------|-------|-------|-----------------------------------|-------|-------|
| | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 |
| Current Ratio (Times) | 2.24 | 0.79 | 1.72 | 1.19 | 0.92 | 1.32 |
| Gross Profit Margin (%) | 20.16 | 23.93 | 23.57 | 24.80 | 31.71 | 41.49 |
| Net Profit Margin (%) | 21.91 | 33.94 | 60.53 | 16.66 | 20.99 | 28.72 |
| Return on Assets (%) | 5.40 | 7.75 | 12.43 | 6.95 | 9.40 | 12.74 |
| Return on Equity (%) | 6.39 | 10.00 | 17.41 | 11.20 | 15.15 | 20.76 |

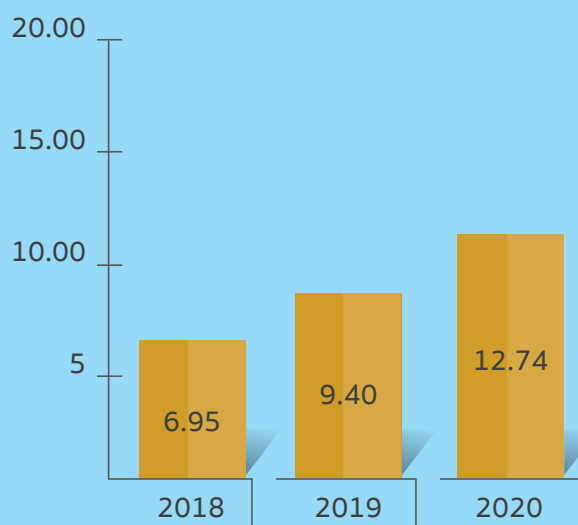
Financial Ratio



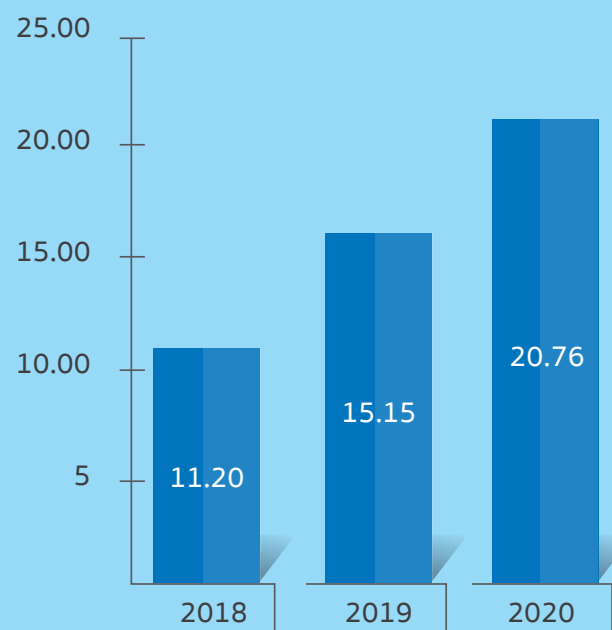
■ Gross Profit Margin (%)



■ Net Profit Margin (%)



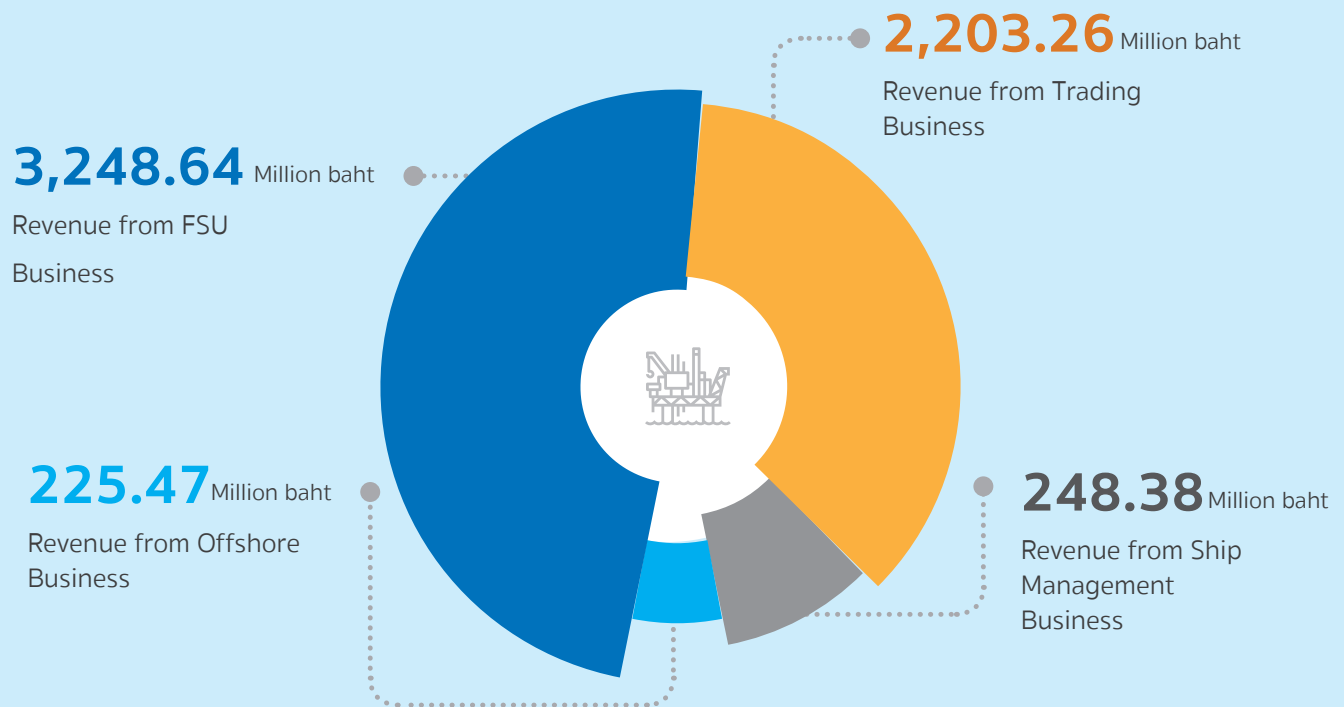
■ Return on Assets (%)



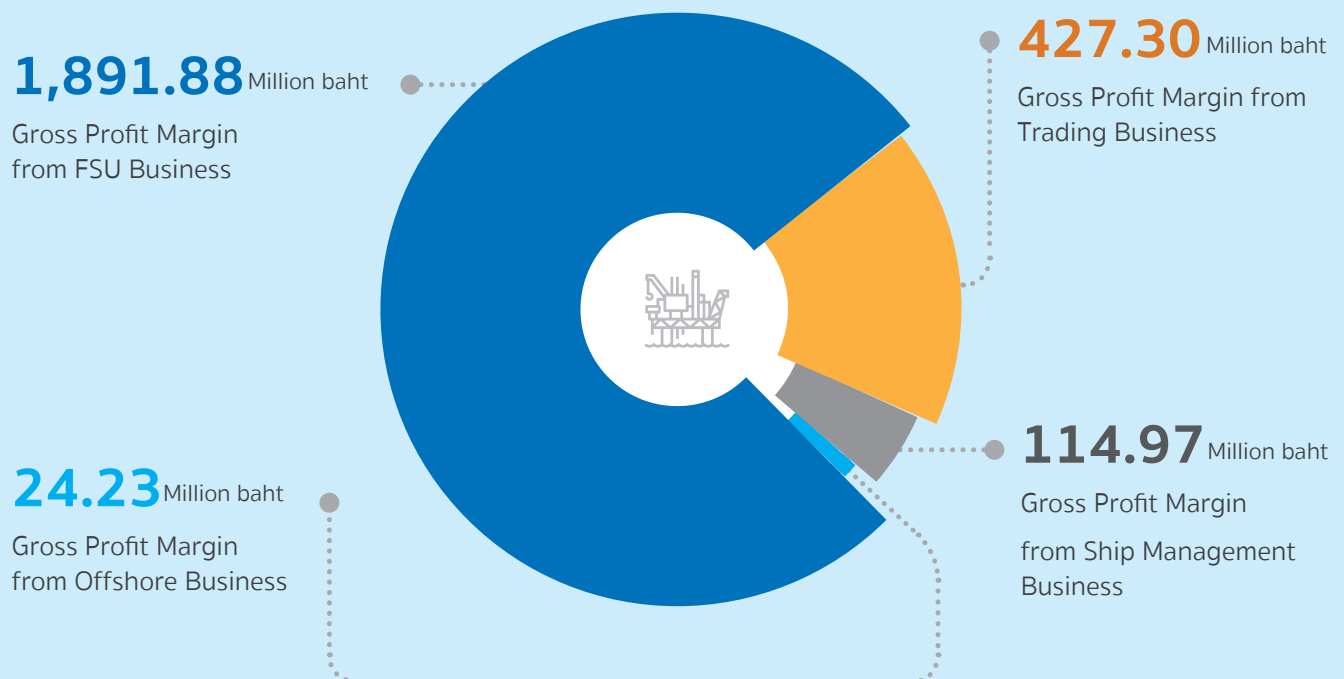
■ Return on Equity (%)

Operating Results of the Company and its subsidiaries for the year 2020

Revenue from Core Business

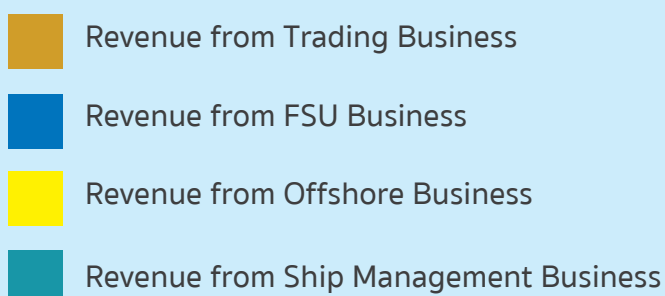
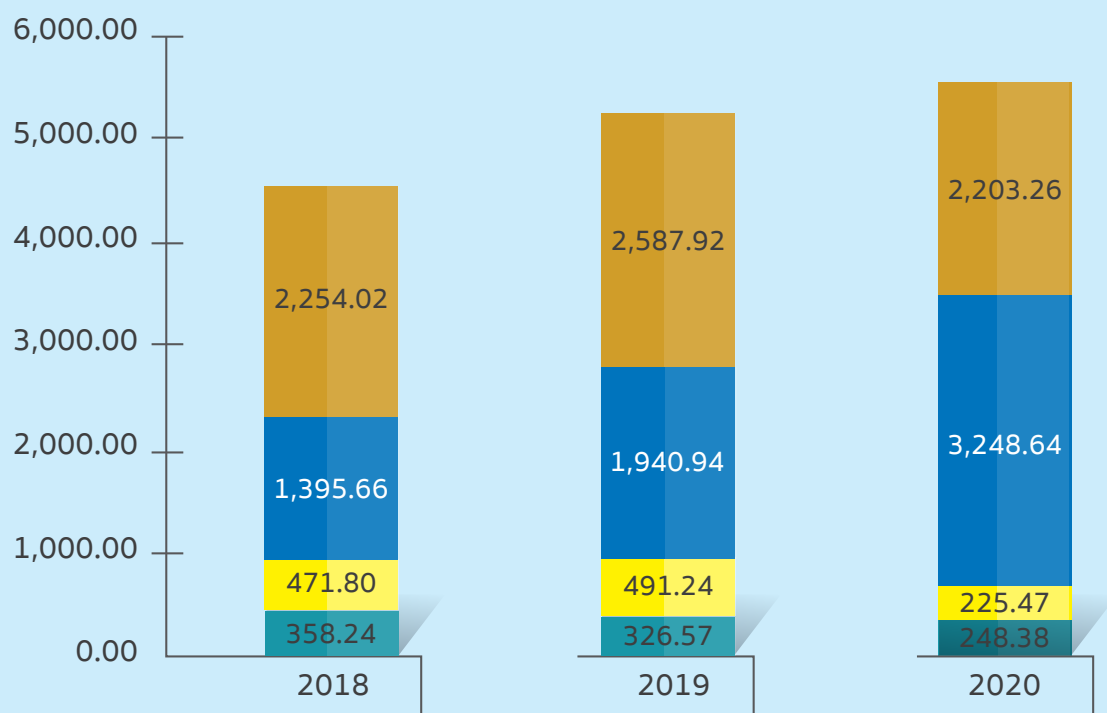


Gross Profit Margin from Core Business



Revenue from rendering of services during the period of 2018 - 2020

(Unit : Million Baht)



Message from the Chairman



The year 2020 has accounted as the year that Prima Marine Public Company Limited (the “Company”) has continued its business growth, though all countries over the world, including Thailand, have encountered a critical situation caused by the breakout of COVID-19 that has severely affected to business and overall economic system. However, the Company could operate and expand its business as planned, resulting in a total income of THB 5,925.8 million and net profit of THB 1,701.6 million, increased by 10.8% and 51.6%, respectively compared to 2019.

Total income in 2020

5,925.8 Million baht

Net profit

1,701.6 Million baht

A handwritten signature in black ink, appearing to be 'Bowon'.

Mr. Bowon Vongsinudom

Chairman of the Board of Directors

According to the adjustment of business strategies and the investment for business expansion during end of 2018 to 2019, aligning with the change of industrial conditions, the Floating Storage Units (“FSU”) Business could generate the revenue of THB 3,246.8 million in 2020, increased by 67.4% compared to 2019, while the Domestic Tanker Business was slightly affected by COVID-19 due to a decline in the number of domestic and international flights caused the significant reduction of Jet A-1 fuel consumption. The Company solved this problem by switching the trading routes and vessels to fit to the demand and reducing chartering vessels from third parties in order to maximize the utilization of our own vessels. As the result, the Company could consistently operate its business during the difficulties and maintain the high level of utilization rate. Hence, the Domestic Tanker Business could generate the revenue of THB 2,035.7 million in 2020, slightly dropped by 10.2% compared to 2019, while other business units could go on their operations as planned.

The operating’s results from International Tanker Business and Offshore Support Vessels (“Offshore”) Business could performed as planned. Consequently, the proportions of revenue from FSU business and Domestic Tanker Business were continuously increased compared to a total revenue.

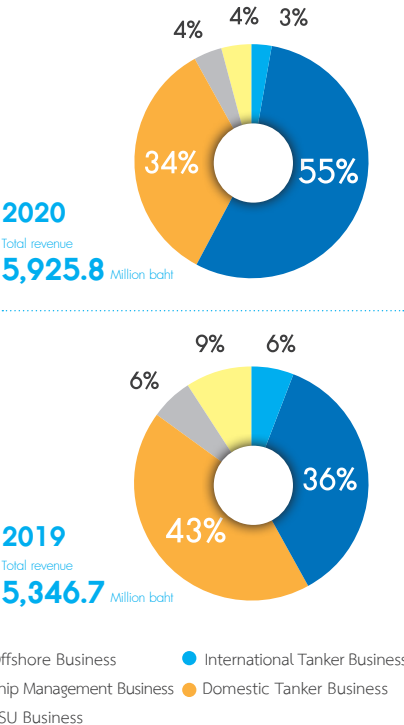
In 2020, the Company emphasized the enhancement of all business potentials to create sustainable growth in the long run by diversifying the risks of income sources which may be affected by the fluctuation of oil prices and global economic. In the late of 2020, the Company has entered into the acquisition contract of Thailo Marine Company Limited, which is engaged in the business of ships transporting passengers and supporting materials for petroleum drilling, and offshore oil platform repair and demolition business (crew boat), 13 ships have been contracted to serve PTT Exploration and Production Public Company Limited for long term, while 5 domestic tankers have served Thai Oil Public Company Limited and companies in Thailo Group. Such investment will enable the fleet to be expanded and enhance the potentials of the Company’s petrochemicals transportation business for Thai Oil Group, and to enhance the scope of services in Offshore Support Vessel (Offshore) Business. The Company has expected of the increasing demand for crew boats due to the rise of crude oil prices, so that the manufacturers have turned to make more drilling. In addition, the benefit from such acquisition of 3 Very Large Crude Carriers (VLCC) in international tanker business will strengthen its earning ability and profitability which could generate stable revenue in long term. After the acquisition expected to be completed by mid-2021, the Company’s five major business units comprised of: Domestic Tanker Business, FSU Business, International Tanker Business, Offshore Business, and Ship Management Business, will be similarly strong, and this will help reduce the impact from the fluctuation of any particular business in the long term. Furthermore, the business synergy of Thailo Marine Company

Limited and its Group can increase and maximize the efficiency in business operations and significantly reduce administrative expenses indeed.

In terms of management, the Company complies the principles of Good Corporate Governance along with the creation of sustainability for business operations based on the code of good governance with the responsibility towards all stakeholders, and attention to environment and society. In 2020, the Company was rated of 5-star or “Excellent” on corporate governance (Excellent CG) from the survey on Corporate Governance (CGR) of Thai listed companies organized by the Thai Institute of Directors (IOD) with the support of the Stock Exchange of Thailand, and also seriously focused on anti-corruption, having the Company certified as a member in the Collective Action Coalition Against Corruption (CAC), as one of 457 companies to be certified out of 1,047 companies showing their intentions to participate in the project.

In the year of 2021 is still the year of challenges as COVID-19 outbreak and anti-epidemic measures has still existed which may impact on the business operations. Only one thing I believe is the systematic business plan and the sustainable-based investment with the commitments of the Board of Directors, all executives and teamwork employees. All of these will act as the important mechanism to encourage the Company to overcome this crisis and steadily and sustainably grow.

On this occasion, I, on behalf of the Board of Directors, wish to thank all management team and all employees for working together with determination and dedicating their fullest efforts until the company greatly achieved in 2020 and would like to show our gratitude to all shareholders, benefactors and stakeholders as well as related parties for always giving trust, confidence, and support to the Company. I would like to ensure you that the Company will operate the business by adhering to the codes of good governance for utmost benefit of all stakeholders.



Annual Audit Committee Report for 2020



To All Shareholders of Prima Marine Public Company Limited

The Audit Committee of Prima Marine Public Company Limited (the “Company”) has been appointed by the Board of Directors, consisting of 3 independent directors with full qualification and experiences in Energy Business, Law, Accounting & Finance, and Management, namely, consisting of Mr. Chainoi Puankosoom as the Chairman of the Audit Committee, Mr. Somchai Kuvijitsuwan and Mr. Bowon Vongsinudom as members of the Audit Committee.

The Audit Committee has independently performed its duties as assigned by the Board of Directors and has authorities and duties in accordance with the Charter of the Audit Committee in line with the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). In 2020, the Audit Committee held 6 meetings attended by all 3 members every time, the Audit Committee also had a meeting with the Auditors without the attendance of the management for 1 time to ensure that the Auditors are independent in performing the auditing of the Company’s accounting and both executives and employees also provided good cooperation on providing the Company’s information. The operational performance and opinions on various matters from the Audit Committee can be summarized as follows:

1. Review of financial reports: The Audit Committee reviewed the accuracy and completeness of data in financial statements, the compliance with notices and opinions of the Auditor, the adjustment of accounting transactions, accounting policy, the adequacy of data disclosure in financial statements and notices of Auditors, and significant data of quarter and annual financial statements for the year 2020, including connected transactions and transactions with potential conflict of interest of the Company’s and its subsidiaries’. The meeting was held with the attendance of relevant management and Auditors to inquire and give feedbacks on issues related to financial reports, to ensure that the Company’s and its subsidiaries’ financial statements were prepared in accordance with the requirements of laws and Generally Accepted Accounting and Auditing Standard.

2. Review of the adequacy of internal control system and the oversight of internal audit: (The Audit Committee has regularly reviewed the adequacy of internal control system of the Company based on the internal control framework of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) and asked the management to complete the evaluation

form for the adequacy of internal control system in accordance with the evaluation form of the Office of the Securities and Exchange Commission (SEC) to assess the internal control system in terms of risk management, operations, information system and communication, as well as follow-up system, to ensure that the internal control system is appropriate and effective.

In addition, the Audit Committee considered and approved the annual internal audit plan, gave opinions on the internal audit report, oversaw the internal auditors to independently perform the audit and in accordance with the internal audit standards, by focusing on the assessment and improvement of the internal control system in line with the operational procedures and considering the appropriateness of the Internal Audit Department's structure, the appointment, transfer and the manpower of the Company's internal auditors.

3. The Compliance with Laws, Rules and Regulations: the Audit Committee reviewed and oversaw the Company's operations to comply with the Regulations, Notifications, and Laws on Securities and Exchange, including other laws relevant and applicable to the Company's business operation, it was found that in 2020, the Company fully and effectively followed such regulations, notifications, and laws.

4. The Consideration and Appointment of Auditors: The Audit Committee selected the Auditors and appropriate audit fee by considering their past performance, knowledge, competency, audit experience, scope of work, working volume and quality and standard of the audit firm, including the independence in accordance with the Code of Ethics for Professional Accountants and the requirements of the Office of Securities and Exchange Commission; and then proposed to the Board of Directors and Shareholders' Meeting for approval the audit fee and appointment of KPMG Phoomchai Audit Co., Ltd. by Mr. Thanit Osathalert, Certified Public Accountant Registration No. 5155, Miss Marisa Tharathornbunpakul, Certified Public Accountant Registration No. 5752, Miss Pornthip Rimdusit, Certified Public Accountant Registration No. 5565, Mr. Banthit Tangpakorn, Certified Public Accountant Registration No. 8509. as the Company's auditors and certifying the financial statements for the year 2020.

5. Review of connected transactions with potential conflict of interest: The Audit Committee has regularly examined, reviewed, and gave opinions on the

Company's connected transactions with potential conflict of interest by adhering the principles that such transactions are normal business, comparable, fair and maximally beneficial to the Company, as well as complying with rules and regulations of the Stock Exchange of Thailand. It was found that in 2020, the connected transactions with potential conflict of interest followed all principles to be placed, and the disclosure of information is complete and adequate.

6. Corporate Governance: The Audit Committee has reviewed the operations in accordance with the management policy for good corporate governance in line with CG Code of the Securities and Exchange Commission, and the anti-corruption policy, it was found that the Company's directors and employees have strictly adhered to the good corporate governance policy and anti-corruption policy set by the Company in accordance with the Company's Good Corporate Governance and Code of Conduct Manual.

7. Risk Management: The Company has a Risk Management Committee and a Risk Management Working Group who are dedicated to specifically overseeing risks. The scope of their work is related to the regular assessment, review, management and monitoring of risks in investment projects, including working processes of all functions within the Company. The Risk Working Group will prepare a risk report and a risk management plan, and propose to the Risk Management Committee for approval, to ensure that the Company has a risk management process that is effective, adequate, and controls the risks at an acceptable level.

In summary, the Audit Committee gave an opinion that the Company's and its subsidiaries' financial statements are accurate, reliable with adequate disclosure of information, in line with the accounting and auditing standards, with appropriate and effective internal control system and internal audit system. The Company has strictly complied with laws, rules and regulations related to the Company, considered and selected the Auditors based on the given criteria, regularly reviewed the connected transactions with potential conflict of interest. In addition, the Company has also prioritized the anti-corruption and compliance with the good corporate governance code throughout the year 2020.

Annual Nomination, Remuneration and Corporate Governance Committee Report for 2020



To All Shareholders of Prima Marine Public Company Limited

The Nomination, Remuneration, and Corporate Governance Committee (the “NRC Committee”) consists of 4 members including Admiral Nibhon Changsudulya as the Chairman of the NRC Committee, Mr. Chainoi Puankosoom (independent director), Mr. Somchai Kuvijitsuwan (independent director) and Mr. Surasak Chaiyen as the members of the NRC Committee. Miss Udornrat Sitthikorn, the Head of Company Secretary and Compliance Department, acts as the Secretary of the NRC Committee and has scope, duties and responsibilities under framework of the NRC Committee’s Charter, and as delegated by the Board of Directors to be consistent with Best Practice of the Stock Exchange of Thailand.

In 2020, the NRC Committee convened total of 6 meetings to perform its duty in accordance with the scope and responsibilities pursuant to the NRC Committee’s Charter. All members of the NRC Committee attended the meeting as per the following summary.

Nomination Consideration

- Selecting and consenting to nominate Miss Neeracha Panboonhom who is qualified in knowledge, experiences, and expertise to the Board of Directors for considering the appointment in replacement of Acting Sub Lt.

Chanwit Anakkul who resigned from the Company’s director office.

- Approving to send the Company’s representatives consisting of Mr. Prompong Chaisrisawatsuk, Miss Suthasinee Muenlamay, and Mr. Sompat Khongsamran, to be the directors in the subsidiary, and proposing to the Board of Directors for considering and approving.
- Approving to nominate three directors who retired by rotation consisting of Mr. Bowon Vongsinudom, Mr. Chainoi Puankosoom, and Mr. Prompong Chaisrisawatsuk, to the Board of Directors for considering and proposing to the 2020 Annual General Meeting of Shareholders for considering the election of all of three directors to resume the director office for another term.
- Approving to nominate the sub-committee members who retired by rotation to the Board of Directors for considering the appointment to resume the office for another term as follows.

1. Mr. Bowon Vongsinudom, to resume the member of the Audit Committee.
2. Mr. Chainoi Puankosoom, to resume the Chairman of the Audit Committee, and the member of the

Nomination, Remuneration, and Corporate Governance Committee offices.

3. Mr. Prompong Chaisrisawatsuk, to resume the Chairman of the Board of Executives, and the member of the Risk Management Committee offices.
4. Mr. Nuthkorn Samran, Mr. Viritphol Churaisin, and Mr. Wang Wei, to resume the member of the Board of Executives office.

- Approving to nominate Miss Suthasinee Muenlamay to the Board of Directors for considering the appointment to be the member of the Board of Executives in replacement of Mr. Sompat Khongsamran who resigned from the office.

Remuneration Determination

- Approving the bonus payment for the directors for 2019 in the amount of 7,475,000 Baht, consisting of 1,950,000 Baht for the Chairman of the Board, 1,625,000 Baht for the Vice Chairman of the Board, and 3,900,000 Baht for 3 independent directors (1,300,000 Baht per person) to be proposed to the Board of Directors for considering and approving.

- Approving the determination of the director and the sub-committee member's remuneration for 2020 in the limit of not exceeding 25 million Baht, consisting of monthly remuneration, meeting allowance, and special remuneration, to be proposed to the Board of Directors for considering and proposing to the 2020 Annual General Meeting of Shareholders for considering and approving. The NRC Committee considered by taking into account the business size and turnover of the Company, number of directors, duties and responsibilities, and performance of each director. In addition, the said remuneration has been in the appropriate level comparable to the leading companies in the Stock Exchange of Thailand and the same group of industry.

- Approving the performance assessment of the Chief Executive Officer (CEO) for 2019 and the determination of the increase rate of the CEO's annual salary and bonus, to be proposed to the Board of Directors for considering and approving.

- Approving the criteria and Performance Appraisal Indicator of the CEO for 2020, to be proposed to the Board of Directors for considering and approving.

- Approving the determination of the director's remuneration of the subsidiaries, to be proposed to the Board of Directors for considering and approving.

Corporate Governance

- Approving the adoption of the Corporate Governance Code 2017 for the Listed Companies (CG Code 2017) issued by the Office of the Securities and Exchange Commission, under the opinion that the Company's overview has policies and guidelines that are in line with the CG Code 2017. In addition, it agreed to additionally review the Company's Corporate Governance Policy.

- Reviewing the Charter of the NRC Committee, and proposing to the Board of Directors for considering and approving the amendment.

- Approving the formulation of the Personal Data Protection Policy to be consistent with the Personal Data Protection Act B.E. 2562 (2019), and to be a practical guideline for observing by the directors, executives, and employees of the Company and its subsidiaries, and proposing to the Board of Directors for considering and approving.

- Acknowledging the annual self-assessment of the Board of Directors and the Sub-Committees for 2019.

However, with the commitment of the Company in operating businesses with efficient, transparent, and verifiable management in accordance with the corporate governance, and the NRC Committee has continuously performed its duties on good corporate governance. This has caused the Company's rank of "excellent" or "5-star" companies in 2020 for two consecutive years (2019-2020) from the Project of Corporate Governance Report of Thai Listed Companies for the year 2020 (CGR 2020) organized by the Thai Institute of Directors (IOD)

The NRC Committee reviewed and assessed the performance of its entrusted duties and deemed that the structure and composition of the NRC Committee is appropriate, and the NRC Committee can completely and continuously perform its duties.

Annual Risk Management Committee Report for 2020



To All Shareholders of Prima Marine Public Company Limited

The Board of Directors has recognized the importance of risk management, which will keep the business steadily running and growing, therefore, the Risk Management Committee was appointed to consider and screen significant risks, as well as propose proper solutions, this Committee consists of 3 members who are knowledgeable, competent, experienced and understanding of business operations as follows:

- | | |
|---|---|
| 1. Mr. Suraphon Meesathien (Director) | Chairman of the Risk Management Committee |
| 2. Mr. Prompong Chairsawatuk (Director) | Member of the Risk Management Committee |
| 3. Admiral Nibhon Changsudulya (Director) | Member of the Risk Management Committee |

The Risk Management Committee has highly realized and prioritized the risk management of the Company Group under the quick and harsh changing circumstances of macro factors that may result in Opportunity and Threat towards the business, then required the monitoring, review and adjustment of strategies to keep up with the situations, focusing on the management with Resilience, Agility, and Economy of speed by setting the Key Risk Indicator (KRI) to cover the ongoing monitoring of risk movement, so that the business will be sustainably continued and expanded. The risk management will adhere to 3 main principles including the oversight and management of risks based on good governance code, the establishment of company-wide risk management policy, and the implementation of risk management to generate the security for the Company Group's business operations. The Risk Management Committee has established the policy of risk management for the Company Group in 4 areas: Governance Risk, Strategy & Planning Risk, Operation & Infrastructure Risk, and Financial Reporting Risk, and continued to manage risks in accordance with ISO 9001: 2015 and COSO ERM 2017 standards.

In 2020, under the outbreak of Coronavirus (COVID-19), the meetings of the Risk Management Committee has been continuously held by adjusting the style of meetings to match such situation, including E-Meeting and Face-to-Face Meeting (formal meeting) under the practice of Social Distancing, there were totally 7 meetings held in 2020, to ensure the smooth consideration of the Meetings to be consistent with the organizational business operation and the meeting rapidly to catch up the situations. In every Risk Management Committee's Meeting, all of members attended the meeting to meet the constituted quorum every time. The following essence of the duty performance can be summarized.

1. To consider and approve the risks of project investment, taking into account the Strategy & Planning Risk like investing in the newly used vessels to replace the older ones and the Portfolio Management by expanding its investments by means of Mergers and Acquisitions (M&A) to expand the Trading Business, such as buying all remaining shares of Big Sea Company Limited, and executed the share purchase agreement of Thailo Marine Company Limited, as well as focused on winning contracts of goods shipping, long-term goods storage to secure the Company Group's revenues and profits. Additionally, the Company Group has also considered the project investment for the diversification of business growth, such as Laem Chabang Port Project, Phase 3, Part 1, Marine construction, by considering the opportunities and possibilities to conduct the business with potential business partners, and taking into account the sufficient comprehensive information to consider risks, strategies or make decisions on current events of the Company Group, as well as consider the independence from any business for sustainable strategies and business plans of the Company Group.

2. To regularly review and acknowledge the results of the 2020 Enterprise Risk Management - Treatment Plan which is the management of Governance Risk, Operation & Infrastructure Risk, and Financial Reporting Risk, by controlling and monitoring the method to address risks to an acceptable level, or reduce its possibility in compliance with the preventive measures, measures to mitigate impacts and corrective measures that have been established to ensure that the Company's risk management is systematic and efficient in achieving the intended objectives, for example, the risk management on the operations of seafarers which may result in an accident to the Company Group's fleet. The Risk Management Committee has regularly considered the classification of the severity of incidents, acknowledged the reports of Emergency Response Team (ERT), the cause analysis and the handling of incidents and accidents, as well as provided the recommendations for continued collaborations between the Fleet and the Office to minimize the loss and damages, manage and solve the problems in a long term basis, and define the control mechanism for good and proper controls and monitoring to all relevant parties.

3. To consider and acknowledge the ways of the Company Group handles the COVID-19 situation, relevant functions have continuously controlled and monitored the situation to consider the risks and effects, and a comprehensive management approach, for marketing risk management, the transportation of jet fuel (JET A-1) and ground oil is always monitored; the economic performance, measures of Thai government, constant demands of oil, and the situation of business partners, customers, suppliers are also continuously monitored to plan and adjust the action plan accordingly. In addition, the financial risk from exchange rate fluctuation and interest rate has been managed while the liquidity management of the Company Group have been adequate and the reserves are also planned to utilize in case of emergency, covering the reduction in operational and technical risks, such as tracking the delivery of spare parts to be adequate and complete in compliance with the scheduled preventive maintenance system (PMS), Dry Dock, and the adequacy of protective equipment, e.g. protective equipment, medical masks, hand alcohol gel, temperature measuring instruments, etc. Also, the operational plan of seafarers is considered and acknowledged on their attendance of works on vessels and their leaves, or any other relevant persons who have to perform duties on vessel, all of them must strictly follow the rules and regulations of the regulatory authorities based on various measures. Furthermore, the Company Group has been aware of the safety of office employees by allowing them to continuously work from home, along with the preparation of information technology to support their working all the time and the establishment of Business Continuity Plan (BCP), resulting in the good performance of the Company Group.

4. To consider and acknowledge the training and seminar on Enterprise Risk Management, whereby the Risk Management Committee has emphasized to invite the outsourced speakers with knowledge, capability and expertise in risk management to provide the employees, management of the Company Group with basic knowledge; and it also raises the awareness on Operation & Infrastructure Risk which is important to proceed along with the management on Strategy & Planning Risk for the Company Group, the training and seminar is also concerned to provide the safety on health and the prevention of COVID-19 spreading at the hotel organizing the training and seminar. The Risk Management Committee has also provided the recommendations for Risk Management Newsletter by considering the case studies about regional and international political, economic situations and regularly communicated with the Board of Directors, executives, employees to acknowledge and have basic knowledge, it is to generate the Risk Awareness Culture for the Company Group, for example, case studies on the international trade policy affecting the global oil tanker business, the communication is focused to easily understand and grasp the situation, show the process of risk

management and good monitoring towards the Company Group, e.g. strictly complying with the requirements of economic sanctions and preparing the correct factual documents, as well as taking more strictness in establishing the customer verification process (Know Your Customer: KYC) prior to entering into a contract with any customer in order to prevent the Company Group from involving the sanctioned country list, which will damage or affect the Company's image or reputation.

5. To consider and acknowledge the result of the Company Group's situation of Low Sulphur Fuel Oil (LSFO) consumption in accordance with the requirement announced by International Maritime Organization (IMO) on 1 January 2020 ("IMO2020") as the first effective date of the measure. The measure prescribes that all vessels in the world must be replaced with fuel containing below 0.5% of Sulphur from the current average of 3.5% of Sulphur in vessel fuel oil under an objective to reduce air pollution and emission rate of Green House Gas (GHG) that causes global warming. This is to ensure that the Company Group has the proper management on Operation & Infrastructure Risk of the Company Group's fleet. All vessels with LSFO have been monitored, controlled and maintained on the efficiency of large machines and electrical tools, the Company Group has also continuously covered the correct compliance with rules, regulations and constraints according to the applicable measures of internal and external regulators, such as the International Convention for the Control and Management of Ships' Ballast Water and Sediments prescribes the vessel must be installed of Ballast Water Management System (BWMS) and the Ships' Ballast Water must be treated according to the specific standard before releasing to the sea, and the Guidelines on Maritime Cyber Risk Management also prescribes the fleet of the Company Group to strictly follow, as well as the performance of the Company Group has been continuously monitored in accordance with the Personal Data Protection Act, B.E. 2562 (2019), the Trade Competition Act, B.E. 2560 (2017), and the Thai Financial Reporting Standards No. 16 (TFRS 16), RE: Financial Lease.

6. To consider and acknowledge the Company Group's strategic plans and business development for 2021 – 2023, to be consistent with the Company Group's business operation plans to ensure that the Company Group has the management on Strategy & Planning Risk, covering its operational guidelines so that the Company Group will be able to make risk-based decisions to achieve the objectives and goals on good expansion in a stable and sustainable manner.

7. To report the results of key risk management of the Company to the Board of Directors for acknowledgement and having adequate inputs for decision making to ensure that the Company's risk management covers all aspects including Strategy & Planning Risk for the project investment and the business operations that is quickly adjusted and agile to cope with the situation of the Company Group's project investment; and Financial Reporting Risk to manage the Company Group's finance to be sufficient in both general situation and emergency situation. The result of operational risk management is also reported, in which the Risk Management Committee has emphasized the collaborations between the Fleet and the Office to continuously address the incidents and accidents, as well as the Business Continuity Plan (BCP), and the plan to handle COVID-19 situation of the Company Group, showing the management on Governance Risk of the good and sustainable organization.

Based on above-mentioned operations, the Risk Management Committee has an opinion that the Company has proper risk management at the corporate level and control it to an acceptable level, as well as in accordance with the principles and practices of good corporate governance for sustainable and effective risk management.

Vision, mission, objective, target, and strategy of the Company Group's operations

Vision

"The Company Group shall be the leading organization in the integrated business of shipment and offshore support business for petroleum exploration and production in Asia Pacific Region, with excellency of operations and services of shipment and floating storage unit that are reliable and fair for all groups of stakeholders and fulfill customer satisfaction".



Mission

- The Company Group shall be the leading organization in the Stock Exchange in maritime and logistics field, and support of offshore petroleum exploration and production activities.
- The Company Group shall expand market to cover Asia Pacific Region in one-stop shipment of chemical products, petroleum, liquefied petroleum gas, and logistics, as well as support of offshore petroleum exploration and production activities.
- The Company Group shall expand the investment in form of joint venture with the business group which is expert in each field for sustainable growth.
- The Company Group shall focus on development of the staff competency, teamwork promotion with happy working atmosphere on mutual trust basis.
- The Company Group shall be the organization that yields fair return, effectively fulfills determined investment plan under standard management system and equitable care of stakeholders.
- The Company Group shall focus on Corporate Governance Code and adhere to social and environmental responsibility.

Operating objective and target of the Company Group

Our resolution to integrated maritime logistics business is to generate sustainable substantial and abstract profit to stakeholders and determine to be **“leader in energy transportation of Thailand achieving sustainable growth”** The Company is willing to connect to all parties to support and develop community, society and country moving forward which can create better quality of life for local people accordingly.

Operating strategy of the Company Group

For maximum effective operation that will generate worthwhile achievement and cause interest to all stakeholders, the Company Group has determined the direction and policy of strategic operation by dividing into two important aspects which are service strategy and marketing strategy, as per below details.

1. Service strategy

The Company Group plans the customer service in each type of business to cover customer demand and satisfaction both in term of working quality and service. The element of such strategy includes the following.

- (1) The Company Group focuses on One-stop Service with the service element as follows:
 - Focus on service of quality fleet and meet the different customer demand
 - Focus on expert ship management under the relevant laws, requirements, and regulations
 - Focus on strict control of service quality, resulting in safety of vessel operation and cargo, and punctuality of required customer schedule
- (2) The Company Group focus on producing personnel team with high knowledge, ability, comprehension, and experience in the Company’s business, laws, regulations, and standard i.e., executive team, operational supporting personnel team, and seafarers.
- (3) The Company Group focus on maintain the domestic shipment leadership with continuous growth of revenue and shipment volume, aiming at developing its services and business, select the potential and experienced staffs for growth support, retain staffs with good working performance, and seek for opportunity to increase the shipment proportion in the domestic oil trader companies.
- (4) The Company Group focus on expand its business and enhance the potential in foreign market business with the international operating standard and accepted by the foreign customers.
- (5) The Company Group focus on customer care in term of Long-Term Partnership through preparedness of human resources and capital that can enhance the serviceability and increase navigating routes in both domestic and international regions, and closely takes care of its customers throughout service period.
- (6) The Company Group focus on effective operating cost management under purchase planning of materials and equipment, and maintenance service including evaluating the price and quality in making decision on selection of business partner by considering on comparison of more than two business partners to enhance price negotiation in another way.

2. Marketing strategy

The marketing strategy of the Group of the Company is to retain and expand customer base to create the business partner to be long-term business alliances and reduce risk from price cutback competition as follows.

- (1) The Company focus on retention of potential brokerage network that performs the supply of vessels or cargo both domestic and foreign market. This can enhance competitiveness to the Company Group and increase efficiency in seeking for new vessels and works in the supplying market of trading, FSU vessel and Offshore vessel.
- (2) The Company Group focus on marketing management to enhance the efficiency of ship utilization and competition potential.
- (3) The Company Group focus on customer satisfaction survey on services for improvement of services before, during and after shipment of cargo.

The Board of Directors

The Board of Directors consists of 8 directors as follows:



Mr. Bowon Vongsinudom
Chairman / Independent Director /
Member of the Audit Committee

Admiral Nibhon Chagsudulya
Vice Chairman / Chairman of the Nomination,
Remuneration and Corporate Governance Committee /
Member of the Risk Management Committee



Mr. Chainoi Puankosoom
Independent Director / Chairman of the
Audit Committee / Member of the
Nomination, Remuneration and
Corporate Governance Committee

Mr. Somchai Kuvijitsuwan
Independent Director / Member of
the Audit Committee / Member of
the Nomination, Remuneration and
Corporate Governance Committee

Mr. Suraphon Meesathien
Director / Chairman of the Risk
Management Committee



Mr. Prompong Chaisrisawatsuk
Director / Member of the Risk
Management Committee /
Chairman of the Board of Executives /
Chief Executive Officer

Surasak Chaigen
Director / Member of Nomination,
Remuneration, and Corporate
Governance Committee / Member of
the Board of Executives

Ms. Neeracha Panboonhom
Director

Management Team

The Company's management team as defined by Notification of the Securities and Exchange Commission, consists of the following 5 executives:



Mr. Prompong Chaisrisawatsuk
Chief Executive Officer



Ms. Suthasinee Muenlamay
Vice President of Commercial and Investment



Ms. Nipat Eamsiriwat
Commercial Director (Commercial 1)

Mr. Anantachai Auttama
Ship Management Business Director

Mr. Viritphol Churaisin
Chief Financial Officer



Information of Directors, Executives, the person taking the highest responsibility in finance and accounting, the person supervising accounting, and Company Secretary



Mr. Bowon Vongsinudom

Chairman / Independent Director /
Member of the Audit Committee

Age: 66 Years

Date of first appointment as director: 22 January 2016

Proportion of shareholding in the Company:

Own share : None

Relationship Persons* : Spouse holds 1,500,000 shares
(0.060% of total issued shares)

Family relationship between director and executive: None

Educations

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Master of Engineering (Chemical Engineering), Chulalongkorn University
- Bachelor of Engineering (Chemical Engineering), Chulalongkorn University

Training Programs by the Thai Institute of Directors Association (IOD)

- Role of the Chairman Program (RCP), Class 45/2019
- Advance Audit Committee Program (AAP), Class 28/2018
- Director Certification Program (DCP), Class 209/2015
- Director Accreditation Program (DAP), Class 76/2008

Other Training / Seminars

- The Joint State - Private Sector Course (NDJC), Class 17/2004, National Defence College

Working experiences

- 2019 – Present Member of the Audit Committee
Prima Marine Public Company Limited
- 2016 – Present Chairman and Independent Director
Prima Marine Public Company Limited

Position in other listed companies

- 2015 – Present Director and Member of the Executive Committee
WP Energy Public Company Limited

Position in other non-listed companies or organizations

- 2020 – Present Advisor to the Board of Directors
The Institute of Industrial Energy
- 2016 – Present Director
Bangkok Industrial Gas Company Limited

- 2015 – Present Chairman
UAC Advance Polymer & Chemicals Company Limited
- 2015 – Present Director
ASEAN Potash Chaiyaphum Public Company Limited
- 2015 – Present Member of PTIT Council
Petroleum Institute of Thailand
- 2012 – Present Chairman
PTT Phenol Company Limited

Working Experiences in the Last 5 Years

- 2018 – 2020 Vice Chairman – Institute of Industrial Energy
The Federation of Thai Industries
- 2018 – 2020 Chairman
The Institute of Industrial Energy
- 2018 – 2020 Vice Chairman, Chief Executives Officer, and President
Thai Vegetable Oil Public Company Limited
- 2015 – 2019 Chairman and Independent Director
Thai British Security Printing Public Company Limited
- 2011 – 2019 Director and Chairman of Audit Committee
Plastics Institute of Thailand, Ministry of Industry
- 2017 – 2018 Director
State Railway of Thailand
- 2014 – 2018 Director
Metropolitan Waterworks Authority
- 2016 – 2017 Independent Director and Member of the Audit Committee
Suthakan Public Company Limited
- 2014 – 2016 Chairman
Water Institute for Sustainability, The Federation of Thai Industries
- 2014 – 2016 Chairman
Petrochemical Cluster, The Federation of Thai Industries



Admiral Nibhon Chagsudulya

Vice Chairman (Authorized Director) / Chairman of the Nomination, Remuneration and Corporate Governance Committee / Member of the Risk Management

Age: 69 Years

Date of first appointment as director: 22 January 2016

Proportion of shareholding in the Company:

Own share : 500,000 shares
(0.020% of total issued shares)

Relationship Persons* : None

Family relationship between director and executive: None

Educations

- Bachelor of Sciences (Royal Thai Navy),
Royal Thai Naval Academy

Training Programs by the Thai Institute of Directors Association (IOD)

- Corporate Governance for Executive (CGE), Class 12/2018
- Director Certification Program (DCP), Class 104/2008

Other Training / Seminars

- Naval War College Course, Institute of Advanced Naval Studies
- The National Defence Course, National Defence Studies Institute
- Senior Executive Course (CMA 3), Capital Market Academy

Working experiences

- 2020 – Present Member of the Risk Management Committee
Prima Marine Public Company Limited
- 2016 – Present Vice Chairman and Chairman of the Nomination, Remuneration and Corporate Governance Committee
Prima Marine Public Company Limited

Position in other listed companies

-None-

Position in other non-listed companies or organizations

- 2006 – Present Chairman
TMN Company Limited

Working Experiences in the Last 5 Years

- 2013 – 2016 Chairman
Nathalin Welstar Energy Company Limited



Mr. Chainoi Puankosoom

Independent Director / Chairman of the Audit Committee / Member of Nomination, Remuneration and Corporate Governance Committee

Age: 70 Years

Date of first appointment as director: 22 January 2016

Proportion of shareholding in the Company:

Own share : 1,500,000 shares
(0.060% of total issued shares)

Relationship Persons* : None

Family relationship between director and executive: None

Educations

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's degree in Higher Accounting California College of Commerce, U.S.A.

Training Programs by the Thai Institute of Directors Association (IOD)

- The Role of Chairman in Leading Strategic Risk Oversight 2017
- The Role of the Chairman Program (RCP), Class 33/2014
- Financial Institutions Governance Program (FGP), Class 3/2011
- Directors Accreditation Program (DAP), Class 63/2007

Other Training / Seminars

-None-

Working experiences

2016 – Present Independent Director, Chairman of the Audit Committee and Member of Nomination, Remuneration and Corporate Governance Committee Prima Marine Public Company Limited

Position in other listed companies

2017 – Present Chairman, Independent Director, Chairman of the Compensation Committee, Chairman of the Corporate Governance Committee, and Member of the Audit Committee Frasers Property (Thailand) Public Company Limited

2015 – Present Chairman and Independent Director Tipco Asphalts Public Company Limited

Position in other non-listed companies or organizations

2017 – Present Independent Director and Chairman of the Audit Committee Saphthip Company Limited

2017 – Present Chairman TRA Land Development Company Limited

2010 – Present Director, Member of the Executive Committee, Member of the Risk Management Committee, and Member of the Business Restructuring Committee National Power Supply Public Company Limited

Working Experiences in the Last 5 Years

2017 – 2019 Independent Director, Member of Audit Committee, and Member of Human Resource and Remuneration Committee Demeter Corporation Public Company Limited

2012 – 2019 Independent Director, Chairman of the Audit Committee, Chairman of the Corporate Governance Committee, and Member of the Compensation and Nomination Committee Golden Land Property Development Public Company Limited

2016 – 2018 Director - Circulation Fund The Comptroller General's Department, Ministry of Finance

2011 – 2018 Director The Energy Fund Administration Institute (Public Organization), Ministry of Energy

2009 – 2018 Director Petroleum Institute of Thailand

2010 – 2016 Director Committee on State Enterprises Evaluation, Ministry of Finance



Mr. Somchai Kuvijitsuwan

Independent Director / Member of the Audit Committee
/ Member of Nomination, Remuneration and Corporate
Governance Committee

Age: 70 Years

Date of first appointment as director: 22 January 2016

Proportion of shareholding in the Company:

Own share : None

Relationship Persons* : Spouse holds 800,000 shares
(0.032% of total issued shares)

Family relationship between director and executive: None

Educations

- Master of Public Administration Program in Public Administration, National Institute of Development Administration (NIDA)
- Thai Barrister-at-law, Institute of Legal Education of The Thai Bar
- Bachelor of Laws, Ramkhamhaeng University, Class 1.

Training Programs by the Thai Institute of Directors Association (IOD)

- The Role of the Chairman Program (RCP), Class 28/2012
- Director Certification Program (DCP), Class 76/2006
- Director Accreditation Program (DAP), Class 56/2006
- Understanding the Fundamental of Financial Statement (UFS), Class 3/2006

Other Training / Seminars

- Senior Executive Course (CMA 9), The Capital Market Academy
- Senior Executive in Energy Science Program (TEA 2), Thailand Energy Academy
- Provincial Chief Public Prosecutor Course, Class 9/1987

Working experiences

2016 – Present Independent Director, Member of the Audit Committee, and Member of Nomination, Remuneration and Corporate Governance Committee
Prima Marine Public Company Limited

Position in other listed companies

2020 – Present Independent Director
Eastern Power Group Public Company Limited

2018 – Present Advisor
Asian Sea Corporation Public Company Limited

2016 – Present Independent Director and Member of the Risk Management Committee
WP Energy Public Company Limited

2016 – Present Advisor
M.K. Real Estate Development Public Company Limited

Position in other non-listed companies or organizations

2020 – Present Advisor
Precise Corporation Public Company Limited

2017 – Present Independent Director and Chairman of the Audit Committee
Kingsford Holdings Public Company Limited

2017 – Present Advisor to Chancellor
Mahamakut Buddhist University

2016 – Present Qualified Director in the Committee for the Budget Consideration of Central Buddhism Property
The Sangha Supreme Council of Thailand

Working Experiences in the Last 5 Years

2018 – 2020 Chairman
Eastern Power Group Public Company Limited

2016 – 2018 Independent Director and Chairman of the Audit Committee
Eastern Power Group Public Company Limited

2016 – 2018 Chairman
AQ Estate Public Company Limited

2015 – 2018 Independent Director and Chairman of the Audit Committee
Thonburi Healthcare Hospital Public Company Limited

2015 – 2018 Advisor
KT Zmico Public Company Limited

2011 – 2018 Director and Chairman of the Audit Committee
PTT Global Chemical Public Company Limited

2016 – 2016 Director and Chairman of the Audit Committee
International Engineering Public Company Limited



Mr. Suraphon Meesathien

Director (Authorized Director) / Chairman of the Risk Management Committee

Age: 67 Years

Date of first appointment as director: 22 January 2016

Proportion of shareholding in the Company:

Own share : 600,000 shares
(0.024% of total issued shares)

Relationship Persons* : Spouse holds 100,000 shares
(0.004% of total issued shares)

Family relationship between director and executive: None

Educations

- Master of Public Administration, National Institute of Development Administration
- Bachelor of Science, Royal Thai Naval Academy
- Diploma, Naval War College

Training Programs by the Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP), Class 155/2012
- Director Accreditation Program (DAP), Class 92/2011

Other Training / Seminars

- Enterprise Risk Management Course, Class 10, Chulalongkorn University

Working experiences

2020 – Present Chairman of the Risk Management Committee
Prima Marine Public Company Limited

2016 – Present Director and Member of the Risk Management Committee
Prima Marine Public Company Limited

Position in other listed companies

2011 – Present Director and Member of Nomination, Remuneration, and Corporate Governance Committee
Sea Oil Public Company Limited

Position in other non-listed companies or organizations

2020 – Present Chairman
Thai Shipowners' Association

2018 – Present Director
Big Sea Company Limited

2007 – Present Chief Executive Officer
Nathalin Company Limited

Present Director
Nathalin Company Limited

Working Experiences in the Last 5 Years

2017 – 2020 Director
Maritime Labour Committee, Ministry of Labour

2009 – 2020 Vice Chairman
Thai Shipowners' Association

2014 – 2018 Director
Nathalin Shipping Pte. Ltd.

2011 – 2017 Director
Khunnathee Company Limited

2014 – 2016 Director
N.T.L. Marine Company Limited

2011 – 2016 Director
TMN Company Limited



Mr. Prompong Chaisrisawatsuk

Director (Authorized Director) / Member of the Board of Executives / Member of the Risk Management Committee / Chief Executive Officer

Age: 54 Years

Date of first appointment as director: 22 January 2016

Date of first appointment as executive: 1 January 2020

Proportion of shareholding in the Company:

Own share : Owned share: 100 shares
(0.000% of total issued shares)

Relationship Persons* : None

Family relationship between director and executive: None

Educations

- Master of Business Administration in Business Administration Program (Finance), Thammasat University
- Bachelor of Engineering in Chemical Engineering Program, Chulalongkorn University

Training Programs by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP), Class 97/2012

Other Training / Seminars

-None-

Working experiences

2020 – Present Chief Executive Officer
Prima Marine Public Company Limited

2016 – Present Director, Member of the Board of Executives, and Member of the Risk Management Committee
Prima Marine Public Company Limited

Position in other listed companies

2005 – Present Director
Sea Oil Public Company Limited

Position in other non-listed companies or organizations

2020 – Present Director
Singha Tankers Company Limited

2016 – Present Director
Winchai Company Limited

2012 – Present Director
Nathalin Company Limited

2012 – Present Director
TATE Offshore Co., Ltd.

2011 – Present Director
Nathalin Shipping Pte. Ltd.

Working Experiences in the Last 5 Years

2005 – 2020 Member of the Executive Committee
Sea Oil Public Company Limited

2013 – 2019 Chief Investment Officer
Nathalin Company Limited

2012 – 2016 Director
TOP-NTL Pte. Ltd.



Mr. Surasak Chaiben

Director (Authorized Director) / Member of the Nomination, Remuneration, and Corporate Governance Committee / Member of the Board of Executives

Age: 50 Years

Date of first appointment as director: 22 January 2016

Proportion of shareholding in the Company:

Own share : 200,000 shares
(0.008% of total issued shares)

Relationship Persons* : Spouse holds 200,000 shares
(0.008% of total issued shares)

Family relationship between director and executive: None

Educations

- Master of Arts, Rangsit University
- Bachelor of Arts in Political Science, Chulalongkorn University

Training Programs by the Thai Institute of Directors Association (IOD)

- Corporate Governance for Executive (CGE), Class 12/2018
- Director Certification Program (DCP), Class 246/2017
- Financial Statement for Director (FSD), Class 28/2015
- Director Accreditation Program (DAP), Class 20/2012

Other Training / Seminars

- Assessment Center Certificate/ 7 Habits/ Global Organization Leadership Development (GOLD)

Working experiences

- 2019 – Present Member of the Nomination, Remuneration, and Corporate Governance Committee
Prima Marine Public Company Limited
- 2016 – Present Director and Member of the Board of Executives
Prima Marine Public Company Limited

Position in other non-listed companies or organizations

- 2020 – Present Director
Savan Power Development Company Limited
- 2020 – Present Director
Muang Khong Clean Energy Company Limited
- 2014 – Present Director and Chief Corporate Planning Officer
Nathalin Company Limited
- Present Director
Linplus Retailing Company Limited
NW Resources Holding Company Limited
Rich Retailing Company Limited
N.A.T. Mart Company Limited
Subpud Energy 1 Company Limited
Subpud Energy 2 Company Limited
Black Dolphin Company Limited
Gold Dolphin Company Limited
Dolphin Group Company Limited
Bio Tech Green Energy Company Limited

Working Experiences in the Last 5 Years

-None-

Position in other listed companies

-None-



Ms. Neeracha Panboonhom

Director (Authorized Director)

Age: 39 Years

Date of first appointment as director: 1 February 2020

Proportion of shareholding in the Company:

Own share : 5,761,000 shares
(0.23% of total issued shares)

Relationship Persons* : None

Family relationship between director and executive: None

Educations

- Master of Business Administration, RMIT University, Melbourne, Australia
- Bachelor of Business Administration, Assumption University

Training Programs by the Thai Institute of Directors Association (IOD)

- Risk Management program for Corporate Leader (RCL), Class 4/2016
- Director Certification Program (DCP), Class 170/2013
- Director Accreditation Program (DAP), Class 92/2011

Other Training / Seminars

- Industrial and Investment Development for Executive (IBID) Class 2/2015
- Masterclass in Private Equity by London Business School (LBS) 2014, London, England
- Modern Marketing Management (MMM), Class 40, Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University
- Fundamentals of petroleum economics, Petroleum Institute of Thailand
- The Young Executive Program in Energy Literacy for a Sustainable Future YTEA, Class 7
- Anti-corruption: The practical guide
- IT Security Awareness and Enhancing Office 365
- Financial reporting Standards that effective in 2020

Working experiences

2020 – Present Director
Prima Marine Public Company Limited

Position in other listed companies

2011 – Present Director, Chairman of the Executive Committee, and President & Chief Executive Officer
Sea Oil Public Company Limited

Position in other non-listed companies or organizations

2020 – Present Director
Amity Asset Management Inc.

2020 – Present Director
Orion Twenty Company Limited

2020 – Present Director
Vega Twenty Company Limited

2020 – Present Director
Titan Twenty Company Limited

2019 – Present Director
Energon Pte. Ltd.

2016 – Present Director
Sea Oil Petrochemical Co., Ltd.

2015 – Present Director
Sea Oil Petroleum Pte. Ltd.

2015 – Present Director
Sea Oil Offshore Limited

2014 – Present Director
Sea Oil Energy Limited

2012 – Present Director
Nathalin Company Limited

Working Experiences in the Last 5 Years

2017 – 2020 Director
Living Energy Co., Ltd. and its subsidiaries*

Remarks:

* Subsidiaries included; Sunny Solar Co., Ltd. / Sun Link Power Co., Ltd. / Solar Town Co., Ltd. / Sky Solar Power Co., Ltd. / Sky Solar Roof Co., Ltd. / NW Green Power Co., Ltd. / NW Solar Co., Ltd. / NW Energy Co., Ltd.



Ms. Suthasinee Muenlamay

Vice President of Commercial and Investment / Member of the Board of Executives

Age: 37 Years

Date of first appointment as executive: 1 January 2021

Proportion of shareholding in the Company:

Own share : None

Relationship Persons* : None

Family relationship between director and executive: None

Educations

- Master of Business Management (Merit), Oxford Brookes University, Oxford, UK
- Bachelor of Product Development of Agro-industry (1st Class Honor), Kasetsart University

Training Programs by the Thai Institute of Directors Association (IOD)

-None-

Other Training / Seminars

- Fundamentals of Petroleum Economics by Petroleum Institute of Thailand, February 2018
- Financial Management and Tax Planning by The Faculty of Economics, Chulalongkorn University Thailand, April-May 2016
- LNG/Gas Contracts - Negotiation, Drafting and Administration by IBC Asia Singapore, May 2015
- LNG Cargo Operations, Transportation and claims by IBC Asia Singapore, March 2015
- Tanker Chartering, Laytime and Demurrage by IBC Asia Singapore, June 2014
- Fundamental of Technical and Commercial of Tankers by NYK Line, Japan, May 2014
- Fundamental of Laytime and Demurrage by IBC Asia Singapore, March 2014
- Business Strategy, Law and Tax for Merger and Acquisition

Working experiences

- | | |
|----------------|--|
| 2021 – Present | Vice President of Commercial and Investment Prima Marine Public Company Limited |
| 2021 – Present | Acting Director of Project Investment and Quality Assurance Prima Marine Public Company Limited |
| 2020 – Present | Member of the Board of Executives Prima Marine Public Company Limited |

Position in other listed companies

-None-

Position in other non-listed companies or organizations

- | | |
|----------------|---|
| 2021 – Present | Director Protea Investments Group Limited |
| 2020 – Present | Director Phurich Marine Company Limited |
| 2020 – Present | Director Amity Asset Management Inc. |
| 2020 – Present | Director N.T.L. Marine Company Limited |
| 2020 – Present | Director Bongkot Marine Services Company Limited |
| 2020 – Present | Director Nathalin Shipping Pte. Ltd. |
| 2018 – Present | Director Thaimarine Tanker Company Limited |
| 2018 – Present | Director Singha Tankers Company Limited |
| 2018 – Present | Director Top Nautical Star Company Limited |

Working Experiences in the Last 5 Years

- | | |
|-------------|---|
| 2013 – 2018 | Manager of Commercial Department TOP-NTL Pte. Ltd. |
|-------------|---|



Ms. Nipat Eamsiriwat

Commercial Director (Commercial 1)

Age: 44 Years

Date of first appointment as executive: 1 September 2015

Proportion of shareholding in the Company:

Own share : None

Relationship Persons* : None

Family relationship between director and executive: None

Educations

- Master of Science in Logistics and Supply Chain Management, Burapha University
- Bachelor of Business Administration (Human Resource Management), Rajabhat Rajanagarindra University

Training Programs by the Thai Institute of Directors Association (IOD)

-None-

Other Training / Seminars

- Marketing Knowledge for Ship Business Unit

Working experiences

2015 – Present Commercial Director (Commercial 1)
Prima Marine Public Company Limited

Position in other listed companies

-None-

Position in other non-listed companies or organizations

2021 – Present Director
Protea Investments Group Limited

2021 – Present Acting Managing Director
Big Sea Company Limited

2020 – Present Director
Phurich Marine Company Limited

2020 – Present Managing Director
N.T.L. Marine Company Limited

2020 – Present Managing Director
Thaimarine Tanker Company Limited

2018 – Present Director
Big Sea Company Limited

2018 – Present Director
BSC Management Recruitment Company Limited

2016 – Present Director
N.T.L. Marine Company Limited

2016 – Present Director
Nathalin Management Company Limited

Present Director
Thaimarine Tanker Company Limited

Working Experiences in the Last 5 Years

-None-



Mr. Anantachai Auttama

Ship Management Business Director

Age: 53 Years

Date of first appointment as executive: 3 August 2020

Proportion of shareholding in the Company:

Own share : None

Relationship Persons* : None

Family relationship between director and executive: None

Educations

- NIDA Executive Mini MBA, National Institute of Development Administration (NIDA)
- Bachelor's degree of Marine Mechanical Engineering, Merchant Marine Training Centre

Training Programs by the Thai Institute of Directors Association (IOD)

-None-

Other Training / Seminars

- Enterprise Risk Management by Prima Marine at Bangkok, Thailand
- Safety Officer at Management Level by Safety and Health at Work Promotions Association (Thailand)
- Human Resource Management and Industrial Relations by Chulalongkorn, University, (Certificate)
- IMO Level 2 Oil Spill Response Training Course (OICMF)
- Tanker Operations by IBC Maritime Training Academy at Singapore
- New Construction Project Management Course by Lloyd's Register at Shanghai, China
- Marine New Construction Course by Lloyd's Register at Shanghai, China
- Material & Non-Destructive Examination course by Lloyd's Register at Shanghai, China
- ISM & ISPS Code International Training Course by American Bureau of Shipping, Bangkok
- ILO (MLC 2006) Inspector Course by Lloyd's Register at Singapore
- FQMP and Eliminating Substandard Shipping course by Lloyd's Register at Singapore
- Vessel Resource Management Course by ST Education & Training Pte Ltd, Singapore

Working experiences

2020 – Present Ship Management Business Director
Prima Marine Public Company Limited

Position in other listed companies

-None-

Position in other non-listed companies or organizations

2020 – Present Director
Nathalin Management Company Limited

2020 – Present Director
BSC Management Recruitment Company Limited

2020 – Present Director
T.I.M. Ship Management Company Limited

Working Experiences in the Last 5 Years

2019 – 2020 Technical advisor
Double A & NPS Group - NPS Ocean Star Company Limited

2559 – 2562 Fleet Director
Double A & NPS Group - NPS Ocean Star Company Limited



Mr. Viritphol Churaisin

Chief Financial Officer (The person taking the highest responsibility in finance and accounting) / Member of the Board of Executives

Age: 59 Years

Date of first appointment as executive: 1 January 2017

Proportion of shareholding in the Company:

Own share : None

Relationship Persons* : None

Family relationship between director and executive: None

Educations

- Master of Public Administration, National Institute of Development Administration
- Bachelor of Business Administration, University of Thai Chamber of Commerce

Training Programs by the Thai Institute of Directors Association (IOD)

-None-

Other Training / Seminars

- Strategic CFO In Capital Markets Program, Class 5/2017
- Orientation Course CFO (Focus on Financial Reporting)
- TLCA CFO Professional Development Program

Working experiences

2560 – Present Chief Financial Officer, and Member of the Board of Executives
Prima Marine Public Company Limited

Position in other listed companies

-None-

Position in other non-listed companies or organizations

2021 – Present Director
Protea Investments Group Limited

2020 – Present Director
Phurich Marine Company Limited

2017 – Present Director
N.T.L. Marine Company Limited

2017 – Present Director
Thaimarine Tanker Company Limited

2017 – Present Director
Nathalin Management Company Limited

Working Experiences in the Last 5 Years

2017 – 2019 Director
Orchard Navee Company Limited

1992 – 2016 Director of Financial Department
Nathalin Company Limited

Ms. Kusuma Moowan

Accounting Manager (The person supervising accounting)

Age: 39 Years

Date of first appointment as the person supervising accounting: 1 February 2016

Proportion of shareholding in the Company:

Own share : None

Relationship Persons* : None

Family relationship between director and executive: None

Educations

- Master of Accountancy, Ramkhamhaeng University
- Bachelor of Accountancy, Southeast Bangkok College
- High Vocational Certificate of Accountancy, Attawit Commercial School

Training Programs by the Thai Institute of Directors Association (IOD)

-None-

Other Training / Seminars

- Tax Planning
- Tax Law and Retroactive Tax Inspection
- Change of Tax and fill in the P.N.D 50
- Tax for Accounting Manager, Accountant, and Head of Accounting Department
- Annual Financial Report
- Consolidated Financial Statements PACK5 and preparation problem of Consolidated Financial Statements
- New TFRS15 and TFRS16 and impact on tax preparation and net profit calculation
- The submission of Financial Statements via e-filing system for accountant
- Financial Reporting Standard for new listed company
- Dealing with disruption and adapting to survive and thrive
- Thailand Financial Reporting Standard direction (TFRSs / TFRS for NPAs)
- Finance for executive
- TFRS 9 Financial Instruments (Implementation and Example)
- Preparation of Cash Budgeting for the Top Executive's planning and decision
- Tax Planning for Corporate Income Tax vs. Value Added Tax

Working experiences

2016 – Present Accounting Manager
Prima Marine Public Company Limited

Position in other listed companies

-None-

Position in other non-listed companies or organizations

-None-

Working Experiences in the Last 5 Years

-None-

Ms. Udornrat Sitthikorn

Company Secretary

Age: 45 Years

Date of first appointment as company secretary: 2 July 2018

Proportion of shareholding in the Company:

Own share : None

Relationship Persons* : None

Family relationship between director and executive: None

Educations

- Master of Business Systems, Monash University
- Bachelor of Accountancy, Chulalongkorn University

Training Programs by the Thai Institute of Directors Association (IOD)

- Anti-Corruption the Practical Guide (ACPG), Class 47/2018
- Company Reporting Program (CRP), Class 22/2018
- Effective Minutes Taking EMT, Class 13/2009
- Company Secretary Program (CSP), Class 30/2009

Other Training / Seminars

- Advances for Corporate Secretaries, Class 1/2017, Thai Company Secretary Club

Working experiences

2018 – Present Company Secretary
Prima Marine Public Company Limited

Position in other listed companies

-None-

Position in other non-listed companies or organizations

-None-

Working Experiences in the Last 5 Years

2017 – 2018 Senior Manager Investor Relations and
Company Secretary
Origin Property Public Company Limited

Remarks:

Relationship Persons means

- (1) spouse or cohabiting couple;
- (2) minor child;
- (3) juristic person wherein directors, executives and the persons in (1) and (2) hold shares at an aggregate amount exceeding thirty percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof.

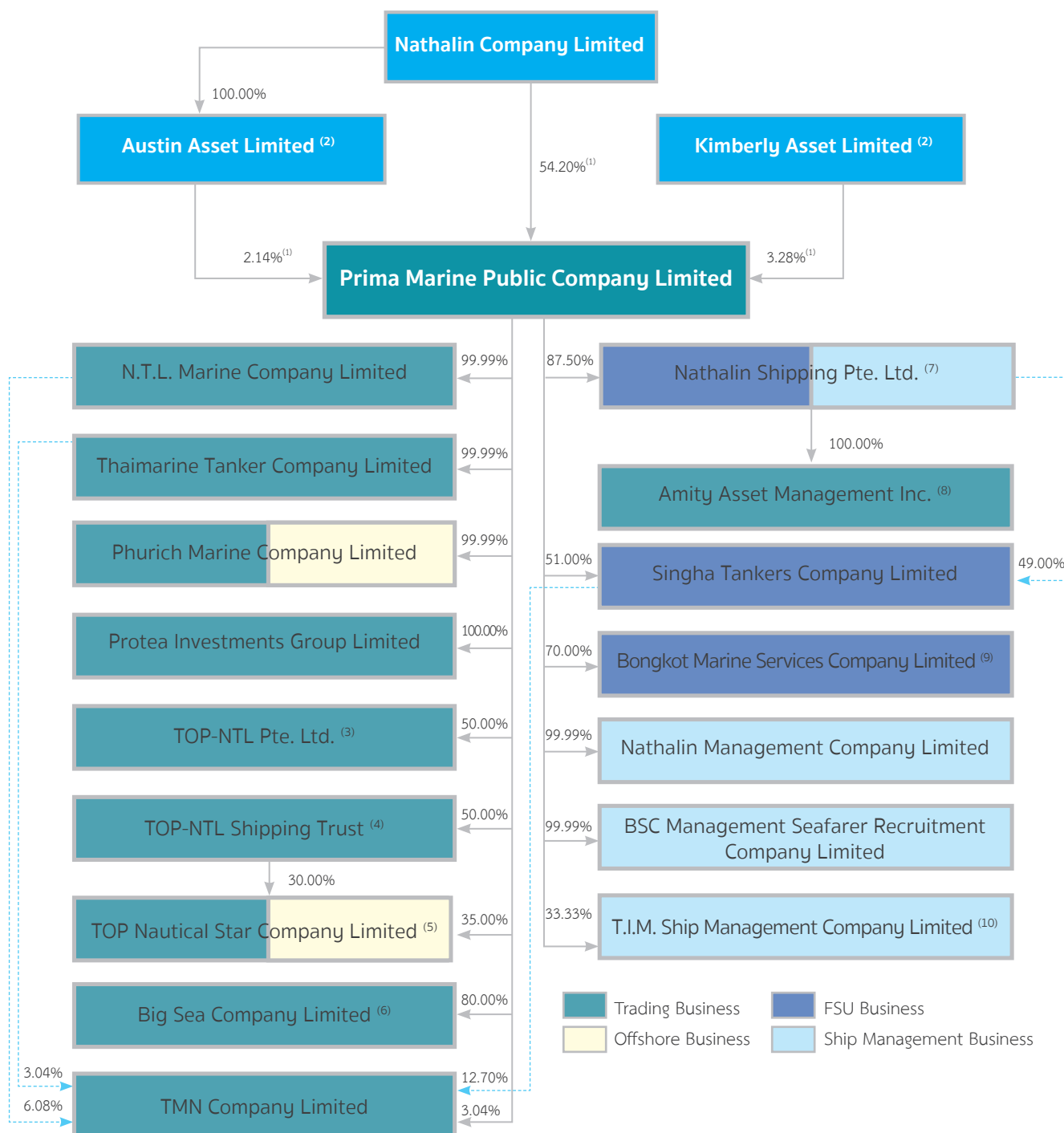
Significant change and development during the past 3 years

| Year | Events |
|------|--|
| 2018 | <ul style="list-style-type: none"> • In January 2018, the Company Group received a new build vessel named “Sri Kanchanadit”, a small vessel with capacity of 3,000 DWT for Trading Business, to support the transportation of products that increase according to the demands of major domestic oil companies. • In February 2018, the Company Group sold the vessel named “Northern Star” which is the VLCC-sized vessel in FSU Business to adjust its business plan to be in line with the volatile market conditions. • The Company Group signed to acquire assets by purchasing a total of 360,000 ordinary shares in Big Sea Co., Ltd., which is a limited company operating a marine oil transportation service for oil companies in Thailand, phase I was on 2 July 2018, the Company Group purchased 252,000 ordinary shares, representing 70% of the total ordinary shares with a total amount of 1,540,000,000 Baht (which are cash payment 1,400 million Baht and obligation to pay 140 million Baht). • In July 2018, the Company Group sold the Vessel named “Amity Star” which is the VLCC-sized vessel used in FSU Business, to adjust its business plan to be in line with the volatile market conditions. • In July 2018, the Company Group purchased and received a second-hand vessel named “Siri Pipat”, a small vessel with a capacity of 3,500 DWT for the Trading Business, to support the transportation of liquid petrochemical products according to the demands of major domestic oil companies. • N.T.L. Marine Co., Ltd. increased its registered capital amounting 250,000,000 baht (from 703,000,000 Baht to be 953,000,000 Baht) to prepare itself for the investment in 4 new build vessels. • The Company has been ranked as a company with good corporate governance at “very Good” or 4 stars level under the project of Corporate Governance Report of Thai Listed Companies for the year 2018 (or CGR 2018) organized by the Thai Institute of Directors Association. |
| 2019 | <ul style="list-style-type: none"> • The Company Group received of 5 new vessels with capacity of 3,000 DWT named Sri Surat, Sri Chaiya, Sri Tahphet, Sri Phunpin and Sri Phumriang, respectively and 1 new vessel with capacity of 5,300 DWT (BS106), all are vessels used in the Trading Business to support the increased transportation of goods as required by domestic major oil traders, between January - September 2019. • The Company Group purchased 3 VLCC-sized vessels to be used in the FSU Business named Aquarius Star, Crystal Star, and Darin Star, respectively to support our customers’ needs for storage of Low Sulphur Fuel Oil, between January - August 2019. • N.T.L. Marine Co., Ltd. increased its registered capital amounting 100,000,000 Baht (from 953,000,000 Baht to be 1,053,000,000 Baht) to invest in new vessels according to the 2019 investment plan. • Singha Tankers Co., Ltd. increased its registered capital amounting 340,000,000 Baht (from 622,000,000 Baht to be 962,000,000 Baht) to support the Company’s business operations. • The Company purchased additional ordinary shares of TMN Co., Ltd. from existing shareholders in the amount of 4,406,738 shares or 6.62% of a total issued share of TMN Co., Ltd. Total value of 43,359,552 Baht. |

| Year | Events |
|------|--|
| 2019 | <ul style="list-style-type: none"> • The Company Group signed to acquire assets by purchasing additional ordinary shares of in Big Sea Co., Ltd. in the second phase for 36,000 shares, equivalent to 10 percent of the total issued shares of Big Sea Co., Ltd., resulting in holding totally 288,000 ordinary shares of Big Sea Co., Ltd., equivalent to 80 percent of the total issued shares of Big Sea Co., Ltd., totaling 1,687,953,608 Baht, on 13 August 2019. • The Company has been ranked as a company with good corporate governance at “Excellent” or “5-star” level under the project of Corporate Governance Report of Thai Listed Companies for the year 2019 (or CGR 2019) organized by the Thai Institute of Directors. • On 4 November 2019, the Company has been certified as a member of the Private Sector Collective Action Coalition Against Corruption (“CAC Project”) by the Private Sector Collective Action Coalition Against Corruption Council for 3 years period. • Orchard Navee Co., Ltd., a subsidiary of the Company, has registered the dissolution of business on 30 January 2019 and registered the completion of liquidation process on 23 December 2019, due to none of internal business operations. • Srithai Capital Co., Ltd., a joint venture company, has registered the dissolution of business on 30 January 2019 and registered the completion of liquidation process on 26 December 2019, due to the expiration of project contract. |
| 2020 | <ul style="list-style-type: none"> • N.T.L. Marine Co., Ltd. increased its registered capital amounting 147,000,000 Baht (from 1,053,000,000 Baht to be 1,200,000,000 Baht) to support the expansion of its business. • Singha Tankers Co., Ltd. increased its registered capital amounting 238,000,000 Baht (from 962,000,000 Baht to be 1,200,000,000 Baht) to support the expansion of its business. • On 28 September 2020, Nathalin Shipping Pte. Ltd., a subsidiary of the Company, has established a new subsidiary in Republic of Panama named “Amity Asset Management Inc.” to operate the marine transportation of petroleum products with the registered capital of USD 10,000. • The Company Group received a new build vessel named “Sri Lumphu”, a small vessel with capacity of 3,000 DWT for Trading Business, to support the transportation of products that increase according to the demands of major domestic oil companies. • The Company has established a new subsidiary in Thailand named “Phurich Marine Company Limited” to operate the marine transportation of petroleum products with the registered capital of 1,000,000 Baht divided into 10,000 ordinary shares at the par value of 100 Baht per share. • The Company has been ranked as a company with good corporate governance at “Excellent” or “5-star” level for the second year in a row under the project of Corporate Governance Report of Thai Listed Companies for the year 2020 (or CGR 2020) organized by the Thai Institute of Directors. • On 23 December 2020, Phurich Marine Company Limited, a subsidiary of the Company, entered into the Share Purchase Agreement with Thai Oil Public Company Limited to acquire all ordinary shares of Thailoil Marine Company Limited totaling 97,000,000 shares, with a par value of 10 Baht per share. |

Shareholding Structure of the Company Group

(Information as of 28 February 2021)



Remarks

- (1) Information as of 27 November 2020
- (2) Registered company in Hong Kong
- (3) Thail Marine Company Limited holds 50.00% of shares
- (4) Thail Marine Company Limited holds 50.00% of shares
- (5) Thail Marine Company Limited holds 35.00% of shares
- (6) TWATT Limited holds 20.00% of shares
- (7) Other shareholder holds 12.50% of shares
- (8) Registered company in Republic of Panama
- (9) Bangchak Corporation Public Company Limited holds 30.00% of shares
- (10) Thai Oil Marine Company Limited holds 33.33% of shares and Mr. Nopadol Keawsuwan holds 33.33% of shares

Relationship with the Major Shareholders' Business Group



As of 27 November 2020, a major shareholder of the Company is Nathalin Company Limited which has been 54.20% of the total issued and sold shares of the Company and indirectly held 2.14% of the total issued and sold shares of the Company via Austin Asset Limited.

As of 31 December 2020, the business operation of Nathalin Company Limited and its affiliates (“Nathalin Group”) is classified into 4 core business groups consisting of (1) Ship Business Unit (2) Trading & Service Business Unit (3) Global Energy Business Unit (4) Business Investment Unit. Nathalin separates the clear scope of business operation of the companies in the Group whereas the Company is the Flagship Company of Ship Business Unit.

For prevention of contingent conflict of interests, Nathalin company Limited sent Non-Business Competition Confirmation Letter) dated 19 April 2017 to the Company whereas Nathalin Company Limited agrees not to invest in assets related to operation of the core businesses of the Company Group or not to hold shares exceeding 10% in other companies that engage in the business that may have conflict of interests or operates the business that has similar nature or may compete with the business of the Company Group unless it is the shareholding in the company and/or execution in accordance with the effective contracts of Nathalin Company Limited or its subsidiaries.

Revenue Structure and Number of Vessels

The following table shows the revenue structure of the Company Group divided into the core business in the past 3 years.

| Business Group | For the accounting year ended | | | | | |
|----------------------|-------------------------------|--------------|---------------------------|------------|---------------------------|------------|
| | 31 December 2018 | | 31 December 2019 | | 31 December 2020 | |
| | Revenue (Million Baht) | % | Revenue (Million Baht) | % | Revenue (Million Baht) | % |
| 1. Trading Business | 2,254.0 | 50.3 | 2,587.9 | 48.4 | 2,203.2 | 37.2 |
| 2. FSU Business | 1,395.7 | 31.2 | 1,940.9 | 36.3 | 3,248.6 | 54.8 |
| 3. Offshore Business | 471.8 | 10.5 | 491.3 | 9.2 | 225.5 | 3.8 |
| 4. SM Business | 358.2 | 8.0 | 326.6 | 6.1 | 248.4 | 4.2 |
| Total | 4,479.7 | 100.0 | 5,346.7 | 100 | 5,925.7 | 100 |

As of 31 December 2020, the fleet of the Company Group can be divided into the nature of business of the Company Group as follows:

| Type of vessel | Owned by the Company and its subsidiaries | | Owned by Joint Venture | | Hired by the Company Group* | | Total | |
|----------------------------------|---|---------------------|------------------------|-------------------|-----------------------------|----------|---------------|---------------------|
| | No. of vessel | DWT | No. of vessel | DWT | No. of vessel | DWT | No. of vessel | DWT |
| 1. Vessel | | | | | | | | |
| 1.1 Trading Vessel | | | | | | | | |
| Small Vessel (0 - 20,000 DWT) | 30 | 100,476.96 | - | - | - | - | 30 | 100,476.96 |
| Aframax Vessel | 1 | 105,996.00 | - | - | - | - | 1 | 105,996.00 |
| Total | 31 | 206,472.96 | - | - | - | - | 31 | 206,472.96 |
| 1.2 FSU Vessel | | | | | | | | |
| VLCC Vessel | 7 | 2,127,430.00 | 1 | 299,930.00 | - | - | 8 | 2,427,360.00 |
| Total | 7 | 2,127,430.00 | 1 | 299,930.00 | - | - | 8 | 2,427,360.00 |
| Grand Total | 38 | 2,333,902.96 | 1 | 299,930.00 | - | - | 39 | 2,633,832.96 |
| 2. Other Vessel | | | | | | | | |
| AWB Vessel | 1 | 13,207.00 | - | - | - | - | 1 | 13,207.00 |

Remark: * Vessel hired by the Company Group means the vessel that the Company Group has entered into the Bareboat Affreightment Contract and Time Charter Contract for managing the ship by themselves and then provide services to the customer of the Company Group.

Business Overview

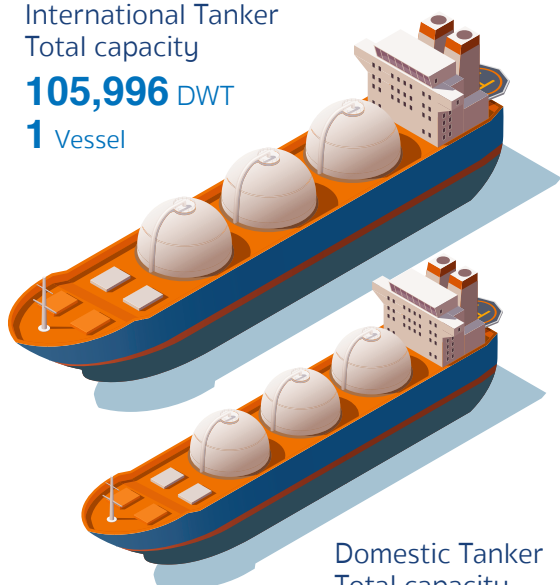
The Company Group provides one-stop services of shipment and floating storage unit of crude oil, refined oil products, and liquefied petrochemicals to the customers upon customer demands and provides services of Offshore Support Vessel for petroleum exploration and production, and ship management which is the key of supply chain of oil and petrochemical industry. The core businesses of the Company Group are classified into four types of businesses as follows.

1 Oil and Petrochemical Tanker Business (“Trading Business”)

International Tanker
Total capacity

105,996 DWT

1 Vessel



Domestic Tanker
Total capacity
100,476.96 DWT
30 Vessels

The Company Group provides transportation service of crude oil, refined oil products, and liquefied petrochemicals (“Products”) to the customers that operate oil refinery business, and the major oil trader to transport the cargo to the destination specified by the customers. It gives precedence to safety, occupational health and environment, quality control of the products as determined by customers without contamination and alteration of chemical property of the transported products, and punctuality of transportation. Trading Business consists of domestic oil and petrochemical tanker, and international oil and petrochemical tanker.

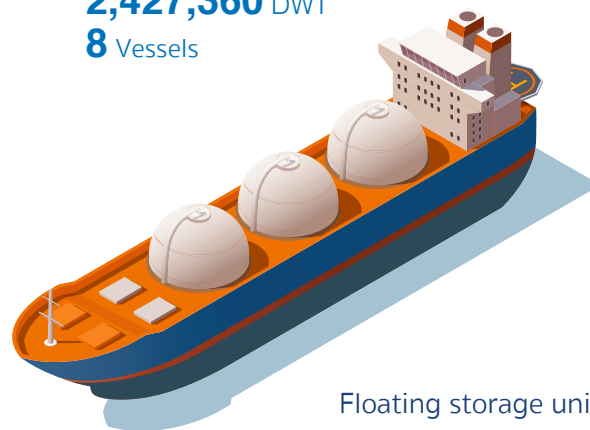
2 Floating Storage Unit (“FSU”) Business (“FSU Business”)

FSU Vessel

Total capacity

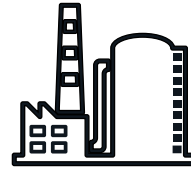
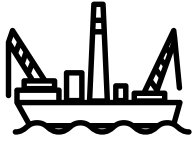
2,427,360 DWT

8 Vessels



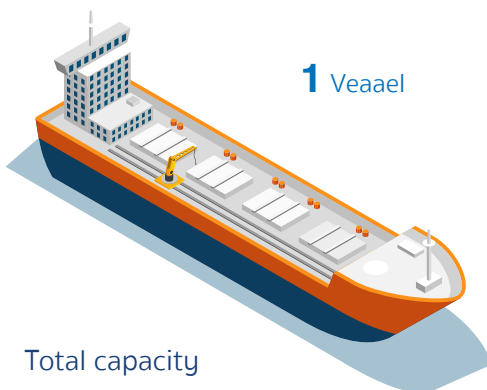
Floating storage unit
15-17 tanks/vessel

The Company Group provides Floating Storage Unit (FSU) services of crude oil and fuel oil by using vessel which has big cargo storage tank as storage place. The Company Group has duty to store cargo of the customer to have quality, property and quantity as determined by the customer in agreed period, and also provide oil blending service on broad based on specification of oil as required by the customer for cargo distribution to other customers in the region in accordance with regulations of laws.



3 Offshore Support Vessel Business ("Offshore Business")

Accommodation
work Barge



1 Veaael

Total capacity
13,207 DWT

The Company Group provides offshore support vessel service for petroleum exploration and production to the customers which are mostly the offshore oil exploration and drilling companies. The vessels for services includes Floating Storage and Offloading Unit (FSO) for oil drilling platform, Accommodation Work Barge (AWB) Vessel for oil drilling platform staffs, and Crew Boat vessel for the ship crew transportation etc.

4 Ship Management Business ("SM Business")



Crew Management



Technical

Ship management is important for core business operation of the Company Group. The main scope of work consists of navigation conning and controlling, supply of crews, training organizing pursuance to the international regulations and standards, and health and safety care of crews, maintenance of vessel hull, engine, and tools and equipment, execution of license and documents related to the government agencies, etc.

Nature of Business

1 Oil and Petrochemical Tanker Business (“Trading Business”)

The Company Group provides its transport services of crude oil, refined oil products, and liquefied petrochemicals to the customers that operate the oil refinery business and major oil traders, and to ship cargoes from different places to other destinations. The Company Group shall supply the efficient oil tankers to meet the customer’s demands including provide crew members who have knowledge, abilities and expertise for safe transportation of goods in accordance with customers’ demands as well as for performance of works as per conditions agreed between the Company Group and its customers.

1.1 Nature of service provision

The Company Group provides its marine transport services in two main shipping routes including 1) domestic transport route, and 2) international transport route as per the following details.



Domestic transport route

The tankers of the Company Group shall pick up cargoes from the oil refineries, fuel depots, or ports of loading, and deliver to fuel depots or ports of discharge using tankers with tonnage capacity of not over 10,000 DWT for transport. Two transport routes are divided, based on the type of vessel which is registered for Thai vessel, into 1) Local Trade Vessel Routes, and 2) Vessel Engaged on Near-Coastal Voyages Routes.

1) Local Trade Vessel Routes The oil and liquefied petrochemical tankers of the Company Group shall pick up cargoes from oil refineries, fuel depots, or ports of loading in Thailand, such as Si Racha, Rayong and Bangkok (Bang Chak), and deliver cargoes at fuel depots or ports of discharge in Thailand such as Surat Thani, Samut Sakhon, Phuket, Songkhla and Bangkok.

2) Vessel Engaged on Near-Coastal Voyages The oil and liquefied petrochemical tankers of the Company Group shall pick up cargoes from oil refineries, fuel depots, or ports of loading in Thailand or between the countries which are the neighboring countries such as Singapore, Vietnam, Cambodia, Malaysia, and Myanmar, etc., and deliver to cargoes to fuel depots or port of discharge in Thailand or between the countries which are the neighboring countries as well.



Interational transport route

The tankers of the Company Group shall pick up cargoes from ports of loading in Singapore to ports in various countries which are the international transport routes. The Company Group shall use tankers with the tonnage capacity of over 10,000 DWT in type of Aframax with tonnage capacity of 80,000 – 120,000 DWT for transport.

1.1.1 Products transported by the Company Group

Those transported products are crude oil, refined oil product, and liquefied petrochemicals such as benzene, diesel, A1 jet fuel, Naphtha, Cyclohexane, Ethanol, Paraxylene, mixed xylene and Toluene, etc.

1.1.2 Form of shipment service contract

The Company Group enters into the business agreement of 3 types of shipment services as per the following details:

(1) Voyage Charter Contract (“VOYAGE”) The Company Group provides tanker service to its customers for cargo shipment in voyage itinerary. The Company Group shall execute shipment and take responsibility of the important cargo shipment expenses such as 1) ship management fee, 2) crew salary and remuneration, 3) fuel oil expense for tanker navigation, 4) Port Due and Port Charge in seaport access and exit, 5) vessel repair and maintenance costs, 6) lubricating oil expense, and 7) cost of insurance.

VOYAGE can be classified into two types as follows

➤ Spot Charter Contract (“SPOT”)

The Company Group shall provide SPOT shipment service based on the customer’s requirement whereas the customer shall define the specification of trading vessel, type of trading vessel, type and volume of shipped cargo, shipment timetable, and place of cargo receiving and delivery, to the Company in order to make an agreement on the rate of spot shipment service charge and prepare Procurement Form to propose the customer in spot term.

➤ Contract of Affreightment (“COA”)

The Company Group shall provide COA for customer that requires continuous shipment since the customer has large volume of cargoes. The important condition such as monthly minimum number of voyages, name list of trading vessels, freight rate, certain route of shipment, type and volume of product, and advance notice period for utilization requirement, etc., shall be specified.

(2) Time Charter Contract (“TC”) The Company Group provides TC shipment service for customer that requires the continuous shipment of large volume of cargoes and requires specific tanker for day and night control and availability. The customer therefore is able to more efficiently manage goods production process and inventory since the customer is able to release inventory all the time upon requirement. The important condition of TC shipment such as name of trading vessels, type and volume of shipped cargo, and freight rate, shall be specified.

For TC, the vessel owner shall be responsible for the following expenses: 1) ship management fee, 2) crew remuneration, 3) vessel and machinery maintenance service expense, 4) lubricating oil, and 5) cost of insurance.

For the affreighting party, it shall be responsible for variable expenses such as 1) bunker expense, 2) Port Due and Port Charge in seaport access and exit, and 3) other variable expenses, etc.

(3) Bareboat Contract (“Bareboat”) The Company Group shall supply bareboat and equipment on board to customer that requires to possess and control the tanker by the customer itself. The Company Group shall deliver just vessel and equipment on board only, and the customer shall have duty to supply crews, supervise works and pay expenses such as maintenance service expense, meal expense, and fuel oil expense, etc.

1.1.3 Tankers used in service

As of 31 December 2020, the Company Group owns 31 tankers in the Trading Business. Those tankers are categorized into 30 tankers in domestic tanker group with tonnage capacity of less than 10,000 DWT and approximate average age of the fleet for 13.2 years: and 1 international tanker group with tonnage capacity of over 10,000 DWT in type of Aframax (lading capacity from 80,000 – 120,000 DWT) and age of vessel for 15.0 years.

However, the detail of the information of the vessel in the Trading Business as of 31 December 2020 are as follows.

(1) Domestic tankers

| Vessel name | Country of vessel registration | Maximum tonnage capacity (DWT) | Vessel age (Year) |
|---|--------------------------------|--------------------------------|-------------------|
| N.T.L. Marine Company Limited | | | |
| 1) Siri Thana | Thailand | 4,999.42 | 35 |
| 2) Sri Nara | Thailand | 4,999.00 | 28 |
| 3) Sri Phuket | Thailand | 4,999.00 | 28 |
| 4) Sri Bandon | Thailand | 3,138.83 | 8 |
| 5) Sri Tah Chana | Thailand | 2,975.00 | 8 |
| 6) Sri Tapi | Thailand | 3,022.00 | 4 |
| 7) Sri Khiri Chad | Thailand | 4,988.00 | 3 |
| 8) Sri Don Sak | Thailand | 3,020.76 | 3 |
| 9) Sri Kanchanadit | Thailand | 2,911.00 | 3 |
| 10) Siri Pipat | Thailand | 3,497.15 | 20 |
| 11) Sri Surat | Thailand | 3,000.00 | 2 |
| 12) Sri Tahphet | Thailand | 2,998.20 | 2 |
| 13) Sri Chaiya | Thailand | 3,066.00 | 2 |
| 14) Sri Phumriang | Thailand | 2,998.80 | 2 |
| 15) Sri Phunpin | Thailand | 2,998.90 | 2 |
| 16) Sri Lunphu | Thailand | 2,998.90 | 2 |
| Thai Marine Tanker Company Limited | | | |
| 1) Bhureemas | Thailand | 7,099.00 | 11 |
| Big Sea Company Limited | | | |
| 1) Big Sea 9 | Thailand | 1,929.00 | 32 |
| 2) Big Sea 10 | Thailand | 1,830.00 | 32 |
| 3) Big Sea 14 | Thailand | 2,473.00 | 29 |
| 4) Big Sea 15 | Thailand | 1,890.00 | 28 |
| 5) Big Sea 17 | Thailand | 2,412.00 | 26 |
| 6) Big Sea 20 | Thailand | 1,907.00 | 26 |
| 7) Big Sea 21 | Thailand | 1,940.00 | 25 |
| 8) Big Sea 101 | Thailand | 3,200.00 | 10 |
| 9) Big Sea 102 | Thailand | 2,300.00 | 6 |
| 10) Big Sea 103 | Thailand | 2,300.00 | 6 |
| 11) Big Sea 104 | Thailand | 6,400.00 | 8 |
| 12) Big Sea 105 | Thailand | 3,187.00 | 3 |
| 13) Big Sea 106 | Thailand | 4,999.00 | 2 |
| Total tonnage capacity | | 100,476.96 | |

(2) International tankers

| Vessel name | Country of vessel registration | Maximum tonnage capacity (DWT) | Vessel age (Year) |
|---------------------------------------|--------------------------------|--------------------------------|-------------------|
| Singha Tankers Company Limited | | | |
| 1) Radiant Star | Thailand | 105,996.00 | 15 |
| Total tonange capacity | | 105,996.00 | |

1.2 Marketing and competition

1.2.1 Target customer group

The Company's target customer group is the group of large oil companies, oil refineries, and major oil traders both in the country and abroad such as PTT Plc., Shell (Thailand) Co., Ltd., Chevron (Thailand), Ltd., Esso (Thailand) Plc., Thaioil Plc., Bangchak Petroleum Plc., Mercuria Energy Group Limited, SK Energy Co., Ltd., Mitsui & Co. (Asia Pacific) Pte. Ltd., and China International United Petroleum & Chemicals Co., Ltd. (UNIPEC), etc.

1.2.2 Price policy

The Company Group determines the rate of proper shipment service fee for customers by considering from type of shipment service. The important factors that are taken into consideration in charging shipment service fee are nature of shipment, route of shipment, period of shipment, type of cargo, etc. as per the following details.

| Type of shipment service contract | Charging of shipment service fee |
|-----------------------------------|---|
| SPOT Charter Contract | The Company shall charge the rate of shipment service fee based on type of shipped cargo, fuel oil price, and shipping distance per voyage. Most of freight price is varied with retail price of diesel oil as agreed with the major oil company. |
| COA Charter Contract | The Company shall charge the rate of shipment service fee based on type of shipped cargo, fuel oil price, and shipping distance per voyage. The number of voyages or quantity of cargo, shipment period in type of single continual voyage, are determined. Most of freight price is varied based on retail price of diesel oil as agreed with the major oil company. |
| TC Charter Contract | The Company shall charge shipment service fee under Time Charter whereas service fee is dependent on period, size of vessel that provides shipment service, and wage of the ship manager. |
| Bareboat Charter Contract | The Company shall charge shipment service fee under Charter for the whole vessel whereas shipment service fee is dependent on period and size of vessel that provides shipment service. |

The Company's policies in determining the rate of shipment service include the followings:

1. The pricing policy using Cost Plus Method whereas the cost and expense of shipment service are plus with profit as determined by the Company. In such pricing, demand and supply condition of the market are also considered.
2. The pricing policy in comparison with its competitor under concern on the actual cost and business opportunity in acquisition of new customer base as the major factors.

1.2.3 Industry competition

In the domestic tanker industry, there have been few entrepreneurs since it is the business that requires use of very high investment fund for investment in vessel and vessel equipment and very high operating expenses such as fuel oil expense, personnel expense, and insurance expense, etc. In addition, it must rely on the personnel who are experienced and expert in operation of oil shipment certified by the domestic regulatory agencies.

However, the tanker industry between the countries has quite fluctuated. Even though there have been large number of entrepreneurs but an entry to be the competitor in the market must use high investment fund, experiences in perceiving the international tanker market direction, and the personnel with operating expertise. However, the Company Group has still foreseen the opportunity of the international tanker industry growth due to the continuous increasing requirement of oil consumption in Asia Pacific Region.

2 Floating Storage Unit (“FSU”) Business (“FSU Business”)

2.1 Nature of service provision

The Company Group provides shipment and storage services for crude oil and fuel oil in type of Floating Storage Unit (FSU) with leasing out the tank of the FSU vessel for storage or transport of cargoes which improving Very Large Crude Carrier (VLCC) or carrier with tonnage capacity of 160,000 – 320,000 DWT to have 15 - 17 large square storage tank per vessel for oil storage and blending place to meet the customer’s demand. The leasing out the tank of the FSU vessel is classified as leasing out the whole tanks for storage of cargoes in the whole vessel and leasing out of some tanks for storage. The three types of services are offered including: 1) Solely Storage Service, 2) Fuel Mixing by Air Agitation and Inter Tank Transfer methods, and 3) Fuel Heating Service.

However, the Company Group can provide services of storage and transport of cargoes in the type of Floating Storage Unit in both domestic and overseas. In 2020, 6 FSU Vessels of the Company Group have been docked at Tanjung Pelapas Port in Malaysia for providing storage and mixing services of Low Sulphur Fuel Oil of less than 0.5% by weight or Low Sulphur Fuel Oil. One FSU Vessel has been docked at Linggi in Malaysia for providing storage and mixing services of crude oil. In addition, another one FSU Vessel has been docked at the back of Ko Si Chang, Ko Si Chang District, Chon Buri Province, for providing storage and mixing services of crude oil.



Operating location of FSU Vessels in Malaysia

2.1.1 Products of which the Company Group provide services of transport and storage:
Those products are crude oil and fuel oil.

2.1.2 Form of shipment and storage service contract

The form of most of shipment and storage service contracts is Time Charter Contract for 1-2 years term. In the contract, docking area, storage and shipment period, storage and shipment charge, etc. shall be specified.

2.1.3 Vessels used in shipment and storage

The Company Group shall supply FSU Vessel which is appropriate for customer requirement under concern on characteristic and property of stored cargo, cargo volume required by the customer for storage, and period required by customer for storage of cargo. As of 31 December 2020, the Company Group owns 8 vessels in the FSU Business and approximate average age of the fleet for 21.9 years

Table showing the information of Floating Storage Unit (FSU) Vessels of the Company Group as of 31 December 2020

| Vessel name | Country of vessel registration | Maximum tonnage capacity (DWT) | Vessel age (Year) |
|--|--------------------------------|--------------------------------|-------------------|
| Prima Marine Public Company Limited | | | |
| 1) Energy Star | Thailand | 309,966.00 | 23 |
| 2) Aquarius Star | Thailand | 298,641.00 | 19 |
| 3) Crystal Star | Thailand | 298,570.00 | 20 |
| 4) Darin Star | Thailand | 299,700.00 | 26 |
| Singha Tankers Company Limited | | | |
| 1) Grace Star | Thailand | 312,638.00 | 19 |
| 2) Jubilee Star | Thailand | 309,892.00 | 24 |
| Bongkot Marine Services Company Limited | | | |
| 1) Bongkot Star | Thailand | 299,930.00 | 23 |
| Amity Asset Management Inc. | | | |
| 1) Fortune Star | Thailand | 298,023.00 | 21 |
| Total | | 2,427,360.00 | |

2.2 Marketing and competition

2.2.1 Target customer group

The target customer group is the refinery and oil trading company group both in the country and abroad.

2.2.2 Price policy

The Company Group determines the rate of proper shipment and storage service fee for customers by considering from the form and condition of the shipment and storage service. The important factors that are taken into consideration in charging shipment and storage service fee are type of cargo, storage volume, size of vessel, route of shipment and storage, and period of service. The Company Group establishes the pricing policy as follows.

The pricing is based on cost price plus appropriate gross profit using Cost Plus Method and in accordance with the demand and supply condition of the market under requirements that the Company Group can be competitive.

The pricing is compared with the competitors and market price under concern on actual cost. However, the Company Group shall consider pricing based on the customer requirement together with the condition of the market competition.

2.2.3 Industry competition

Most of the customer group in FSU Business of the Company Group are foreign oil companies that operate in Singapore and Malaysia because they are the regional oil trading hub. These foreign oil companies mainly distribute their goods in Asia Pacific Region.

The use of high investment fund is required for entering into competition in this industry. The entrepreneurs must be expert and experienced in oil mixing under the customer requirement without loss of goods. In addition, anchorage location is also an important factor of market entry. The entrepreneur must be granted for Anchorage License from the government, and also renew the License every year.

Eleven FSU Vessels have currently been docked at Tunjung Pelepas Port in Malaysia, and six FSU Vessels of the Company Group has been stationed at the said Port. The companies that operate FSU Vessel Business in the said area include China Shipping Co., Ltd. and Sentek Marine Pte. Ltd., etc.

3 Offshore Support Vessel Business (“Offshore Business”)

3.1 Nature of service provision

The Company Group provides its services of offshore support vessel for petroleum exploration and petroleum production to customer groups of offshore oil exploration and excavation companies. The services provided include Floating Storage and Offloading Units Vessel (“FSO Vessel”) and Accommodation Work Barges (AWB).

3.1.1 Floating Storage and Offloading Unit Vessel (“FSO Vessel”)

The Group Company provides its services of transport and storage of crude oil by using vessels with characteristics of large tank of crude oil and tools for support of direct transfer of crude oil from offshore oil rigs; whereas, the Company Group shall be obliged to support and store crude oil of the customers from oil rigs and to wait for transfer of oil to small vessels for transit to oil refineries.

The Company Group owns two Aframax-sized FSO vessels for service provision to its customers with the maximum tonnage capacity of 191,754 DWT and the approximate average service life of 25 years, as per the following table:

| Vessel name | Country of vessel registration | Maximum tonnage capacity (DWT) | Vessel age (Year) |
|--|--------------------------------|--------------------------------|-------------------|
| Prima Marine Public Company Limited | | | |
| Sriracha Eagle | Thailand | 94,999.00 | 24 |
| Top Nautical Star Company Limited | | | |
| Southern Pearl | Thailand | 96,755.00 | 26 |
| Total | | 191,754.00 | |

The shipment and storage contract using FSO Vessel shall be TC contract. At present, average term of the contract has been 5 years due to necessity of the customer to control FSO Vessel day and night to support the continuous oil drilling operation.

However, the Company Group has sold the above-mentioned vessels in quarter 2 and quarter 3 of the year 2020 respectively, because it has a high service life and not worth the cost for maintenance. As of 31 December 2020, the Company Group has no FSO vessels for providing service.

3.1.2 Accommodation Work Barge (“AWB”)

The Company Group’s Accommodation Work Barge is available for petroleum drilling platform staffs of the petroleum exploration and production companies to reside during their operations on petroleum drilling platform. The Accommodation Work Barge shall be docked at the area adjacent to petroleum drilling platform of the customer to facilitate petroleum drilling platform staffs for accommodation, preserved foodstuffs and nursing.

As of 31 December 2020, the Company Group has one Accommodation Work Barge that can support 300 oil drilling platform staffs and equipped with facilities such as kitchen, dining room, and recreation room, etc.

| Vessel name | Country of vessel registration | Maximum tonnage capacity (DWT) | Vessel age (Year) |
|--|--------------------------------|--------------------------------|-------------------|
| Prima Marine Public Comapny Limited | | | |
| Nava Thanee | Thailand | 13,207 | 10 |

The service contract of Accommodation Work Barge is TC contract. At present, the term of the contract is 7 months since AWB must be stationed at the area of oil drilling platform all the time to be the accommodation of the oil drilling platform staffs.

3.2 Marketing and competition

3.2.1 Target customer group

Target custmer group of Offshore Business is the group of offshore crude oil exploration and production companies that operate offshore crude oil exploration and production inside Thailand.

3.2.2 Pricing policy

The Group Company determines rate of service fee which is appropriate for customers by considering from service form and condition. The important factors are taken into consideration in charging service fee, such as type of cargo, size of vessel, type of vessel, route of shipment and storage, and period of service.

The Company Group shall charge service fee under type of service as follows:

| Type of service | Charge of service fee |
|---------------------------------|---|
| Offshore Support Vessel Service | Service fee is charged based on Time Charter. |

The Company's pricing policy is as follows:

The pricing is based on cost price plus appropriate gross profit using Cost Plus Method and in accordance with the demand and supply condition of the market under requirement that the Company can be competitive.

The pricing is compared with the competitors and market price under concern on actual cost. However, the Company shall consider the pricing based on the customer requirement together with the condition of the market competition.

3.2.3 Industry competition

In the Offshore Support Vessel industry, the entrepreneurs have been few since it is the business that needs the use of very high investment fund in operation, such as investment of vessel and vessel equipment, and insurance expense, etc. The experiences and expertise in ship management must be used.

4 Ship Management Business ("SM Business")

4.1 Nature of service provision

The Group Company provides ship management service under the scope of major works such as Technical Management, Crew Management, and management for operation safety to crew, cargo, and hull of vessel under main environmental concern.

4.1.1 Technical Management

The Company Group on behalf of the ship manager shall control and supervise vessel to have property in conformity with maritime rules of the domestic agencies and international organizations under the following main operations

- The Company Group shall determine that the crews of engine room division or mechanics shall control and supervise maintenance, repair and general condition of the vessel and machineries and equipment in the vessel.
- Control and supervise shipyard docked work.
- Control and supervise Safe Cargo Operation.
- Control and supervise Ship Inspections and Surveys to be ready for operation in seaport of the vessel affreighting party.
- Execute about the important vessel documents of the significant agencies such as Marine Department, Customs Department, and Office of the NBTC.
- Control and supervise the vessel operation for safety of the crew, hull of vessel, property and environment in accordance with International Safety Management (ISM) System.

4.1.2 Crew Management

The Company Group manages crews to be qualified in conformity with rules and regulations of Marine Department and/or International Convention on Standard of Training, Certification and Watchkeeping for Seafarers (STCW) under the following main operations:

- Select qualified personnel for position, size of vessel, and shipping zone whereas the certification of crew as prescribed by Marine Department shall be available.
- Control and supervise crews to work safely and strictly comply with a policy for use of narcotics and alcohol drinking.
- Manage salary, other remunerations and welfare for crews pursuant to rules prescribed by the Company and coordinate the essential training for crews.
- Develop crews to have knowledge and competency adequate for efficient and effective operation.
- Annually appraise the performance of crews.

The companies in the Group that operate ship management business are: 1) Nathalin Management Co., Ltd. ("NMC"); 2) Nathalin Shipping Pte Ltd. ("NSSG"); and 3) T.I.M. Ship Management Co., Ltd. ("TIM") as per the following details:

| Company | Business Operation |
|--|--|
| Nathalin Management Co., Ltd. ("NMC") | NMC provides domestic ship management service covering small vessel (the capacity of not over 10,000 DWT) and Crew Boat. |
| Nathalin Shipping Pte Ltd. ("NSSG") | NSSG was established in Singapore to operate the business of shipment, ship management and storage for crude oil and fuel oil for foreign customers. |
| T.I.M. Ship Management Co., Ltd. ("TIM") | TIM is a company that operates domestic and foreign ship management business covering small and large vessels and Crew Boat. |

4.2 Marketing and competition

4.2.1 Target customer group

The customer group that engages in the Trading Business for Cargoes and Oil, FSU Business, and Offshore Business.

4.2.2 Price policy

The Company Group's pricing policy is based on the cost price of service plus the appropriate gross profit using Cost Plus Method, by considering the service form and service term. The important factors taken for consideration in pricing ship management service fee, such as type and size of vessel, type of service, scope of service, shipping route, and country where the vessel is operating, etc. The types of the Company Group's services cover the ship management, and crew management and the Company Group shall charge service fee for each type of service in monthly basis.

4.2.3 Industry competition

The characteristic of the domestic ship management business is specific and the costs are high in personnel incubation to be skillful in operations, resulting in few competitors in this business. In addition, in 2020, the Company Group has emphasized on operating ship management business for their vessels to support the increasing extension of fleet based on an annual investment plan.

Sourcing of products and services

For the shipment and storage of marine products service, the Company Group shall provide the important raw materials and resources, such as: (1) shipment service contracts; (2) vessels; (3) marine fuel for transport; (4) crew provision; and (5) ship maintenance, as following details:

1. Shipment service contract sourcing

The Company has two ways for acquisition of the contract including: 1) Auction and 2) Direct hire.

1.1 Auction:

The Company Group will join the auction by itself. Before participating in the auction, the Company Group will analyze the Term of Reference (TOR) and evaluate the project's return. If the Company Group has the opportunity to be awarded for the auction and can generate the appropriate return, the Company Group will approve the bidding, and prepare and provide project proposals to the customers or organizations.

1.2 Direct hire:

The Company Group will directly undertake work from the customers by entering into service contract or hiring order. However, the Company Group will consider the form of contract or hiring order, depending on the type of shipment service or storage in either SPOT or COA or TC.

2. Ship sourcing

The Company Group will supply the vessel that appropriate to the need of customers by dividing into shipment services and storage services. For shipment services, the customers will send the important details, such as type of product and its amount, port of shipment and destination, date and time for shipment required by the customers, etc. For storage services, the customers will send the important details, such as type of product and its amount, the waters and area to dock the vessel, and the duration of service, etc. The Company Group applies 3 methods to supply the vessels: 1) purchasing second-hand vessels; 2) ship rebuilding; and 3) outsourcing (trading vessel only)

2.1 Purchasing second hand vessels

The Company Group will contact through the Company's brokers both in the country and abroad for vessel sourcing. The Company Group will check the condition of the vessel by screening the large number of vessels from the brokers in order to acquire good quality vessels with reasonable price and technical specification of the vessels in conformity to the customer's needs, and assess the cost of vessel improvement and maintenance to prepare the feasibility study. If the Company Group considers that the project generates worthwhile return, the Company Group will ask for approval to purchase the vessel from the Board of Directors. The Company Group considers purchasing a second-hand vessel by taking into account the type, specifications and age of the vessel based on the appropriateness to the customer's needs. It takes 3 – 6 months period for completing the purchase of a second-hand vessel.

After purchasing the vessel, the Company Group may additionally overhaul the vessel before releasing the vessel to serve the customers. The major steps are repairing the vessel, installing additional equipment, purchasing fuel, and hiring vessel manager. The vessel administrator will handle the crews, apply for licenses, such as Ship Register and Ship's License, etc. and prepare the Hull and Machinery Insurance (H&M Insurance) and the Protection and Indemnity Insurance (P&I Insurance).

There are many brokers in the industry, therefore, the Company Group is not required to enter into the ship sourcing contract with any particular broker since it can compare the prices, specifications of the vessels and terms of payment, to get the best conditions and maximum worthiness.

2.2 Ship rebuilding

The Company Group will consider to rebuild the ship in case where the Company Group is unable to find the ship that meets the customer's needs or the ship rebuilding is worthier than the purchase of second-hand ship, for example, lower maintenance costs, more fuel saving, more efficient operating systems and longer life of service, etc.

After the customer's needs has been acknowledged, the Company Group will ask for the proposal from the shipyard to compare the technical data and price for evaluating the Feasibility Study of the project and then ask for approval from the Board of Directors. After that, the shipyard will prepare the ship construction design in details for the ship rebuilding. The Company Group will control the quality of the ship throughout the ship rebuilding period. The rebuilding of the ship with tonnage capacity of less than 10,000 DWT takes about 12-18 months. The rebuilding of the ship with tonnage capacity of over 10,000 DWT takes about 24 – 36 months.

When the ship is going to be completed, the Company Group will hire the ship management service provider to prepare the ship for use. This includes key steps, such as installing additional equipment, purchasing fuel, sourcing staffs, and applying other licenses, such as Ship Register, Ship's License, etc., as well as applying Hull and Machinery Insurance (H&M Insurance) and Protection and Indemnity Insurance (P&I Insurance).

However, the Company Group shall compare prices, specifications, ship building quality, and terms of payment in various countries, such as China, Japan, Korea, etc., to get the good conditions and maximum worthiness for investment

2.3 Ship outsourcing

The Company Group will consider to hire a ship from a third party in case where the Company Group is unable to find a ship within the Company Group in the date and time that meet the customer's needs. The Company Group will contact the ship owner directly or through a broker in order to hire a ship. The Company Group will check the details and specifications of the ship, and the relevant licenses in details to ensure that the ship is standard and has specifications that meet the customer requirements and is appropriate for the customer's cargoes prior to every hire.

3. Marine fuel for transport (Bunker)

The Company Group will supply the fuel from both domestic and international leading oil trading companies in the Company Group's Approved List. It will check the quality and standards of the oil trade business to ensure that the purchased fuel has good quality for the vessel engines. However, the Company Group will contact at least two oil traders for price inquiry by specifying quantity, type of fuel, and place of delivery in order to compare the reasonableness of the price for approval consideration of the authorized person. After that, the sales department will contact the oil traders to notify the delivery details accordingly.

However, in accordance with the promulgation of IMO2020 by the International Maritime Organization to be effective all over the world from 1 January 2020 onwards, every vessel has changed to consume High Sulphur Fuel Oil to be Low Sulphur Fuel Oil, or install Scrubber System to reduce air pollution and relieve global warming that results in higher global temperature. The Company Group has decided to change to consume Low Sulphur Fuel Oil instead of installation of Scrubber System due to use of lower investment fund. In 2020, the Company Group has changed to consume fuel oil from High Sulphur Fuel Oil to be Low Sulphur Fuel Oil for all vessels in every group of the service business in the international transport routes. However, the Company Group has supplied Low Sulphur Fuel Oil through oil traders (suppliers) in overseas, and filled fuel oil at the ports of destination.

4. Supply of crews

The Company Group will strictly recruit crews in accordance with the relevant shipping rules and regulations prescribed by the agencies such as International Maritime Organization (IMO), and the government regulatory agencies for navigation and ports, etc. the Company Group will supply and select the personnel and crews through various channels, such as informing recruitment news through Merchant Marine Training Centre, and Maritime Schools, such as Asian Maritime Technological College, and Maritime School, etc., or informing through journals relating to navigation, and informing through the staffs of the Company Group, website, and social media, for example, Facebook and Line, etc. The important selection criteria are as follows.

- Pass the training course approved by Marine Department and relevant agencies to comply with the relevant international maritime regulations.
- Obtain the license or certificate issued by the relevant authorities.
- Should have at least 2 years of working experiences in relation to the applied position.
- Have the ability of English (for the positions of Captain and Deck Officer).
- Pass the knowledge test and the interview by the commanding officers.

Moreover, the Company Group provides the training organized by the personnel within the Company Group and the external speakers. It provides the training to the seafarers to understand the rules and work procedures on board. The main trainings are divided into four categories:

- 1) Safety Training is a training that gives the crews abilities to cope with the occurred problems, such as Basic Firefighting Course, Personal Survival Course, Personal Safety Course, and Elementary First Aids Course, etc.
- 2) Navigation Training is a training that provides the crews abilities to correctly and safely sail the vessel to the destination, such as Radar Simulation Course, Bridge Team Management Course and Ship Simulator Course, etc.

3) Engine Room Training is a training to make the crews familiar with the mechanisms and operating system on board and machine rooms, such as Engine Room Management Course, Engine Room Operation Course, and High Voltage Course, etc.

4) Specific Training: As the transport or storage of each type of cargo has different needs for maintenance or management, as such it is necessary for the additional trainings, such as Oil Tanker Training Course, Gas Tanker Training Course, and Chemical Tanker Training Course, etc.

5. Vessel maintenance

The Company Group has planned the maintenance into two types of maintenance: 1) Preventive Maintenance and 2) Dry Docking) as per the following details:

5.1 Preventive Maintenance

Preventive Maintenance is a maintenance of hull, machine and equipment, electrical system, and various control systems, as well as installed piping in the vessel, by performing the maintenance based on scheduled period, or distance, or according to the manufacturer's instructions. Moreover, the Company Group sets up the maintenance team as its staffs, and hires the contractors in its Approved Vendor List.

For vessels under 5 year of age, the preventive maintenance can be performed by the under water survey for checking the condition of the hull under water, instead of docking for the first 30 months. It takes 5 – 7 days period for execution.

5.2 Dry Docking

Usually, the Company Group's vessels are out of service for dry-docking or a major repair every 5 years, depending on the age of the vessel whereas it is often consistent with the period of the project agreed with the customers for smooth operation, to check the steel structure of hull and various systems on the vessels, such as engine systems, electrical and lighting systems inside the vessels, communication systems, navigation control systems, piping systems and equipment to transfer cargoes and cargo tankers, and safety system on board, etc. Each time of dry docking will take about 3 – 8 weeks from taking the vessel from the ocean to returning the vessel down to the ocean, depending on the age and tonnage capacity of the vessel.

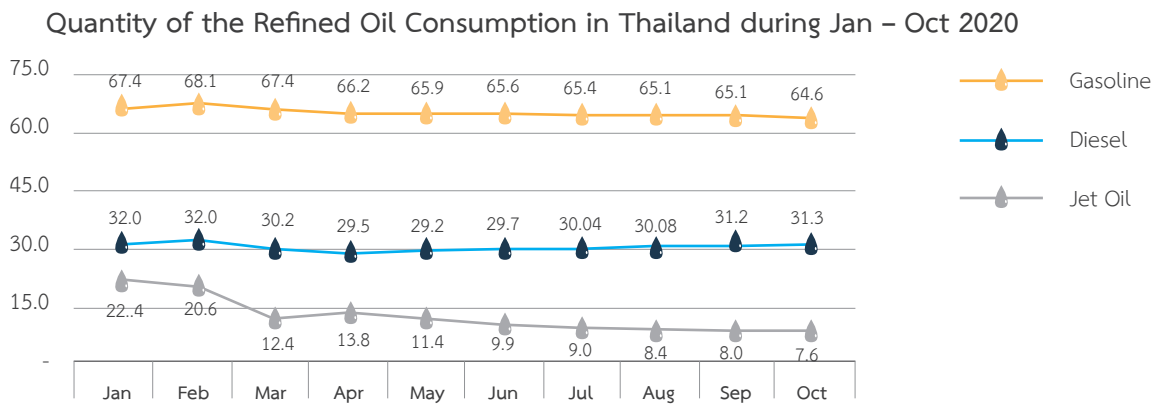
In taking the vessel for each time of dry docking, the Company Group will carry out the advanced planning to prevent the impact of shipping and storage services of the Company Group. There are 4-5 docks of which the Company Group uses for its regular service. The quality of the said docks are standard and the reasonable rate of service fee is charged. These docks can support dry docking for many vessels at the same times, resulting in no impact on the operation.

Situation of Fuel Oil Industry and Fuel Oil Transportation and Storage

Overview of the refined oil consumption in Thailand

In the first-half period of 2020, the refined oil consumption volume in Thailand was affected from the COVID-19 pandemic situation due to the strict disease preventive and control measure of the Government consisting of the control on travelling across the province, and both domestic and international travelling restriction by airplane in some routes, resulting in a huge decrease in the fuel oil consumption requirement, particularly of JET A1 fuel.

In the second-half period of 2020, the fuel oil consumption requirement tended to be increased based on the commencement of the economic activity recovery after starting to relax the COVID-19 control measure, resulting in the restoring commencement of the refined oil consumption requirement volume into normal state. However, the jet fuel consumption requirement volume has still been in low level, while the overall fuel oil consumption volume has still been risky from the impact on new wave of the COVID-19 pandemic.

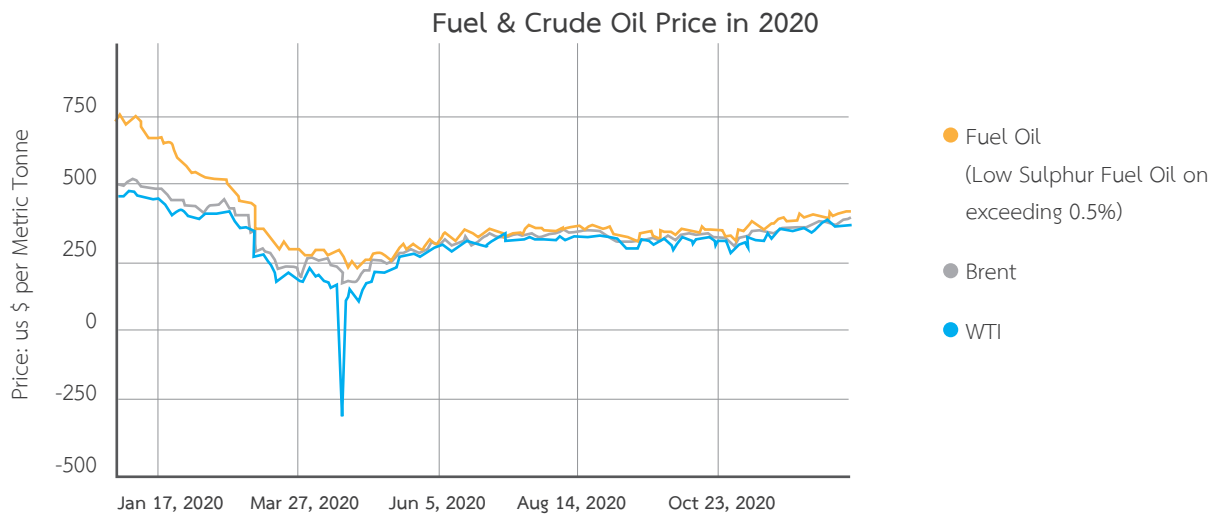


Source : Energy Policy and Planning Office, Minstry of Energy

Crude oil price

All dimensions in the economy have been affected by the COVID-19 pandemic situation due to the international travelling restriction to prevent and control the disease, resulting in a decrease of the worldwide oil consumption requirement volume. The said decrease has caused the state of excess supply, resulting in a reduction of crude oil buying-selling price in the market as well.

The reduction of crude oil price has also been an opportunity for the oil trading companies to speculate the profit from oil reserving for future sale, causing an increase in the requirement for using FSU Vessels in reserving oils until the service charge of FSU Vessels in the market has also been increased. In addition, the cost of fuel oil in part of FSU Business’s operations has been positively affected by the low level of oil price.



Source : www.shipandbunker.com

Business License

The Company Group has secured licenses for domestic and international business operations as follows:

1. License for Domestic Business Operations

| License | License Issuer | Date of Issue | Licensed Company |
|--|---------------------------------------|------------------|-----------------------------------|
| Notification for fuel transporter pursuant to Section 12 | Department of Energy Business | 4 October 2017 | The Company |
| Notification for fuel transporter pursuant to Section 12 | Department of Commercial Registration | 28 May 2001 | N.T.L. Marine Co., Ltd. |
| Notification for fuel transporter pursuant to Section 12 | Department of Commercial Registration | 11 November 2008 | Thaimarine Tanker Co., Ltd. |
| Notification for fuel transporter pursuant to Section 12 | Department of Energy Business | 13 December 2013 | Top Nautical Star Co., Ltd. |
| Notification for fuel transporter pursuant to Section 12 | Department of Energy Business | 8 June 2015 | Singha Tankers Co., Ltd. |
| Notification for fuel transporter pursuant to Section 12 | Department of Energy Business | 27 June 2017 | Bongkot Marine Services Co., Ltd. |

2. License for Business Operations in Malaysia

The licenses related to FSU Vessel Business in Malaysia consist of two types as follows.

1) Domestic Shipping License (“DSL”)

The DSL is the license for the company that operates the transport business in Malaysia. The non-Malaysian flagship vessels must apply for authorization from the Malaysia Shipowners’ Association (“MASA”) and Domestic Shipping Licensing Board to be granted for DSL. This license is valid for three months and can be renewed with unlimited number of renewals. As of 31 December 2020, the Company Group has held DSL for operating all FSU vessels.

2) Ship to Ship Approval (“STS Approval”) License

The STS Approval License is the license for the ship to ship transfer of cargoes at sea in Malaysia. The STS Approval Licenses of the Company Group are valid from 6 months to 5 years. As of 31 December 2020, every FSU vessel of the Company Group has held the STS Approval License for the ship to ship transfer of cargoes at sea.

Rights and Privileges from Investment Promotion

The Company Group has been granted for investment promotion in three business categories consisting of (1) Mass transit systems and transportation of bulk goods business, (2) Public utilities and basic services business, and (3) Maritime transportation business from the Board of Investment of Thailand (“BOI”). The granted significant main privileges are as follows:

- Pursuant to Section 25, a promoted person shall be granted the right to bring foreign nationals who are skilled workers or experts, spouses, and dependents of the said into the Kingdom in the numbers and for the permitted period of stay in the Kingdom as deemed appropriate by the Board.

- Pursuant to Section 26, the foreign nationals being skilled workers or experts who are permitted to stay in the Kingdom pursuant to Section 25, shall be allowed to work in specific positions approved by the Board, for the entire permitted period of stay in the Kingdom.
- Pursuant to Section 28, a promoted person shall be exempted from import duties on machinery as approved by the Board.
- Pursuant to Section 31 paragraph one, a promoted person, for no longer than eight years from the date on which income is firstly earned, shall be exempted from corporate income tax on the net profits derived from promoted business undertakings in total of not exceeding 100% of investment capital.
- Pursuant to Section 34, dividends derived from the promoted business undertakings being exempted from corporate income tax pursuant to Section 31 shall be excluded from calculation of taxable income throughout the entire period of the Group's corporate income tax exemption

As of 31 December 2020, the Company Group has obtained the Investment Promotion Certificate from the Board of Investment as follows:

| Company Name | Vessel Name | No. of Investment Promotion Certificate | Issuance Date | Period of Tax Privileges (Year) |
|-------------------------------------|-----------------|---|---------------|---------------------------------|
| Prima Marine Public Company Limited | Energy Star | 59-1108-0-00-1-2 | 26 Aug 2016 | 5 |
| | Aquarius Star | 62-0209-1-00-1-0 | 28 Feb 2019 | 8 |
| | Crystal Star | 62-0547-1-00-1-0 | 30 May 2019 | 8 |
| | Darin Star | 62-0784-1-00-1-0 | 22 Jul 2019 | 8 |
| N.T.L. Marine Company Limited | Sri Nara | 2139(2)/2556 | 14 Aug 2013 | 8 |
| | Sri Phuket | 1966(2)/2557 | 8 Aug 2014 | 8 |
| | Sri Tapi | 1264(2)/2558 | 10 Mar 2015 | 8 |
| | Sri Kanchanadit | 1265(2)/2558 | 10 Mar 2015 | 8 |
| | Sri Surat | 1266(2)/2558 | 10 Mar 2015 | 8 |
| | Sri Don Sak | 1267(2)/2558 | 10 Mar 2015 | 8 |
| | Sri Khiri Chad | 60-0241-1-00-1-0 | 23 Feb 2017 | 8 |
| | Siri Pipat | 61-0952-1-00-1-0 | 8 Aug 2018 | 8 |
| | Sri Chaiya | 62-0104-1-00-1-0 | 4 Feb 2019 | 8 |
| | Sri Tahphet | 62-0170-1-00-1-0 | 15 Feb 2019 | 8 |
| | Sri Phumriang | 62-0521-1-00-1-0 | 23 May 2019 | 8 |
| | Sri Phunpin | 62-0522-1-00-1-0 | 23 May 2019 | 8 |
| | Sri Lunphu | 63-0595-1-00-1-0 | 5 Jun 2020 | 8 |
| Singha Tankers Company Limited | Jubilee Star | 1151(2)/2558 | 3 Feb 2015 | 8 |
| | Radiant Star | 59-0519-1-00-1-0 | 19 Apr 2016 | 8 |
| | Grace Star | 59-1463-1-00-1-0 | 9 Nov 2016 | 8 |
| Bongkot Marine Company Limited | Bongkot Star | 60-0038-1-00-1-0 | 12 Jan 2017 | 8 |

Achieved Award and Standard

The Company Group has focused on the development of service quality to ensure maximum customer satisfaction, and enhance competitiveness and acquire customers for the Company Group, which allows it to receive domestic and international certifications and earns many awards from both public and private sectors as follows:

| Year | Achived Award and Standard |
|------|--|
| 2018 | <ul style="list-style-type: none"> • 2018 IESG Safety Awards: Sri Bandon Vessel and Sri Tah Thong Vessel • SPRC Port Award: 500 voyages without accidents: Sri Tah Chana Vessel • PTTGC Port Award: 400 voyages without accidents: Sri Tah Thong Vessel • Ship Owner of the Year Award from Shell (Thailand) Co., Ltd. • Best Performance Award from Shell (Thailand) Co., Ltd. • Best Vessel Award from Shell (Thailand) Co., Ltd. |
| 2019 | <ul style="list-style-type: none"> • Ship Owner of the Year Award from Shell Thailand Co., Ltd. • Best HSSEQ Award from Shell Thailand Co., Ltd. • Best Vessel/ Barge Award from Shell Thailand Co., Ltd. • Best Performance Award from Shell Thailand Co., Ltd. • PI Award from Shell Thailand Co., Ltd. • CEO SSHE Excellence Award: Single Star Trophy from PTTEP: from PTT Exploration and Production Public Co., Ltd. • PTTGC Port Award: Contribution to Environment, Health and Safety@Heart Program at GC Marine Terminal during 2019. • PTTGC Port Award: 100 voyages without accidents: Sri Phuket Vessel • Five 2019 IESG Safety Awards to Sri Chaiya Vessel, Sri Nara Vessel, Sri Tapi Vessel, Sri Tah Thong Vessel, and Southern Pearl Vessel from Oil Industry Environmental Safety Group Association |
| 2020 | <ul style="list-style-type: none"> • SPRC Port Award: 50 voyages without accidents to Sri Phuket Vessel, Sri Chaiya Vessel, Sri Nara Vessel, Sri Tah Petch Vessel • SPRC Port Award: 300 voyages without accidents to Sri Tapi Vessel, Sri Krabi Vessel • Three 2020 IESG Safety Awards from Oil Industry Environmental Safety Group Association to Sri Tah Thong Vessel, Sri Krabi Vessel, and Sri Tapi Vessel |

Risk Factors



1. Uncontrollable disease outbreaks, threat, and natural disaster risks

1.1 Coronavirus (COVID-19) Pandemic Risk

The Coronavirus (COVID-19) pandemic situation since the period of November 2019 onwards has affected the overview of the world and Thailand economies, causing the in economic and tourism deflation. A control measure for travel by land, by water, and by air both in the country and overseas has resulted in the interruption of airline business, the cancellation of events in public areas, the temporary closing of the educational establishments, up to the self-lockdown inside the accommodation, causing the huge reduction of the fuel oil consumption requirement as negative impact on several businesses including Oil and Petrochemical Tanker Business (“Trading Business”), and Offshore Support Vessel Business (“Offshore Business”) of the Company Group, and has been affected from the decreasing demand from the interruption of economic activities while the significant increasing administrative expenses have been incurred with the Company Group as the result of the use of strict COVID-19 prevention measure for the safety of the operating officers and the persons concerned of all parties. In part of the Floating Storage Unit Business (“FSU Business”), even though it has not been directly affected, but it has resulted in the management complication, increasing expenses for the safety of

seafarers, and Business Continuity Plan (BCP) of the customers, which have been highly emphasized by the Company Group.

However, the Company Group has prepared how to cope with COVID-19 situation by taking into account the all-around risks and impacts covering the Company Group’s guideline of the management, and the continuous control and monitoring of the situation throughout the year of 2020 and 2021. For example, marketing risk, the transportation of aircraft (JET A-1) fuel oil and ground oil has been monitored based on the economic performance, Thailand’s measures, and continuous oil consumption requirement. In addition, the Company has abated the operational and technical risks through monitoring of the delivery of the complete and adequate spare parts to be consistent with the determined Preventive Maintenance System (PMS), Dry Dock, and adequacy of the preventive equipment, sus as, preventive equipment, hygienic mask, hand sanitizer, thermometer, etc.; as well as planning of the seafarers’ operations for the abroad operations, leave, or the persons concerned who must perform abroad operations by strictly complying with the rules and regulations of the supervisory agencies according to the measures.

Moreover, the Company Group has also realized on the safety of the office officers. Therefore, it has determined that the staffs can continuously work from home by preparing the information technology to always support the operations, Business Continuity Plan (BCP), resulting

in the Company Group's ability to operate well efficiently; reporting the results to the Risk Management Committee and the Board of Directors for acknowledgement; and availability of the adequate data for making the proper and up-to-date decisions.

1.2 Risks from the weather change and severe natural disasters

Since the Company Group's operations are 24 hours at sea in operations of trading business, therefore, climate change and severe natural disasters, such as typhoon/depression, may cause damages to life and properties of the persons concerned, and it may result in the delay of the cargo transportation service to arrive destinations. Such incidents have negatively affected the Company Group's operating efficiency, for instance, reducing revenues and increasing expenses. The Company Group realizes on such risks and therefore, establishes the policy for operation and navigational planning under the requirement of circumspect navigational planning, such as monitoring weather forecast, water tide, channel where the vessel is sailing through, and navigational route planning in order to avoid danger from the varied weather or severe natural disasters. In 2020, the Company Group surveyed the channels using Echo sounder in the channel areas where are used for the routine traffic and integrated the acquired data for joint ship operations and safety of Ship Management Business.

For trading vessels of the Company Group, they are equipped with radio communication according to the

ship's safety standard pursuant to the regulations of International Maritime Organization (IMO) in each area in compliance with the by-rule of the Global Maritime Distress and Safety System (GMDSS) to be used in monitoring weather, warnings, and other news both prior sailing and during voyage for updating sailing plan to have maximum safety as well.

Furthermore, the Company Group is well prepared to handle the situations derived from severe weather and natural disasters by preparing an emergency plan, and continuously exercising an annual emergency drills, such as docking at the time of severe weather or damage of hull from severe weather, etc. With over 30 years-experience of the Company Group in shipment, the Company Group is capable to provide its services efficiently and safely.

However, the Group has made Hull and Machinery Insurance (H&M Insurance) and Protection and Indemnity Insurance (P&I Insurance), covering the damage to the third party who suffer the effect, cargo, and environment in case of unexpected events as the result from the severe weather and natural disasters.

2. Strategy and business operation plan risk

Risk from the development of the Company Group's strategies and business operation plans to be continuously improved is a very significant risk factor requiring the simultaneous consideration both in terms of the Company Group's business operation strategy and risk management, as well as the change that may affect the Group all around as follows.

2.1 Risk from the rapid and severe change of demand and supply of the oil and transportation market

The Company Group's business operation is directly related to the demand and supply of the marine transportation and storage of oil, petroleum, and liquefied petrochemicals both in Thailand and overseas. In 2020, the crude oil price in the world market has highly reduced as the result of COVID-19 pandemic situation, resulting in the entry of several countries in

the group of developed countries and developing countries into recession in terms of economy, consumption, investment, manufacturing, and export and consequently causing the decrease in the global oil consumption requirement. In addition, price war in the Organization of the Petroleum Exporting Countries (OPEC) and allies (OPEC+) has caused the rapid and

severe fluctuation of crude oil price, resulting in the difficult situational prediction of the operators in oil and carrier business. In accompany with the situation of the USA boycott measure against Venezuela and Iran, unrest situation in Persian Gulf, for instance, the seizure of South Korea's oil tanker by the Iran Coast Guard, resulting in the multiplication of violence and tense. USA has involved to make the continuously push of the international community to boycott Iran regarding the threat on the right and freedom of navigation in Persian Gulf. In addition, the situation of the trade war direction between USA and China in form of increase in import duty may be relieved after Joe Biden has formally assumed the 46th presidency of USA.

Even though the said situations have affected the overall global economy and the domestic trading business of the Company Group, but the fluctuation of crude oil price has become positive effect on FSU Business Group, causing a highly increase of service charge rate. In accompany with a highly decrease in fuel price in Q2 period of 2020, therefore, the Company Group has formulated the advance purchasing strategy of the partial fuels to be used in the FSU Business Group, resulting in the operation of the FSU Business Group in very good criteria year-round.

In part of the freight movement situation of Aframax which has still been fluctuated, therefore, the Company Group has still focused on the use of strategy to enter into the time charter contract for transport in longer period, such as 6 months up to 1 year, in order to mitigate the risk from the vessel unemployment and fluctuation of fuel cost from spot charter. In part of the small trading vessels in the country, the Company Group establishes the Cost-Plus Pricing Method policy, whereas it is the cost and expense of transportation service plus profit as specified by the Company Group and will be varied with the retail fuel oil price at the petrol station in Bangkok in the same direction.

The Company Group has realized that the rapid and severe change of the said macro factors has often resulted in opportunity and threat. It may be risky of the possible obsolescence of the established strategy and business operation plan; therefore, the Company Group has determined to monitor, review, and adjust the strategy to be up to date, and focus on the resilience of management, agility of business adjustment ability, economy of speed in business operation. Key Risk Indicator (KRI) is defined to continuously monitor the risk movement.

2.2 Risk from the change of Thailand and regional economic conditions that may affect the Company's operations

The Company Group's working boundary is in Southeast Asia zone. The economic conditions in this region will affect the Company Group's operations. Despite of slowdown of the economic condition due to the continuous COVID-19 pandemic situation in 2020, and new wave of COVID-19 in 2021, the regional and Thailand economies have been considerably affected. The government agencies in each country have put in effort on the preventive, assistance, stimulation, and remedy measures both in business and third sectors. Even though the vaccination for COVID-19 protection has been commenced in some countries, the recovery of Thailand and regional economies in export, tourism and investment segments has been not much clear. In addition, in 2020, the domestic leading refineries have been affected from severe oil price war in accompany with the unexpected COVID-19 pandemic situation, resulting in the fluctuation of global oil demand and supply. Most domestic leading refineries have been affected from inventory loss and substantial decrease in refinery cost for manufacturing crude oil. However,

the domestic leading refineries have assessed the overview of the global economy in 2021 and expected that it will be gradually recovered from the deflation in last year, whereas there has been the increase in oil consumption requirement, causing the confidence on the possibility of the global economic recovery.

The Company Group establishes the risk factor management plan for the risk from the economic trend due to the continuous slowdown of growth in the Southeast Asia Region. The Company Group also formulates the strategy for preparing to cope with the said risk by monitoring and analyzing the organizational impacts from these macro factors, mutually planning the transportation with the customers on regular basis, and formulating the continuous expansion strategy in the group of countries consisting of Cambodia, Laos, Myanmar and Vietnam (CLMV), for business sustainability and reduction of domestic service concentration.

2.3 Risk from the management of imbalance investment portfolio

In the Company Group's business operation, revenue from the FSU Business is mainly earned when compared with revenue from the Trading Business, the Offshore Business, and others. In 2019, the finding indicated that the revenues of the Company Group were derived from the FSU Business in the proportion of 36.30%, and the increasing revenues in 2020 were in the proportion of around 54.8% of total revenues of the Company Group, reflecting the dependence of the business operations from the FSU Business that may result in the risk from the Company Group's excessive dependence on any business.

However, the Company Group's strategic plan is established not based on the past success experience

only for establishing the strategy or decision on the current events of the Company Group only. However, the non-excessive dependence on any business has also been taken into account. The Company Group manages its investment portfolio by expanding its investment using Mergers and Acquisitions (M&A) Approach to expand the Trading Business, for instance, purchasing the rest of all shares of Big Sea Company Limited, and entering into the trading agreement for shares in the company in Thai Oil Marine Company Limited, and aiming at entry into the transport agreement, the cargo storage agreement in long term to regularly create the security of the Company Group's revenues and profit.

3. Financial Risks

3.1 Risk from fluctuation of exchange rate

According to the substantial Baht value fluctuation situation, several financial institutions reported the Baht value situation for Baht per USD since the mid of 2020. The Company Group's business operation must confront with the exchange rate risk between USD currency and Thai Baht. The value of the Baht has continuously appreciated and expected that the value of the Baht will tend to be more appreciated in 2021 than in 2020 from the signal of the relaxation in the unlimited financial policy of the Central Bank of USA, in accompany with the COVID-19 pandemic situation which has still been

continuously pandemic, and the political direction of the President of the United States of America, Mr. Joe Biden.

The Company Group hedges the exchange rate risk via foreign currency revenue and expense management tool to be in same currency by Natural Hedge which is the management of cash flows both of revenue and expense to be balanced. Another tool is Forward Contract for hedging the fluctuation of exchange rate. The Company Group's objective is just to manage the exchange rate risk, not to seek for gain from using derivatives at all.

3.2 Risk from fluctuation of interest rate

After the Bank of Thailand (BOT) disclosed the monetary policy report of December 2020 on the implementation of monetary policy in Q4 of 2020, the BOT unanimously resolved to maintain the interest rate of the policy at 0.50% per annum for 2021 and 2022 under a forecast that Thailand economy will be continuously recovered even though the estimation of economic expansion rate will be below what has been estimated from several factors, particularly the uncertainty of the severe COVID-19 pandemic situation in short-term, as well as the COVID-19 vaccine distribution situation in Thailand that may be limited and take long vaccine distribution period. Thus, the BOT deemed that Thailand economy has still required the continuous support from the interest rate pursuant to the BOT's policy which has been in low level.

However, in term of the management of the financial institution loan interest rate, the Company Group has continuously monitored the situation of the financial institution interest rate both of deposit and loan, and given precedence to the Company Group's loan interest rate which is regarded as the significant financial cost. The Company Group establishes the policy for loan credit application using fixed rate, and negotiation with the financial institution covering risk management using Interest Rate SWAP (IRS) Approach for exchanging the loan interest rate which is floating rate to be fixed rate for hedging the risk from the future fluctuation of interest rate.

3.3 Risk from cash flow liquidity

The Company Group's business operation gives precedence to the circumspect use of the financial policy under internal factor control, planning in annual budgeting, and monitoring the plan-based expenses of the Company Group to be consistent with the appropriate return. In addition, the Company Group also additionally considers on the external factors, and financial risk management to be consistent with the rapid changing current economic environment.

The Company Group emphasizes on cash flow liquidity by regular planning and considering the Company Group's cash withdrawal under concern on the maintenance of the Company Group's liquidity

covering the expenses from loan interest rate that will affect financial costs and financial ratio, statement of income, and return of the shareholders; determining the preventive and maintenance method for the Company Group's liquidity by taking into account the framework of money spending all around both in the Company Group's cash inflow and cash outflow management to be efficient and balanced between them; and determining the close monitoring of the debtor payment status for hedging the risk from the debtor's long-term default in payment. Moreover, the Company Group has none of the policy to invest its money in high-risk investments for hedging illiquidity risk of the Company Group.

4 Risk from compliance with ordinances, rules, and regulations

4.1 Risk from the amendment in laws, notifications, regulations, or practices of the supervisory agencies

The Company as a public limited company has issued securities under the Securities and Exchange Act B.E. 2535 (1992), and has had the listed securities in the Stock Exchange of Thailand, therefore, the Company has aimed for satisfying the operating supervision according to laws, notifications, regulations, or practices of the Office of the Securities and Exchange Commission (the "SEC") and the Stock of Exchange of Thailand (the "SET") which are the agencies that supervise and issue the notifications or regulations in supervising the capital market of Thailand for hedging the risk due to non-compliance or incomplete strict compliance.

Therefore, the compliance unit of the Company Group performs its duty to study, monitor, coordinate, give counsel, and supervise the Company Group's operations according to laws, notifications, regulations or practices which are amended as prescribed by the supervisory agencies, and also establish the Company Group's policies which are consistent with the

Corporate Governance Code of the Office of the SEC to create the confidence that the Company Group's operation complies with laws, notifications, regulations or practices prescribed by the supervisor agencies and to make the stakeholders confident that the Company Group is on the ground of good governance, performs its duty with integrity and transparency, coordinates with all sectors, and has good corporate governance covering up to training and development of knowledge, and operation to be conforming to laws, rules and regulations of the supervisory agencies in Thailand. The Company Secretary and Compliance Department coordinate with the staffs and the executives of the Company Group for acknowledging the training courses and registering to participate in the yearly training, regularly measure, and systematically monitor the amendment effect of laws, notifications, regulations, or practices.

4.2 Risk relating to the international laws, and rules in the specific business which are applied worldwide

The Company Group's business operations must involve and comply with the requirements of the international laws relating to the environment. The Company Group always realizes and strictly complies with the requirements and laws, for instance, the International Convention on Control and Management of Ballast Water and Sediments promulgated on 8 September 2004. The International Maritime Organization (IMO) prescribes that all ships shall install the Ballast Water Management System (BWMS) whereas ballast water must be treated according to the specific standards before draining such water down to the sea. However, under the said International Convention, it prescribes that the group of new ships which are built after 8 September 2017 shall be installed with the BWMS from the ship building dock in the beginning. In the group of existing ships which are built before 8 September 2017 has carried out according to this International Convention which is effective from 8 September 2024. This has resulted in the requirement of all ships in international voyages shall be installed with the BWMS, and all ships shall carry out according to the Ballast Water Management Plan particularly of each ship, covering the requirement of all ships to have Ballast Water Notebook and to be granted for the Ballast Water Management Certificate according to the international standards.

Thus, the Company Group has mutually planned on continuous basis to ensure that its operations properly conform to the said International Convention and the wastewater treatment system can be installed according to MEPC (IMO's Marine Environment Protection Committee) and USCG/IMO (United State Coast Guard) Standards for the ships transporting in international waters. The BWMS installation shall be mutually considered all around for each ship, for instance, Ship Renewal Survey Period, according to the International Oil Pollution Prevention Certificate (IOPP) and according to Maintenance and Ship Docking Period of the Group to avoid the operating impact.

In addition, the international trading vessels and freighters have currently been the large origin of Sulphur dioxide (SO₂) due to the consumption of the sulfur containing fuel. This gas is harmful both to the creature and ecosystem, and also causes the acid rain and respiratory disease to mitigate the maritime pollution and air pollution and reduce the emission rate of Green House Gas (GHG), causing global warming. Therefore, the International Maritime Organization (IMO) establishes the requirement for consumption of the low sulfur fuel oil promulgated on 1 January 2020 ("IMO2020"), whereas the carrier shall consume the fuel oil containing low sulfur not higher than 0.5% by weight formerly from 3.5% by weight in the ship fuel, whereas its price is more expensive than the fuel currently consumed; or install Exhaust Gas Cleaning Scrubber which is high-priced and may not be suitable for the fleets with few remaining useful life. Therefore, the Company Group has executed to support the situations according to the IMO2020 measure by selecting the method of changing to consume Low Sulphur Fuel Oil (LSFO) not exceeding 0.5% by weight of sulfur in the ship fuel for the fleets which provide services or need to transport in the route outside Thai Sea Boundary according to the International Maritime Organization (IMO) in all respects; controlling and monitoring the efficiency of the engine that changes to consume the said LSFO without finding of any impacts on the ship functional efficiency; including continuously formulating the strategy and planning the Low Sulfur Fuel Oil (LSFO) consumption expense (Low Sulphur Fuel Oil : LSFO) according to the IMO2020 measure under the focus on minimum impact on the Group's operations.

However, regarding the compliance with the ordinances, rules and regulations, the Company Group gives precedence and strictly adheres to management and operations according to both internal and external compliance units to ensure the good and sustainable corporate governance of the Company and the Company Group.

4.3 Risk from cyber and risk from Information Technology System

In the Company Group's business operations, the Information Technology System must be adopted to support the operation in the current era to be rapid in supporting a 24 hour operation, including the consideration on the cyber security in parts of office and fleets. Therefore, the International Maritime Organization (IMO) has established the Guidelines on Maritime Cyber Risk Management: MSC-FAL.1 / Circ.3 to be a security management measure in information technology that may be threatened and invaded. The data loss or the system damage from the contingent situations or events will affect the failure of the operation and Safety Management System of the maritime navigation. The said measure is determined to be part of the International Safety Management Code (ISM Code) to promote the operating safety of the sea-going vessels, and effective on 1 January 2021. Thus, the Company Group has updated the Work Manual of the Fleet's Information Security System according to ISM Code and communicated with the fleets for acknowledgement and strict compliance. The said Manual also includes the information technology system security of the Company Group that highly emphasizes on the security of network system, computer system, and information system to be

adequate and suitable according to the Information Security Management System Standard (ISO/IEC 27001). For instance, the Company Group has adopted the Enterprise Resource Planning (ERP) System for planning the overall business resources of the Company Group in operations of the Trading Business and the FSU Business, and working at office. The Company Group has also adopted the Private Cloud Computing Technology for secure storing and sharing data files, and to be the Business Continuity Plan (BCP) of the Company, and installed the Endpoint Security System and Anti-Virus System of the office and fleet's computers.

However, the Company Group supervises and manages information technology, and formulates the strategy and business plan by taking into account the adoption of the appropriate Information Technology System with the Company Group for maximum benefit, concerning on the management of the information technology risk to ensure the adequate security, and regularly emphasizing on the creation of awareness in the security of the Information System for the Company Group's personnel, and complying with the matters of law and the requirements of both internal and external compliance units.

4.4 Risk from enforcement of the Personal Data Protection Act B.E. 2562 (2019)

The Personal Data Protection Act B.E. 2562 (2019) is promulgated in the Government Gazette on 27 May 2019 and fully effective on 27 May 2020. However, the Royal Decree has been announced to postpone the enforcement up to 31 May 2021. The said law has affected the Company Group's operations on behalf of the personal data controller who shall comply with the rules, methods, and conditions for collecting, using, or disclosing the personal data, and establishing a security measure, a verification system to delete or destroy the personal data and taking action in the event of violation of personal data, and taking action based on the right of the personal data subject.

In this regard, the Company Group is prepared in various areas, whereas the compliance unit of the Company Group performs the duty to study and endeavor to grasp the details and context of the law, organize the staff training, verify the personal data in the organization according to the data flow process, distinguish data based its risk and severity that may affect the rights and freedoms of the person, specify the personal data processing platform as required by law, prepare the personal data protection policy approved by the Board of Directors, and prepare the rules and procedures of the privacy notice for collecting the personal data, consent form, the request

to exercise the right of the data subject and the determination of the measures for the personal data security, to ensure that the Company Group gives precedence to and prepares for strictly complying with law. However, the Company Group has prepared and announced to use the personal data protection policy

as the rule, mechanism, measure and management of the personal data, and as the practical guideline for strictly adhering and observing by the Company Group's Board of Directors, executives, and staffs to prevent violation, right impact or misuse of the personal data according to law.

4.5 Risk from enforcement of the Trade Competition Act B.E. 2560 (2017)

Pursuant to the Trade Competition Act B.E. 2560 (2017) which is effective since 7 July 2017, it is the very significant economic law for the trade economy system in Thailand in terms of the creation of sustainable economic growth, and the development of new technologies and innovations arisen in the market, and the consumer's benefit from competition and Anti-Monopoly Act under the anticipation on market opening without domination of the large-scale business group.

Agreement for Shares in the Thail Marine Company Limited. Even though the Company Group has strictly carried out pursuant to the Trade Competition Act B.E. 2560 (2017), but it has still been risky for the project that may be delayed or fail to completely close such trading within the specified period due to the requirement for waiting the consideration on permission from the Office of Trade Competition Commission (OTCC). The Company Group has closely and continuously coordinated with the OTCC.

However, in expansion of the business investment by means of Mergers and Acquisitions (M&A) as a core strategy of the Company Group for achieving the sustainable business operation, in last 2020, the Company Group has entered into the Trading

For the future projects of the Company Group, it has prescribed that the Trade Competition Act is the significant condition for considering the projects to support the decision based on diligence prior to Mergers and Acquisitions (M&A) as well.

4.6 Risk relating to Thai Financial Reporting Standards 16: TFRS 16 Leases

Thai Financial Reporting Standard 16: TFRS 16 Leases is effective from 1 January 2020 onwards. In term of financial lease under the principle according to the said new TFRS, it has affected the figures in the Company Group's financial statements and caused more complication in assessment. The long-term lease with more than 12 months term must establish the recognition of the right to use property and recognition of liability. The impact on the said financial statements will affect the calculation of financial ratio, and the preparation of marketing agreement as well. This may

affect the preparation of the agreement with the lessee as short-term agreement that may materially affect the marketing insecurity.

However, the Company has realized and emphasized on the compliance with the said TFRS by mutually taking into account the all-around details in terms of financial accounting and marketing, and proposing the executives, the Committees, and the Board of Directors for regularly considering and making the proper decisions.

4.7 Risk from International Trade Policy

After the Office of Foreign Assets Control (OFAC) under the United States Department of the Treasury has prescribed that the group of allies shall suspend the import of oils from the countries under US economic sanction, for instance, Iran or Venezuela, and also announced the list of vessels, list of persons or organizations whose names are apparent in the Specially Designated Nationals List (SDN List). This has resulted in the impact of the oil tanker business on the global maritime trade. If the transportations are performed with the group of countries under US economic sanction, the ship utilization license of the cargo ships may be suspended or withdrawn, and also result in the difficulty of the operations in the group of the oil tanker business requiring to clarify the shipping

documents, and the application or renewal of the marine insurance policy to be under the transparent fact verification.

However, the Company Group has continuously monitored the situation of the US sanction measure that may affect the group of the oil tanker business, and strictly complied with the requirements of the US sanction measure and prepared the fact-based documents to be correct. The Company has also increased the strictness in preparing Know Your Customer (KYC) process prior to entering into the contracts with any customers to prevent the Group to take any action relating to the group who is under economic sanction that will cause damage to reputation and image.

5 Operational risk

The risks in terms of Safety, Security, Health and Environment (SSHE) from the operations of the Company Group's seafarers are always likely arisen. The Company Group gives precedence to such risks by establishing the Quality, Safety, Security, Health, and Environmental Management (QSSHE) Policy covering the control, supervision, and monitoring according to the occupational safety to be conforming to the Standards of the International Maritime Organization (IMO) as follows.

5.1 Risk from occupational accident

As the Company Group provides cargo transport and storage services which carry high value and flammable goods, if accidents arise on vessels, it may cause seafarers and other persons injury, death, loss of property, as well as the Company Group's reliability. Moreover, it may affect the environment which may result in materially negative impact on the Company Group's businesses, performance, and financial position. However, the Company Group manages the risk of the potential accident by emphasizing on the compliance of the rules and regulations on work safety, cargo safety, navigation, emergency practices, etc. When the vessels are due for the maintenance plan, such as Preventive Maintenance System (PMS) and Dry-Docking, the Company Group executes according to such plan for efficiency of Sea Worthiness and work safety to ensure that the risk from accidents which may lead to

operational interruption, damages to life and properties, and pollution emissions are in control.

Moreover, the Company Group regularly raises the case study from the incident that may cause accidents arising during operations inside the Company Group for communication within the Company Group's fleet in order to build an awareness for carefulness and preparedness to prevent the occurrence of such nature of the incident, and drills the emergency situation in cooperation with the group of the Thailand and foreign leading oil companies. The Company Group is prepared to cope with the situations arising during operations by preparing an emergency plan, annual rehearsal of the emergency plan, drill of International Ship and Port Facility Security (ISPS) Plan for awareness and familiarity of all parties. This will contribute to the

ability to quickly cope with and solve problems, and control situations. The scenario such as fire incidents during cargo operation at port event, and failure of the main electrical system and breakdown of the compass, groundings or ship blockage, cargo transmission pipeline's breakage and tear, resulting in oil spill. The oil spill-arisen emergency handling and the oil enclosing and retaining buoy installing operation are rehearsed to avoid the oil escape to outside in case of spill. The Company Group also gives high precedence to the environmental management after oil spill. In addition, the information technology is trained and applied as an aid for managing risk from the operations of the Company Group, such as an efficient training of the instruction of radar system, setting instruction of Guard Zone for warning on radar screen as a navigation aided tool. The Company Group continuously emphasizes on the cooperation of the fleet and the office in classification of the accidental incidence

severity level, 24 Hours Emergency Response Team (ERT), cause analysis, incident and accident management to reduce loss and damage, immediate problem-solving management, as well as direct reporting to the top executives, and the Committees for the immediate acknowledgement and mutual decision making.

However, the Company Group makes Hull and Machinery (H&M) Insurance, and Protection and Indemnity (P&I) Insurance which cover damages to the affected persons and environment, as well as Loss of Hire Insurance due to the vessel's failure to continuously operate. In making such insurances, the Company Group takes into account the all-around contingent risk factors, and communicates, completely builds an awareness of insurance to all related parties for regular acknowledgement.

5.2 Risk from theft and pillage by pirate

The Company Group transports and stores cargos with high value and there are the maritime navigational routes that may have to pass the area risky to theft at sea such as the Singapore Strait, Strait of Malacca, east area of Malaysia, and Middle East zone etc. In the operation of the Company Group's fleet, before the vessel leaves and passes the risky area of the sea theft, the Company Group has set the internal practice rule, stating the guideline and measure of abroad safety, watchkeeping, and the practice in case of incidence risky to the safety of vessel, cargoes, and seafarers, as well as the event of theft and pillage by pirate. The Company Group makes the adequate insurances to cover the risks assessed by the Company Group, and determine that the notice must be given to the Thai Maritime Enforcement Command Center (Thai-MECC) as an agency in Thailand whose duty is to be the center that prevents and suppresses illegal acts at sea and the piracy act, as well as keep periodically watching, following, and reporting through the route until reaching the destination. The Company Group also coordinates with the maritime security agencies of the countries in the transporting areas of the vessels, for instance, UKMTO (The United Kingdom Marine Trade Operation).

Other than the said agencies, the Company Group complies with the relevant laws and rules of the Marine Department, which cover the standard of the vessel's safety pursuant to the regulations of IMO in part of the SOLAS Convention, applies BMP4 (the Best Management Practice Version 4) for the Company Group's sea-going vessels which must sail to receive cargoes in the route risky to pillage by pirate in the Middle East area. The Company Group has established a preventive and security measure for seafarers, hull, properties, and cargoes abroad, for instance, installation of the Long Range Identification and Tracking (LRIT) System, whereas the said signal transceiver is installed in the non-barrier area so that the signal can be transmitted all the time, and the vessel position can be sent back for notifying the office every 2-6 hours. The frequency of the signal transmission and notification of the vessel's position can be always changed based on the situation and the said vessel's position. The joint communication among the Company Group is made via the channel of E-mail to the related parties for acknowledgement every voyage. The Ship Security Alert System (SSAS) which is the push button system upon the event of emergency sends an assistance requesting message to the Company Security Officer (CSO) and the Port

Facility Security Officer (PFSO) in coordination to the related agencies so that the assistance will be provided to the vessel in time. The assistance requesting message is sent in form of E-mail and Short Message Service (SMS). In addition, the physical preventive equipment, such as barbed wire around the hull, iron door, lock at

the door area, bridge, etc., are installed abroad. The backup ASIA Cellular Satellite (ACeS) is prepared to contact for requesting the assistance in case of emergency or at the time of damage of communication equipment.

5.3 Risk from lack of the personnel with special skills and experiences

The Company Group's business operation has depended on personnel and seafarers with experiences and expertise on performing duties on board. If the Company Group has insufficient or unqualified personnel for operation, it may affect the Company Group's failure to operate its business to meet the standards specified by the customers.

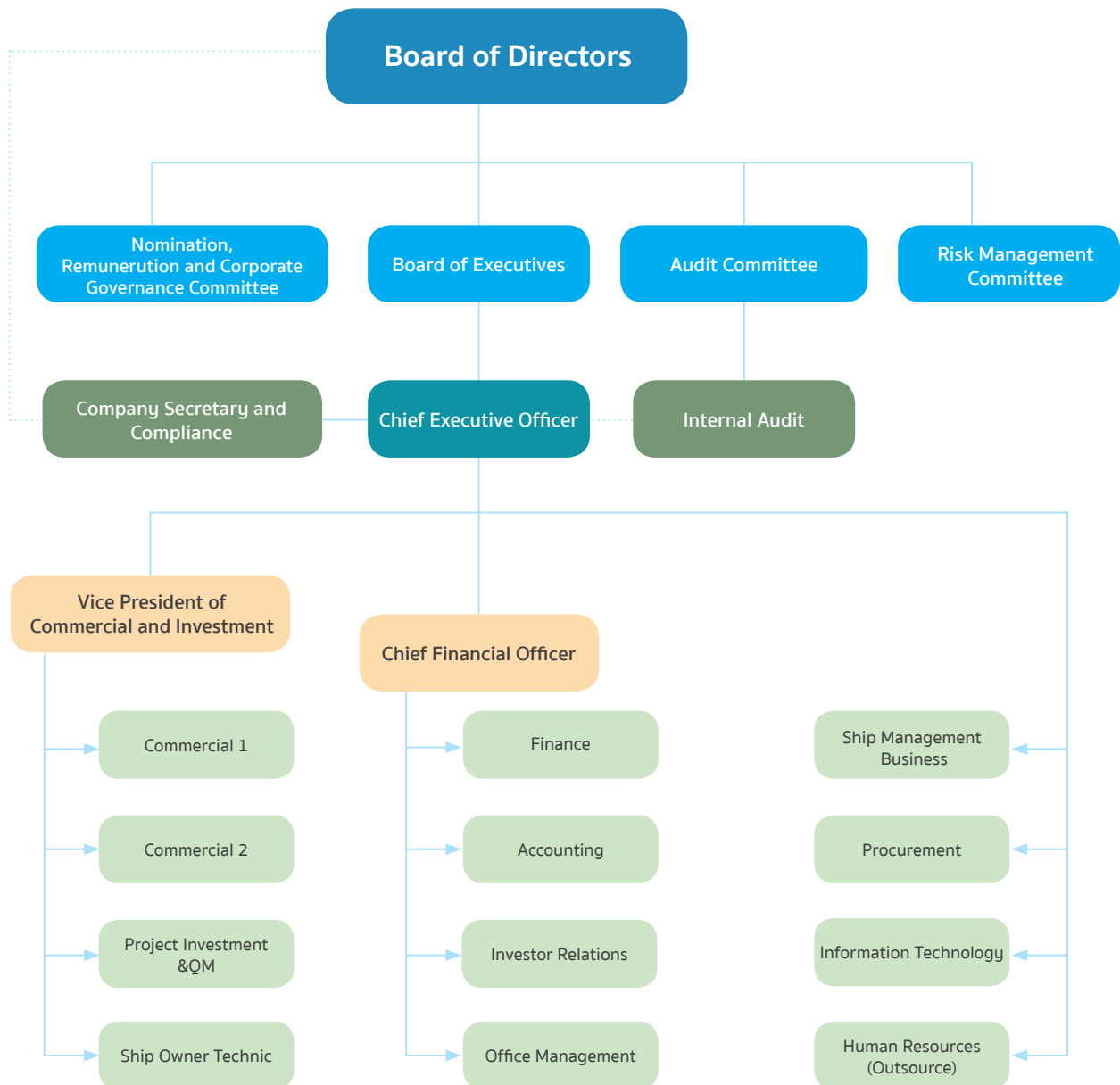
From the above-mentioned, the Company Group recruits the seafarer in the key position via the Manning Agent of Seafarers, and the business allies which are the leading companies of world-class shipping lines that continuously help support the coordination, exchange of knowledge and skills, transfer of technology, and development of knowledge. In addition, the Company Group determines that the qualified seafarers must be selected to be conforming to the rules and regulations of the Marine Department. There are the significant selection rules, such as passing the training courses approved by the Marine Department or other agencies approved by the Marine Department, etc. In last 2020, the Company Group has realized on the said importance by setting up Training and Fleet Management Division for sustainable training and developing the Thai potential personnel into both domestic and foreign navigational industry.

In 2020, the International Maritime Organization (IMO) has considered the assessment report of Thailand pursuant to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) and accepted Thailand to be in the group of countries of the certification system ("Whitelist"). This has resulted in the confidence that the persons who work in the vessel and are granted for the said certification have knowledge and competence according to the content and the Convention's STCW standards which are international accepted.

Other than training and development, the Company Group has also emphasized on personnel retention by determining the suitable remuneration and welfare for its personnel, such as the consideration on promotion in the line of the personnel based on performance and experience, contributing to the motivation on the long-term working of the personnel with the Company Group, the provision of health insurance, and setting up the provident fund for the personnel and the seafarers of the Company Group covering the promotion and support on training and seminar to the personnel to have skills and knowledge, such as English language, the special vocational skills, etc.

Management Structure

Organization Structure Chart of Prima Marine Public Company Limited as of 1 January 2021



The Company's organization structure as of 1 January 2021 consist of the Board of Directors and Sub-Committees as follows:

1. The Audit Committee
2. The Board of Executives
3. The Nomination, Remuneration and Corporate Governance Committee
4. The Risk Management Committee

1 The Board of Director

1.1 Composition of the Board of Directors

The Articles of Association of the Company specifies that the Company must have a Board of Directors to operate the Company's business which consists of no less than 5 persons. No less than half of the Board of Directors shall have a Thai nationality and residency in the Kingdom of Thailand. According to the Charter of Board of Directors, at least one-third of the Board of Directors shall be independent directors, and in any cases, the number shall not be fewer than three.

As of 31 December 2020, the Board of Directors comprises the following 8 directors:

| Name of Directors | Position | Date of Appointment ⁽¹⁾ |
|--|---|------------------------------------|
| 1. Mr. Bowon Vongsinudom | Chairman / Independent Director / Member of the Audit Committee | 22 January 2016 |
| 2. Admiral Nibhon Chagsudulya ⁽²⁾ | Vice Chairman / Chairman of the Nomination, Remuneration and Corporate Governance Committee / Member of the Risk Management Committee | 22 January 2016 |
| 3. Mr. Chainoi Puankosoom | Independent Director / Chairman of the Audit Committee / Member of the Nomination, Remuneration and Corporate Governance Committee | 22 January 2016 |
| 4. Mr. Somchai Kuvijitsuwan | Independent Director / Member of the Audit Committee / Member of the Nomination, Remuneration and Corporate Governance Committee | 22 January 2016 |
| 5. Mr. Suraphon Meesathien | Director / Chairman of the Risk Management Committee | 22 January 2016 |
| 6. Mr. Prompong Chaisrisawatsuk ⁽³⁾ | Director / Member of the Risk Management Committee / Chairman of the Board of Executives / Chief Executive Officer | 22 January 2016 |
| 7. Mr. Surasak Chaiyen | Director / Member of the Nomination, Remuneration, and Corporate Governance Committee / Member of the Board of Executives | 22 January 2016 |
| 8. Ms. Neeracha Panboonhom ⁽⁴⁾ | Director | 1 February 2020 |

Remarks:

- (1) Date of Appointment means the first date appointed as a Director of the Company.
- (2) Admiral Nibhon Chagsudulya was appointed as Member of the Risk Management Committee in replacement of Mr. Kosit Fuangwasdi who resigned, by the resolution of the Board of Directors Meeting No. 1/2020 held on 23 January 2020, effective from 1 February 2020 onwards.
- (3) Mr. Prompong Chaisrisawatsuk was appointed as Chief Executive Officer in replacement of Acting Sub Lt. Chanwit Anakkul who vacated from his position due to the employment agreement is expiring, by the resolution of the Board of Directors Meeting No. 14/2019 held on 11 December 2019, effective from 1 January 2020 onwards.
- (4) Ms. Neeracha Panboonhom was appointed as Director in replacement of Acting Sub Lt. Chanwit Anakkul who resigned, by the resolution of the Board of Directors Meeting No. 1/2020 held on 23 January 2020, effective from 1 February 2020 onwards.
- (5) Mr. Kosti Fuangwasdi resigned as Director and Chairman of the Risk Management Committee, effective from 1 February 2020.

1.2 Qualification of Directors

According to the Charter of the Board of Directors, the Company's director shall have the qualification as follows:

- (1) The directors shall have knowledge, ability, integrity, abidance to ethical business practices, and have adequate time to devote their knowledge and abilities to performing duties for the Company
- (2) The directors shall have qualifications and shall not have prohibited characteristics as specified by law on public limited companies, law on securities and exchange and other related law and regulation. In addition, the directors shall not have characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by public shareholders as stipulated by the notification of the Capital Market Supervisory Board.
- (3) The directors are forbidden to operate a business of the same nature as and in competition with that of the Company, or to enter to be a partner or director in other juristic persons which operates a business of the same nature as and in competition with that of the company, whether for their own or others' benefit, unless the meeting of shareholders had been notified prior to appointment thereto.
- (4) Independent Directors shall have all the qualifications stipulated by the Company and pursuant to the Notification of the Capital Market Supervisory Board (as amended). Independent directors have a duty to protect the interests of every shareholders with equally and impartial manner in order to avoid any conflict of interest that may arise. They shall be able to attend Board meetings and independently express their comments and opinions.

Independent directors shall have the following qualifications:

- (a) Holds no more than 1% of total voting stocks of the Company, its parent Company, its subsidiaries, its associated companies, major shareholder or controlling persons who may have conflicts of interest, including stocks held by connected persons of the independent director.
- (b) Is not or has never been an executive director, employee, staff, or advisor who receives salary of a controlling person of the Company, its parent Company, its subsidiaries, its associated companies, same-level subsidiaries, a major shareholder or controlling persons who may have conflicts of interest unless the foregoing status has ended for more than 2 years before the date of appointment as independent director. The above restrictions do not apply to the appointment of an independent director who was a Government official or civil servant or consultant to a Government entity which was a major shareholder in the Company or which had a control over the Company.
- (c) Is not a person related by blood or legal registration, such as father, mother, spouse, sibling or child, including spouse of children, management, major shareholders, controlling persons, or persons to be nominated as management or controlling person of the Company or its subsidiaries.
- (d) Does not have or has not had a business relationship with the Company, its parent Company, its subsidiaries, its associated companies or controlling persons who may have conflicts of interest, in a manner that may interfere with his independent judgment, or is not or has never been a major shareholder or controlling persons of any person having business relationship with the Company, its parent Company, its subsidiaries, its associated companies a major shareholder or controlling persons who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years prior to appointment as independent director.

The term 'business relationship' mentioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the applicant or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected

transactions under the Notification of Capital Market Supervisory Board concerning Rules on Connected Transactions. The combination of such indebtedness shall include indebtedness taking place during the course of 1 year prior to the date on which the business relationship with the person commences.

- (e) Is not or has never been an auditor of the Company, its parent Company, its subsidiaries or its associated companies who may have conflicts of interest and is not a major shareholder, or partner of an audit firm which employs auditors of the Company, its parent Company, its subsidiaries, its associated companies, a major shareholder or controlling persons who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years prior to appointment as independent director.
- (f) Is not or has never been any professional advisor including legal or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its parent Company, its subsidiaries, its associated companies, a major shareholder or controlling persons who may have conflicts of interest, and is not a major shareholder, controlling persons or partner of the professional advisor unless the foregoing relationship has ended for more than 2 years appointment as independent director.
- (g) Does not represent the Company's or its major shareholder's board member or a shareholder who is related to the Company's major shareholder.
- (h) Is not an entrepreneur in any business similar to or materially competing with the Company or its subsidiaries or not being the material partner in partnership, executive director, employee, staff, or advisor who receives salary or holds more than 1% of total voting stocks of the Company similar to or materially competing with the Company or its subsidiaries.
- (i) Has no characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business.

1.3 Scope of Duties, Authorities and Responsibilities of the Board of Directors

- (1) Perform the duty and govern the business of the Company and subsidiaries in accordance with the policy of governance on subsidiaries/associated companies, laws, objectives, regulations, resolutions of the Meeting of the Board of Directors as well as resolutions of the Meeting of the Shareholders with responsibility, diligence and honesty to protect the rights and interests of the Company and all shareholders; and have duty to supervise the Company and subsidiaries to comply with laws related to the business operation of the Company and subsidiaries, and laws related to prohibition of bribery payment or corruption support.
- (2) Determine vision, strategy, direction of business operation, policy, target, business plan, budget, management structure, and approval power of the Company and subsidiaries as proposed by the Management; and govern the management and performance of the Management or any person entrusted to effectively and efficiently perform such duty in accordance with the determined policy for maximum value addition to the Company, subsidiaries and shareholders.
- (3) Continuously and regularly monitor and assess the performance of the Management to attain strategy in accordance with work plan and budget; and supervise executive remuneration payment mechanism system to be appropriate.
- (4) Execute the Company and subsidiaries to have proper and effective accounting system; prepare reliable financial and auditing reporting; and establish adequate and appropriate internal control system, internal audit system, and filing system that can audit the accuracy of the information later.
- (5) Acknowledge audit report of the Audit Committee.
- (6) Consider approving acquisition or disposal of assets (in case of transaction size not required for consideration by the Meeting of the Shareholders), new business investment, and any executions in accordance with relevant laws, announcements, and regulations.

- (7) Consider approving and giving consent on the connected transaction (in case of transaction size not required for consideration by the Meeting of the Shareholders) of the Company and subsidiaries in accordance with relevant laws, announcements, and regulations.
- (8) Consider approving interim dividend payment to the Company's shareholders.
- (9) Consider formulating the policy of risk management in companywide extension; and appropriately govern the system or process of risk management under supporting measure and abatement procedure of the business impact of the Company and subsidiaries; and monitor performance.
- (10) Supervise not to cause problem of conflict of interests between the stakeholders of the Company and subsidiaries. In case where any director has gain and loss in any transaction performed with the Company or has increasing or decreasing proportion of shareholding in the Company and/or subsidiaries, the said directors shall inform the Company for acknowledgment without delay.
- (11) Formulate the corporate governance policy, corporate social responsibility policy, and anti-corruption policy as well as effectively adopt such policy.
- (12) Appoint the Sub-Committees such as Audit Committee, Board of Executives, and/or any other Sub-Committees, to assist and support the function of the Board of Directors as appropriate.
- (13) Consider approving the employment, appointment, transfer or termination of the Chief Executive Officer, Vice President and the person holding the highest position in the accounting and finance field.
- (14) Consider approving the determination of salary, salary increase, bonus, remuneration, and reward of the Chief Executive Officer, Vice President and the person holding the highest position in the accounting and finance field.
- (15) Consider approving the criteria and performance evaluation results of the Chief Executive Officer, Vice President and the person holding the highest position in the accounting and finance field.
- (16) Appoint the Company Secretary to assist the Board of Directors in working for business operation in accordance with relevant laws, announcements, and regulations.
- (17) Request for professional opinion from external organization if necessary, for appropriate decision making support.
- (18) Prepare Annual Report and take responsibility on preparation and disclosure of financial statements to present financial positions and operating results of the Company in last year and propose to the Meeting of the Shareholders.
- (19) Arrange the Annual General Meeting of Shareholders within 4 months from the ending date of the Company's accounting year.
- (20) Fairly consider approving the issues under concern on interests of the shareholders and all groups of stakeholders of the Company.
- (21) Entrust one or several directors or any other person to take any action in lieu of the Board of Directors.

The delegation of authorization, duties, and responsibilities of the Board of Directors, it shall not be authorization or sub-authorization that allows the Board of Directors or the person who is authorized by the Board of Directors enable to approve the transaction that it or person who may have conflict (as defined in the announcement of Securities and Exchange Commission or announcement of Capital Market Supervisory Board) may have gain and loss, or may gain interest in any nature, or may have any other conflict of interests with the Company or its subsidiaries unless it is the approval of the transaction in accordance with policy and criteria considered and approved by the Shareholders Meeting or the Board of Directors.

1.4 Scope of Duties, Authorities and Responsibilities of the Chairman

- (1) The Chairman or person designated by the Chairman has a duty to call a meeting of Board of Directors and to encourage all directors to attend the meeting.
- (2) Determining the meeting agenda with the Chief Executive Officer.
- (3) Acting as the Chairman of the Board of Directors' Meeting to conduct the meeting in compliance with the meeting agenda, Articles of Association, and laws, control the meeting to run with effectively and sufficient time for proposing the information to the meeting, gave the directors an opportunity to inquire and express their opinion freely, and control the discussion issues and summation of the meeting's resolutions.
- (4) Acting as the Chairman of the Shareholders' Meeting to conduct the meeting in compliance with the meeting agenda, Articles of Association, and laws, control the meeting to run with effectively and sufficient time, gave the shareholders an opportunity to inquire and express their opinion equally, and respond to all questions raised by shareholders.
- (5) Promoting the Company's Corporate Governance Policy among directors, executives, and employees.
- (6) Communicating all essential information to directors for acknowledgement
- (7) Supervising and monitor the performance of directors, to ensure that it comply with scope of duties and responsibilities to meet the Company's objectives and target as well as compliance with the laws and the Company's Corporate Governance Policy.
- (8) Promoting a good relationship between executive directors and non-executive directors including the directors and management team.

1.5 Authorized Directors of the Company

The directors who are authorized to sign on behalf of the Company as of 31 December 2020 are Admiral Nibhon Chagsudulya, Mr. Suraphon Meesathien, Mr. Prompong Chairsawatsuk, Mr. Surasak Chaiyen, or Ms. Neeracha Panboonhom whereas two directors of these five directors shall jointly sign and affix the Company's seal.

1.6 Directors' Terms

The term of the Company's directors is pursuant to the Company's Articles of Association. In every Annual General Meeting of Shareholders, one-third of the directors shall vacate office. If the number of directors cannot be divided exactly into three parts, directors in a number closest to one-third shall vacate office. The directors who vacate the office may be selected to resume their office. The director who must vacate his/her office in the first year and the second year after registration of the Company shall draw lot. In the following years, the director who is in the office for longest period shall vacate the office.

1.7 The Meeting of the Board of Directors

In accordance with the Charter of the Board of Directors, the Board of Directors shall convene the not less than 6 meetings per year by scheduling meeting date in advance for the whole year. Special meeting may be additionally held in specific occasion in accordance with necessity and appropriateness. The Chairman or other person authorized by the Chairman shall deliver meeting invitation letter together with meeting agenda and meeting documentation at least 7 days in advance prior to the meeting date so that the directors shall have enough time to study the information prior to meeting attendance, unless in case of urgency for protection of right and interest of the Company and shareholders.

In 2020, the Board of Directors held 15 meetings and 1 meeting between Independent Directors (ID), with the details of attendance for each director shown below:

| Name of Directors | Meeting Attended / Total Meetings (Times) | | |
|---|---|-----------------------------|--------------------------------|
| | AGM 2020 | Board of Directors' Meeting | Independent Directors' Meeting |
| 1. Mr. Bowon Vongsinudom | 1/1 | 15/15 | 1/1 |
| 2. Admiral Nibhon Chagsudulya | 1/1 | 15/15 | - |
| 3. Mr. Chainoi Puankosoom | 1/1 | 15/15 | 1/1 |
| 4. Mr. Somchai Kuvijitsuwan | 1/1 | 15/15 | 1/1 |
| 5. Mr. Suraphon Meesathien | 1/1 | 15/15 | - |
| 6. Mr. Prompong Chaisrisawatsuk | 1/1 | 15/15 | - |
| 7. Mr. Surasak Chaiyen | 1/1 | 15/15 | - |
| 8. Ms. Neeracha Panboonhom ⁽¹⁾ | 1/1 | 13/14 | - |
| 9. Mr. Kosit Fuangwasdi ⁽²⁾ | - | 1/1 | 1/1 |

Remarks:

⁽¹⁾ Ms. Neeracha Panboonhom was appointed as Director in replacement of Acting Sub Lt. Chanwit Anakkul who resigned, by the resolution of the Board of Directors Meeting No. 1/2020 held on 23 January 2020, effective from 1 February 2020 onwards.

⁽²⁾ Mr. Kosti Fuangwasdi resigned as Director and Chairman of the Risk Management Committee, effective from 1 February 2020,

2 Management Team

As of 31 December 2020, The Company's management as defined by Notification of the Securities and Exchange Commission, consists of the following 5 executives:

| Name of Management | Position |
|--|---|
| 1. Mr. Prompong Chaisrisawatsuk ⁽¹⁾ | Chief Executive Officer |
| 2. Ms. Suthasinee Muenlamay ⁽²⁾ | Vice President of Commercial and Investment |
| 3. Ms. Nipat Eamsiriwat | Commercial Director (Commercial 1) |
| 4. Mr. Anantachai Auttama ⁽³⁾ | Ship Management Business Director |
| 5. Mr. Viritphol Churaisin | Chief Financial Officer |

Remark:

⁽¹⁾ Mr. Prompong Chaisrisawatsuk was appointed as Chief Executive Officer in replacement of Acting Sub Lt. Chanwit Anakkul who vacated from his position due to the employment agreement is expiring, by the resolution of the Board of Directors Meeting No. 14/2019 held on 11 December 2019, effective from 1 January 2020 onwards.

⁽²⁾ Ms. Suthasinee Muenlamay was appointed as Vice President of Commercial and Investment by the resolution of the Board of Directors No. 15/2020 held on 22 December 2020, effective from 1 January 2021 onwards.

⁽³⁾ Mr. Anantachai Auttama was appointed as Ship Management Business Director by the resolution of the Board of Directors No. 8/2020 held on 24 July 2020, effective from 3 August 2020 onwards.

⁽⁴⁾ Mr. Sompat Khongsamran resigned as Commercial Director (Commercial 2), effective from 1 March 2020 onwards.

Scope of duties and responsibilities of the Chief Executive Officer

- (1) Formulate rules of governance, management and day to day operation of normal business in accordance with policy, direction, strategy, business plan and budget determined by the Board of Directors and the Board of Executives.
- (2) Propose vision, policy, direction, strategy, business plan and budget of the Company or subsidiary to the Board of Executives for usefulness in preparing such issues to be proposed to the Board of Directors, and mutually consider such issues with the Board of Executives and the Board of Directors.
- (3) Negotiate and enter into any contract or transaction related to the normal business operation of the Company within authority and financial limit as specified in Approval Authority Limits.
- (4) Approve the appointment of the consultant in various fields which are essential for operation of the Company within authority and financial limit as specified in Approval Authority Limits.
- (5) Have authority to employ, appoint, remove, discharge, and dismiss the staff of the Company in the position below the level of Function Director.
- (6) Have the power to determine the rate of wage, remuneration, reward, bonus, and increase salary for the staff at the level of Function Director and the staff at the level below Function Director except the person holding the highest position in the accounting and finance field under framework and policy prescribed by the Board of Executives.
- (7) Control, examine, and monitor the operating result of the Executive and Management, and suggest the guideline of problem and obstacle correction so that the executives and the Management shall execute based on formulated strategies and business plans in accordance with the policies of the Company, and regularly report operating result and progress of the operation of the Executive and Management to the Board of Executive, Audit Committee and the Board of Directors.
- (8) Issue internal orders, rules, announcements, and records for operation of the Company to be line with the policies and for the Company's benefit and maintain organizational discipline.
- (9) Consider approving the operation which is normal business transaction, as well as operation which is the transaction that supports normal business of the Company under general commercial condition in financial limit not more than budget approved by the Board of Directors or the Board of Executives or resolved for approval on principle by the Board of Directors or the Board of Executives subject to the criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand related to performing the connected transaction and asset acquisition and disposal transaction, as well as Table for Delegation of Approval Authority* as approved by the Meeting of the Board of Directors.
- (10) Do other duties entrusted by the Board of Directors or the Board of Executives and have essential authority to execute in the said function.
- (11) Authorize any one or several persons to take any action in lieu of the Chief Executive Officer.

The delegation of authorization, duty and responsibility of the Chief Executive Officer shall not have the nature of authorization or sub-authorization that allows the Chief Executive Officer or the person who is authorized by the Chief Executive Officer enable to approve the transaction that he/she or person may have conflict (as defined in the Announcement of the Securities and Exchange Commission or the Announcement of the Capital Market Supervisory Board), may have gain and loss, or may gain any nature of interest, or may have conflict of interests with the Company, or the Company's subsidiaries, unless it is the approval of the transaction in line with the policy and criteria approved by the Meeting of the Shareholders or the Board of Directors.

Separation of the office of the Chairman of the Board and Chief Executive Officer

Roles and duties of the Chairman of the Board and Chief Executive Officer shall be clearly separated to ensure check and balance. Mr. Bowon Vongsinudom, the Chairman of the Board of Directors, has scope of duties and responsibilities as leader of the Board of Directors and Chairman of the Meeting in the Meeting of the Shareholders, and the Meeting of the Board of Directors. Mr. Prompong Chaisrisawatsuk, the Chief Executive Officer, has scope of duties and responsibilities in day-to-day operation under the scope of power, business plan and budget, vision as well as mission approved by the Board of Directors.

3 Company Secretary

Pursuance to the Section 89/15 of Securities and Exchange Act, B.E. 2535, the Board of Directors' Meeting No. 7/2018 held on 21 June 2018 resolved to approve the appointment of Ms. Udomrat Sitthikorn as Company Secretary to perform the duty in the name of the Company or the Board of Directors, effective from 2 July 2018. The scope of authorities and responsibilities of the Company Secretary is defined as follows.

- (1) Prepare and keep the registration of directors, appointment letter for the Meeting of the Board of Directors and minutes of the Meeting of the Board of Directors, Annual Report of the Company, appointment letter for the Meeting of the Shareholders, and minutes of the Meeting of the Shareholders.
- (2) Keep the conflict of interest report of directors or executives, and deliver copy of the conflict of interest report to the Chairman of the Board and Chairman of the Audit Committee for acknowledgement within 7 working days from the date of which the Company received that report.
- (3) Give primary advice to the directors about laws, rules, and regulations, as well as policies of the Company, monitor for proper and regular compliance, and report the significant change to the directors.
- (4) Hold the Meeting of the Shareholders and Meeting of the Board in accordance with laws, regulations of the Company and practices.
- (5) Record the minutes of the Meeting of the Shareholders, and Meeting of the Board of Directors, and monitor for effective compliance with resolutions of the Meeting of Shareholders and Meeting of the Board of Directors.
- (6) Supervise the disclosure of the information and report of important events of the Company in responsible part to the agencies that govern the Company in accordance with laws, codes of conduct, announcements, rules and requirements of the official agencies.
- (7) Contact and communicate with the general shareholders to be informed about the rights of the shareholders and news of the Company.
- (8) Control and keep the important registrations of the Company and licenses related to business operation and indication of the Company's status.
- (9) Supervise activities of the Board of Directors and other Sub-Committees, and any executions in accordance with relevant laws, rules, and regulations.
- (10) Take any other action as prescribed by the Capital Market Supervisory Board.

Ms. Udomrat Sitthikorn has completed a company secretary training program from the Thai Institute of Directors (IOD) and other relevant courses, and she have experience in company secretary function as well as many

other qualifications which support the Company Secretary function of the Company. The details of education, training and experience of the Company Secretary appear on the section “Information of Directors, Executives, the person taking the highest responsibility in finance and accounting, the person supervising accounting, and Company Secretary”.

4 Remuneration of Directors and Executives

The Board of Directors’ remuneration is based on comparisons with the same industry and in line with the duties and responsibilities of each director. The executives’ remuneration and directors’ bonus determined based on the Company’s performance. The annual remuneration of directors and executives must not exceed the average of remuneration of directors and executives in the same industry. The Company will be taking in account the best interests of the shareholders.

4.1 Monetary Remuneration

(1) Remuneration for Directors

The Company’s directors shall be entitled to receive remunerations from the Company in the form of reward, meeting allowance, gratuity, bonus, or benefits of other nature as considered and approved by the resolution of the shareholders meeting with two-thirds of the total votes cast by the shareholders attending the meeting. The remuneration may be fixed or determined by the criteria, with effect from time to time or indefinitely until the shareholders meeting resolves otherwise. The Directors are also entitled to allowances and other benefits in accordance with the Company’s regulations.

The directors’ remuneration for the year 2020, the 2020 Annual General Meeting of Shareholders, held on 23 April 2020 has passed the resolution to approve the remuneration for the Board of Directors and sub-committees in the amount not exceeding 25 million Baht, which is consist of monthly allowance, meeting allowance, and bonus. The details are as follows:

| The Board of Directors and Sub-Committee | Monthly Allowance (Baht/Month) | Meeting Allowance (Baht/Meeting) |
|--|-----------------------------------|-------------------------------------|
| The Board of Directors | | |
| Chairman | 64,000 | 35,000 |
| Director | 34,000 | 29,000 |
| The Audit Committee | | |
| Chairman | - | 35,000 |
| Member | - | 29,000 |
| The Nomination, Remuneration and Corporate Governance Committee | | |
| Chairman | - | 35,000 |
| Member | - | 29,000 |
| The Risk Management Committee | | |
| Chairman | - | 35,000 |
| Member | - | 29,000 |
| The Board of Executives | | |
| Chairman | - | 35,000 |
| Member | - | 29,000 |

During the year 2020, the Company paid the remuneration to (1) Board of Directors (2) Audit Committee (3) Nomination, Remuneration and Corporate Governance Committee (4) Risk Management Committee and (5) Board of Executives consisting of monthly allowances, meeting allowances and bonus in the amount of 18,604,000 Baht. The details are as follows:

| Name | Monthly and Meeting Allowance for the Board of Directors | Meeting Allowance for Sub-Committee | | | | Bonus | Total |
|--|--|-------------------------------------|---|---------------------------|------------------------------------|-----------|------------|
| | | Audit Committee | Nomination, Remuneration and Corporate Governance Committee | Risk Management Committee | Board of Executives ⁽⁶⁾ | | |
| 1. Mr. Bowon Vongsinudom | 1,293,000 | 174,000 | - | - | - | 2,816,000 | 4,283,000 |
| 2. Admiral Nibhon Chagsudulya ⁽¹⁾ | 843,000 | - | 210,000 | 203,000 | - | 2,093,000 | 3,349,000 |
| 3. Mr. Chainoi Puankosoom | 843,000 | 210,000 | 174,000 | - | - | 1,690,500 | 2,917,500 |
| 4. Mr. Somchai Kuvijitsuwan | 843,000 | 174,000 | 174,000 | - | - | 1,690,500 | 2,881,500 |
| 5. Mr. Suraphon Meesathien | 843,000 | - | - | 245,000 | - | - | 1,088,000 |
| 6. Mr. Prompong Chaisrisawatsuk | 843,000 | - | - | 203,000 | 280,000 | - | 1,326,000 |
| 7. Mr. Surasak Chaiken | 843,000 | - | 174,000 | - | 232,000 | - | 1,249,000 |
| 8. Ms. Neeracha Panboonhom ⁽²⁾ | 751,000 | - | - | - | - | - | 751,000 |
| 9. Mr. Kosit Fuangwasdi ⁽³⁾ | 63,000 | - | - | - | - | - | 63,000 |
| 10. Mr. Wang Wei | - | - | - | - | 232,000 | - | 232,000 |
| 11. Ms. Suthasinee Muenlamay ⁽⁴⁾ | - | - | - | - | 174,000 | - | 174,000 |
| 12. Mr. Viritphol Churaisin | - | - | - | - | 232,000 | - | 232,000 |
| 13. Mr. Nuthkorn Samran ⁽⁵⁾ | - | - | - | - | 58,000 | - | 58,000 |
| Total | 7,165,000 | 558,000 | 732,000 | 651,000 | 1,208,000 | 8,290,000 | 18,604,000 |

Remarks:

- (1) Admiral Nibhon Chagsudulya was appointed as Member of the Risk Management Committee in replacement of Mr. Kosit Fuangwasdi who resigned, by the resolution of the Board of Directors Meeting No. 1/2020 held on 23 January 2020, effective from 1 February 2020 onwards.
- (2) Ms. Neeracha Panboonhom was appointed as Director in replacement of Acting Sub Lt. Chanwit Anakkul who resigned, by the resolution of the Board of Directors Meeting No. 1/2020 held on 23 January 2020, effective from 1 February 2020 onwards.
- (3) Mr. Kosit Fuangwasdi resigned as Director and Chairman of the Risk Management Committee, effective from 1 February 2020 onwards.
- (4) Ms. Suthasinee Muenlamay was appointed as Member of the Board of Executives in replacement of Mr. Sompat Khongsamran who resigned, by the resolution of the Board of Directors Meeting No. 7/2020 held on 23 June 2020, effective from 1 July 2020 onwards.
- (5) Mr. Nuthkorn Samran resigned as Member of the Board of Executives, effective from 22 July 2020 onwards.
- (6) The 2020 Annual General Meeting of Shareholders held on 23 April 2020 has passed the resolution to approve the remuneration of the Board of Executives for the year 2020 and start to pay the meeting allowance at the Board of Executives Meeting No. 5/2020 held on 11 May 2020 onwards.

Remuneration for Executives*

In 2020, the total remuneration for the 7 executives of the Company was 29.27 million Baht, consisting of salary and bonus which are based on the Company's operations and performance as well as each individual's performance.

Remark:

- * Executives means the executives as defined by the Notification of the Securities and Exchange Commission.

4.2 Other Remuneration

(1) Provident Fund

The Company has implemented a Provident Fund. In 2020, the Company paid a total of 1.19 million Baht into the provident fund for 7 executives**.

Remark:

* Executives means the executives as defined by the Notification of the Securities and Exchange Commission.

5 Personnel

5.1 Number of Personnel

The number of personnel of the Company and subsidiaries (excluding directors and executives*) is classified on departmental basis as of 31 December 2020 as follows:

Remark:

* Executives means the executives as defined by the Notification of the Securities and Exchange Commission.

| Department / Division | Number of staffs (persons) | | | | |
|---|----------------------------|-----------|--------------------|--------------------|------------|
| | The Company | BSC | NMC | NSSG | Total |
| Marketing / Commercial and Operation | 12 | - | - | 3 | 15 |
| Human Resources | - | 9 | 2 | 1 | 12 |
| Office Management | 3 | - | 1 | - | 4 |
| Project Investment and Quality Management | 11 | - | - | - | 11 |
| Compliance and Company Secretary | 3 | - | - | - | 3 |
| Ship Owner Technic | 13 | - | 8 | 3 | 24 |
| Navigation | - | - | 5 | - | 5 |
| Seafarer | - | - | 250 ⁽¹⁾ | 283 ⁽²⁾ | 533 |
| General Service | - | - | 1 | - | 1 |
| Procurement | 9 | - | - | 3 | 12 |
| Internal Audit | 3 | - | - | - | 3 |
| Information Technology | 1 | - | - | 1 | 2 |
| Executives Office | 4 | 1 | 1 | 3 | 9 |
| Accounting and Finance | 28 | - | - | 4 | 32 |
| Investor Relations | 3 | - | - | - | 3 |
| Health, Safety, Security, Environment and Quality (HSSEQ) | - | - | 4 | 3 | 7 |
| Total | 90 | 10 | 272 | 304 | 676 |

Remarks:

⁽¹⁾ It classified into 51 regular staffs and 199 staffs under employment contract.

⁽²⁾ It classified into 3 regular staffs and 280 staffs under employment contract.

5.2 Remuneration for staffs

Total remuneration for staffs (excluding executives) of the Company and subsidiaries in 2020 was 1,062.28 million Baht. The remuneration includes salary, bonus, social security, provident fund and retirement pension.

5.3 Employee management and development policy

The company has always recognized the importance of its employees as it believes that its employees are the key factor which will bring the company sustainable and successful business growth based on the company's vision and mission and are the indicator of business competitiveness. As a result, the company has focused on recruiting and selecting the best talents as well as on making sure its employees are competent, ethical, and engaged with the organization.

The company also provides opportunities and new challenges to allow employees to realize their full potential, build a learning organization, create a positive workplace culture, support teamwork and collaboration, and promote fair remuneration.

As a result, the company has set out employee management and development policy to demonstrate its commitment to best recruiting and retaining its employees following its strategies and business goals, both in the short and long terms. It has also incorporated anti-corruption measures as part of the employee management and development process. The policy includes as follows:

(1) Organizational structure and manpower

The company organizes its structure, positions, and manpower by considering its direction and business goals which are established each year and reviewed regularly to effectively respond to changes.

(2) Recruitment and selection

The company has a fair recruitment and selection process. It seeks employees who are talented, good, high quality, and honest by considering their characteristics, qualifications, and competencies that match the requirements of their positions. On top of this, the company considers their potential to advance in their career in the future. The recruitment and selection committee is responsible for recruiting and selecting candidates following the procedures using tests and other evaluation tools. There are also background checks to verify that the candidates do not have criminal or drug use records, especially records of corruption-related crimes.

(3) Hiring, promotion, and transfer

The company provides equal opportunity for hiring, promotion, and transfer based on fair evaluation and morality which focus on competencies, determination, and performance without discrimination on the basis of race, nationality, religion, gender, age, marital status, or physical disability.

(4) Performance management

The company has applied a performance management system to ensure that every position's and department's performance is in line with the company's objectives and goals. This allows employees to see the contribution of their work to the company's success, provides opportunities for supervisors and subordinates to communicate about performance, creates a feedback loop from supervisors which will lead to performance enhancement, identifies behaviors which are in line with the company's culture, and improves employee potential for career advancement in the future.

Additionally, working with honesty is an important part of performance evaluation, remuneration, and promotion.

(5) Training and development

The company focuses on continuous training and personnel development throughout an employee's work life, starting from the employee's first day with the company until his retirement. This process entails new employee orientation, coaching, training based on annual plan and department, site visits locally and abroad, high or low performer development plan, supervisor and executive development plan, and retirement plan. The company has used different methods and channels which are suitable for different employees to ensure greatest effectiveness for employees and the company. Moreover, the company has promoted knowledge sharing between employees and from executives to create a learning organization.

To ensure employees recognize the importance of and understand anti-corruption policy, the company has included anti-corruption as part of all new employees' orientation and has continuously provided training on anti-corruption issue for employees.

In 2020, the company created a development plan that is suitable for employees in each department. The plan covered basic skills, management skills, and specific work-related knowledge, and the trainings were provided both in house and externally as follows:

In-house training

| | | |
|---|---|--|
| 1. 4D Supervisory Skill | 11. Master Plan 2020 / Budget 2020 / Department Job | 17. First Aid and Basic Life Support by AED Scenario |
| 2. Effective Leadership skills | 12. Microsoft Excel - Intermediate Excel | 18. 5 Sor and 5 Sor Standard |
| 3. IT Security Awareness | 13. Nathalin Happy Retirement | 19. New Employee Orientation |
| 4. English with AI | 14. Prima Marine Mission 2021 (Team building & Seminar) | 20. Fire drill and fire evacuation training |
| 5. HR for non HR | 15. Speaking & Listening via Skype | 21. Thai Accounting Standard |
| 6. Internal Audit Procedures | 16. HRMS-People Plus Program | 22. Personal Income Tax |
| 7. Internal Quality Audit Preparation for IQA | | 23. Document Control System on BASSnet Program |
| 8. Internal Quality Audit Preparation for IQA | | |
| 9. ISO9001:2015 Internal Quality Audit | | |
| 10. Lead Auditor | | |

External training

| | | |
|---|--|---|
| 1. SEC & SET Regulations | 14. ISM/ISPS Internal Auditor | 28. Convincing Technic |
| 2. Excel for Accounting | 15. Root cause analysis | 29. COSO ERM 2017 |
| 3. Update New Taxation Law | 16. Building Inspection Knowledge | 30. E-withholding tax |
| 4. Update New Accounting Standard | 17. Negotiation tactics for successful procurement | 31. Financial Risk and crisis management |
| 5. Knowledge of Tax | 18. Contract drafting strategy and effective negotiation | 32. Guideline for ISO 9001:2015 Documentation Preparation |
| 6. Knowledge of Accounting | 19. Turn the technic man to manager | 33. Lean Accounting |
| 7. Data Analysis with Excel | 20. Modern Presentation Design | 34. Tax mapping |
| 8. Principle of Contract and Relevant Tax | 21. Financial analysis for investment project | 35. Tax Planning for Corporate Income Tax and Value Added Tax |
| 9. Fraud Risk Management | 22. Principles of writing a working manual | 36. New TFRS |
| 10. CIA Review Part 1 | 23. Lead Auditor | 37. TFRS9 Workshop |
| 11. 100 Techniques, 100 Strategies – How to deal with non-deductible expenses | 24. Risk Management | 38. TFRS9 Financial Instruments |
| 12. Tackling corruption through internal audits and internal control guideline for fraud prevention | 25. Interviewing technic and EQ testing | |
| 13. Public Relations | 26. 5 Strategic thinking Enhancements | |
| | 27. CFO Refresher | |

External training

| | | |
|--|---|---|
| 39. TLCA CFO Professional Development Program | 51. Accounting for construction business: Problems & Solutions | 60. Major changes of 3 financial reporting standards |
| 40. Transfer Pricing: Effects in accounting recording | 52. Deferred Tax preparation | 61. Personal Data Protection Act B.E. 2562 |
| 41. Transformative accounting | 53. Internal Audit for ISO 9001:2015 | 62. Personal Data Protection Act B.E. 2562: Process & Guideline |
| 42. Coordinate communication technic | 54. Checking for the accuracy of account closure and financial reporting | 63. Tax: income and expense |
| 43. Problems and practices on property accounts and depreciation | 55. Risk Management according to COSO ERM 2017 | 64. Tax for Accountant |
| 44. Problems of tax, PND 54, PP 36, and double tax convention | 56. Accounting for construction business: preparation of documents for accounting records | 65. TFRS for PAEs |
| 45. Advance Microsoft Excel | 57. Risk Management for Planning and Internal Auditing | 66. Tax issues that related and affect a public organization |
| 46. Forensic Accounting Certificate | 58. Financial Statements and Financial Statements Analysis for Accountant | 67. e-Tax Invoice |
| 47. Enhancing potential for internal audit | 59. Problems and practices on accounting records according to accounting standard | 68. Ship Shore Operation Safety |
| 48. Warehouse Management and Inventory Control for Industry 4.0 | | 69. QMS Auditor/Lead Auditor (ISO 9001:2015) |
| 49. Cash budgeting preparation | | 70. ISO 9001:2015 Internal Auditor |
| 50. Accounting in accordance with financial reporting standards | | |

In 2020, the Company provided training for employees throughout the year. The number of training hours averaged 35.94 hours per person.

| Year | 2020 | 2019 | 2018 |
|---------------------------|-------|-------|-------|
| Training hour/person/year | 35.94 | 52.80 | 47.74 |

(6) Welfare and remuneration

The company manages employee salaries and remunerations fairly by considering employees' education, experience, and responsibility and comparing the rates with the local labor market, the company's situation, and business conditions with a focus on making employees happy, feel secure, and engaged with the company

(7) Career development

The company provides opportunities for employees to advance in their career. This is one of the company's strategies to retain its employees by providing a career path to motivate employees and allow them to clearly see their career progression, and feel valued and recognized by the company. Further, a career path can be used to categorize work and separate responsibilities with balance, a rule that is transparent and fair which can reduce conflict among employees.

(8) Personnel management and development through information technology

The company has applied modern technology for human resource management and development to support quick human resource management, reduce work processes, decrease costs, improve accuracy, and increase efficiency based on information safety such as online recruitment system, training and personnel development planning and approval, and e-Pay slip system, leading the company to successful and sustainable personnel management and development.

(9) Employee retention

The company has a plan to retain and motivate employees as well as to create their loyalty for the company. The company continues to improve employee relations to ensure employees are happy, properly treated, and engaged with the company. The company has a plan for internal communication and provides benefits and welfare that meet employees' needs with regular review to ensure they reflect the country's economic and social conditions. Moreover, the company continues to support employees through career development for each department.

(10) Recruitment planning and leadership development for succession

The company has a plan for systematically recruiting and developing executives for succession by appointing a committee to be responsible for planning the recruitment and development in a sustainable and transparent way to prepare the company's executives for their professional growth with a focus on important positions which are the engines of the organization including positions starting from Vice President and above. Recruitment planning and executive development for succession will reduce the risk of management discontinuity and retain high-performing personnel, bringing about sustainable growth to the company.

(11) Organizational culture

The company supports good corporate culture by promoting teamwork, trust, honesty, ethics, anti-corruption policy, and responsibilities to stakeholders and customers.

(12) Social responsibility

The company encourages its employees to be generous, ethical, caring and share their knowledge and happiness to others. As a result, the company has promoted various volunteering activities initiated by the company and employees to give back to the community, society, and environment. The company recognizes that community and social engagement is every person's responsibility. When the society is happy, the company and its personnel will be happy in the long term as well.

5.4 Significant change in number of staffs in the past 3 years period

-None-

5.5 Labor dispute in the past 3 years period

The Company had none of labor union and none of any staffs of the Company who are the members of labor union. None of staffs filed the complaints to determine the agreement of employment union. However, the Company has never had important labor disputes.

Corporate Governance

1. Corporate Governance Policy

The Board of Directors realizes and comprehends on the importance of the good corporate governance, it is assured that the good corporate governance is regarded as the key maximum success factor in the business operation and will help promoting the Company and its subsidiaries to be the effective organization both in business operation and responsibilities on all groups of stakeholders. The Company has complied with the Corporate Governance Code for Listed Companies 2017 (CG Code 2017) issued by the Office of Securities and Exchange Commission, and also completely applied the guideline prescribed by the government agencies, as well as official agencies that govern the Company, as the practical guideline in full manner.

The Preparation of Corporate Governance Policy

The Board of Directors documented the Corporate Governance Policy since 28 April 2016 in accordance with the guideline prescribed by the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), to be used as an operational guideline for the Company and its Group to achieve the effective performance and show all investors the transparency, resulting in the outsider's confidence towards the Company's business operations. The Company's Corporate Governance Policy covers 5 main sections as follows:

- Section 1: The Right of Shareholders
- Section 2: The Equality of Shareholders
- Section 3: The Role of Stakeholders
- Section 4: Information Disclosure and Transparency
- Section 5: Responsibilities of the Board of Directors

The Board of Directors regularly considers and reviews to revise the Corporate Governance Policy. It has recently revised the corporate governance on December 11, 2019 for continuous improvement of the Company's corporate governance in conformity to the Corporate Governance Code for Listed Companies 2017 (CG Code 2017) issued by the Office of Securities and Exchange.

Code of Conduct

The Board of Directors realizes on the significance of ethics and code of conduct observed by all directors, executives, staffs, and shareholders as a guideline for duty performance and treatment with the related parties. Therefore, the Board of Directors has considered to determine and resolve the approval on "Requirement for Ethics and Code of Conduct" as a practical standard accordingly whereas the following topics are included.

1. Ethics and Code of Conduct of the Board of Directors
2. Ethics and Code of Conduct of the Executives
 - 2.1 Company, Board of Directors, and Shareholder Treatment Guideline
 - 2.2 Employee Treatment Guideline
 - 2.3 Customer Treatment Guideline
 - 2.4 Business Partner, and/or Creditor Treatment Guideline
 - 2.5 Business Competitor Treatment Guideline
 - 2.6 Public Society Treatment Guideline
3. Ethics and Code of Conduct of the Employees
4. Ethics and Code of Conduct of the Shareholders
5. Anti-Corruption

The Board of Directors regularly considers and reviews to revise the Code of Conduct. It has recently revised the corporate governance on 18 July 2019 by adding topic of anti-corruption.

[Communication on the Corporate Governance Policy](#)

The Company has promulgated the corporate governance policy for the Company's and its subsidiaries' directors, executives, and employees to acknowledge and comply with. In addition, the Company has also prepared a Handbook on Corporate Governance and Code of Conduct to allow the directors, executives, and employees to study and understand the Company's Corporate Governance Policy and properly follow it. The new employee orientation has been organized for their understanding on corporate governance, and every revision of the Company's corporate governance policy has been announced for acknowledgement of the employees.

[Assessment Results on Corporate Governance](#)

In 2020, the Company was assessed on corporate governance by the related agencies as per the following results:



The Company was scored of 100 points from the 2020 AGM Checklist for Listed Companies by the Thai Investors Association (TIA).



The Company was rated of “**Excellent**” or “**Five Stars**” level in Corporate Governance for the 2nd year in a row (2019-2020) from the 2020 Corporate Governance Report of Thai Listed Companies (CGR 2020) by the Thai Institute of Directors (IOD).



2. Sub-Committees

The Company's Board of Directors appointed 4 Sub-committees including the Audit Committee, the Nomination, Remuneration and Corporate Governance Committee, the Board of Executive, and the Risk Management Committee as following details:

2.1 Audit Committee

The Audit Committee consists of 3 members whereas at least one director has adequate knowledge and experience in accounting or finance that can perform the duty of review on the reliability of financial statements. One member will be selected to be the Chairman of the Audit Committee and the Secretary of the Audit Committee will be appointed to help the operation of the Audit Committee.

The office term of the Audit Committee members is not more than 3 years and in accordance with the office term of the Company's director. Any Audit Committee member who retires by rotation may be appointed to resume the office of the Audit Committee members.

As of 31 December 2020, the Audit Committee consists of 3 members as follows:

| Name | Position |
|-----------------------------|---------------------------------|
| 1. Mr. Chainoi Puankosoom | Chairman of the Audit Committee |
| 2. Mr. Somchai Kuvijitsuwan | Member of the Audit Committee |
| 3. Mr. Bowon Vongsinudom | Member of the Audit Committee |

Mr. Chainoi Puankosoom is the person with adequate knowledge and experiences that can perform the duty of review on the reliability of financial statements.

Meetings held by the Audit Committee

The Audit Committee must hold at least 1 meeting per 3 months based on the financial report preparation period. In 2020, there were totally 6 meetings held by the Audit Committee (Please see more details in “Meeting Attendance of Sub-committees in 2020”).

Authorities and Responsibilities of the Audit Committee

- (1) Review the Company has the proper financial reports and discloses adequate information.
- (2) Review the Company’s internal control system and internal audit system are proper and efficient and consider the independence of the Internal Audit Work Unit as well as approval for the appointment, removal and dismissal of the Head and employees of the Internal Audit Department or any other department in charge of the internal audit.
- (3) Review the Company complies with the Law on Securities and Exchange, regulations and notifications of the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and laws and rules relating to the Company’s business.
- (4) Consider, select, nominate, and terminate independent person to perform duty of the Company’s auditor, propose remuneration of the auditor, and attend the meeting with the auditor without the Management’s attendance at least once a year to propose to the Board of Directors meeting.
- (5) Consider connected transactions or transactions that may have conflict of interests in accordance with the Law on Securities and Exchange, as well as regulations and notifications of the Stock Exchange of Thailand/relevant laws which are effective for the Company and/or Company’s business to ensure that the said transactions are reasonable and maximally beneficial to the Company.
- (6) Prepare the Audit Committee’s Report and propose to the Board of Directors by disclosing in the Company’s Annual Report. Such report shall be signed by the Chairman of the Audit Committee and at least contained of following information:
 - a. Opinion on the accuracy, completeness, reliability of the Company’s financial reports.
 - b. Opinion on the adequacy of the Company’s internal control system.
 - c. Opinion on the compliance with the Law Securities and Exchange, regulations and notifications of the SET, and other relevant laws which are effective for the Company and/or the Company’s business.
 - d. Opinion on the appropriateness of the auditor.
 - e. Opinion on the transactions that may have conflict of interests.
 - f. Number of meetings held by the Audit Committee and meeting attendance record of each Audit Committee member.
 - g. Overall opinion or observation that the Audit Committee acquired from the function under the Charter.
 - h. Any other transactions deemed that the Company’s shareholders and general investors should be realized under the scope of authorities, duties and responsibilities entrusted by the Board of Directors.

- (7) Review and propose the Board of Directors to consider and revise the scope of authorities, duties, and responsibilities of the Audit Committee to be consistent with the situation.
- (8) Audit and investigate the related parties under the authorities of the Audit Committee and have power to hire or take the specialist to help in audit and investigation works.
- (9) If the following transactions or acts are detected or doubtful that may have significant impact on the Company's financial position and overall operations, the Audit Committee shall immediately report to the Board of Directors for improvement and correction by the Board of Directors.
 - a. Any transaction that may have conflict of interests
 - b. The corruption or abnormality or important fault in the internal control system
 - c. The violation of the Securities and Exchange Law, regulations, and notifications of the Stock Exchange of Thailand, or other relevant laws which are effective for the Company and/or the Company's business. If the Board of Directors or executives fail to improve or correct within the aforesaid period, any member of the Audit Committee may report the existence of the aforesaid transaction or act to the Office of Securities and Exchange Commission or the Stock Exchange of Thailand.
- (10) Review the compliance with the Company's anti-corruption policy to ensure that the company has adequate internal control, including reviewing the validity of the assessment form and reference documents follow to the Thailand's Private Sector Collective Action Coalition Against Corruption.
- (11) Consider review the Company's anti-corruption policy to improve the policies and propose to the Board of Directors for approval.
- (12) Perform other tasks assigned by Board of Directors and by the authority delegated in the Company's other policies.

2.2 Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee consists of at least 3 members and at least half of members must be independent directors. One member will be selected to be the Chairman and the Secretary of the Nomination, Remuneration and Corporate Governance Committee will be appointed to help the operation of the Committee.

The office term of the Nomination, Remuneration and Corporate Governance Committee members is not more than 3 years and in accordance with the office term of the Company's director (in case of any member holding the position of director). Any member of the Nomination, Remuneration and Corporate Governance Committee who retires by rotation may be appointed to resume the office of the Nomination, Remuneration and Corporate Governance Committee members.

As of 31 December 2020, the Nomination, Remuneration and Corporate Governance Committee consists of 4 members as follows:

| Name | Position |
|-------------------------------|---|
| 1. Admiral Nibhon Chagsudulya | Chairman of the Nomination, Remuneration and Corporate Governance Committee |
| 2. Mr. Chainoi Puankosoom | Member of the Nomination, Remuneration and Corporate Governance Committee |
| 3. Mr. Somchai Kuvijitsuwan | Member of the Nomination, Remuneration and Corporate Governance Committee |
| 4. Mr. Surasak Chaiyen | Member of the Nomination, Remuneration and Corporate Governance Committee |

Meetings held by the Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee shall hold the meetings as the Chairman deems appropriate, but at least 1 meeting per year should be held. In 2020, there were totally 6 meetings held by the Nomination, Remuneration and Corporate Governance Committee (Please see more details in “**Meeting Attendance of Sub-committees in 2020**”).

Scope of Duties and Responsibilities of the Nomination Committee

- (1) Determine qualification and criteria for the nomination of directors (including members of the Company’s Sub-Committees), Chief Executive Officer, Vice President, and the person holding the highest position in the accounting and finance field to be in line with relevant rules and/or laws, and consider and select the qualified persons with knowledge, experience, expertise to be nominated to the Board of Directors and/or the Meeting of Shareholders (as the case may be) for further consideration and appointment as such position.
- (2) Consider the independence and qualification of each independent director to ensure that the Company’s independent directors are fully qualified as prescribed by relevant rules and/or laws.
- (3) Consider the form and payment criteria of remuneration (whether it be in form of cash, securities or any others) for directors, Chief Executive Officer, Vice President, and the person holding the highest position in the accounting and finance field to be proper, fair and in line with the relevant laws, and propose it to the Board of Directors and/or the Meeting of Shareholders (as the case may be) for consideration and approval.
- (4) Consider the criteria and result of performance assessment for Chief Executive Officer, Vice President, and the person holding the highest position in the accounting and finance field and propose it to the Board of Directors for consideration and approval.
- (5) Review and propose the correction on scope of authorities, duties and responsibilities of the Nomination, Remuneration and Corporate Governance Committee in consistency with situation.
- (6) Govern the Company’s operation and working of the Sub-Committees established by the Company, including executives and employees to comply with the Corporate Governance Policy and the criteria of the relevant laws.
- (7) Formulate and review the Company’s significant criteria and practices in accordance with the Code of Conduct.
- (8) Suggest the requirements for the Code of Conduct for business operation and good practices to the Company’s directors, executives, and employees.
- (9) Approve the activity plan to promote the Corporate Governance with the objectives to maintain standard and develop the corporate governance as well as upgrade the corporate governance to be the corporate culture by regularly communicating the Corporate Governance to directors, executives, and employees.
- (10) Report the Company’s Corporate Governance to the Board of Directors along with opinions on practical guideline and suggestions for correction and improvement as appropriate.
- (11) Take any other action as assigned by the Board of Directors or in accordance with the policy prescribed by the Board of Directors.

2.3 Risk Management Committee

The Risk Management Committee consists of at least 3 members, any, or all of them are not required to be a member of the Company’s Board of Directors. One member will be selected as the Chairman and the Secretary of the Risk Management Committee will be appointed to help the operation of the Risk Management Committee.

The office term of the Risk Management Committee members is not more than 3 years and in accordance with the office term of the Company’s director (in case of any member holding the position of director). Any member of the Risk Management Committee who retires by rotation may be appointed to resume the office of the Risk Management members.

As of 31 December 2020, the Risk Management Committee consists of 3 members as follows:

| Name | Position |
|--|---|
| 1. Mr. Suraphon Meesathien | Chairman of the Risk Management Committee |
| 2. Admiral Nibhon Chagsudulya ⁽¹⁾ | Member of the Risk Management Committee |
| 3. Mr. Prompong Chaisrisawatsuk | Member of the Risk Management Committee |

Remarks:

- (1) Admiral Nibhon Chagsudulya was appointed as Member of the Risk Management Committee in replacement of Mr. Kosit Fuangswasdi who resigned, by the resolution of the Board of Directors Meeting No. 1/2020 held on 23 January 2020, effective from 1 February 2020 onwards.
- (2) Mr. Kosti Fuangswasdi resigned as Director and Chairman of the Risk Management Committee, effective from 1 February 2020,

Meetings held by the Risk Management Committee

The meetings of the Risk Management Committee shall be held as deemed appropriate by the Chairman but at least 1 meeting every 3 months period should be held. In 2020, there were a total of 7 meetings held by the Risk Management Committee (Please see more details in “**Meeting Attendance of Sub-committees in 2020**”).

Scope of duties and responsibilities of the Risk Management Committee

- (1) Govern the compliance with the risk management policy and risk management framework so that the Company’s risk management system will be effective across the Company and continuously complied.
- (2) Consider, assess and review the nature of risks encountered by the Company or expected to be happened and affect the Company (Identification of Risk) and define the Company’s acceptable risk level (Risk Appetite).
- (3) Consider and establish the policy for both internal and external risk management to be comprehensive and consistent with the strategy and direction of the business.
- (4) Consider and establish the strategy and practical guideline of risk management to be consistent with the risk management policy for assessment, monitoring and governing risks to be in acceptable level.
- (5) Consider and establish the structure and appoint the risk management working team to asses and monitor risk management, and prepare risk reports.
- (6) Consider and set the method to respond the actual and potential risk for being used as an operational guideline in accordance with the situation of each type of risk and proposed to the Board of Directors for approval.
- (7) Review the appropriateness and adequacy of policy, strategy, and practical guideline of the Company’s risk management to ensure that the said policy, strategy and practical guideline are consistent with the strategy and direction of the Company’s business and enable to govern risks to be in the acceptable level.
- (8) Report risks and risk management to the Board of Directors.
- (9) Take any other action as assigned by the Board of Directors or in accordance with the policy as prescribed by the Board of Directors.

2.4 Board of Executive

The Board of Executive consists of at least 3 members, any, or all of them are not required to be a member of the Company’s Board of Directors. One member will be selected as the Chairman and the Secretary of the Board of Executive will be appointed to help the operation of the Board of Executive.

The office term of the Board of Executive members is not more than 3 years and in accordance with the office term of the Company’s director (in case any of them holds the position of the Company’s director). Any Board of Executive member who retires by rotation may be appointed to resume the office of the Board of Executive members.

As of 31 December 2020, the Company's Board of Executive consists of 5 members as follows:

| Name | Position |
|--|------------------------------------|
| 1. Mr. Prompong Chaisrisawatsuk | Chairman of the Board of Executive |
| 2. Mr. Surasak Chaiyen | Member of the Board of Executive |
| 3. Mr. Wang Wei | Member of the Board of Executive |
| 4. Ms. Suthasinee Muenlamay ⁽¹⁾ | Member of the Board of Executive |
| 5. Mr. Viritphol Churaisin | Member of the Board of Executive |

Remarks:

- (1) Ms. Suthasinee Muenlamay was appointed as Member of the Board of Executives in replacement of Mr. Sompat Khongsamran who resigned, by the resolution of the Board of Directors Meeting No. 7/2020 held on 23 June 2020, effective from 1 July 2020 onwards.
- (2) Mr. Nuthkorn Samran resigned as Member of the Board of Executives, effective from 22 July 2020 onwards.
- (3) Mr. Sompat Khongsamran resigned as Member of the Board of Executives, effective from 1 April 2020 onwards
- (4) Acting Sub. Lt. Chanwit Anakkul resigned as Chairman of the Board of Executives, effective from 1 January 2020 onwards

Meetings held by the Board of Executive

The meetings of the Board of Executive will be held as deemed appropriate by the Chairman of the Board of Executive with minimum 6 meetings per year. In 2020, there were 12 meetings held by the Board of Executive (Please see more details in “**Meeting Attendance of Sub-committees in 2020**”).

Scope of Duties and Responsibilities of the Executive Board

- (1) Prepare and establish policy, direction, strategy, business plan, budget, management structure, and managerial authorities, and propose to the Board of Directors for approval; govern, supervise, examine, and monitor the Company's business operation to be in line with the policy, director, strategy, business plan, budget, management structure, and managerial authorities approved by the Board of Directors, as well as inspect and monitor the said overall operations to be effective and efficient.
- (2) Manage and control the business operation related to the operation based on normal affairs.
- (3) Approve the execution of any agreement and/or transaction related to the Company's normal business transactions with general commercial conditions (such as trading, investment or joint venture with other person(s) for the Company's normal transactions and in accordance with the operating benefit as per the Company's objectives) within the financial limit specified in the Delegation of Authority or as prescribed by the Board of Directors, and under the regulation of the criteria prescribed by the Office of SEC and the Stock Exchange of Thailand on connected transactions and asset acquisition transactions.
- (4) Consider and screen money borrowing, and applying for any credits from the financial institution, borrowing, as well as pledge, mortgage or being the guarantor of the Company and its subsidiaries within the financial limit as specified in the Delegation of Authority or as prescribed by the Board of Directors.
- (5) Approve the appointment of advisors required by the Company's operation under the budget framework approved by the Board of Directors in each year.
- (6) Approve the employment, appointment, transfer, or termination of staffs in the level of Function Director except the person holding the highest position in the accounting and finance field.

- (7) Determine the framework and policy for salary setting, salary increase, setting of bonus, remuneration and reward for staffs at staff at the level of Function Director and the staffs at the level below Function Director except the person holding the highest position in the accounting and finance field.
- (8) Take any other action as assigned by the Board of Directors or in accordance with the policy established by the Board of Directors.
- (9) Authorize one or several persons to take any action in lieu of the Board of Executive.
- (10) Monitor the performance and progress of the investment project for each business and report actual results, problems or obstacles, and guideline of improvement to the Board of Directors for acknowledgment.

The delegation of powers, duties and responsibilities of the Board of Executive shall not be in the form of authorization or sub-authorization that the Board of Executive or the attorney of the Board of Executive can approve transactions that he/she or person that may have conflict (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Market Supervisory Board) may have gain and loss or may benefit in any nature or may have any other conflict of interests with the Company or its subsidiaries unless it is the approval of transactions in accordance with the policy and criteria approved by the Meeting of the Board of Directors.

Summary of Meetings & Attendance of Sub-Committees in 2020

| List of Directors | Meeting Attendance / Total No. of Meetings (Time) | | | |
|--|---|---|---------------------------|--------------------|
| | Audit Committee | Nomination, Remuneration and Corporate Governance Committee | Risk Management Committee | Board of Executive |
| 1. Mr. Chainoi Puankosoom | 6/6 | 6/6 | | |
| 2. Mr. Somchai Kuvijitsuwan | 6/6 | 6/6 | | |
| 3. Mr. Bowon Vongsinudom | 6/6 | | | |
| 5. Admiral Nibhon Chagsudulya ⁽¹⁾ | | 6/6 | 7/7 | |
| 6. Mr. Surasak Chaiyen | | 6/6 | | 12/12 |
| 6. Mr. Suraphon Meesathien | | | 7/7 | |
| 7. Mr. Prompong Chaisrisawatsuk | | | 7/7 | 12/12 |
| 8. Mr. Wang Wei | | | | 12/12 |
| 9. Ms. Suthasinee Muenlamay ⁽²⁾ | | | | 6/6 |
| 10. Mr. Viritphol Churaisin | | | | 12/12 |
| 11. Mr. Nuthkorn Samran ⁽³⁾ | | | | 5/7 |
| 12. Mr. Sompot Khongsamran ⁽⁴⁾ | | | | 3/3 |

Remarks:

- (1) Admiral Nibhon Chagsudulya was appointed as Member of the Risk Management Committee in replacement of Mr. Kosit Fuangwasdi who resigned, by the resolution of the Board of Directors Meeting No. 1/2020 held on 23 January 2020, effective from 1 February 2020 onwards.
- (2) Ms. Suthasinee Muenlamay was appointed as Member of the Board of Executives in replacement of Mr. Sompot Khongsamran who resigned, by the resolution of the Board of Directors Meeting No. 7/2020 held on 23 June 2020, effective from 1 July 2020 onwards.
- (3) Mr. Nuthkorn Samran resigned as Member of the Board of Executives, effective from 22 July 2020 onwards.
- (4) Mr. Sompot Khongsamran resigned as Member of the Board of Executives, effective from 1 April 2020 onwards.

3. Nomination and Appointment of Directors and Executives

3.1 The Nomination and Appointment of Independent Directors

The Nomination and Appointment Process for Independent Directors

In nominating the person to hold the office of the Company's independent director, the Nomination, Remuneration and Corporate Governance Committee shall consider the independence of each independent director to ensure that the Company's independent directors are fully qualified in accordance with relevant rules and/or laws and propose to the Board of Directors Meeting and/or the Shareholder Meeting for consideration and appointment to be the Company's director (as the case may be).

The Qualification of Independent Directors

The independent directors must have qualifications relating to the independence as determined by the Company and in accordance with the notification of the Capital Market Supervisory Board No. 39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (Including additional amendments) and must be a person who can equally take care of the interests of all shareholders to prevent conflicts of interests. In addition, they can attend and provide independent opinions to the meetings of the Board of Directors, the Company set the definition of independent directors like the requirements prescribed in such notification of the Capital Market Supervisory Board with details as disclosed in "Management Structure" > "The Qualifications of the Board of Directors".

3.2 The Nomination and Appointment for Directors and Top Executives

The Nomination and Appointment for Directors

- (1) Determination of Criteria: The Nomination, Remuneration and Corporate Governance Committee will determine the qualification and criteria to nominate directors to be in line with relevant rules and/or laws.
- (2) Nomination Method:
 - If a director vacates his/her office upon the expiration of the term, the Company gives an opportunity for the minor shareholders either for one shareholder or combined shareholders and holding shares of not less than 5 percent of the total voting share of the Company to propose the appropriate person for consideration and selection as a director prior to the Annual General Meeting of Shareholders.
 - Consider the list of qualified candidates as shown in the Director Pool of the Office of Securities and Exchange Commission and the Director Pool (Professional Directors) of the Thai Institute of Directors Association.
- (3) Selection: The Nomination, Remuneration and Corporate Governance Committee will consider and select those who are qualified with knowledge, experience and expertise and then propose to the Board of Directors for consideration and appointment and/or to propose to the Meeting of Shareholders for further consideration and appointment (as the case may be).
- (4) Appointment
 - a) The appointment of directors to replace those retiring by rotation
According to Article 17 of the Company's Articles of Association, at every Annual General Meeting of Shareholders, one-third of all directors shall retire and the Nomination, Remuneration and Corporate Governance Committee will consider and propose persons who are deemed appropriate to the Board of Directors for consideration before proposing to the Meeting of Shareholders for further consideration and appointment. However, any director who is retired from the office may be chosen to resume his/her position.

The Meeting of Shareholders will elect directors based on following rules and methods:

1. One shareholder has one vote equaling to one share per one vote.
2. Each shareholder shall use all existing votes to elect one person or several persons as director(s). In case several persons are elected as directors, votes are unable to be divided to anyone more or less.
3. In case where several persons are elected as directors, the persons who gain highest votes in descending order shall be elected as directors in equal number of directors who are supposed to have or elect in that time. In case that the person who is elected in the descending order has equal vote more than number of directors who are supposed to have or elect in that time, the Chairman of the Meeting shall perform casting vote.

The resolution of the director election shall pass the approval with majority votes of total number of votes from shareholders who attend the meeting and have voting rights.

- b) The appointment of new director(s) to replace director(s) who retired due to other reason apart from retirement by rotation.

The Nomination, Remuneration and Corporate Governance Committee shall consider and propose the person who is qualified without prohibited characteristic in accordance with the Law on Public Limited Companies and the Law on Securities and Exchange to the Board of Directors for consideration and approval unless the remaining term of that director is less than 2 months. The said person who replaces the retired director shall be in the office term for just the remaining term of the director replaced by him/her.

The resolution of the meeting requires votes for not less than three-fourth of the remaining directors.

The Nomination and Appointment of Executives

In nominating the person to hold the office of the executive, the Nomination, Remuneration and Corporate Governance Committee shall nominate the proper qualified person in consistency with what is prescribed by the relevant rules and/or laws to hold the position of top executive in each department by considering qualification, knowledge, experience, profession, specialized qualification which is required and maximally useful for the Company's business, and propose to the Board of Directors for consideration and appointment.

4. Governance on the operations of subsidiaries and associates

The Company establishes the policies to control and govern the operation of its subsidiaries and associates to set the important guideline for governing the operations of subsidiaries and associates so that the Company can manage its business and govern its subsidiaries and associates to be in consistency with the Company's policies and in line with the Public Limited Companies Law, the Securities and Exchange Law, as well as notifications, regulations, and criteria related to the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand, with following practical guidelines:

1. The Company shall deliver the Company's representatives to be the directors in each subsidiary and associates in accordance with the proportion of shareholding in each company or the conditions settled in the agreement. However, the Board of Directors shall consider and approve to send the Company's representatives to hold the position of directors in each subsidiary and associated company based on the appropriateness of each business.

2. The Company's Board of Directors has duty to govern each subsidiary and associates under following scopes:
 - 2.1 Govern the Board of Directors of each subsidiary and associates to function in accordance with laws, objectives, and Articles of Association, and resolutions of the Board, and resolutions of the Meeting of Shareholders, and in accordance with the Corporate Governance Policy and the Code of Conduct with Duty of Loyalty, Duty of Care, Accountability and Ethics.
 - 2.2 Continuously monitor all performance of its subsidiaries and associates and give advices to ensure that the operation of subsidiaries and associates is in line with the given target and enable to timely and appropriately deal with the potential obstacles and problems.
 - 2.3 Consider, monitor, and give advices for the effective and efficient internal control system and work system of the subsidiaries and associates in business operation.
 - 2.4 Regularly consider, monitor, and implement the review and update of important business operation-related policies and work plans of the subsidiaries and associates to suit the business condition.
3. The Company shall determine work plans and execute to ensure that the subsidiaries and associates disclose the proper, complete and reliable information of overall operation and financial position, as well as information required for disclosure to related governance agencies, government agencies, external investors, and public.
4. In case of necessity of the subsidiaries and associates to perform any connected transaction or transaction that may cause conflict of interests, the Company shall monitor the subsidiaries and associates to make transaction with transparency and fairness. The Company shall strictly comply with the criteria of connected transaction, asset acquisition and disposal transaction which are prescribed by the related governance agencies.
5. The Company shall perform the necessary action and monitor its subsidiaries and associates to have the adequate and appropriate information disclosure system and internal control system for business operation.

5. Supervision on the use of inside information

The Company gives precedence to prevent the use of inside information of the Company and its subsidiaries by aiming to have the policy on prohibiting the Company's directors, executives, staffs and employees to disclose the Company's secret or inside information which has not yet been disclosed to public, or exploited personal benefit or other person's benefit either directly or indirectly and whether the return is yielded. The insider trading in the Company's securities must not be performed.

The Company established and communicated the Inside Information and Securities Trading Policy for the Company's directors, executives and employees for acknowledgement and strict compliance as follows:

- (1) All directors, executives and employees must strictly comply with the prohibition of insider trading in securities prescribed in the Securities and Exchange Act B.E. 2535 (1992).
- (2) The person specified by the Company is prohibited to trade the Company's securities within 30 days prior to the disclosure of quarterly and annual financial statements and other periods which will be occasionally specified by the Company unless in some necessary situations or complying with the law or being under the court's order, the Compliance Unit shall notify the prohibited securities trading period in advance.

Designated person(s) means the following person(s) with position or duty that knows the Company's inside information (including spouse and non-full age children of the said person) as follows:

- (a) Director
 - (b) Executive
 - (c) Executive and employee of the Company and its subsidiaries who knows the Company's inside information
 - (d) Spouse and non-full age children of the person specified by the Company under Clause (a) – (c)
 - (e) All executive and employees in following work units: Project Investment and Quality Assurance Department, Commercial 1 Department, Commercial 2 Department, Accounting and Finance Department, Investor Relations Department, Company Secretary and Compliance Department, Internal Audit Department, Legal Department, and Chief Executive Officer Office.
 - (f) All executives and employees who attend the meetings of the Board of Directors and/or the meetings of Sub-Committees.
 - (g) Any other persons specified by the Company
- (3) In reporting the securities holding, any designated person shall report their holding of the Company's securities (including securities possession of his/her spouse and non-full age children) as follows:

The initial securities holding report: The report must be submitted to the Company Secretary as following conditions:

- In case of directors and executives, they shall report within 7 working days from the position appointment date by filling in the form of the Conflict of Interest Report (Form 89/14) and attaching their personal profile.
- In case of any designated person other than directors and executives, he/she shall report within 7 working days from the date notified by the Company Secretary by filling the form of the Company's Securities Holding Change Report.

Reporting when having changes: The report must be submitted to the Company Secretary within 3 working days from the securities trading date as follows:

- In case of directors and executives, they shall use the form of the Conflict of Interest Report (Form 89/14) and attaching personal profile of director.
- In case of any designated person other than directors and executives, he/she shall use the form of the Company's Securities Holding Change Report.

- (4) All directors and executives are responsible in reporting their own holding of the Company's securities, including their spouse and non-full age children's holding of the Company securities and also reporting their change of securities holding to the Office of SEC in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992).
- (5) The Company Secretary is required to prepare copies of Securities Holding Report as mentioned in Clause (3) and submit to the Chairman of the Board of Directors, the Chairmain of the Audit Committee and the Chairmain of the Board of Executive within 7 working days from the date of receiving reports, and then report to the Board of Directors for acknowledgement in the next meeting.
- (6) Any director, executive or employee who violates this policy may be considered for disciplinary punishment up to dismissal, and may be liable both for criminal and civil cases in accordance with the Securities and Exchange Act, B.E. 2535 (1992).

6. Remuneration of auditor

In 2020, the Company and its subsidiaries paid the audit fee as follows:

6.1 Audit Fees

In 2020, the Company and its subsidiaries paid the audit fee to KPMG Phoomchai Audit Limited as follows:

| Company | Audit Fee (Million Baht) |
|---|--------------------------|
| Prima Marine Public Company Limited | 2,600,000.00 |
| Subsidiaries | 3,852,716.74 |
| Total Audit Fee | 6,452,716.74 |
| Out-of-pocket | 309,921.37 |
| Total amount of Audit Fee and Out-of-pocket | 6,762,638.11 |

6.2 Non-Audit Fees

The Company and its subsidiaries paid non-audit fees to KPMG Phoomchai Audit Limited in total amount of Baht 888,648.53, consisting of the audit fees for BOI Promotion Certificates, in the amount of Baht 500,000 and the verification fee for quarterly financial report of the subsidiaries and associated companies in amount of Baht 388,648.53.

The persons or businesses related to the auditor and the audit firm are not the persons or businesses related to the Company, without relationships or transactions that may cause conflict of interests with the Company at all.

7. The Application of 2017 Corporate Governance Code for Listed Companies

The Board of Directors' Meeting No. 15/2020 held on 22 December 2020 proposed by the Nomination, Remuneration and Corporate Governance Committee considered and reviewed the application of 2017 Corporate Governance Code for Listed Companies 2017 (CG Code 2017) issued by the Office of the Securities and Exchange Commission, The Company's Board of Directors carefully considered such practical principle and understood the benefits in applying the practical principle of CG Code 2017. Overall, the Company has a policy and guideline that are in line with the practical principle of CG Code 2017. In addition, the Board opined that it seem appropriate to review the Company's Corporate Governance. However, in 2020, following practical principles were not yet complied with the CG Code 2017:

| Practical Principles | The Company's Reason or Replacement Measure |
|---|--|
| The Nomination Committee established by the Board of Directors should consist of member majority and the Chairman who is an independent director. | The Nomination, Remuneration and Good Corporate Governance Committee established by the Board of Directors. A half of all member is an independent director, and the Chairman is not an independent director. The Board of Directors considered that the elements of this Nomination, Remuneration and Good Corporate Governance Committee are proper to the Company's business and structure. |
| The Compensation Committee established by the Board of Directors should consist of member majority and the Chairman who is an independent director to perform duty in considering policies and criteria of compensation determination | |

As the Stock Exchange of Thailand provided of "2012 Corporate Governance Code for Listed Companies" which later the Securities and Exchange Commission issued "Corporate Governance Code for Listed Companies 2017" (CG Code 2017) effective from March 2017, consisting of 8 practical principles. The Company continues to follow the Corporate Governance Code by dividing into 5 sections as follows:

Section 1 Rights of Shareholders

The Company recognizes and gives importance to the basic rights of shareholders both as a securities investor and the Company's owner, especially the basic rights of shareholders, including

- The right to buy, sell, transfer the Company's securities that they are holding.
- The right to receive the profit sharing from the Company
- The right to receive adequate information
- The right to attend the General Meeting of Shareholders to express their opinions and jointly make decisions on important matters of the Company, such as dividend allocation, appointment or termination of directors, appointment of auditors, approval of important transactions affecting the Company's business direction, amendment of the Company's Memorandum of Association and Articles of Association, etc.

The Board of Directors shall hold the Annual General Meeting of Shareholders within four months from the end of the Company's accounting period. In 2020, the Company has arranged the 2020 Annual General Meeting of Shareholders on 23 April 2020. The Company implemented the Corporate Governance for the right of shareholders in attending the meeting as follows:

1. The period prior to the Meeting Day

- 1.1 The Company fully promotes and facilitates all groups of shareholders including institutional shareholders to exercise their rights on attending the shareholders' meeting and voting.
- 1.2 Minor shareholders are provided of opportunities in proposing subject(s) to be included in the meeting agenda and nominating person(s) to be elected as directors in the Annual General Meeting of Shareholders in advance, the Company notified all shareholders through the news system of the Stock Exchange of Thailand and the specified criteria and procedures for proposing the said agenda were announced on the Company's website at www.primamarine.co.th since 14 November 2019. The subject and name of candidates can be submitted to the Company from 14 November 2019 to 31 December 2019.
- 1.3 The Company delivered the invitation letter with details of meeting date, time, venue and agenda, objectives, reasons and opinions of the Company's Board of Directors in each agenda as well as all information related to subjects to be decided in the meeting to all shareholders at least 21 days in advance prior to the Shareholders Meeting via mailing on 1 April 2020, all details and information submitted to shareholders are contained in both Thai and English. In addition, the Company has published the invitation letter on a daily Thai-language newspaper for 3 days consecutive and before the Meeting date 7 days in advance (1 – 3 April 2020).
- 1.4 The Company publicized the invitation letter of the 2020 Annual General Meeting of Shareholders on the Company's website at www.primamarine.co.th, in both Thai and English since 20 March 2020 so that shareholders can study the data and information in advance with adequate period for not less than 30 days prior to the meeting date.
- 1.5 The Company's shareholders are provided of opportunities to send inquiries in advance before the 2020 Annual General Meeting of Shareholders by sending to the Compliance and Company Secretary Office, No. 80, Soi Bangna-Trad 30, Debaratna Road, Bang Na Tai Subdistrict, Bang Na District, Bangkok, or email: cp_cs@primamarine.co.th from 20 March 2020 to 10 April 2020.
- 1.6 The Proxy Form A, Form B and Form C were also attached to the invitation letter of the shareholders' meeting to allow any shareholders who are unable to attend the meeting in person authorize any other person or independent directors appointed by the Company to be the attorney in attending the meeting and voting on their behalf, by following process and conditions mentioned in the proxy forms.
- 1.7 The Company facilitates shareholders to fully exercise their rights to attend the meeting and vote. The meeting venue is at Sri Nakorn Meeting Room 2nd Floor, Varich Building, No.88 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Subdistrict, Bangna District, Bangkok, the venue is spacious and convenient

2. Process on the Meeting Day

- 2.1 The Company has provided adequate personnel and technology for the shareholders' meeting including checking documents, meeting registration, counting votes, and showing voting results for each agenda, so that the meeting process is quickly, accurately, and correctly as well as using ballots for voting in every agenda. The voting were also separated in each issue in case of many issues in that agenda, for example, the appointment of directors, for transparency and accountability. In this regard, the Company used the system of meeting implementation served by OJ International Co., Ltd.
- 2.2 All directors attended the shareholders' meeting together with the Chairman of all Sub-committee, Chief Executive Officer, Executives and Auditor so that shareholders can inquire relevant subjects.
- 2.3 The Company provided external legal advisors from Kudun & Partner Limited, to take responsibility in checking votes and counting votes in the meeting, then revealed to the meeting, and finally recorded in the minutes.
- 2.4 The Company described the details of the meeting procedure, voting method, voting counting, and showing voting results for each agenda to all shareholders for an acknowledgment before proceeding the meeting.
- 2.5 The Chairman of the meeting appropriately allocated time and encouraged all shareholders to express their opinions and ask questions at the meeting on subjects related to the Company; and then recorded their opinions and inquiries in the minutes.

3. The period after the Meeting Day

- 3.1 After completing the shareholders 'meeting, the Company has published the resolution of the shareholders' meeting including the voting results of each agenda via the website of the Stock Exchange of Thailand and the Company's website within that day.
- 3.2 The Company has prepared the complete and accurate minutes of the shareholders meeting recording the clarification of the meeting procedure, voting method, voting counting, and showing voting results for each agenda to the meeting before proceeding the meeting, opportunities for shareholders to ask questions and answer questions, voting results of each agenda as well as the list of attending and absent directors, and publicized it on the Company's website within 14 days from the meeting date. The Company's shareholders and investors were also notified through the channel of the Stock Exchange of Thailand on 5 May 2020.

Section 2 The Equality of Shareholders

The Company has stipulated that all shareholders are equally treated, whether they be major shareholders or minor shareholders, shareholders who are executives or non-executive shareholders, holding Thai nationality or being foreigner as follows:

1. The Company has prepared and disseminated the invitation letter for the 2020 Annual General Meeting of Shareholders both in Thai and English versions to allow all Thai and foreign shareholders to equally access information.
2. Before starting the shareholders' meeting, the Chairman of the meeting explained all shareholders about rules and regulations applied in the meeting, voting procedures and vote counting as well as voting rights.
3. In the shareholders' meeting, the Chairman of the meeting will conduct the meeting according to the specified agenda and executives are not allowed to propose any additional agenda that is not notified to shareholders in advance without necessity, especially the important agenda that shareholders require time to study information before making a decision.

4. The Company's shareholders and institutional investors are provided of opportunities to exercise their rights in appointing directors on an individual basis and the ballots will be used for individual voting for transparency and verifiability.
5. The prevention on conflict of interests
 - 5.1 The Company has established a policy to prevent the conflict of interests based on the principle that any decisions in conducting business activities must focus on the utmost benefit for the Company and shareholders, any actions causing the conflict of interests should be avoided with following guidelines:
 - The Board of Directors ensures that the procedures are followed with due diligence within the principles of reason and interdependence. The transparent process for approving transactions is in place.
 - Directors and executives must notify the Company to know the relationship or any connected transactions in businesses that may cause the conflict of interests and all stakeholders will not participate in consideration and decision on those transactions.
 - The Board of Directors supervises the Company and the management to correctly and fully disclose information of transactions that may have the conflict of interests in the Annual Report and Form 56-1.
 - The Company's directors, executives and employees must comply with the Code of Conduct without seeking personal interests that conflict with the Company's interests.
 - The Company has a policy to establish the organization structure by separating departments and employees who have duties or responsibilities that may cause the conflict of interests.
 - The Company has a policy that the access of information or the acknowledgement of information by the departments and employees must be based on the principle of necessity to perform their duties and must not cause any conflict of interests.
 - 5.2 The Company has established a policy for the Company's connected transactions under following criteria:
 - In the connected transactions between the Company & its subsidiaries and persons who may have the conflict of interests, benefits or may have conflict of interests with the Company in the future, such as major shareholders, directors, executives, controlling persons or connected persons, the Company will comply with the Law on Securities and Exchange, regulations, notifications and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand. The stakeholders are unable to engage in the consideration and approval of such transactions.
 - In the event of the law requires the connected transactions to be approved by the Board of Directors' meeting, the Company will assign the Audit Committee to attend the meeting to consider and comment on the necessity of the transactions and the reasonableness of those transactions. Any transactions related to the trade agreement with and without general trading conditions will comply with following principles:

Transactions related to the trade agreement with general trading conditions

The Board of Directors approved the principle for the management to approve the connected transactions which are trade agreements with general trading conditions between the Company & its subsidiaries, and directors, executives, or related persons. If the said transactions have a trade agreement in the same manner as the person of ordinary prudence should do with general agreement parties in the same situation with the bargaining trade power without the influence of having a status as a director, executive or related person (as the case may be).

Transactions related to the trade agreement without general trading conditions

The transactions related to the trade agreement without general trading conditions must be considered and commented by the Audit Committee before proposing to the Board of Directors or the shareholders' meeting. (as the case may be) for further consideration and approval, and

complied with the Securities and Exchange Law, regulations, notifications and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as requirements regarding the disclosure of connected transactions.

➤ In case of any connected transactions that may occur in the future, the Board of Directors shall comply with the Law on Securities and Exchange, regulations, notifications and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as requirements regarding the disclosure of connected transactions of the Company or its subsidiaries in accordance with the accounting standards set by the Institute of Certified Accountants and Auditors of Thailand.

➤ The Company will disclose connect transactions in Annual Report, the Annual Registration Statement (Form 56-1) and notes to financial statements that have been audited by the Company's auditor.

5.3 The Company requires all directors and executives to report the interests of their own selves and their relative persons by submitting the form specified by the Company.

6. Prevention for the use of inside information

6.1 The Company has established guidelines for maintaining and preventing the use of the Company's inside information by prohibiting individuals or agencies that know the inside information to disclose such information to other unrelated agencies or individuals. Any person discloses such information or uses that information for his/her own or others' benefit or makes any transaction that may cause the conflict of interests will be considered a serious offense and will be disciplinary punished.

6.2 The Company has established the policy on the use of inside information and the securities trading of the Company's directors, executives, and employees to be a policy prohibiting the Company's directors, executives, and employees to disclose the Company's secret or inside information that has not been disclosed to the public or seek benefits for themselves or others, whether it be direct or indirect and whether they will receive a return or not. They are also not allowed to trade the Company's securities by using the inside information. The Company has communicated guidelines and policies to everyone in the organization for acknowledgement and strict compliance.

Section 3 Roles of Stakeholders

The Company places importance on the rights of all stakeholders, whether they are internal stakeholders such as the Company's shareholders and employees, or external stakeholders, i.e. business partners, customers, etc., the Company realizes that the supports and comments from all stakeholders will be beneficial to the Company's operation and business development. Therefore, the Company will comply with relevant laws and regulations to ensure that the rights of those stakeholders are well treated. In addition, for the business operation, the Company also takes into account the rights of all stakeholders as follows:

1. Responsibilities to Shareholders

The Company will operate its business with transparency and efficiency by aiming to create good performance and stable growth to maximize benefits for shareholders in long term, to disclose information with transparency and reliability to shareholders, to present business performance, financial status, accounting, and other reports on a regular basis with completeness and fact.

2. Responsibilities to Employees

The Company will equally and fairly treat all employees and provide them the appropriate compensation. In addition, the Company also gives importance to regularly develop employees' skills, knowledge, capability, and potentials by providing opportunities in training, seminars and coaching to all employees, and tries to motivate employees who have high knowledge and ability to stay with the Company for further organizational development. Also, the Company sets guidelines for anti-corruption and educate all employees to comply with relevant laws and regulations, such as strictly prohibiting the use of inside information, etc.

Wage and Compensation Management

The Company fairly manages wages and compensations of employees by concerning on many factors such as capability, experience, duty, and responsibility in comparison with the rate of labor wage in domestic market, situation of the Company's necessity and the appropriateness of the business with a focus on making employees happy, feel secure, and engaged with the company.

Welfare and Benefits Provision

The Company provides various benefits such as medical treatment, health check-up, life & accident insurance, assistance to employees who suffer danger or illness due to working for the Company, provident fund, funeral allowance, allowance for patient gift, allowance for the employee's first child, etc.

Safety, Occupational Health and Working Environment

The Company commits itself to provide services with quality, safety, security, health, and environment (QSSHE) as a key element for business operation by control and develop the operation process to continue with effectively so that the Company's employees can conduct their duty with effectively which is a benefit of the Company's operation. Therefore, the Company Group has formulated the Quality, Safety, Security, Health, and Environment (QSSHE) Policy in a written with details as follows:

- (1) Comply with relevant law, regulation, customer requirement involved with quality management, safety, security, health, and environment by concerning the customer requirements and needs and expectations of interested parties
- (2) Encourage continuous improvement and development of procedure conforming to law and regulation, innovation and technology, environmental situation, and current significant social issue
- (3) Promote safety, security, health, and environmental activity in workplace
- (4) Ensure loss and danger from incident are protected and well maintained by using risk-based decision making for emergency response and advocate the safety culture
- (5) Continual protect environmental pollution as ballast water management, waste generation and management, and energy-efficient management

The Company has established the Safety, Security, Health, and Environment Committee to act on safety, security, health, and environment with effectively and has a meeting once a month.

In 2020, the Company has specified the target of safety, security, health, and environment at workplace and it has results as follows:

| Target | | Result in 2020 (Times) |
|--|-------------|------------------------|
| List | No. (Times) | |
| Number of fatal accidents of employees and business partners | 0 | 0 |
| number of accidental breaks of employees and business partners | 0 | 2 |
| Number of work accidents but no injuries | 0 | 18 |

3. Responsibilities to Business Partners

The Company has a process to select business partners by allowing them to compete based on equal information and select business partners with justice under the criteria for evaluating and selecting the Company's business partners. In addition, the Company has prepared a suitable and fair contract form for all parties and provided a tracking system to ensure that the conditions of the contract are fully fulfilled, and it prevents fraud and misconduct in every step of the procurement process. The Company purchases products from business partners in accordance with commercial conditions and strictly complies with the contract by not requesting / receiving / paying any dishonest benefits in trading with business partners.

The Company prepared the work manual for the Procurement Department to set clear procedures for procurement including the business partner selection. In addition, the Company also set the criteria for recruiting vendors and service providers by defining 13 items in selection based on quality, price, reputation and service as follows: (1) Test Sample; (2) Test Results; (3) Past Performance; (4) Performance of Past Employment; (5) Certification of Quality System; (6) Certificates; (7) Performance Warranty; (8) Price Consistency; (9) Payment Terms; (10) Security; (11) Reputation Acceptance; (12) Bid Period (13) Clarity and Accuracy in Product Details. The vendors or service providers are required to pass the selection by obtaining score of 70 points or more.

4. Responsibilities to Customers

The Company is responsible for customers by maintaining the quality and product & service standards as well as completely and comprehensively responding to customers' needs as most as possible in order to focus on long-term customer satisfactions. Additionally, the Company also takes into account the health and hygiene of customers in consuming the Company's products, providing accurate and complete information about products to customers, and providing channels for customers to report problems of improper products or services to the Company so that the Company will quickly prevent and solve problems related to its products and services

5. Responsibilities to Creditors

The Company will strictly comply with various conditions in accordance with the agreement with the creditors, including the repayment of principal, interest, and maintenance of various collaterals under related agreements.

6. Responsibilities to Competitors

The Company behaves the good competition with ethics and within the legal framework as well as supports and promotes the free and fair competition policies.

7. Responsibilities to Society and Public

The Company concerns and gives importance to the safety of society, environment, and quality of life of people involved in the Company's operation and encourages all employees to be conscious and responsible to the environment and society, strictly comply with relevant laws and regulations. In addition, the Company tries to participate in various activities that create and maintain the environment and society.

8. Anti-corruption

The Company has well realized that the corruption is an improper act, resulting in business unfairness. In case of corruption, it will negatively affect the Company's reputation both in term of the Company's business ethics and business competitiveness due to a reducing confidence of its shareholders and investors on the Company and non-acceptance both in the country and abroad as the result of the corruption. In addition, the corruption will also have negative effect and obstruct the significant social and economic development of the country.

Therefore, the Company deems that anti-corruption is the important principle of its business operation. The Company has determined the Anti-Corruption Policy for entirely express the Company's intention on anti-corruption of every types. In this regard, the Company has set the rules and guidelines to prevent the Company and its staffs not to against the anti-corruption law and to establish knowledge, understanding, and guideline in compliance with the Anti-Corruption Policy to the directors, executives, and staffs in all levels, as well as support monitoring and reporting of the corruption discovery through a specified measure of the Company.

The practical guideline of anti-corruption

- (1) The Company has the Zero Tolerance Policy for Anti-Corruption and comply with laws which relating to anti-corruption applicable in Thailand.
- (2) The Company aims for building and maintaining corporate culture in adhering that corruption is unacceptable for transaction entry both with public sector and private sector.
- (3) The directors, executives, and staffs in all levels must strictly comply with the Anti-Corruption Policy and Code of Conduct without both direct and indirect involvement in corruption.
- (4) The directors, executives, and staffs in all levels must not give a bribe to the Governmental Officer, foreign Governmental Officer, official of a public international organization, private agency officer or any other person that operate the business with the Company which encourage such person to perform, not perform, or hold a performance of wrongfully duty and not wrongfully request or accept a bribe for himself/herself or other person in order to perform any act or not to perform any act in the position, whether such act is the rightful or wrongful duty.
- (5) Political Assistance
 - (5.1) The Company has a political neutrality by not providing support and assistance or performing any act which directly or indirectly devotes to any political party, political group, or politician.
 - (5.2) The staff has liberty and rights to participate in political activities under the related laws, but must not stealthily refer to the employee status, or utilize any property, equipment, and tools of the Company in any political action.
- (6) Charity Donation
The Company supports the charity donation in types of financial and material assistance, or in other types such as knowledge sharing or time devotion as part of the social reciprocation activities as well as public relations and reinforcement of good image to the Company without any expectation of the reward. However, the donation shall have a transparent legal and without any morals' conflict, including shall not perform any act which negative effect to the society.
- (7) Sponsorship
The support of any activity or project either in monetary or non-monetary term shall be proposed to support the business operation, image or good reputation, or public relations, that are useful for building trade reliability or helping to strengthen the business relationship. However, such support shall contain the transparent and legal proceeding and without any morals' conflict, including shall not perform any act which negative effect to the society.
- (8) Gift, Entertainment and Other Benefit
 - (8.1) The staff may provide a gift and an entertainment to any person comply with all statements as follows;
 - Not provide for the purpose of domination, inducement, or reciprocation to any person in order to explicitly or secretly have the business advantage or the exchange for acquisition of assistance or interest.
 - To comply with the related laws, policies, rules, and regulations.
 - Providing on behalf of the Company, not the staff.

- To act in accordance with a regularity of tradition or trade custom rely a suitable and proper type and value on occasional basis.
 - Not provide cash or cash equivalents such as a gift card or a gift voucher.
 - To be a disclosure providing.
- (8.2) The staff may receive a gift and an entertainment in case of a regular and traditionally given only and such gift shall have a value not exceed 3,000 Baht. If the rejection for the gift at the value more than 3,000 Baht is not can be made in order to maintain a good companionship or relationship, the staff shall inform his/her supervisor. The staff shall deny to receive all cash.
- (9) Facilitation Payment
The Company has not the policy to pay the direct and indirect facilitation payment and shall not perform and accept any act in order to receive instead of the facilitation of business operation.
- (10) Risk Assessment
The Company has the Risk Management Committee and Risk Management Unit to assess the contingent corruption risk of the Company and create the appropriate risk management measure including regularly monitoring and reviewing risk management.
- (11) Internal Control
The Company has established procedures to ensure that the internal control of the accounting process, retention of data, documents and records have been audited to confirm the accuracy and suitability of financial reports and to ensure that the recordings have sufficient evidence. The Company's internal control consists of control across the organization including specific controls and procedures designed to manage the corruption risk that the Company may encounter with the Internal Control Function to report the results of the internal control evaluation to the Internal Audit Department. If any issues are found of not comply with the anti-corruption policy, the relevant functions must be notified as appropriate to improve the control measures.
- (12) Training and Communication
All staffs shall regularly be trained about the anti-corruption to build the knowledge and understanding, and the risk from the involvement in corruption awareness as well as the method to report the case where corruption is detected or suspected. All new staffs of the Company shall attend the orientation on the Anti-Corruption Policy and signed for their acknowledgement, endeavoring to grasp, and strict observance.
- The Company Secretary and Compliance Department and Human Resources Department are responsible for sharing knowledge, developing understanding, and promoting the staffs in every level to seriously and continuously adhere to and comply with this Policy, and reinforcing as part of the corporate culture. In addition, such departments are responsible for communicate the Anti-Corruption Policy to subsidiaries, associated, other companies with controlling power, business partners, representatives, business middlemen, the goods or services' distributors, and contractors since the commencement of the business relationship and later as appropriate.
- (13) Corruption Detection Report
The directors, executives, and staffs in all levels shall not ignore or neglect upon detection of the act within the scope of corruption in relation to the Company. Such act shall be informed to their superior or the responsible person via the specified method stated in "Whistle-Blowing Policy" and cooperate in verification of facts.
- (14) Staff Protection
The Company shall provide the staffs for the fairness and the protection to reject the corruption or provide the complaint and the clues of corruption in relation to the Company or cooperate in the fact verification. The Company shall not demote, punish or cause any negative effects to its staff even though the said act has caused the Company to lose its business' opportunity.

Participation in Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC")

To express the standpoint in focusing on the anti-corruption and supporting and promoting the Company's employees in all levels to have consciousness against the corruption in all forms, the Board of Directors Meeting No. 5/2017 on 10 August 2017 resolved to approve the participation in Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC") Project. The Company has declaration of intent application to participate in the CAC Project on 1 September 2017.

On 4 November 2019, the Company has been certified as a member of the CAC Project by the CAC Council for 3 years period which is the first time that the Company has been certified.

The Implementation of the Anti-Corruption Policy in 2020

In 2020, the Company carried out to comply with the anti-corruption policy as follows.

- The Company has arranged the Anti-Corruption Week activity during 26 – 30 October 2020 via electronic media for training the Company's executives and employees on anti-corruption continually so that understanding and awareness on in-organization anti-corruption.
- The Company's Risk Management Unit assessed the contingent corruption risk in working process and prepared an anti-corruption measure to be appropriate for the assessed risk, and then proposed to the Risk Management Committee and the Board of Directors for consideration. The said risk management is always monitored and reviewed.
- The Company organized the new employee orientation for the knowledge and understanding of the employees on the Company's anti-corruption measure, and the new employee must be signed for acknowledgment of its anti-corruption policy.
- The Company determined an agreement in the employment contract relating to the anti-corruption for reflection of the will in anti-corruption from its personnel selection process.
- The Company announced the suspension on receiving gifts in the period of the 2021 New Year Festival in order to request for the collaboration of its executives and employees to suspend receiving gifts or presents from the third parties or the external agencies. The third parties and the external agencies were communicated to request for collaboration to suspend the provision of all types of gifts to the Company's executives and employees.
- The Company determined that the compliance with the anti - corruption measure is the part of the annual performance assessment of the employees.

Monitoring and Verifying the Compliance with the Anti-Corruption Policy

- The Compliance and Company Secretary Office shall regularly monitor the Company's executives and employees to comply with this policy.
- The Internal Audit Unit shall regularly verify the internal audit system and process to ensure that the internal control system is efficient for anti-corruption. The verification result shall be mutually discussed with the related work units to find the proper corrective guideline, and report to the Management and the Audit Committee for acknowledgement accordingly.
- The Internal Control Unit shall report the internal control assessment result to the Internal Audit Unit. If the issue of the non-compliance with the anti-corruption policy, the related work units shall be notified as appropriate for updating a control measure.

9. Whistle-blowing Policy

The Company gives precedence to the Corporate Governance by adhering to operate the business under the honesty and ethics as well as strictly complying with the relevant laws and rules. The Company expects all directors, executives, and employees to adhere and comply with the said principles. The Board of Directors, therefore, formulates the Whistle-blowing Policy as the channel that the executives, employees, and stakeholders can complain and perform whistleblowing the offence and corruption to the Company and its subsidiaries as follows:

Notifying the complaints and whistle-blowing the offence and corruption

1. The complainant can notify the complaint or blow the whistle of the offence and corruption via any of following channels as deemed appropriate:
 - (1) Directly notify the responsible superior (from the level of manager and higher).
 - (2) Notify via the Whistle Blowing Hotline on the Company's website.
 - (3) Send email to the Head of Compliance Unit at compliance@primamarine.co.th
 - (4) Send the letter to the Chairman of the Audit Committee (Independent Director) or the Company's director as following address: Prima Marine Company Limited, No. 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-district, Bangna District, Bangkok, 10260, or send email to AuditCommittee@primamarine.co.th or compliance@primamarine.co.th
2. The complainant who is working in any company under the vessel business should firstly deliver complaint or blow the whistle of the offence and corruption via channel determined by his/her company. However, if the situation is improper or uncomfortable to notify his/her own company, he/she can notify via the Company's channel mentioned in Clause 1(3) to 1(4).
3. The complainant should fill the adequate information in Complaint/Offence and Corruption Whistle-blowing Form as much as possible so that the said information is taken for investigation to find the fact such as the related person, nature, and detail of event, date, and information. In addition, the complainant should disclose his/her name, address, or other contact channels for the inquiries of additional information from the Company. However, the complainant can choose to disclose or not disclose his/her name.

The Company's Action upon Receipt of Complaint or Clue

1. The complaint or whistle-blowing receiver shall send complaint or clue to the Internal Audit Unit or the entrusted work unit within 7 (seven) days from the received date of complaint or clue.
2. Upon the Internal Audit Unit or the entrusted work unit's receipt of the complaint or clue for offence and corruption through the channels specified by the Company, the information primarily acquired shall be evaluated and examined for completion within 30 (thirty) days from the received date of the complaint or clue for offence or corruption.
3. After examining and detecting an unavailability of the ground of fact from the received complaint or clue or experience of the said act, in accordance with such complaining or whistle-blowing, then the Internal Audit Unit or the entrusted work unit shall get back to the complainant and the related parties to terminate the said complaint.
4. After examining and detecting an availability of the ground of fact from the received complaint or clue or experience of the said act, for the possible occurrence of the offence or corruption, then the Internal Audit Unit or the entrusted work unit shall propose the said issue to the authorized person in order to appoint the Investigation Committee and notify the primary fact examination result and action of the Company to the complainant or whistle blower.

5. The Investigation Committee shall complete the fact investigation within 45 (forty-five) days from the appointment date. After completing the fact investigation, the investigation result report shall be prepared and proposed to the signatory who appoints the Investigation Committee. The copy of the said report shall be submitted to the Chief Executive Officer, Head of the Internal Audit Unit, Head of the Human Resources Unit, Head of the Compliance Unit, and the related parties, as the case may be.
6. In case where the offence or corruption is not detected, the Internal Audit Department shall notify the complainant or whistle-blower about the issue termination. In case where the disciplinary offence is detected, the signatory who appoints the Investigation Committee shall propose the issue to the Disciplinary Punishment Consideration Committee for considering a disciplinary punishment accordingly.
7. The Disciplinary Punishment Consideration Committee shall determine a disciplinary penalty as specified in the work regulation of the Company by taking into account the nature of offence and gravity of the offence effect, and then propose to the authorized person for approving the disciplinary punishment. The disciplinary punishment action shall be taken with the offender within 30 (thirty) days from the received date of the investigation result report.

Disciplinary Punishment and Legal Proceeding

1. Upon determination of the disciplinary penalty by the Disciplinary Punishment Consideration Committee, the Human Resources Unit shall issue a disciplinary punishment order and propose to the authorized person for approving the disciplinary punishment to approve the said order.
2. In notifying the disciplinary punishment order to the offender, the Human Resources Unit and the direct superior of the offender notify the said punishment order to the offender, and ask the offender to sign to accept the said punishment order. However, the Human Resources Unit shall file the disciplinary punishment order and documents signed for acknowledgement of the punishment order in the employee profile.
3. In case where any offence or corruption causes damage to the property, reputation, image of the Company or breaks the law, the Disciplinary Punishment Consideration Committee shall propose the authorized person as specified in the Company's Delegation of Authority Table to consider whether civil case or criminal case will be prosecuted against the offender.

Employee Protection

1. The Company will protect and not allow the employee who made complaints or whistleblowing of offence and corruption and any persons who give cooperation or assistance in investigation with honest intent, to be threatened and frightened.
2. Any employee who is threatened and frightened must promptly notify the Head of Compliance in order to provide the appropriate protection, depending on the degree of seriousness and importance of the complaint.
3. The Company's executives or employees are not allowed to terminate the employment, suspended of job, conduct disciplinary punishment, or threaten to take any actions to employees who have complained or conducted whistleblowing of offence or corruption. Any executives or employees conduct such above-mentioned acts will be take of disciplinary punishment.

Confidentiality

Those involved in receiving complaints and whistleblowing of offence or corruption must treat the information received as confidentiality and will not disclose to any person unless it is disclosed as necessary for the operation only or as required by law.

In 2020, None of any complaints or whistleblowing was notified to the Company.

Section 4 Information Disclosure and Transparency

The Company gives the important to the disclosure of accurate, complete, adequate, and transparent information in a timely manner for financial information, general information and other information affecting or possibly affecting the Company's securities price, resulting in the decision process of the Company's investors and stakeholders. The Company will disclose such information in accordance with the criteria prescribed by the Office of Securities and Exchange Commission, the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand.

1. The Company gives importance to the Company's financial statements and financial information appeared in the Annual Report, the Audit Committee will review the quality of financial reports and internal control system as well as the adequate disclosure of important information in the notes to the financial statements, and then report to the Board of Directors. The Audit Committee will provide a report on the responsibility of the Board of Directors for the financial report presented in conjunction with the auditor's report in the Annual Report. In addition, the Board of Directors also encourages the preparation of the Management Discussion and Analysis as reference for the disclosure of financial statements in every quarter.
2. The Company has continuously disclosed the information related to each director, roles and duties of the Board of Directors and the Sub-committees, number of meetings and attendance in previous year and comments from performing duties, training and professional knowledge development in the Annual Report and the Annual Registration Statement, as well as compensation payment policy, form, and details of compensation for directors and top executives of directors and top executives (if any).
3. The Company discloses the audit fee and other service fees for auditor in the Annual Registration Statement (Form 56-1) and the Annual Report.
4. The Company requires the directors and executives to disclose the securities trading report / securities holding of the Company to the Board of Directors every time as well as report the Company to acknowledge their own interests and their relative persons.
5. The Company gives importance to seriously and consistently keeping the customer's confidential information without using such information for the benefit of itself and those involved unless it is the information that is required to be disclosed to the third parties under related laws. In the event that a third party participates in a special work involving the information that has not been disclosed to the public and is in the process of negotiation of that work, this is considered as the confidentiality of inside information that may affect the movement of the Company's securities price, that third party is required to enter into the Confidentiality Agreement with the Company until the information is disclosed to the Stock Exchange of Thailand and the Securities and Exchange Commission
6. The Company has provided a report on corporate governance policy, code of conduct, risk management policy and corporate social responsibility policy that have been concluded in summary and the performance of such policies, as well as the cases that failed to comply with such policies along with reasons, and reported through many channels such as the Annual Reports and the Company's website etc.
7. Apart from publicizing information according to the prescribed criteria through the channel of the Stock Exchange of Thailand, the Company also discloses following important information in both Thai and English version via the Company's website and regularly update information:
 - ▶ Vision and Mission
 - ▶ Nature of Business
 - ▶ List of the Board of Directors and Executives of the Company

- ▶ Financial statements and reports on the Company's financial status and business performance, Management Discussion and Analysis (MD&A) and connected transactions, both current and previous years.
- ▶ The Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) which can be downloaded.
- ▶ Shareholding Structure, Organizational Structure and the Structure of Company Group
- ▶ List of major shareholders
- ▶ Invitation Letter to the General Meeting of Shareholders and other related documents as well as the Minutes of the shareholders' meetings.
- ▶ The Company's Articles of Association and Registration Certificate.
- ▶ The Company's Corporate Governance Policy, Code of Conduct, Anti-corruption Policy, Risk Management Policy and other policies.
- ▶ The Charters of the Board of Directors and Sub-committees
- ▶ Information and contact channels for Investor Relations and Company Secretary
- ▶ Any other Information or documents presented by the Company to analysts, fund managers or media

Investor Relations

The Company will assign the staff of the Investor Relations to communicate with investors or shareholders, the Company will regularly hold the meetings to analyze the performance and will publicize the Company's financial information and general information to shareholders, securities analysts, credit rating agencies and relevant government agencies to acknowledge via many channels, which is the reporting to the Securities and Exchange Commission and the Stock Exchange of Thailand and the Company's website.

Contact Investor Relations

Prima Marine Public Co., Ltd., No. 80, Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Subdistrict, Bangna District, Bangkok, 10260, Tel: 02-016-0190, Fax: 02-016-0199, Email: prima-ir@primamarine.co.th

In 2020, the Investor Relations Unit held the events to meet shareholders and analysts as follows:

| Events to meet shareholders and analysts | Times / Year |
|--|--------------|
| Analyst Meeting | 4 |
| Company Visit | 2 |
| Conference Call with Analysts | 2 |
| Interview with mass media | 4 |
| Non-Deal Roadshow | 10 |
| Opportunity Day | 3 |
| Video Conference with Analysts | 4 |
| Press Release | 13 |

Section
5

Responsibilities of the Board of Directors

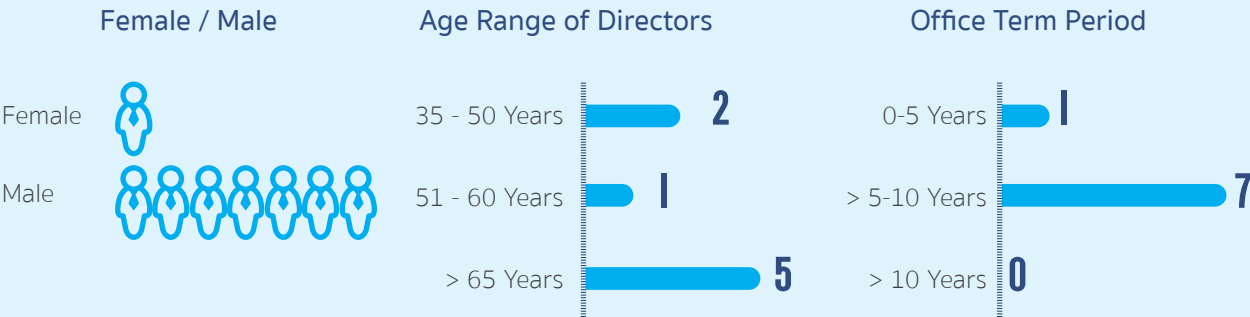
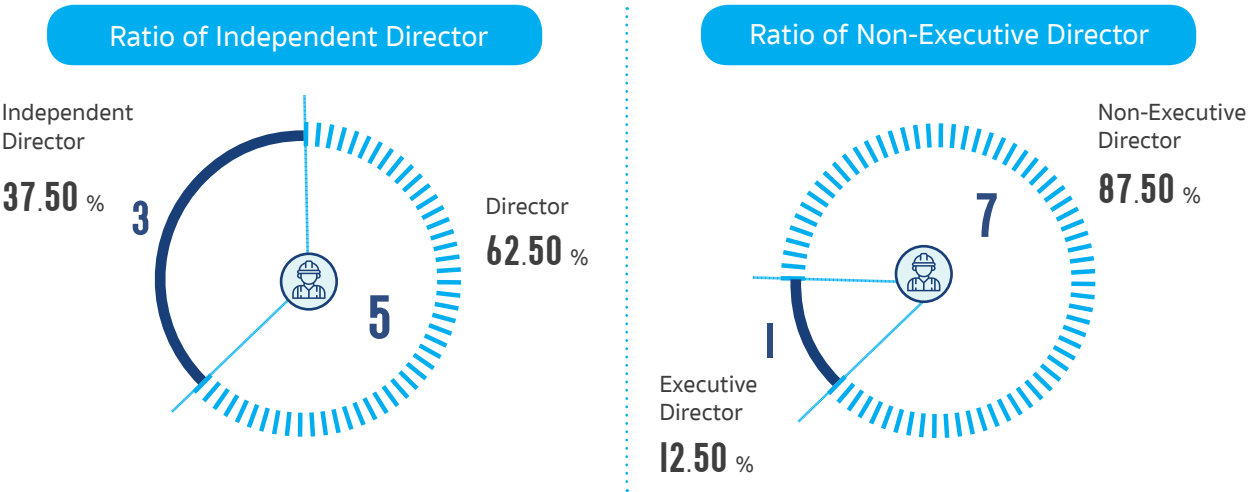
1.
The Structure of the Board of Directors and Sub-Committees

The Board of Directors

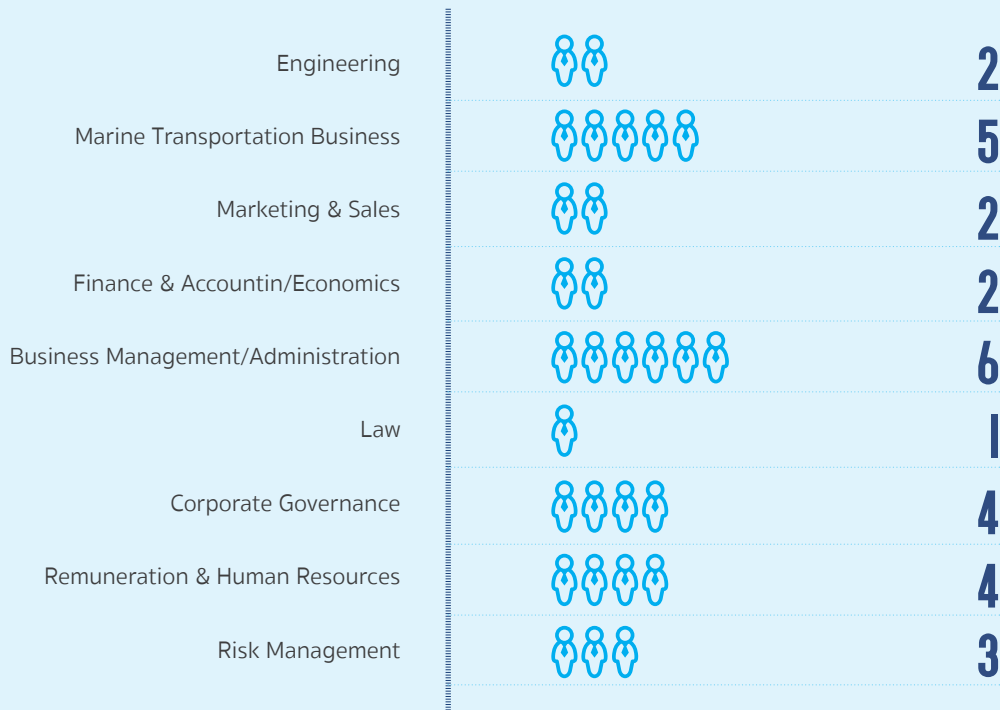
The Board of Directors consists of directors with knowledge, competencies and experiences that are useful for the Company, playing important role in establishing the Company’s policies and overview, governing, inspecting, and evaluating the Company’s performance to meet the given plan.

At present, the Board of Directors consists of 1 Executive Director and 7 Non-executive Directors, totally 8 directors, 3 of them are independent directors, accounting for not less than 1/3 portion of total directors in the Board and not less than 3 directors, this will properly balance the consideration and voting in many subjects.

The office term of the Board of Directors is not more than 3 years, the independent directors shall have the office term for not less than 9 years in consecutive manner, unless that person is deemed by the Board of Directors that he/she should continue his/her officer term for the Company’s utmost benefits.



Directors' Skill & Experience



Sub-committee

The Board of Directors appoints the sub-committee to support the Company's corporate governance as follows:

- (1) Audit Committee consists of 3 members to help and support the Board of Directors in governing and inspecting the administration, internal control, and compliance with the related laws as well as the preparation of financial reports to allow the Company's operation and information disclosure being transparent and reliable.
- (2) Nomination, Remuneration and Corporate Governance Committee consists of at least 3 members to nominate the proper qualified persons to hold the office of the Company's directors and executives and to consider form and criteria of remuneration payment for the directors and executives and the development of the Company's executives.
- (3) Risk Management Committee consists of 3 members to help and support the Board of Directors in determining the risk management policy for overall organization and governing to have risk management system or process to properly minimize the impact on the Company's business.
- (4) Board of Executive consists of at least 3 executive directors to help and support the Board of Directors in managing the Company's business to achieve policies, plans, rules, and any orders as well as the targets determined under the framework assigned by the Board of Directors.

2. The Board of Directors' Role, Duty and Responsibilities

The Board of Directors has responsibility to shareholders regarding the Company's business operations and has a duty to set policies and directions for the Company's operation while taking into account the benefits of all stakeholders with details as specified in the Board of Directors Charter and as disclosed in the topic **"Management Structure" > "Authority, Duties and Responsibilities of the Board of Directors"**

- (1) Corporate Governance Policy: The Company has documented the corporate governance policy and proposed to the Board of Directors for approval, the preparation of the Corporate Governance Policy is aimed to be used as a guideline for directors, executives, and employees to comply with such policies. The Company will annually review such policies.
- (2) Code of Conduct: The Company intends to operate its business with transparency, morality, responsibility to all stakeholders as well as society and environment, the Company has set out the written code of conduct for the Board of Directors, executives and employees to comply with.
- (3) Conflict of Interests: The Company has a policy to carefully eliminate the conflicts of interests with honesty, reasons and independence under the framework of good ethics for the Company's benefits, it requires those involved or connected to any considering transactions to disclose their information regarding the interests of their own and their relative persons to the Company for acknowledgement and must not participate in the consideration as well as have no authority to approve such transactions.

The Company has a policy on connected transactions and transactions with conflict of interests that is consistent with the law and regulations of the Office of Securities and Exchange Commission, the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand, and will disclose such transactions in the Annual Report and the Annual Registration Statement (Form 56-1)

- (4) Internal Control: The Company has established the effective internal control system for governance and internal control in both the management level and the operational level that is effective. The Company has established the Internal Audit Department which is an independent agency to assess the adequacy of the internal control system and to directly report to the Audit Committee in accordance with the given audit plan.
- (5) Risk Management: The Company has established the Risk Management Committee to help and support the Board of Directors in determining risk management policies for entire organization and to supervise to establish a risk management system or process to appropriately reduce the impact on the Company's business.
- (6) Report of the Board of Directors: The Audit Committee is responsible for reviewing financial reports with the meeting attendance of the Accounting Department and the auditor, and present financial reports to the Board of Directors every quarter. The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries as well as financial information appeared in the Annual Report.
- (7) Review on the Company's Vision, Mission, and Strategy: The Board of Directors has considered and reviewed the Company's vision and mission by adhering the primary vision and mission. In addition, the operation in accordance with the strategic plan in the past year of 2020 has been considered and reviewed. The internal factors and external factors affecting the organizational success have been thoroughly taken into account to establish 2021 annual strategic plan to be consistent with the Company's business operation guideline and the changing situations to ensure the accurate budgeting.

3. The Performance Assessment of the Board of Directors and Sub-committees

The Company determines that the Board of Directors and the Sub-Committees shall yearly conduct the self-assessment of their performance both in form of individual board/sub-committee and individual member in order to apply the assessment result in improvement of the operation to be more efficient. The clear topics shall be determined prior to measurement of such assessment result, and the opinions shall be gathered and proposed to the Board of Directors' Meeting. In addition, the rule, procedure, and assessment result shall be disclosed in overview in Annual Report.

- 3.1 The Board of Directors assigned the Compliance and Company Secretary Department to submit a Self-Assessment form to the Board of Directors and Sub-committees for their own assessment. This Self-Assessment form is complied with the guidelines of the Stock Exchange of Thailand and can be divided into 3 forms, namely:
 - a. The Entire Performance Assessment of the Board of Directors and Sub-committee
 - b. Individual Performance Assessment of the Board of Directors and Sub-committees
- 3.2 The Company Secretary will collect all performance assessment forms, then summarize the scores and propose the results to the Nomination, Remuneration and Corporate Governance Committee together with the assessment procedures and criteria for consideration.
- 3.3 The Nomination, Remuneration and Corporate Governance Committee will present all evaluation results to the Board of Directors for consideration and use it as a guideline to develop the operations of the Board of Directors to be more effective and further develop the potential of individual directors.

In 2020, the Company Secretary and Compliance Department submitted all performance assessment forms s mentioned above to the Board of Directors and all Sub-committees to assess their own performance for the year 2020 with following criteria and results of performance assessment:

| Category of Directors and Assessment Criteria | Assessment Results |
|---|--------------------|
| The Board of Directors | |
| Entire Board Assessment The assessment criteria are divided into 6 main areas as follows: (1) Structure and Qualifications of the Board of Directors; (2) Roles, duties and responsibilities of the Board of Directors; (3) The Board of Directors' meetings; (4) Duties of directors; (5) Relationship with the management; (6) Self-development of directors and development of executives. | 3.94 / 4.00 |
| Individual Assessment The assessment criteria are divided into 3 main areas as follows: (1) Structure and Qualifications of the Board of Directors; (2) The Board of Directors' meetings; (3) Roles, duties and responsibilities of the Board of Directors. | 3.96 / 4.00 |
| Audit Committee | |
| Entire Committee Assessment The assessment criteria are divided into 3 main areas as follows: (1) Structure and Qualifications of the Audit Committee; (2) The Audit Committee's meetings; (3) Roles, duties, and responsibilities of the Audit Committee. | 3.97 / 4.00 |
| Individual Assessment The assessment criteria are divided into 3 main areas as follows: (1) Structure and Qualifications of the Audit Committee; (2) The Audit Committee's meetings; (3) Roles, duties and responsibilities of the Audit Committee. | 3.97 / 4.00 |

| Category of Directors and Assessment Criteria | Assessment Results |
|--|--------------------|
| Nomination, Remuneration and Corporate Governance Committee | |
| Entire Committee Assessment The assessment criteria are divided into 3 main areas as follows: (1) Structure and Qualifications of the Nomination, Remuneration and Good Corporate Governance Committee; (2) The Nomination, Remuneration and Good Corporate Governance Committee's meetings; (3) Roles, duties and responsibilities of the Nomination, Remuneration and Good Corporate Governance Committee. | 3.94 / 4.00 |
| Individual Assessment The assessment criteria are divided into 3 main areas as follows: (1) Structure and Qualifications of the Nomination, Remuneration and Good Corporate Governance Committee; (2) the Nomination, Remuneration and Good Corporate Governance Committee's meetings; (3) Roles, duties and responsibilities of the Nomination, Remuneration and Good Corporate Governance Committee. | 3.93 / 4.00 |
| Risk Management Committee | |
| Entire Committee Assessment The assessment criteria are divided into 3 main areas as follows: (1) Structure and Qualifications of the Risk Management Committee; (2) The Risk Management Committee's meetings; (3) Roles, duties, and responsibilities of the Risk Management Committee. | 3.89 / 4.00 |
| Individual Assessment The assessment criteria are divided into 3 main areas as follows: (1) Structure and Qualifications of the Risk Management Committee; (2) The Risk Management Committee's meetings; (3) Roles, duties, and responsibilities of the Risk Management Committee. | 3.97 / 4.00 |
| Board of Executives | |
| Entire Assessment The assessment criteria are divided into 3 main areas as follows: (1) Structure and Qualifications of the Board of Executives (2) Board of Executives meetings; (3) Roles, duties, and responsibilities of the Board of Executives. | 3.94 / 4.00 |
| Individual Assessment The assessment criteria are divided into 3 main areas as follows: (1) Structure and Qualifications of the Board of Executives; (2) The Board of Executives' meetings; (3) Roles, duties, and responsibilities of the Board of Executives. | 4.00 / 4.00 |

4. Remuneration for directors

The remuneration for directors must be in the appropriate criteria when comparing to similar companies in the same industry by taking into account the adequacy to the duties and responsibilities of the Company's Board of Directors. The remuneration for executives and annual bonus for directors will be considered from the Company's performance, however, the total amount of annual remunerations for directors and executives must not abnormally high when comparing to similar companies in the same industry by taking into account the utmost benefits of shareholders.

Details of the remunerations of each director and executive are disclosed in "Management Structure" > "The Remuneration for Directors and Executives".

5. Orientation for new directors

In the event that any directors are changed, or new directors are appointed, the management will provide documents and information that are useful to the performance of new directors and introduce the name of the Company's business and business operation to new directors

6. Development of directors and executives

The Board of Directors has a policy to promote and facilitate the training and education for those involved in the Company's corporate governance system, such as directors, audit committee, executives, and company secretary, etc., in order to continuously improve the operation, the training and education are possible to be organized within the Company or use the services of external institutions.

The Board of Directors will conduct the rotation of assigned work based on the aptitude of executives and employees by considering the appropriateness of work and time. The Chief Executive Officer will set the period and consider the said performance to be the Company's development and succession plan and to develop executives and employees to have more working knowledge and ability and can replace each other.

In 2020, the Company's directors and executives attended training program and seminars to improve their knowledge as follows:

| Director / Executive | Training Program or Seminar |
|----------------------------|---|
| 1. Ms. Neeracha Panboonhom | <ul style="list-style-type: none">IT Security Awareness and Enhancing Office 365Financial reporting Standards that effective in 2020 |
| 2. Mr. Viritphol Churaisin | <ul style="list-style-type: none">TLCA CFO Professional Development Program |

7. Holding of the Director Office in Other Companies

- 7.1 The director should not hold the office in more than four companies of other listed companies in the Stock Exchange of Thailand. However, the holding of the office in such companies shall not obstruct the duty performance of the Company's director, and not have any conflict of interest.
- 7.2 In case where the Chief Executive Officer or top executives of the Company will hold the office in other companies outside the Group of the Company, the prior-approval of the Board of Directors shall be given.
- 7.3 The Company's director and executive can hold the director or executive office of the companies in the Group.

8. CEO Performance Evaluation

The Board of Directors has assigned the Nomination, Remuneration and Corporate Governance Committee to consider the criteria of performance assessment for Chief Executive Officer and proposed it to the Board of Directors for approval. In 2020, the Nomination, Remuneration and Corporate Governance Committee determined the performance assessment indicators for the Chief Executive Officer consisting of 3 areas as follows:

- (1) Financial and Investment Indicator (GL KPI)
- (2) Work Process according to Regulations, Rules, or Standard Indicator (STD KPI)
- (3) Personal and Organizational Development Indicator (EQ Development KPI)

The target of above indicators is divided into 2 level i.e. (1) Commitment – Minimum target that must be achieved (2) Outstanding – Expected target to be achieved.

In addition, the Company also requires the Chief Executive Officer to assess himself/herself performance once a year and present the result to the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors.

9. Succession Plan

The Board of Directors recognizes the importance of continuous organization management, therefore, the Company has prepared a succession plan for important positions since 2017 in order to nominate and select a high-capability person and develop the capability of them for proper holding essential positions in the organization in the future.

Principles of Succession Plan Preparation

1. Specifying the key and critical positions.
2. Determinating the qualification and skill of specified positions.
3. Recruiting the candidate from the internal organization / Assess the recruitment channel.
4. Planning the development by using “Individual Development Plan” and prepared Training Road Map.
5. Following the plan, monitoring, and evaluation.

Principles of Successor Selection

1. Performance - Consider the annual performance
2. Key Performance Indicator (KPI) – Consider the target of annual performance
3. Personality – Consider the assessment of personality test
4. present performance, and can develop or more express his/her ability for future assignment

8. Compliance with the Corporate Governance Code in other aspects

- (1) The Company has provided a report on the performance of all Sub-committees. (only the director level) and disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report.
- (2) The Company’s Board of Directors has established the Nomination Committee to help and support the Board of Directors in determining various operating rules to be in line with the Company’s policy on the Corporate Governance Code.

Corporate Social Responsibility and Sustainable Development

Sustainable Management Policy and Target

The Company Group realizes on the significance of the sustainable growing business operation under the corporate social responsibility by focusing on the business operation with care on stakeholders, economy, society, and environment under morality and ethics. Sustainability is a key driving of business. Therefore, the Company Group gives precedence to the awareness on both direct and indirect public impact, and incubation of knowledge and understanding, and building of the operating culture under the good governance in all processes to reinforce the public benefit and sustainable growth of the Company, as well as creation of new innovation to satisfy the requirements of all stakeholders based on the intention of being “the Leader of Thai Energy Transportation toward Sustainable Success”.

However, in 2020, the Board of Directors has been under consideration on establishing the Sustainability Development Committee to have highest power in sustainable management for carrying forward the organizational fair treatment.

Management of Stakeholder Impacts in the Business Value Chain

The Company Group prepares the Stakeholder Management Plan to assess the significance and relationship in the business value chain and the risk analysis for taking into account the all-around stakeholder impacts and create awareness of the employees at all levels for real treatment.

Business Value Chain

1. Supply of the Service Factors

The main services of the Company Group are the cargo shipping and storage services by vessels. Therefore, the supply of the vessels with good quality, suitable price, and property corresponding to the customer requirement, and worthwhile return on investment are the key service factors of the Company Group. The Company Group has three vessel supplying methods consisting of 1) purchase of used vessel, 2) building of new vessel, and 3) the Group’s outsourcing the vessel which is procured from several manufacturers or suppliers so that the comparison on price, vessel property, and condition can be made to abate the risk of the manufacturer’s or the vessel supplier’s monopoly, supply of fuel oils for navigation from both domestic and foreign leading oil traders whose names are in Approve List of the Company Group, as well as the employment of crews who have knowledge, competency, and expertise, and are certified for their qualifications according to the international standards. The Company Group recruits and selects the personnel and crews via different channels, such as the recruitment via Merchant Marine Training Centre and Maritime Schools, notifications via the navigation-related journals, or notifications via the Group’s employees, Website, and Social Media.

2. Services

- 2.1 Oil and Petrochemical Tanker (“Trading Business”) The Company Group provides transport services for crude oils, refined oil products, and liquefied petrochemicals, to the customers that do the oil refinery and major oil trading businesses for transporting the cargoes to destination specified by the customers.
- 2.2 Floating Storage Unit Vessels (“Floating Storage Unit (FSU) Business”) The Company Group provides its transport and floating storage unit (Floating Storage Unit, FSU) services for crude oil and fuel oil by using FSU vessels as storage place, and also provide the oil mixing service on board based on the type of oils required by the customers.

2.3 Offshore Support Vessel (“Offshore Business”) The Company Group provides its services of offshore support vessels for petroleum exploration and production to the customers which are most of offshore oil exploration and production companies.

2.4 Ship Management (“SM Business”) has the routine-work scope consisting navigation direction and control, crew recruitment, training management according to the international regulations and rules, and health care and safety for screws, hull engine, tool and equipment maintenance, execution of the licenses and documents relating to the government agencies, etc.

3. Marketing and Sales

The Company Group focuses on retaining the existing customer base, seeking for the suitable opportunity of customer base expansion, and business extension to ensure the continuous profitable business growth according to the code of conduct with fairness, transparency and accountability, and adaptation strategies which are consistent with the fluctuating market, without single customer dependence marketing.

4. After-Sales Services

The Company Group develops and upgrades its services for the continuous improvement by assessing customer satisfaction and providing the suitable communication channels in each related section for hearing the problems, suggestions and criticism for the continuous service improvement and development, as well as takes into account the creation of the good relationship with both direct and indirect stakeholders.

Analysis on the Stakeholders in Business Value Chain

| Group of Stakeholders | Stakeholder Expectation | Response Guideline of the Stakeholder Expectation |
|------------------------------------|--|--|
| Shareholders/Joint Venture Parties | <ul style="list-style-type: none"> Equitable, transparent, and fair shareholder treatment The management of the Company according to laws, objectives, Articles of Association, and resolution of the Shareholders’ Meeting, as well as Good Corporate Governance Generation of good return to the shareholders No creation of damage or conflict of interests to the Company Adequate, equal, correct, and timely acquisition of the key information about the Company Respect to the right of shareholders | <ul style="list-style-type: none"> Supervise to have the equitable, transparent, and fair shareholder treatment. The Board of Directors and the executives perform their duties with honesty, transparency, and fairness, and manage the Company according to laws, objectives, Articles of Association, resolution of the Shareholders’ Meeting, and Corporate Governance Code. The Board of Directors and the executives perform their duties to the best of their knowledge and competency with responsibility, prudence, and carefulness, and non-wrongful exploitation of their own or other person’s benefits Supervise to ensure the adequate, equal, correct, and timely disclosure of the key information of the Company either being the financial information or non-financial information to the shareholders for acknowledgement. |
| Employees | <ul style="list-style-type: none"> Good, appropriate, and fair return, welfare, and privilege Good and safe working atmosphere Fair appointment, removal, reward, and punishment Continuous development of the knowledge, competency, and internal potential of the employees based on the operating line Hearing the problems, understanding the circumstances occurred with the employees, and full support and assistance Career security and progress Perception of news and information or movement of the Company | <ul style="list-style-type: none"> Provide the appropriate and fair welfare and return to the employees. Maintain the working environment for safety of the employee’s life and properties. Give the equal opportunity in impartial filling, appointing, removing, and passing the assessment based on knowledge, competency, will and work success. Schedule the appropriate yearly training plan both inside and outside the Company for the employees in each department, covering the basic skills, managerial skills, and specific professional knowledge. Provide the opinion hearing channel or the whistleblowing channel for the breach of rules or legal offence. Avoid any acts which are unfair and may affect the career security and neither threaten nor depress the employee’s condition of the mind. Inform the useful news and information to the employees via the Company’s e-mail. |

| Group of Stakeholders | Stakeholder Expectation | Response Guideline of the Stakeholder Expectation |
|-----------------------|---|---|
| Creditors | <ul style="list-style-type: none"> ● Fair, transparent, and accountable treatment process without taking advantage ● Strict compliance with the agreed terms and/or conditions ● Provision of the correct, complete, and factual information | <ul style="list-style-type: none"> ● Not demand, accept, or agree to accept and not give or agree to give any benefits that are dishonest or not trade tradition to the creditors. ● The trade negotiations with the creditors must not take advantage, be transparent and fair. ● Strictly comply with the agreed terms and conditions. In case of trouble until failure to comply with, the Company must notify the creditors, and seek for the shared solutions so that the creditors will receive the same or similar results as usual as most as possible. ● Provide the creditors the accurate and factual information about the Company. |
| Business Partner | <ul style="list-style-type: none"> ● Fair, transparent and accountable treatment process without taking advantage ● Strict compliance with the agreed terms and/or conditions ● Creation of confidence on occupational health and safety during working ● Provision of the correct, complete and factual information ● Body of knowledge and mutual creation of new innovations for benefits of all parties | <ul style="list-style-type: none"> ● Prepare the systematic work procedure and review at least once a year. ● Not demand, accept or agree to accept and not give or agree to give any benefits that are dishonest or not trade tradition to the business partners. ● The trade negotiations with the business partners must not take advantage, be transparent and fair. ● Strictly comply with the agreed terms and conditions. In case of trouble until failure to comply with, the Company must notify the business partners, and seek for the shared solutions so that the business partners will receive the same or similar results as usual as most as possible. ● Provide the business partners the accurate and factual information about the Company. ● Prepare the Tanker Management and Self-Assessment (TMSA) Form |
| Customers | <ul style="list-style-type: none"> ● Quality and standard services and customer requirement satisfaction ● Provision of the correct, complete, and factual data ● Hearing and solving of the problems from use of services ● Non-disclosure of the customer information or secrets ● Creation of new innovations for the customer requirement satisfaction. ● Good relationship and equitable treatment | <ul style="list-style-type: none"> ● Provide quality services by setting the levels and standards of service quality, and strictly comply with the conditions, promises or suggestions given to the customers, as well as maintain the service quality standards according to the professional standard. ● Completely and factually disclose news and information of the Company Group's projects and services, whereas the advertisement and publication of the Company's projects must not mislead the customers. ● Establish the complaint system for hearing the customer opinions and suggestions about the Company Group's services and make corrections or clarify the outcomes of complaint process to the customers. ● Prepare a customer satisfaction assessment form once a year. ● Establish a non-disclosure measure for the customer information and secrets. ● Promote and provide the creation of new service innovations to ensure more customer benefits and satisfactions. |

| Group of Stakeholders | Stakeholder Expectation | Response Guideline of the Stakeholder Expectation |
|-----------------------|--|---|
| Business Competitors | <ul style="list-style-type: none"> ● Business operation under the framework of law and fair competition ● Honest business operation ● No damage of the business competitors' reputation | <ul style="list-style-type: none"> ● Behave, conduct and compete in business operation under the framework of fair competition laws and rules. ● Not seek for business competitors' confidential information by dishonest or inappropriate methods. ● Not try to damage business competitors' reputation by malicious or false accusations. |
| Government Agencies | <ul style="list-style-type: none"> ● Compliance with the related laws, regulations of the government agencies ● Collaboration with the government agencies | <ul style="list-style-type: none"> ● Hear the opinions and suggestions from the government sector. ● Share the opinions from private sector to public sector for creating the better understanding in business sector. ● Collaborate with the government agencies that have duties to govern the business operations of the Company. ● Strictly comply with laws, rules, and practical guidelines from the government sector. |
| Community | <ul style="list-style-type: none"> ● Understanding on the way of community living ● Participation in the community development in all dimensions to upgrade the living of people in society ● Hearing of the opinions of the community people | <ul style="list-style-type: none"> ● Perform field trip to visit the community on the appropriate occasion basis. ● Hear the opinions, requirements, and suggestions of the community people. ● Mutually solve problems and support the projects which are useful for the community. |
| Society | <ul style="list-style-type: none"> ● Business operation under the social responsibility without cause of the social damage on the whole ● Compliance with laws or social regulations ● Profit return to the society | <ul style="list-style-type: none"> ● Not perform any acts which may cause damage to the society on the whole. ● Promote and support the appropriate activities for social creation, and profit return to the society. ● Cultivate the awareness to the employees at all levels to seriously and regularly have social responsibilities. ● Strictly comply with laws and rules relating to the business operations of the Company. |
| Mass Media | <ul style="list-style-type: none"> ● Communication of correct and up-to-date information ● Involvement and good relationship with mass media | <ul style="list-style-type: none"> ● Publish turnover news once per quarter. ● Organize the mass media meeting event once a year. ● Organize the executive/Company/operating area (vessel) visit activities on the appropriate occasional basis. |

Management of Sustainability in Environmental Dimension

The operations of the maritime oil trading business may cause marine environmental pollutions from several ways whether being oil pollution, pollution from toxic liquid in the holds, pollution from marine transportation of dangerous substances, sewage pollution, waste pollution, and air pollution from the vessels, or accident occurrence during transport, resulting in the oil spill to the sea. In spite of the few incidents, but the damage is widely caused, particularly in the marine ecosystem, that will affect human either directly or indirectly. That is why the countries have been aware of the significance on managing the environmental pollution problems from marine oil transport, enacting the laws for the navigation standard and safety control, and pollution control, and internationally cooperating to determine the navigation standards.

The International Maritime Organization (IMO) has played the key roles in determining and carrying forward to have the international laws for navigational pollution prevention. For instance, the International Convention for Prevention of Pollution from Ships A.D. 1973 which has been amended by Protocol A.D. 1978 later, and well known in the name of MARPOL 73/78 Convention, has the objective to prevent and reduce the pollutions caused by vessels no matter either being the pollutions caused by routine operations or caused by accident.

In the Company's capacity of the business operations under such supervision of the International Maritime Organization (IMO) through the flag state, the Company Group gives precedence and strictly complies with the requirements and laws of both domestic and foreign supervisory agencies all the time for good and sustainable corporate governance of the Company and the Group.

1. Management of the Ships' Ballast Water



In freight shipment by ocean liners, the ships' ballast water is used to adjust the center of gravity to make well balance of the ships. However, pumping and transfer of the ships' ballast water is a cause of problem of the movement of the nonlocal plant

and animal varieties to the new environment. Some varieties can rapidly grow and breed, affecting the balance of ecosystem and economy, and possibly the pathogenesis for humans. Therefore, the International Maritime Organization (IMO) has developed the International Convention on the Control and Management of Ship's Ballast Water and Sediment, which was announced on 8 September 2004 and promulgated to be effective on 8 September 2017, to prescribe that all ships transporting in the international territorial waters shall install Ballast Water Management System (BWMS). The ballast water must be treated according to the standards particularly before draining seaward. However, subject to the said International Convention, it prescribes that the fleet of new ships shall be built. BWMS shall be installed in the ships which are built after 8 September 2017 from the ship building dock in the beginning. In the fleet of existing ships which are built before 8 September 2017, this International Convention which is effective from 8 September 2024 shall be executed. This has resulted in the requirement of all ships with international traffics to install BWMS and to execute according to the Ballast Water Management Plan particularly of each ship, and covered the requirement of all ships to have Ballast Water Notebook and to be certified for the ballast water management according to the international standards.

In this regard, the Company Group has mutually, continuously, and properly planned to work according to the said International Convention and has been able to install the ballast water treatment system according to IMO Standards for the ships transporting in the international territorial waters. The Company Group has mutually and comprehensively considered on the installation of BWMS of each ship, for instance, Ship Renewal Survey Period, according to the International Oil Pollution Prevention Certificate (IOPP) and in the period of maintenance and ship docking of the Company Group to avoid the operating impact.

Operating Result

At present, Ballast Water Management System (BWMS) has been installed with three ships in the Company Group's fleet. In installation of such system, the Company Group has firstly considered installing on the ships transporting in the international territorial waters according to the period of maintenance and ship docking.

2. Prevention of Air Pollution from Navigation

The international trading vessels and freighters have currently been the large origin of Sulphur dioxide (SO₂) due to the consumption of the sulfur containing fuel. This gas is harmful both to the creatures and ecosystem, and also causes the acid rain and respiratory disease. Therefore, to mitigate the maritime pollution and air pollution, and reduce the emission rate of Green House Gas (GHG) causing global warming, the International Maritime Organization (IMO) has established the requirement for consumption of the low sulfur fuel oil promulgated on 1 January 2020 (“IMO2020”), whereas the carrier shall consume

the fuel oil containing low sulfur not higher than 0.5% by weight formerly from 3.5% by weight in the ship fuel, or install Exhaust Gas Cleaning Scrubber to reduce the emission of SO₂ in the air, as the control of Ozone-Depleting Substances, NO_x, SO, and particulate matter.

In this regard, the Company Group has executed to support the situations according to the IMO2020 measure by establishing a policy for changing to consume Low Sulphur Fuel Oil (LSFO) not exceeding 0.5% by weight of sulfur in the ship fuel for the fleets which provide services or need to transport in the routes outside Thai Sea Boundary according to the International Maritime Organization (IMO) in all respects; controlling and monitoring the efficiency of the engine which is adjusted to consume the said LSFO.



Operating Result

The Company Group has announced to consume LSFO not exceeding 0.5% by weight as fuel in all ships from 25 December 2019 onwards to declare its intention of the cooperation and creation of international level standards. All international tankers of the Company Group have been completely passed for inspection and granted for the international certificate of air pollution prevention.

3. Aboard Waste Management

The departure of one ship from one point to another point makes the ship sailing in the sea for a certain period. In addition, the activities under the shipment mission, the crew activities whether being the living activities, such as cooking or recreational activities, must be performed aboard. For all activities of aboard crews, foodstuffs, facilities, and public utilities are necessary for carrying in one ship to be adequate for each navigation. These things are the origin of aboard wastes which are needed to be properly managed to prevent not to affect the marine environment and ecosystem.

According to the aboard waste management of the Company Group, the aboard incinerator installation policy has been established according to the conditions prescribed by International Maritime Organization (IMO) that an incinerator installed on the ship built from 1 January 2000 or an incinerator installed on the ship from 1 January 2000 must conform to the standards determined by the IMO and granted for the certificate called the IMO Type Approval Certificate. The waste incineration shall be performed in the incinerator only, and some wastes, for instance, exhaust gas cleaning system residues, and polychlorinated biphenyls (PCBs), etc. are prohibited for incineration.

Operating Result

The Company Group has installed the incinerator according to the standards prescribed by the IMO, and has been granted for the IMO Type Approval Certificate for all ships in the fleet.

4. Environmental Maintenance and Development Activities

Drill of Emergency Plan in Case of Oil or Chemical Spill

The Company is aware of the care on safety and concern on the impact toward value supply chain, ecosystem, and a large number of the related personnel. The Company Group has prepared to cope with the unexpected emergency and set up the Emergency Drill Working Group and coordinated with the related agencies as if actual situation to respond and cope with the contingent emergency. The drill of the Emergency Plan on Bongkot Star Vessel which is VLCC sized vessel in FSU Business is regularly organized twice a year under the supervision of the Marine Department.

Propagate Soft Coral Reef Breed Propagation Project for Restoring the Deteriorated Coral Reefs and Creating Ecotourism Source, implemented by the Aquatic Resources Research Institute, Chulalongkorn University, at Ko Sichang District, Chonburi Province

From the economic and social development of the increasing expanding countries, it has resulted in the deteriorated environment, and non-facilitation on the natural propagation of fish breeds in accompany with fishing in excess of the aquatic animal productivity, and serious damage impact toward the aquatic animal species and quantity. To restore the natural resources, the Group has attended the lecture of coral reef breed propagation and jointly started to cultivate the soft corals to be waited for cultivating undersea by the expert. This Project is the Project which has already been continuously cooperated and implemented by the Group for two years, and also planned to mutually extend the body of knowledge with the community.



Mangrove Forest Breath Prolonging Volunteer Project, Mangrove Forest Cultivation Activity at Klong Khone Mangrove Forest Conservation Center, Samut Songkhram Province

To make the employees aware of the significance of ecosystem and environment, the Group cooperated with Nathalin Company Limited and Sea Oil Public Company Limited to organize Mangrove Cultivation Project in the mangrove forest area to conserve coastal and adjacent ecosystem particularly of seagrasses and coral reefs, and maintain the balance of nutrients and abundance of coastal seawater, resulting in the abundance of fishery resources. The 80 employees were interested to participate in the Project.



Sustainability Management in Social Dimension

1. Fair Business Operation

The Company aims at the honest, fair, and ethical business operation under code of conduct and upholding the business competition according to the principle of ethics in business operation, laws, and the principle of equitable business competition, and denies any behaviors that obstruct the fair competition, for instance, acquisition of the business competitors' confidential information, demand, accept, and do not give any benefits which are dishonest in the business for purchasing assets, etc.

Moreover, the Company respects to other person's right of intellectual property by establishing a policy for the personnel's observance with laws or requirements relating to the right of intellectual property, such as the use of lawful copyrighted computer program, etc. In addition, the Company initiates the Subconsciousness Encouraging and Creating Campaign Project for its personnel at all levels to have social responsibility.

Good Corporate Governance

The Board of Directors has prepared the better corporate governance policy in writing from 28 April 2016 according to a guideline prescribed by the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand, as the guideline for operating the Company and its subsidiaries, and creating the efficiency and transparency that causes the third party's confidence in the Company's business operations. The details of the Company's good corporate governance are disclosed in the topic of "Corporate Governance".

Code of Conduct

The Company realizes on the significance of ethics and code of conduct which should be adhered by the Board of Directors, all executives and employees as a guideline of duty performance and treatment to the related parties. Therefore, the Company's business code of conduct is established in writing to be used as the working standard of the Company.

Operating Result

From the will of the business operation by adhering to the Company's Corporate Governance Code, the Company earned the score in good corporate governance in "Excellent" or "5 Star" level for the second consecutive years (2019 – 2020) from the Corporate Governance Survey Project for the Listed Companies 2020 (or CGR 2020), indicating the will and determination on developing the standards and maintaining itself to fairly and ethically operate its business on continuous basis.

2. Anti-Corruption

The Company manages its business based on the transparency, ethics, adherence to the Corporate Governance Code, and compliance with the laws relating to the prevention of corruption and anti-corruption, giving bribe to or accepting bribe from the government or private officers. The Company has clearly structured its organization to allocate duties and responsibilities, work process, and chain of command in each work units to ensure the appropriate balance of power and conciseness in cross checks. The details of anti-corruption of the Company are disclosed in the topic of "Corporate Governance" > "Chapter 3 Role of Stakeholders" > 8. Anti-Corruption.

Operating Result

The Company has been certified to be the member of the CAC Project from the CAC Committee since 2019. The said certification is valid for 3 years. In last 2020, the Company has none of any complaints or whistleblowing of offences or corruptions.

3. Respect on Human Rights

The Company establishes a policy for supporting, respecting and protecting the human rights by treating the related parties whether being the employees, the surrounding community and society with the respects on the humanity value, concerning on the equality and equal freedom, non-infringement of fundamental freedoms, and non-discrimination whether in the matters of race, nationality, religion, language, skin color, sex, age, education, physical condition or social state. The Company also supervises the Company's business not to be involved with the infringement of human rights, for instance, use of child labour, sexual harassment, etc. In addition, the Company promotes monitoring the compliance with the requirements of human rights by arranging the participation in opinion expression, and complaint channels for the victim from the infringement of right due to the Company's business operation, and taking the appropriate remedy action.

However, to efficiently respect the human rights, the Company creates the body of knowledge in human rights, and cultivates awareness for the Company's personnel to comply with the principle of human rights.

4. Fair Labour Treatment

The human resource development and fair labour treatment are the factors contributing to the addition of the business value, and reinforcement of the competitiveness and sustainable growth. Thus, the Company Group has established the following policy and practical guideline.

- (1) To respect the employees' rights according to the principle of human rights and comply with the labour laws.
- (2) To establish the fair employment process and employment conditions, as well as determination of remuneration, and consideration on the performance and feat under the fair performance assessment process.
- (3) To promote the personnel development by organizing trainings and seminars, and sending the personnel to attend seminars, and train the academic matters relating to development of knowledge, competency, ability and potential of the personnel, as well as cultivation of good attitude, morality, ethics, and virtue, and teamwork to the personnel.
- (4) To provide welfare in various areas for the employees as required by laws, for instance, social security, and other than the requirement of laws, for instance, health insurance, and accident insurance, provident fund, and different types of contributions to the employees, for instance, children scholarship, and funeral grant, etc.
- (5) To provide the annual medical examination service for the personnel at all levels of the Company by considering from the risk factors based on level, age, sex, and working environment of each person.
- (6) To execute for safe working of the employees, and good sanitation in workplace by establishing an accident prevention measure, reinforcing the employees' awareness on safety, organizing trainings, encouraging the employees to have good sanitation, and keeping workplace to be always hygienic and safe.
- (7) To give the employees the opportunity to enable to express their opinions or complain on the unfair treatment or improper act in the Company, and protect the employees who report such matters.

Personnel Management and Development Policy

The Company establishes the personnel management and development policy to declare its persistent intention in well recruitment, supervision, and retention of the Company's personnel to be consistent with the Company's business operation strategies and goals both in short-term and long-term. Moreover, the anti-corruption measure is applied as part of personnel management and development processes. The details of the personnel management and development policy are disclosed in the topic of "Personnel" > "Personnel Management and Development Policy".

Occupational Safety, Health and Environment

The Company establishes the occupational safety, health, and environment and promulgates for the company wide enforcement. The details of the occupational safety, health and environment policy are disclosed in the topic of “Corporate Governance” “Chapter 3 Role of Stakeholders” > “Employee Responsibility”.

5. Customer Responsibility

The Company aims for developing the services of the Company and its subsidiaries for the customer’s satisfaction and maximum benefit, and adhering to the customer treatment with the customer responsibility, honesty, and care as if the family member of the Company as follows.

- (1) The Company mainly takes into account its quality and standards by aiming at the quality and standard services to ensure the customer’s use of quality, hygienic, and maximum satisfying services. In addition, the Company foresees the significance of providing the knowledge and understanding on the services. The Company’s employees shall perform their duties to provide the proper and complete service information.
- (2) The Company initiates the project for the continuous developing and inventing the new services to ensure that the customer requirements are fulfilled and the customers use various quality and standard services to meet their requirements.
- (3) The Company adheres to the fair marketing under the action policy to ensure that the customers acquire the Company’s service-related information which are correct without distortion, ambiguity, or false advertising, to ensure that the customers have the correct and adequate information for making decisions.
- (4) The Company takes into account the customer safety, and always aims for the customer’s use of quality and safe services according to the international safety standards, rules and regulations, and according to the requirement of law, as well as design, creation, and development of services to ensure the customer’s confidence on the Company’s service quality, standard, and safety.
- (5) The Company establishes the customer relationship system to be efficiently used in the customer communication and acceptance of the complaints on service quality via the Company’s Website to rapidly fulfill the customer requirements.
- (6) The Company keeps the customer information confidential, and does not misuse such information.
- (7) The Company organizes the activities to reinforce the sustainable relationship between customers and between the customers and the Company.

Certification of Service Standards

international standards from Bureau Veritas Certification (Thailand) Company Limited.

Service Policy

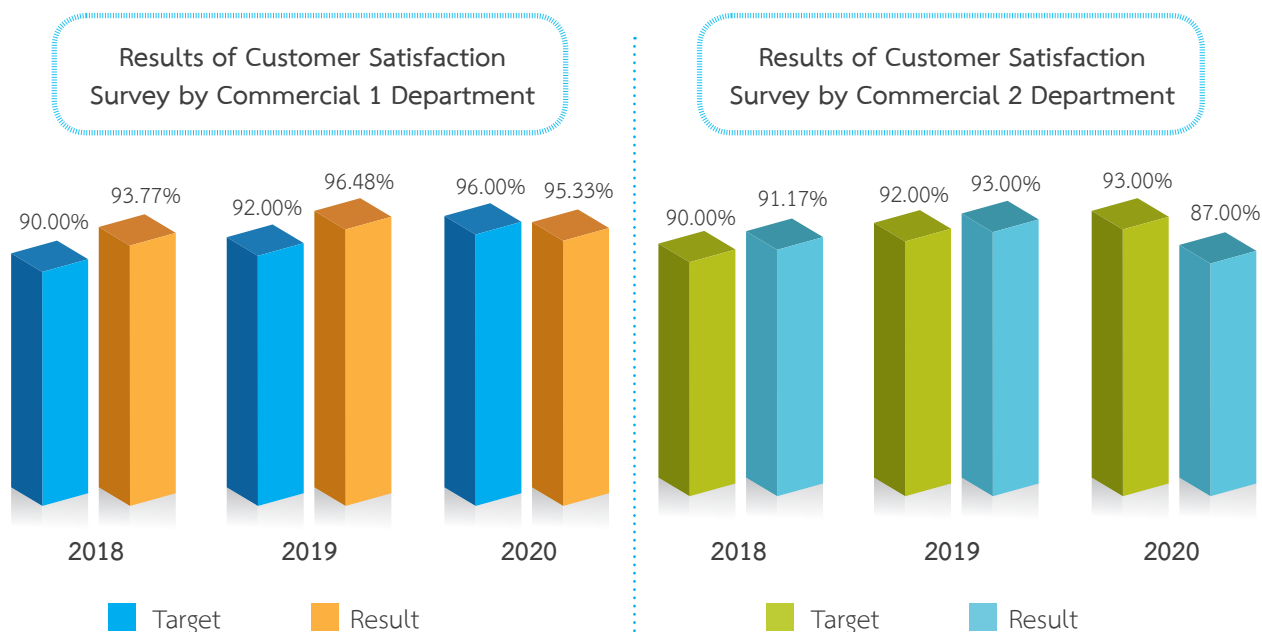
The Company Group yearly prepares and reviews the customer service policy by aiming at the provision of correct, timely, and false advertising information so that the customers have the information for supporting the proper decision making.

Customer Relations

The Company manages the customer relations system to accept criticisms in services and accept the notification of complaints on the service quality to rapidly fulfill the customer requirements. The customers can send the issues to the Company at Marketing Department, or at e-mail: PRMoperation@primamarine.co.th.

Operating Result

The Company has delivered the service-related customer satisfaction questionnaire to yearly assess the operations which are useful for developing and upgrading the operating standards and quality once a year. In 2020, the customer satisfaction assessment result of Commercial 1 Department was at 95.33%, slightly decrease when compared with that of 2019 and below the determined target. The customer satisfaction assessment result of Commercial 2 Department was at 87.00%, decreasing when compared with that of 2019 and below the determined target. The comparison of customer satisfaction survey are as follows:



6. Joint-Development of Community or Society

One of the joint-developments of community and society is the contribution to strengthening to the community by creating the body of knowledge and jobs, and developing people. Therefore, the Company Group establishes the policy for assisting and supporting the activities with the community in the surrounding operating area, and responding the incidents affecting the community, society, and environment as the result of the rapid and efficient operations.

In addition, the Company Group has also encouraged the personnel of the Company Group to participate in the projects and the activities for cultivating their awareness and environmental and social responsibilities. The projects of which the Company Group jointly and continuously supported and developed in 2020 are as follows.

• National Children's Day Activity

In every National Children's Day Activity, the Company Group cooperates with the Nathanlin Group to participate in the National Children's Day Activity at Pongpoy Anusorn School, Bangna District Office, Bangkok, which is an educational institution in the community area nearby the workplace, by watching the students' performance, meeting and discussing with the executives of the educational institution, and also giving the sporting goods and instructional media to the students.



• **Student Uniform for Younger Persons Project in Cooperation with PTT Oil and Retail Business Public Company Limited, Surat Thani Province**

To contribute the fund for renovating a canteen and purchasing the set of plaything equipment in playground to Ban Khlong Suk School, Surat Thani Province.



• **Life and Property Safety Reinforcement Project for the People and Tourists in Ko Sichang Sub-district Area Zone in Cooperation with Ko Sichang Municipal District, Chonburi Province**



The Company Group jointly and continuously supported the safety of the life and property of the community in the shortage area through Bongkot Marine Services Company Limited in supply of motorcycles and equipment for facilitating the care on the safety of people in the community and tourist. The Company Group continuously conducts the yearly satisfaction and opinion survey of the people in the community to actually satisfy the requirements and help solving the community problems.

• **Fisher Quality of Life Promotion and Development Project in Cooperation with Chonburi Fisheries Association, Chonburi Province**

The Company Group foresees the importance of the promotion and development on quality of life and fishery occupation of the community next to the sea. Therefore, the Company performed field trip to survey the requirement and jointly donated the grant-in-aid for the Fish Reproduction Promotion and Fisher Quality of Life Development Project to be used in execution and as working capital for 200,000 Baht, and mutually discussed to seek for the opportunity to sustainably extend the body of knowledge with Chonburi Fisheries Association in the following years.



Donation for COVID-19 Harm Defeating

In 2020, all sectors have been widely affected from the COVID-19 pandemic as it is the new virus which is communicable via the respiratory system. There has been none of the body of medical knowledge in complete cure and none of vaccine. Therefore, the people have fallen in the infection risk, particularly the medical personnel. Thus, the Company Group has jointly donated to support the medical agencies and government agencies in the operating areas as follows.

- Thai Red Cross in the “Assembly of Medical Personnel Preventive Device for Defeating COVID Harm” Project for 500,000 Baht



- Laem Chabang Hospital, Sri Racha District, Chonburi Province for 50,000 Baht



- Laem Chabang Municipality, Sri Racha District, Chonburi Province for 50,000 Baht



- Ko Sichang Municipal District, Sri Racha District, Chonburi Province for 50,000 Baht



7. Availability of innovation and propagation of innovation acquired from the operations with the social, environmental, and stakeholder responsibilities

The Company Group gives precedence to the creative activities and services of which the social, environmental, and stakeholder responsibilities are appropriately motivated under a first expectation on the operating innovation creativity of the Company. The availability of the innovation as process and social service is based on “Rethinking” to satisfy the society in different viewpoints. In addition, the Company also gives its employees the opportunity to enable to participate in and propose their opinions on development of the creative work process.

Internal Control and Risk Management

1. Summary of opinions from the Board of Directors on the Company's internal control

Internal Control

The Company has realized the importance of adequate, appropriate, and efficient internal control system in all work processes, the established internal control system will assist in the management and supervision of corporate activities, ensuring that the Company's management will achieve the operational objectives, financial reporting and compliance with the Company's rules, regulations, and policies. The Company having a good internal control system will effectively help prevent and manage risks or prevent any damages that may occur to the Company and its stakeholders. The Company has prioritized the use of resources, assets maintaining including accurate and reliable financial reporting, compliance with laws, rules and regulations related to business operations. The Company has assessed the adequacy of its internal control system based on the assessment form of the Office of Securities and Exchange Commission (SEC) to be in line with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) by dividing into 5 sections with major summary based on the elements of internal control as follows:

1.1 Control Environment

The Company has a good internal control system in terms of control environment, the Board of Directors, executives and employees at all levels will adhere to the integrity and ethics in accordance with the code of conduct established by the Company in writing, consisting of the prohibitions of management and employees to not engage in conflicts of interest with the Company's businesses, communication of regulations and penalties for employees' acknowledgement, performance monitoring and evaluation conducted by the Internal Audit department and Compliance department, including appropriate penalties or handling of violations. The Board of Directors is independent with roles and duties clearly separated from the management, the Board of Directors and independent directors consist of skilled people in accounting, finance, law, and business knowledge of the Company, without any business relationship with the Company. The Company's organizational structure supports the operations to achieve the corporate objectives by appropriately determining, assigning, and limiting the authorities and responsibilities, with the

balanced monitoring process among each other. The Company has focused on the development and retention of knowledgeable personnel by establishing fair policies and procedures covering processes in recruitment, personnel development, personnel retention, performance evaluation, motivation or rewarding, personnel shortage problem solving, including nomination plans for important successors to be clear and able to be implemented. The Company has established strict internal supervision and control for internal work processes to make all personnel aware and responsible for the internal control process.

1.2 Risk Assessment

The Company is aware of the risk assessment process by establishing the Risk Management Committee to be responsible in approving and communicating the risk management policies to all executives and employees for acknowledgment and compliance. The Company has specified the risks that may affect business operations at the levels of organization, business units, departments, and functions; analyzed risks from internal and external factors, opportunity and potential impact assessment, and measures and action plans to manage fraud risks by covering various forms of corruptions; and carefully reviewed the operational goals, the management and all employees are involved in risk determination. The Company has assessed the potential for corruptions covering the preparation of false financial reports, financial statements manipulation, corruption, violation of the internal control system and other events causing the Company damaged. The Company has assessed the external changes, business operation characteristics, including the change of corporate leaders that may affect the business operations, regular internal controls and financial reports to accommodate changes and to effectively adapt to the changing environment.

1.3 Control Activities

The Company has established the operational control measures that are appropriate to the risks and the specific corporate characteristics in writing, with policies and operational procedures related to the operational activities in finance, accounting, procurement, as well as operational procedures in many areas; clearly determined the scope of authorities and the approval

hierarchy of management in accordance with the approval authority matrix set by the Company; collected data of major shareholders, directors, executives and related persons, connected persons, for monitoring and reviewing connected transactions; established the internal control processes at all levels of the organization; and separated duties and responsibilities to review the works between them, consisting of approval duty, recording duty and duty in assets maintenance and storage; and prioritized the use of information systems to control the transaction approval in the system, to be in accordance with the infrastructure of information systems, with measures to control the security of information and prevent the dissemination of confidential information, regularly control the development and maintenance process of information systems to be appropriate and ready to be utilized.

1.4 Information & Communication

The Company has realized the importance of information systems and communications from internal and external organizations, by considering and comparing the advantages and disadvantages between the costs and benefits so that the Board of Directors and the management will obtain adequate important information as supporting tool for decision making. The Company has delivered the meeting invitation letter or meeting documents containing sufficient information for decision making and preparing a report for the meeting of the Board of Directors with details on the agenda specified, clearly containing the comments or observations of the Board on the issues to be considered at the meeting. It can be traced back and have a process of keeping confidential information and issues to be appropriately decided by the Board of Directors and the management. The Company has focused on the internal communication process to the Board of Directors in a continuous and reliable manner, assign the focal point to effectively communicate the important information of the Company to external stakeholders through the Investor Relations Department. The Company provides special or secret communication channels to enable internal and external stakeholders to safely report information or whistle blow the fraud or corruption within the company (whistle-blower hotline) and to enable the informants to be confident that such information will not affect them.

1.5 Monitoring Activities

The Company has a processes of evaluation and monitoring on the operations based on the policy, regulations, laws and requirements stipulated by the Company, by self-assessment and/or independent assessment by internal auditors, the internal audit results are reported according to the working structure that the internal auditors are directed to the Audit Committee, and the internal auditors are promoted of independence and perform their duties in accordance with the International Standards for the Professional Practice of Internal Auditing (IIA). The management will promptly report the deficiencies and corrections to the Board of Directors/Audit Committee if any incident is noticed or suspected of corruption or illegal practices or unusual actions that may significantly affect the Company's reputation and financial position.

Risk Management

The Risk Management Committee has taken into account the sustainable risk management and continued to establish the risk management policy in compliance with the principles of COSO-ERM 2017 as a risk management tool that will enable the organization to achieve the given objectives and goals, all areas of risks, including Governance Risk, Strategy & Planning Risk, Operation & Infrastructure Risk, and Financial Reporting Risk, will be assessed and managed to find adequate and proper measures of risk management for the Company Group.

In 2020, although the outbreak of COVID-19 has become more severe and continued to spread around the world including Thailand, the Company Group has always considered all areas of potential risks and impacts, covering the importance and awareness of rapid and severe changes in macro factors, resulting in Opportunity and Threat, therefore, the Company may have the risk that the established strategies and business plans may become obsolete. The Company Group has consequently determined to monitor, review, and adjust strategies to grasp the situation, emphasize the management with Resilience, Agility, and Economy of speed, by setting Key Risk Indicator (KRI) to continuously monitor the movement of risks.

However, the Company Group has controlled and monitored the management of significant risks including Strategy & Planning Risk to comply the corporate strategies and business plans like investing in the newly used vessels to replace the older ones. Additionally,

the Company has not only adhered to the past successful experiences to formulate strategies or make decisions on current events of the Company Group, but also taken into consideration the independence from any business. The Company Group's Portfolio Management has been expanded its investments by means of Mergers and Acquisitions (M&A) to expand the Trading Business, such as purchasing all remaining shares of Big Sea Company Limited, and executed the share purchase agreement of Thail Marine Company Limited, as well as focused on winning contracts of goods shipping, long-term goods storage to secure the Company Group's revenues and profits.

Additionally, in terms of operations, the Company Group has prepared to cope with the situation of COVID-19, we prepared the plans to deal with the situation in a timely and proper manner, for example, for marketing risk management, the transportation of jet fuel (JET A-1) and ground oil is always monitored; the economic performance, measures of Thai government, constant demands of oil, and the situation of business partners, customers, suppliers are also continuously monitored to plan and adjust the action plan accordingly. In addition, the financial risk from exchange rate fluctuation and interest rate has been managed while the liquidity management of the Company Group have been adequate and the reserves are also planned to utilize in case of emergency, covering the reduction in operational and technical risks, such as tracking the delivery of spare parts to be adequate and complete in compliance with the scheduled preventive maintenance system (PMS), Dry Dock, and the adequacy of protective equipment, e.g. protective equipment, medical masks, hand alcohol gel, temperature measuring instruments, etc. Also, the operations of the seafarers are planned on their attendance of works on vessels and their leaves, or any other relevant persons who have to perform duties on vessel, all of them must strictly follow the rules and regulations of the regulatory authorities based on various measures.

Furthermore, the Company Group has been aware of the safety of office employees by allowing them to continuously work from home, along with the preparation of information technology to support their working all the time and the establishment of Business Continuity Plan (BCP), resulting in the good performance of the Company Group, under the Enterprise Risk Management - Treatment Plan, the results of risk

management is also reported to the Risk Management Committee, senior management as assigned and the Board of Directors for acknowledgement.

The Company Group has emphasized the training and seminar on Enterprise Risk Management by strictly providing the safety on health and the prevention of COVID-19 spreading at the hotel organizing the training and seminar, and the outsourced speakers with knowledge, capability and expertise in risk management are also invited to provide the employees, management of the Company Group with basic knowledge; and the Risk Awareness Culture of the Company Group has been raised, including the internal communication with the Risk Management Committee, executives and employees to regularly know the risk management through the Risk Management Newsletter to be distributed every month, the newsletter consists of case studies about regional and international political, economic situations, for example, case studies on the international trade policy affecting the global oil tanker business. The Company Group has also monitored and strictly complied with the requirements of economic sanctions and prepared the correct factual documents, as well as taken more strictness in establishing the customer verification process (Know Your Customer: KYC) prior to entering into a contract with any customer in order to prevent the Company Group from involving the sanctioned country list, which will damage or affect the Company's image or reputation.

The Company Group has focused on monitoring the result of the Company and the Company Group's situation of Low Sulphur Fuel Oil (LSFO) consumption in accordance with the requirement announced by International Maritime Organization (IMO) on 1 January 2020 as the first effective date of the measure. The measure prescribes that all vessels in the world must be replaced with fuel containing below 0.5% of Sulphur from the current average of 3.5% of Sulphur in vessel fuel oil under an objective to reduce air pollution and emission rate of Green House Gas (GHG) that causes global warming. All vessels with LSFO have been monitored, controlled and maintained on the efficiency of large machines and electrical tools, the Company Group has also continuously covered the correct compliance with rules, regulations and constraints according to the applicable measures of internal and external regulators, such as the International Convention for the Control and Management of Ships' Ballast Water and Sediments

prescribes the vessel must be installed of Ballast Water Management System (BWMS) and the Ships' Ballast Water must be treated according to the specific standard before releasing to the sea, and the Guidelines on Maritime Cyber Risk Management also prescribes the fleet of the Company Group to strictly follow, as well as the performance of the Company Group has been continuously monitored in accordance with the Personal Data Protection Act, B.E. 2562 (2019), the Trade Competition Act, B.E. 2560 (2017), and the Thai Financial Reporting Standards No. 16 (TFRS 16), RE: Financial Lease.

Besides, the strategic plan on risk management is also prepared by applying the risk management as one of

the Company Group's strategic plans and business development for 2021 – 2023, which the Risk Assessment has continued to conducted into the preparation plan for 4 areas of project investment, consisting of Commercial, Technical, Finance and Compliance (internal and external), to ensure that the project investment for the Company's business operations has been prepared in all aspects, by completely and appropriately considering various factors, covering the Strategy & Planning Risk, and the Company Group's operational guidelines so that the Company Group will be able to make risk-based decisions to achieve the objectives and goals on good expansion in a stable and sustainable manner.

2. Opinions from the Internal Audit Office and the Company's Auditor on the internal control

Based on the internal audit conducted by the Internal Audit Department and the auditing of financial statements by KPMG Phoomchai Audit Co., Ltd. for the year 2020, it was found that the Internal Audit Department has prepared 2020 Internal Audit Plan and proposed it to the Audit Committee for consideration and approval. The Internal Audit Department has fully conducted the internal audit according to such plan and continuously reported the result of internal audit to the Audit Committee for consideration and giving opinions and recommendations regarding the audit matters of the Company, so that the management and employees will realize the importance of adequate internal control system for all working processes and

it helps the Company to achieve the objectives according to the given goals. In addition, the Auditor has independently reviewed the Company's financial statements and internal control system according to accounting standards, audit standards and requirements of the Stock Exchange of Thailand. The certified public auditor, accounting and finance executives attended a meeting with the Audit Committee to present the audit report to the Audit Committee for consideration and opinions, asking questions and giving feedbacks on financial statements. Based on the internal audit report and the accounting audit report, none of any audit issues that significantly affect the internal control system was found.

3. Head of Internal Audit Unit and Head of Compliance Unit

(1) The Charter of Audit Committee requires the Audit Committee to consider and select the Head of Internal Audit and Miss Sirimapan Phaichalerm has acted as the Internal Audit Manager since 1 November 2016, based on the performance of internal audit and other related duties, the Audit Committee gave the opinion that Miss Sirimapan Phaichalerm is suitable for the position of Head of Internal Audit with her understanding and experiences in the Company's working process and core businesses and able to provide suggestions for the improvement of working process to be efficient without affecting the main working process. The Company has encouraged the internal auditors to regularly

attend the training courses on internal audit standards to ensure that the internal auditors have sufficient knowledge and keep up with the changes in internal audit standards.

The Head of the Company's Compliance Unit is Miss Udomrat Sitthikom, who is currently the Company Secretary.

(2) According to the Charter of the Audit Committee, it requires the Audit Committee to approve the appointment, transfer and termination of the Head and employees of the internal audit unit or any other unit responsible for the internal audit of that company.

Information of Securities Holding of the Directors and Executives

Directors and executives of the Company shall have a duty to submit a report on changes of their securities holdings including their spouses or cohabiting couple, children not yet of age, juristic person that those persons hold shares at an aggregate amount exceeding 30% of the total voting shares to the SEC Office within 3 working days from the date of purchase, sale, transfer or acceptance of transfer of securities pursuant to the Notification of the Securities and Exchange Commission.

In addition, directors and executives must report their holding of the Company's securities to the Company Secretary within 7 days from the date of appointment and report any changes in their holding of the Company's securities to the Company Secretary within 3 working days from date of purchase or sell of securities pursuant to the Company's Securities Trading Policy.

As of 31 December 2020, the securities holding of the directors and executives are as follows:

| Name of Directors and Executives | | Common Share (Share) | | |
|----------------------------------|------------------------------|----------------------|-------------------|---------------------|
| | | As of 31 Dec 2019 | As of 31 Dec 2020 | Increase / Decrease |
| 1. | Mr. Bowon Vongsinudom | - | - | - |
| | Relationship Persons | 1,500,000 | 1,500,000 | - |
| 2. | Admiral Nibhon Chagsudulya | 500,000 | 500,000 | - |
| | Relationship Persons | - | - | - |
| 3. | Mr. Chainoi Puankosoom | 1,500,000 | 1,500,000 | - |
| | Relationship Persons | - | - | - |
| 4. | Mr. Somchai Kuvijitsuan | - | - | - |
| | Relationship Persons | 800,000 | 800,000 | - |
| 5. | Mr. Suraphon Meesathien | 600,000 | 600,000 | - |
| | Relationship Persons | 100,000 | 100,000 | - |
| 6. | Mr. Prompong Chaisrisawatsuk | 100 | 100 | - |
| | Relationship Persons | - | - | - |
| 7. | Mr. Surasak Chaiyen | 200,000 | 200,000 | - |
| | Relationship Persons | 200,000 | 200,000 | - |
| 8. | Ms. Neeracha Panboonhom | 5,761,000 | 5,761,000 | - |
| | Relationship Persons | - | - | - |
| 9. | Ms. Suthasinee Muenlamay | - | - | - |
| | Relationship Persons | - | - | - |
| 10. | Ms. Nipat Eamsirawat | - | - | - |
| | Relationship Persons | - | - | - |
| 11. | Mr. Anantachai Auttama | - | - | - |
| | Relationship Persons | - | - | - |
| 12. | Mr. Viritphol Churaisin | - | - | - |
| | Relationship Persons | - | - | - |

Remarks: Relationship Persons means

- (1) spouse or cohabiting couple;
- (2) minor child;
- (3) juristic person wherein directors, executives and the persons in (1) and (2) hold shares at an aggregate amount exceeding thirty percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof.

Position in Subsidiaries and Associates of Directors and Executives

(Information as of 31 December 2020)

| Name of Directors and Executives | Parent Company | Company | Subsidiaries and Associates | | | | | | | | | | | | | | | |
|----------------------------------|----------------|---------|-----------------------------|------|-----|-----|-----|------|-----|-----|----|-----|-----|-----|-----|-----|------|-----|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| | NAT | PRM | AAM | BIGS | BMS | BSC | NMC | NSSG | NTL | PIG | PM | SHT | TIM | TMN | TMT | TNS | TNTL | TST |
| 1. Mr. Bowon Vongsinudom | | C | | | | | | | | | | | | | | | | |
| 2. Admiral Nibhon Chagsudulya | | VC | | | | | | | | | | | C | | | | | |
| 3. Mr. Chainoi Puankosoom | | / | | | | | | | | | | | | | | | | |
| 4. Mr. Somchai Kuvijitsuwan | | / | | | | | | | | | | | | | | | | |
| 5. Mr. Suraphon Meesathien | /, E | / | | / | | | | | | | | | | | | | | |
| 6. Mr. Prompong Chaisrisawatsuk | / | /, E | | | | | | / | | | | / | | | | | | |
| 7. Mr. Surasak Chaiyen | /, E | / | | | | | | | | | | | | | | | | |
| 8. Ms. Neeracha Panboonhom | / | / | / | | | | | | | | | | | | | | | |
| 9. Ms. Suthasinee Muenlamay | | E | / | | / | | | / | / | / | / | / | | | / | / | | |
| 10. Ms. Nipat Eamsirivat | | E | | / | | / | / | | / | / | / | | | | / | | | |
| 11. Mr. Anantachai Auttama | | E | | | | / | / | | | | | / | | | | | | |
| 12. Mr. Viritphol Churaisin | | E | | | | | / | | / | / | / | | | / | | | | |

C = Chairman VC = Vice Chairman / = Director E = Executive

Company's Name

| | | | | | |
|------|---|------|-------------------------------------|------|--|
| AAM | Amity Asset Management Inc. | NSSG | Nathalin Shipping Pte. Ltd. | TIM | T.I.M. Ship Management Company Limited |
| BIGS | Big Sea Company Limited | NTL | N.T.L. Marine Company Limited | TMN | TMN Company Limited |
| BMS | Bongkot Marine Services Company Limited | PIG | Protea Investments Group Limited | TMT | Thaimarine Tanker Company Limited |
| BSC | BSC Management Seafarer Recruitment Company Limited | PM | Phurich Marine Company Limited | TNS | TOP Nautical Star Company Limited |
| NAT | Nathalin Company Limited | PRM | Prima Marine Public Company Limited | TNTL | TOP-NTL Pte. Ltd. |
| NMC | Nathalin Management Company Limited | SHT | Singha Tankers Company Limited | TST | TOP-NTL Shipping Trust |

Information of the Company's Shareholders

As of 31 December 2020, the Company has registered capital in the amount of 2,500,000,000 Baht and paid-up capital in the amount of 2,500,000,000 Baht divided into 2,500,00,000 ordinary shares at par value of 1 Baht per share. The Company's shareholders structure as of the Record Date on 27 November 2020 are as follows:

| Nationality of shareholder | No. of shareholders (persons) | Total shares holding (shares) | % |
|----------------------------|-------------------------------|-------------------------------|-------------|
| Thai | 13,463 | 2,276,074,199 | 91.04 |
| Foreigner | 63 | 223,925,801 | 8.96 |
| Total | 13,526 | 2,500,000,000 | 100% |

Source: Thailand Securities Depository Company Limited

1. List of Major Shareholders

(a) List Top 10 major shareholders of the Company as of the Record Date on 27 November 2020 are as follows:

| Shareholder Name | Number of Shares | % |
|--|------------------|-------|
| 1. Panboonhom Family Group | 1,491,569,800 | 59.66 |
| 1.1 Nathalin Company Limited ⁽¹⁾ | 1,354,999,800 | 54.20 |
| 1.2 KIMBERLY ASSET LIMITED ⁽²⁾ | 82,000,000 | 3.28 |
| 1.3 AUSTIN ASSET LIMITED ⁽³⁾ | 53,510,000 | 2.14 |
| 1.4 Mrs. Vilaisri Panboonhom | 1,060,000 | 0.04 |
| 2. Thai NVDR Company Limited ⁽⁴⁾ | 171,040,525 | 6.84 |
| 3. UOB KAY HIAN PRIVATE LIMITED | 30,156,400 | 1.21 |
| 4. Mr. Vasupon Thankakan | 29,720,800 | 1.19 |
| 5. Bualuang Infrastructure RMF | 20,205,400 | 0.81 |
| 6. Registered K Master Pooled Provident Fund | 16,879,400 | 0.68 |
| 7. Mr. Boonchai Kasemvilas | 14,761,200 | 0.59 |
| 8. Ms. Sunan Ngamakarakul | 14,723,600 | 0.59 |
| 9. Mrs. Sanyaluck Pakdisukchareon | 14,200,000 | 0.57 |
| 10. Provident Fund for Employees of Electricity Generating Authority of Thailand | 12,971,600 | 0.52 |

Source: Thailand Securities Depository Company Limited

(b) The major shareholders whose behaviours have had a significant influence on the operational policies or management of the company.

| Shareholder Name | Number of Shares | % |
|--|------------------|-------|
| Panboonhom Family Group | 1,491,569,800 | 59.66 |
| 1. Nathalin Company Limited ⁽¹⁾ | 1,354,999,800 | 54.20 |
| 2. KIMBERLY ASSET LIMITED ⁽²⁾ | 82,000,000 | 3.28 |
| 3. AUSTIN ASSET LIMITED ⁽³⁾ | 53,510,000 | 2.14 |
| 4. Mrs. Vilaisri Panboonhom | 1,060,000 | 0.04 |

Remarks:

- (1) Nathalin Company Limited operated 4 core business groups consisting of (1) Ship Business Unit (2) Trading & Service Business Unit (3) Global Energy Business Unit (4) Business Investment Unit. Nathalin Corporation Company Limited held 3,971,991 shares or 99.99% of the total issued shares of Nathalin Company Limited. Mr. Churdchoo Panboonhom held 9,998 shares or 99.98% of the total issued shares of Nathalin Corporation Company Limited.
- (2) KIMBERLY ASSET LIMITED, an investment company which registered in Hong Kong. Mr. Churdchoo Panboonhom indirect held 100% of share in KIMBERLY ASSET LIMITED.
- (3) AUSTIN ASSET LIMITED, an investment company which registered in Hong Kong. Nathalin Company Limited indirect held 10,000 shares or 100% of the total issued shares of AUSTIN ASSET LIMITED.
- (4) Shareholders holding stakes in the Company through Thai NVDR Company Limited of at least 0.50% or more of the total issued shares are as follows:

| Shareholder Name | Number of Shares | % |
|---|------------------|------|
| 1. SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED | 24,424,500 | 0.98 |
| 2. N.C.B. TRUST LIMITED-NORGES BANK 30 | 20,540,000 | 0.82 |
| 3. AIA COMPANY LIMITED-EQAP-D FUND 1 | 16,646,700 | 0.67 |

Source: www.set.or.th

2. Agreement among major shareholders

-None-

Dividend Payment Policy

1. Policy of dividend payment of the Company

The Company formulates the policy of dividend payment to the shareholders in the ratio of not below 30% of net profit from separate financial statements after deduction of tax and all types of reserves prescribed by laws and Articles of Association of the Company. Such dividend payment may be changed subject to necessity and other appropriateness as deemed appropriate by the Board of Directors. Annual dividend payment shall be approved by the Meeting of the Shareholders unless it is interim dividend payment. The Board of Directors may occasionally approve interim dividend payment when the Company deems that it is profitable to do so and shall report the said interim dividend payment to the Meeting of the Shareholders for acknowledgement in next meeting.

Summary of dividend payment in the past 3 years

| Dividend Payment from Annual Operating Results | 2020 ⁽¹⁾ | 2019 | 2018 |
|--|---------------------|-------|-------|
| Net profit margin per share (Baht) | 0.45 | 0.24 | 0.15 |
| Dividend paid per share (Baht) | 0.25 | 0.20 | 0.14 |
| Dividend paid per net profit (%) | 55.68 | 81.93 | 91.56 |

Remark:

- (1) The Board of Directors' Meeting No. 2/2021 held on 25 February 2021 has passed the resolution to propose the 2021 Annual General Shareholders Meeting for approval the dividend payment for the year 2020 to shareholders at the rate of 0.25 Baht per share. The company paid the interim dividend to the shareholders on 9 December 2020 at the rate of 0.07 Baht per share. Therefore, the remaining dividend to be paid to the shareholders of 0.18 Baht per share. The date of dividend payment will be on 20 May 2021.

2. Policy of dividend payment of the subsidiaries/associated companies

The dividend payment of the subsidiaries shall be subject to power of approval consideration of the Meeting of the Board of Directors of each Subsidiary or the Meeting of the Shareholders of each Subsidiary (as the case may be) under requirement of concern on overall operations, liquidity, cash flow, financial position, investment plan of each subsidiary, as well as other factors as deemed appropriate by the Board of Directors of the Subsidiary or the Meeting of the Shareholders of each Subsidiary as deemed appropriate.

However, in paying dividend of the subsidiary (whether being located inside the country or abroad), dividend payment shall be considered from net profit of separate financial statements after deduction with tax and legal reserves of that country. The appropriateness of the business conditions such as consideration from investment plan and business expansion plan of that subsidiary, etc. shall be taken into account in dividend payment.

Furthermore, for dividend payment of the subsidiary in accordance with corporate governance code, transparency and accountability, the director who is appointed by the Company to hold the director office in that subsidiary has duty to report the Meeting of the Board of Directors when the subsidiary pays dividend.

General Information and Other Information

1 General Information

1.1 General Information of the Company

| | |
|-------------------------------|---|
| Company's Name | : Prima Marine Public Company Limited |
| Symbol | : PRM |
| Industry | : Services |
| Sector | : Transportation & Logistics |
| Type of Business | : The Company Group provides one-stop services of shipment and floating storage unit of crude oil, refined oil products, and liquefied petrochemicals to the customers upon customer demands and provides services of Offshore Support Vessel for petroleum exploration and production, and ship management. The core businesses of the Company Group are classified into 4 type of business as follows: <ol style="list-style-type: none">1. Oil and Petrochemical Tanker Business ("Trading Business")2. Floating Storage Unit ("FSU") Business ("FSU Business")3. Offshore Support Vessel Business ("Offshore Business")4. Ship Management Business ("SM Business") |
| Company's Registration Number | : 0107560000141 |
| Registered Office | : 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 |
| Registered Capital | : 2,500,000,000 Baht, divided into 2,500,000,000 ordinary shares (as of 31 December 2020) |
| Paid-Up Capital | : 2,500,000,000 Baht, divided into 2,500,000,000 ordinary shares (as of 31 December 2020) |
| Par Value | : 1 Baht per share |
| Telephone Number | : (66) 2016 0190-4 |
| Fax | : (66) 2016 0199 |
| Company's Website | : www.primamarine.co.th |

1.2 Information of juristic persons in which the Company held more than 10% of fully paid-up capital ⁽¹⁾

| Name and Details of Company | Type of business | Registered Capital | Number of shares issued | Par Value | Paid-up Capital | % of Shareholding by the Company |
|---|--|--------------------|-------------------------|------------|--------------------|----------------------------------|
| Subsidiaries | | | | | | |
| N.T.L. Marine Company Limited (NTL) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel.: (66) 2016 0190-4 Fax: (66) 2016 0199 | Marine transportation of petroleum products. | 1,200,000,000 Baht | 12,000,000 shares | 100 Baht | 1,200,000,000 Baht | 99.99 |
| Thaimarine Tanker Company Limited (TMT) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel.: (66) 2016 0190-4 Fax: (66) 2016 0199 | Marine transportation of petroleum products. | 180,000,000 Baht | 1,800,000 shares | 100 Baht | 180,000,000 Baht | 99.99 |
| Phurich Marine Company Limited (PM) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel.: (66) 2016 0190-4 Fax: (66) 2016 0199 | Marine transportation of petroleum products. | 1,000,000 Baht | 10,000 shares | 100 Baht | 1,000,000 Baht | 99.99 |
| Protea Investments Group Limited (PIG) Tortola Pier Park, Building 1, Second Floor, Wickhams Cay I, Road Town, British Virgin Islands | Investment company and international marine transportation service of petroleum products | 10,000 USD | 10,000 shares | 1 USD | 10,000 USD | 100 |
| Big Sea Company Limited (BIG Sea) 454 Rama III Road, Bang Kloi Sub-District, Bang Kho Laem District, Bangkok 10120 Tel.: (66) 2292 2761 Fax: (66) 2292 0365 | Marine transportation of petroleum products. | 360,000,000 Baht | 360,000 shares | 1,000 Baht | 360,000,000 Baht | 80.00 |
| Nathalin Management Company Limited (NMC) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel.: (66) 2016 0190-4 Fax: (66) 2016 0199 | Ship management services. | 8,500,000 Baht | 85,000 shares | 100 Baht | 8,500,000 Baht | 99.99 |
| BSC Management Seafarer Recruitment Company Limited (BSC) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel.: (66) 2746 9981-2 Fax: (66) 2746 9983 | Manning agency and ticket agency. | 5,500,000 Baht | 55,000 shares | 100 Baht | 5,500,000 Baht | 99.99 |

| Name and Details of Company | Type of business | Registered Capital | Number of shares issued | Par Value | Paid-up Capital | % of Shareholding by the Company |
|---|--|------------------------------|-------------------------|---------------------|------------------------------|----------------------------------|
| Subsidiaries | | | | | | |
| Nathalin Shipping Pte. Ltd. (NSSG) 6 Temasek Boulevard, #32-03 Suntec Tower Four, Singapore (038986) Tel.: (65) 6361 0382 Fax: (65) 6361 0377 | Ship management services. | 30,000,000 Singapore Dollars | 30,000,000 shares | 1 Singapore Dollars | 30,000,000 Singapore Dollars | 87.50 |
| Amity Asset Management Inc. (AAM) PH Sortis Business Tower, 57 East Street, Obarrio, Panama City, Republic of Panama, P.O. Box 0843-02200 Tel.: (507) 399-8713 Fax: (507) 399-8731 | Marine transportation of petroleum products. | 10,000 USD | 10,000 USD | 1 USD | 10,000 USD | 87.50 |
| Singha Tankers Company Limited (SHT) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel.: (66) 2016 0190-4 Fax: (66) 2016 0199 | Marine transportation of petroleum products. | 1,200,000,000 Baht | 12,000,000 Baht | 100 Baht | 1,200,000,000 Baht | 51.00 ⁽²⁾ |
| Joint ventures | | | | | | |
| Bongkot Marine Services Company Limited (BMS) 80 Soi Bangna-Trad 30, Debaratna Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260 Tel.: (66) 2016 0190-4 Fax: (66) 2016 0199 | Marine transportation of petroleum products. | 240,000,000 Baht | 2,400,000 shares | 100 Baht | 240,000,000 Baht | 70.00 |
| TOP-NTL Pte. Ltd. (TNTL) 6 Temasek Boulevard, #32-03 Suntec Tower Four, Singapore (038986) | Ship management services. | 20,000 Singapore Dollars | 20,000 shares | 1 Singapore Dollars | 20,000 Singapore Dollars | 50.00 |
| TOP-NTL Shipping Trust (TST) Singapore | Funds for domestic and international transportation. | 1,894,000 Singapore Dollars | - | - | - | 50.00 |
| TOP Nautical Star Company Limited (TNS) 223/18-20 Country Complex Tower, Sanphawut Road, Bangna-Tai Sub-District, Bangna District, Bangkok 10260 Tel.: (66) 2745 7711-2 Fax: (66) 2745 7713 | Marine transportation of petroleum products. | 150,000,000 Baht | 1,500,000 shares | 100 Baht | 150,000,000 Baht | 35.00 ⁽³⁾ |

| Name and Details of Company | Type of business | Registered Capital | Number of shares issued | Par Value | Paid-up Capital | % of Shareholding by the Company |
|---|---|--------------------|-------------------------|-----------|------------------|----------------------------------|
| Associates | | | | | | |
| T.I.M. Ship Management Company Limited (TIM) 223/18-20 Country Complex Tower, Sanphawut Road, Bangna-Tai Sub-District, Bangna District, Bangkok 10260 Tel.: (66) 2745 7711-2 Fax: (66) 2745 7713 | Ship management services. | 3,000,000 Baht | 30,000 shares | 100 Baht | 3,000,000 Baht | 33.33 |
| TMN Co., Ltd. (TMN) 3354/50 Manorum Bldg., 15 Fl., Rama IV Rd., Klongtan , Klongtoey , Bangkok 10110 Tel.: (66) 2671 7200 Fax: (66) 2671 5200 | Marine transportation of petroleum products | 666,000,000 Baht | 66,600,000 shares | 10 Baht | 666,000,000 Baht | 12.70 ⁽⁴⁾ |

Remarks:

- (1) Information as of 28 February 2021
- (2) The Company direct holding 51% in SHT and indirect holding 49% in SHT through NSSG, resulting in the Company's effective shareholding proportion in SHT for 93.9%.
- (3) The Company direct holding 35% in TNS and indirect holding 49% in TNS through TST, resulting in the Company's effective shareholding proportion in TNS for 50.0%.
- (4) The Company direct holding 12.70% in TMN and indirect holding 12.16% in TNS through NTL, TMT, and SHT, resulting in the Company's effective shareholding proportion in TMN for 24.67%.

1.3 Information of Other Reference Persons

Security Registrar : Thailand Securities Depository Company Limited
The Stock Exchange of Thailand Building
93 Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400
Tel.: (66) 2009 9000
Fax: (66) 2009 9991
www.set.or.th/tsd

Auditor : Mr. Thanit Osathalert
Certified Public Accountant Registration Number 5155
KPMG Phoomchai Audit Limited
48th – 51th Floor, Empire Tower
1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel: (66) 2677 2000
Fax: (66) 2677 2222
www.kpmg.co.th

2 Other Information

- None -

Related Party Transactions

List of Related Persons

| Party that may have conflict of interests | Nature of business | Nature of relationship |
|--|---|---|
| 1. Nathalin Company Limited (“Nathalin”) | The company engages in the business of alternative energy business and holding company business | 1.1. It is the major shareholder of the Company that holds the shares in the proportion of 54.20% of the Company. 1.2. There are 4 joint directors as follows: 1) Mr. Prompong Chaisrisawatsuk, 2) Mr. Suraphon Meesathien 3) Mr. Surasak Chaiyen 4) Ms. Neeracha Panboonhom |
| 2. Sea Oil Public Company Limited (“Sea Oil”) | Marine oil trading business | 2.1. It is the related company of Nathalin whereas Nathalin holds 45.04% shares in Sea Oil and Nathalin is the major share holder of the Company. 2.2. Mr. Churdchoo Panboonhom, the controlling person of the Company, holds 10.60% shares in Sea Oil. 2.3. Ms. Neeracha Panboonhom, the daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholders in Nathalin, is the director in Sea Oil. 2.4. There are 3 joint directors who are 1) Mr. Suraphon Meesathien 2) Mr. Prompong Chaisrisawatsuk 3) Ms. Neeracha Panboonhom |
| 3. Sea Oil Petroleum Pte. Ltd. (“Sea Oil Petroleum”) | Marine oil trading business | 3.1. It is the related company of Nathalin whereas Nathalin indirectly holds 45.04% shares in Sea Oil Petroleum through Sea Oil and Nathalin is the major shareholder of the Company. 3.2. Ms. Neeracha Panboonhom, the daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholder in Nathalin, is the director in Sea Oil Petroleum. 3.3. The joint director is Ms. Neeracha Panboonhom |
| 4. Sea Oil Offshore Limited (“Sea Oil Offshore”) | Marine oil trading business | 4.1. It is the related company of Nathalin whereas Nathalin indirectly holds 45.04% shares in Sea Oil Offshore through Sea Oil, whereas Nathalin is the major shareholder of the Company. 4.2. Ms. Neeracha Panboonhom, the daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholders in Nathalin, is the director of Sea Oil Offshore. 4.3. The joint director is Ms. Neeracha Panboonhom |
| 5. Vega Twenty Company Limited (“Vega Twenty”) | Marine oil trading business | 5.1. It is the related company of Nathalin whereas Nathalin indirectly holds 45.04% shares in Vega Twenty through Sea Oil, whereas Nathalin is the major shareholder of the Company. 5.2. Ms. Neeracha Panboonhom, the daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholders in Nathalin, is the director of Vega Twenty. 5.3. The joint director is Ms. Neeracha Panboonhom |
| 6. Speed Production Company Limited (“Speed Production”) | Advertising service, public relations service, and advertising media production business | It is the related company whereas Ms. Paleerat Panboonhom, a daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholders in Nathalin, is a director and major shareholder of Speed Production. |
| 7. Prodigy House Company Limited (“Prodigy House”) | Advertising service, public relations service, and advertising media production business | It is the related company whereas Ms. Paleerat Panboonhom, a daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholders in Nathalin, is a director and major shareholder of Speed Production. |
| 8. Kemaman Bitumen Company Sdn Bhd | Manufacture and distribution of, asphalt and petroleum product | 8.1. It is a subsidiary of Tipco Asphalt Public Company Limited 8.2. The joint director is Mr. Chainoi Puankosoom |
| 9. Thai Shipowners’ Association | - | The joint director is Mr. Suraphon Meesathien |
| 10. Mr. Thinnakorn Therdwikanr | - | Mr. Thinnakorn Therdwikanr is a Director of Big Sea. Big Sea is the Company’s Subsidiary. |

Related party transactions between the Company and subsidiaries, and the parties that may have conflict of interests in the accounting year ended 31 December 2019 and ended 31 December 2020.

| Person/juristic person that may have conflict of interests | Nature of related party transaction | Accounting year ended 31 Dec 2019 | Accounting year ended 31 Dec 2020 | Necessity / reasonability of transaction | Opinion of the Audit Committee |
|--|---|--|--|---|---|
| 1. Nathalin Co., Ltd. (“Nathalin”) | <p>1.1 Nathalin’s employment of vessel of NTL for customer service and Nathalin’s performing as agent in customer contact</p> <ul style="list-style-type: none"> - Revenue from freight - Account receivable <p>Nathalin provides various services to NTL as follows:</p> <ul style="list-style-type: none"> - Meeting room rental fee - Car rental fee - Other service fee | <p>117,839,450.9</p> <p>22,045,474.1</p> <p>3,500.0</p> <p>5,400.0</p> <p>500.0</p> | <p>104,508,472.3</p> <p>18,043,704.1</p> | <ul style="list-style-type: none"> - Nathalin is an agent to contact the customer and hired the vessel of NTL for service to its customer under the Contract entered by Nathalin with the customer. The agreed freight rate was the freight rate gained by Nathalin from the end user deducted with agent service charge which was comparable with the rate of general industrial. The commercial term was comparable with commercial transaction in the similar nature. - Meeting room rental fee, Nathalin rent for holding training or seminar, with a daily fee of 2,000 baht per day. The service fee is comparable to the service provided by external service providers. - Car rental fee, to support administrative tasks for executives and employees who must travel by car. Nathalin therefore provides car rental services with drivers with a daily fee of 1,800 baht per day. | <ul style="list-style-type: none"> - It was the normal business transaction, and this transaction has caused benefits to the Company Group at a reasonable price. - It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price. |
| | <p>1.2 BSC’s providing the air ticket reservation service to Nathalin’s executives</p> <ul style="list-style-type: none"> - Revenue from service charge <p>Nathalin provides various services to BSC as follows:</p> <ul style="list-style-type: none"> - Fitness center service fee and lunch service fee - Management Information System service fee - ERP software service fee and E-mail system service fee - Human Resource Management service fee - Meeting room rental fee - Staff activities service fee - Car rental fee - Trade accounts payable | <p>19,572.0</p> <p>183,521.0</p> <p>324,000.0</p> <p>113,760.0</p> <p>351,300.0</p> <p>45,000.0</p> <p>45,947.5</p> <p>915.0</p> <p>84,593.1</p> | <p>180,129.0</p> <p>372,600.0</p> <p>103,608.0</p> <p>421,560.0</p> <p>52,500.0</p> <p>8,340.0</p> <p>93,254.7</p> | <ul style="list-style-type: none"> - BSC provided air ticket reservation service to Nathalin’s executive for visit in abroad whereas the cost-of-service charge was cost plus. - BSC uses the service of the fitness center with Nathalin for BSC’s staffs at the rate of service charge of 1,085 Baht per person per month. The rate of service charge is the market rate of the fitness center located in nearby area. reference to the contract No. NAT-SER 0043/2019 with a service period of 1 January 2020 – 31 December 2020. - Due to the number of restaurants in the area adjacent to BSC’s office is less, BSC therefore has hired Nathalin to supply lunch for its employees at the rate of service charge of 35 Baht per person per day and to provide additional fruit in the daytime for employees by serving 3 days a week also charged at the rate of 13 Baht per person per day. The rate of service charge is the market rate of the restaurants located in the nearby area, reference to the Contract No. FC003/2019 with a service period of 1 January 2020 – 31 December 2020. | <ul style="list-style-type: none"> - It was the normal business transaction, and this transaction has caused benefits to the Company Group at a reasonable price. - It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price. |

| Person/juristic person that may have conflict of interests | Nature of related party transaction | Accounting year ended 31 Dec 2019 | Accounting year ended 31 Dec 2020 | Necessity / reasonability of transaction | Opinion of the Audit Committee |
|--|--|-----------------------------------|-----------------------------------|---|--|
| | | | | <ul style="list-style-type: none"> - Management Information System with a service fee of 3,000 Baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020. - Service fees for ERP software (Microsoft Dynamic AX) with a service fee of 4,740 Baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020. - Human Resource Management service with a service fee of 3,513 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020. - Meeting room rental fee, Nathalin rent for holding training or seminar, with a daily fee of 2,000 baht per day. The service fee is comparable to the service provided by external service providers. - Organizing activities fee which to strengthen employee relations and being a welfare of the Nathalin Group such as Sport Day activities, New Year's activities etc. which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. - Car rental fee, to support administrative tasks for executives and employees who must travel by car. Nathalin therefore provides car rental services with drivers. With a daily fee of 1,800 baht per day. | <p>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p> |
| | <p>1.3 NSSG's provides ship management service and other services to Nathalin</p> <p>- Other Revenue</p> | 1,117,785.6 | 1,126,638.0 | <p>- NSSG provided ship management service to Nathalin</p> | <p>- It was the normal business transaction, and this transaction has caused benefits to the Company Group at a reasonable price.</p> |

| Person/juristic person that may have conflict of interests | Nature of related party transaction | Accounting year ended 31 Dec 2019 | Accounting year ended 31 Dec 2020 | Necessity / reasonability of transaction | Opinion of the Audit Committee |
|--|--|---|--|--|---|
| | <p>Nathalin provides various services to NSSG as follows:</p> <ul style="list-style-type: none"> - Management Information System service fee - ERP software service fee and E-mail system service fee - Human Resource Management service fee - Fitness center service fee and lunch service fee - Trade accounts payable | <p>670,671.4</p> <p>5,175,850.9</p> <p>29,979.0</p> <p>-</p> <p>315,990.3</p> | <p>880,192.2</p> <p>6,741,118.9</p> <p>67,519.4</p> <p>16,804.1</p> <p>315,990.3</p> | <p>- Management Information System with a service fee of 3,566 Baht per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020.</p> <p>- Service fees for ERP software (Microsoft Dynamic AX) with a service fee of 4,740 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020.</p> <p>- Human Resource Management service with a service fee of 700 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020.</p> <p>- Due to the number of restaurants in the area adjacent to NSSG's office is less, NSSG therefore has hired Nathalin to supply lunch for its employees at the rate of service charge of 35 Baht per person per day and to provide additional fruit in the daytime for employees by serving 3 days a week also charged at the rate of 13 Baht per person per day. The rate of service charge is the market rate of the restaurants located in the nearby area.</p> | <p>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</p> <p>"</p> <p>"</p> <p>"</p> |
| | <p>1.4 The company rent out the area of the office building's rooftop to Nathalin</p> <ul style="list-style-type: none"> - Building roofs rental revenue <p>Nathalin provides various services to the Company as follows:</p> <ul style="list-style-type: none"> - Office Management service fee - fitness center service fee and lunch service fee | <p>36,000.0</p> <p>2,071,872.0</p> <p>1,937,052.0</p> | <p>36,000.0</p> <p>2,071,872.0</p> <p>1,699,730.0</p> | <p>- The Company rent out the office building's rooftop to Nathalin, which is located on the land of the Company and Nathalin is used to set up projects for use in the construction of power plants, developing and executing solar power projects installed on the roof. The monthly rental rate is 3,000 baht which is determined by the cost of maintenance plus the difference that covers the service of the Company. The service rate is comparable to the use of services from third parties. The rental period start from 1 January 2018 – 31 December 2021.</p> | <p>- It was the transaction of space rental in supporting normal business of the Company Group with the rate of rental fee and trading condition is reasonable.</p> |

| Person/juristic person that may have conflict of interests | Nature of related party transaction | Accounting year ended 31 Dec 2019 | Accounting year ended 31 Dec 2020 | Necessity / reasonability of transaction | Opinion of the Audit Committee |
|--|--|-----------------------------------|-----------------------------------|---|---|
| | - Management Information System service fee | 3,096,000.0 | 3,684,600.0 | - Nathalin provided service of office management with the monthly service fee of 172,656 Baht which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The service rate is comparable to the use of services from third parties. Reference to the contract No. NAT-SER 0049/2019 with a service period of 1 January 2020 - 31 December 2020. | - It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price. |
| | - ERP software service fee and E-mail system service fee | 5,282,880.0 | 4,132,704.0 | | " |
| | - Human Resource Management service fee | 3,963,849.0 | 4,028,539.0 | - Nathalin provided service of fitness center to the Company's staffs at the rate of service charge of 1,085 Baht per person per month. The rate of service charge is the market rate of the fitness center located in nearby area. Reference to the contract No. NAT-SER 0044/2019 with a service period of 1 January 2020 - 31 December 2020. | " |
| | - Legal services fee | 886,750.0 | 840,000.0 | | |
| | - Car rental fee | 94,072.0 | 574,391.0 | | |
| | - Container rental fee | 42,000.0 | 42,000.0 | | |
| | - Meeting room rental fee | 20,000.0 | 13,500.0 | | |
| | - Special employment wage | - | 10,921.2 | | |
| | - Staff activities service fee | 512,096.7 | 75,060.0 | - Due to the number of restaurants in the area adjacent to the Company's office is less, the Company therefore has hired Nathalin to supply lunch for the Company's staffs in the rate of 35 Baht per person per day and to provide additional fruit in the daytime for employees by serving 3 days a week also charged at a rate of 13 Baht per person per day. The rate of service charge is the market rate of the restaurants located in the nearby area. Reference to the contract No. NAT FC 004/2019 with a service period of 1 January 2020 - 31 December 2020. | " |
| | - Trade accounts payable | 34,882.0 | - | | |
| | - Other payables | 1,586,793.9 | 1,490,159.0 | - Management Information System with a service fee of 3,000 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020. | " |
| | | | | - Service fees for ERP software (Microsoft Dynamic AX) with a service fee of 4,740 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020. | " |
| | | | | - Human Resource Management service with a service fee of 3,513 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020. | " |

| Person/juristic person that may have conflict of interests | Nature of related party transaction | Accounting year ended 31 Dec 2019 | Accounting year ended 31 Dec 2020 | Necessity / reasonability of transaction | Opinion of the Audit Committee |
|--|--|-----------------------------------|-----------------------------------|--|--|
| | | | | <ul style="list-style-type: none"> - Legal service fee from Nathalin Legal Department, which specializes in maritime law, provides services in contract documents. With a service charge of 3,500 baht per hour which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The said service rate is comparable to the use of external law firms. The contract period of 1 January 2020 – 31 December 2020. - Car rental fee, to support administrative tasks for executives and employees who must travel by car. Nathalin therefore provides car rental services with drivers. With a daily fee of 1,800 baht per day. - Container rental fee of one 2.4 x 6.0 x 2.6 meters sized container for storage of the Company's documents with the service fee of 3,500 Baht per month which is same as the rate of third party. Reference to the contract No. NAT-SER 0039/2018 with a contract period of 1 October 2019 – 30 September 2022. - Meeting room rental fee, Nathalin rent for holding training or seminar, with a daily fee of 2,000 baht per day. The service fee is comparable to the service provided by external service providers. - Overtime payment for Nathalin's account staff that borrow by the Company to help them work from 16 June – 30 July 2020. The service fee rates are collected according to the actual amount incurred. - Organizing activities fee which to strengthen employee relations and being a welfare of the Nathalin Group such as Sportday activities, New Year's activities etc. which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The said service rate is comparable to the use of external service providers. | <p>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</p> <p>”</p> <p>”</p> <p>”</p> <p>”</p> <p>”</p> <p>”</p> |
| | <p>1.5 NMC provided service of document agent to Nathalin as follow:</p> <ul style="list-style-type: none"> - Other Revenue <p>Nathalin provides various services to NMC as follows:</p> <ul style="list-style-type: none"> - Fitness center service fee and lunch service fee | <p>3,000.0</p> <p>584,538.0</p> | <p>58,915.0</p> <p>413,082.0</p> | <ul style="list-style-type: none"> - Nathalin hired NMC to provide service of documents agent with Marine Department for Tsuruzaki vessel at the rate of service charge between 1,000 – 3,000 Baht per transaction which is determined by cost plus method. - Nathalin has hired NMC to conduct training on the Bass net program with a service fee collected according to the actual amount incurred. | <p>- It was the normal business transaction, and this transaction has caused benefits to the Company Group at a reasonable price.</p> <p>”</p> |

| Person/juristic person that may have conflict of interests | Nature of related party transaction | Accounting year ended 31 Dec 2019 | Accounting year ended 31 Dec 2020 | Necessity / reasonability of transaction | Opinion of the Audit Committee |
|--|--|--|--|---|--|
| | <ul style="list-style-type: none"> - Management Information System service fee - ERP software service fee and E-mail system service fee - Human Resource Management service fee - Car rental fee - Staff activities service fee - Other service fee - Other payable - Other non-current assets | 726,800.0 2,682,480.0 1,082,004.0 1,800.0 143,579.7 - 439,037.0 1,055,982.0 | 1,585,800.0 2,536,096.0 941,484.0 18,348.0 2,000.0 452,119.9 1,055,982.0 | <p>- Nathalin provided service of fitness center to NMC's staffs at the rate of service charge of 1,085 Baht per person per month. The rate of service charge is the market rate of the fitness center located in nearby area. Reference to the contract No. NAT-SER0042/2019 with a service period of 1 January 2020 - 31 December 2020.</p> <p>- Due to the number of restaurants in the area adjacent to NMC's office is less, NMC therefore has hired Nathalin to supply lunch for the Company's staffs in the rate of 35 Baht per person per day and to provide additional fruit in the daytime for employees by serving 3 days a week also charged at a rate of 13 Baht per person per day. The rate of service charge is the market rate of the restaurants located in the nearby area. Reference to the contract No. NAT FC002/2019 with a service period of 1 January 2020 - 31 December 2020.</p> <p>- Management Information System with a service fee of 3,000 Baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020.</p> <p>- Service fees for ERP software (Microsoft Dynamic AX) with a service fee of 4,740 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020.</p> <p>- Human Resource Management service with a service fee of 3,513 baht per person per month which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The contract period of 1 January 2020 - 31 December 2020.</p> <p>- Car rental fee, to support administrative tasks for executives and employees who must travel by car. Nathalin therefore provides car rental services with drivers. With a daily fee of 1,800 baht per day.</p> | <p>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p> <p>"</p> |

| Person/juristic person that may have conflict of interests | Nature of related party transaction | Accounting year ended 31 Dec 2019 | Accounting year ended 31 Dec 2020 | Necessity / reasonability of transaction | Opinion of the Audit Committee |
|--|--|---|--|---|---|
| | | | | <ul style="list-style-type: none"> - Organizing activities fee which to strengthen employee relations and being a welfare of Nathalin Group such as Sportday activities, New Year's activities etc. which is determined by the actual cost of Nathalin plus the difference that covers the service of Nathalin. The said service rate is comparable to the use of external service providers. - Translation fee for Know Your Customer document from Thai language to English language. | <ul style="list-style-type: none"> - It was the normal business supporting transaction, and has caused benefits to the Company Group at a reasonable price. " |
| 2. Sea Oil Public Company Limited ("Sea Oil") | 2.1 The Company purchases fuel oil from Sea Oil and received other service from Sea Oil <ul style="list-style-type: none"> - Purchase cost of oil - Catering service charge - Trade accounts payable - Other receivables | 1,675,800.0 36,402,714.3 - 126,703.2 | 5,417,000.0 24,423,223.7 3,218,446.7 | <ul style="list-style-type: none"> - The Company purchases fuel oil and lubricating oil from Sea Oil for The Company's vessels. The price is based on market price under general commercial term. - The Company has hired Sea Oil for catering, cleaning, and laundry service for oil drilling rig staffs on accommodation work barge. The rate of service charge is estimated to be per person per day in the agreed rate and has been comparable with the price which can be hired by the Company from other service providers. The contract period of 1 February 2020 – 31 January 2021. - The Company received a refund for catering service form Sea Oil due to the employees cannot eat the food at Nava Thanee vessel, so they change to eat at AQP floating instead. | <ul style="list-style-type: none"> - It was the normal business transaction of the Company under reasonable service charge rate and general commercial term. " " |
| | 2.2 NTL purchases fuel oil from Sea Oil <ul style="list-style-type: none"> - Purchase cost of oil - Account payable - Other revenue | 221,742,547.5 19,572,460.3 31,863.7 | 182,192,750.3 20,959,016.6 - | <ul style="list-style-type: none"> - NTL purchases fuel oil and lubricating oil from Sea Oil for NTL's vessels. The price is based on market price under general commercial term. - NTL has other revenue by charging from Sea Oil which is its executive 's traveling and hotel expense for attending a new ship launching ceremony in China. | <ul style="list-style-type: none"> - It was the normal business transaction of the Company under reasonable service charge rate and general commercial term. " |
| | 2.3 TMT purchases fuel oil from Sea Oil <ul style="list-style-type: none"> - Purchase cost of oil - Trade Account payable | 12,075,700.0 4,889,632.5 | 5,033,500.0 995,100.0 | <ul style="list-style-type: none"> - TMT purchases fuel oil and lubricating oil from Sea Oil for TMT's vessels. The price is based on market price under general commercial term. | <ul style="list-style-type: none"> - It was the normal business transaction of the Company under reasonable service charge rate and general commercial term. |

| Person/juristic person that may have conflict of interests | Nature of related party transaction | Accounting year ended 31 Dec 2019 | Accounting year ended 31 Dec 2020 | Necessity / reasonability of transaction | Opinion of the Audit Committee |
|--|--|-----------------------------------|-----------------------------------|--|---|
| | 2.4 BSC providing the air ticket reservation service and crew management service - Revenue from service charge - Trade receivables | 74,541.0 - | 480,200.0 150,656.0 | BSC provided the service of preparing the salary information for the crew at the service rate of 350 Baht per person based on the number of the crew not exceeding 100 persons and 300 Baht per person when the number of crew exceeding 100 persons. Reference to contract No. BSC-REV-63-004 started from 1 June 2020 – 31 May 2021. | It was the normal business transaction of the Company under reasonable service charge rate and general commercial term. |
| 3. Sea Oil Petroleum Company Limited (“Sea Oil Petroleum”) | 3.1 TMT purchases fuel oil from Sea Oil Petroleum - Purchase cost of oil - Trade account payable | 1,674,449.3 1,110,125.5 | 12,870,944.8 2,348,010 | TMT purchases fuel oil and lubricating oil form Sea Oil Petroleum for TMT’s vessel. The price is based on market price and general commercial term. | It was the normal business transaction of the Company under reasonable service charge rate and general commercial term. |
| | 3.2 NTL purchases fuel oil from Sea Oil Petroleum - Purchase cost of oil - Trade account payable | 13,013,090.5 11,210,459.6 | 48,220,815.4 9,530,427.8 | NTL purchases fuel oil and lubricating oil form Sea Oil Petroleum for NTL’s vessel. The price is based on market price and general commercial term. | It was the normal business transaction of the Company under reasonable service charge rate and general commercial term. |
| | 3.3 The Company purchases fuel oil from Sea Oil Petroleum - Purchase cost of oil | - | 3,414,593.8 | The Company purchases fuel oil and lubricating oil form Sea Oil Petroleum for the Company’s vessel. The price is based on market price under general commercial term. | It was the normal business transaction of the Company under reasonable service charge rate and general commercial term. |
| | 3.4 NSSG purchases fuel oil from Sea Oil Petroleum - Purchase cost of oil | - | 9,308,511.6 | NSSG purchases fuel oil and lubricating oil form Sea Oil Petroleum for the NSSG’s vessel. The price is based on market price under general commercial term. | It was the normal business transaction of the Company under reasonable service charge rate and general commercial term. |

| Person/juristic person that may have conflict of interests | Nature of related party transaction | Accounting year ended 31 Dec 2019 | Accounting year ended 31 Dec 2020 | Necessity / reasonability of transaction | Opinion of the Audit Committee |
|--|---|-----------------------------------|-----------------------------------|--|---|
| 4. Sea Oil Offshore Limited (“Sea Oil Offshore”) | 4.1 NTL purchases fuel oil from Sea Oil Offshore - Purchase cost of oil - Trade Account payable | 48,716,688.1 681,847.6 | - - | NTL purchases fuel oil and lubricating oil from Sea Oil Offshore for NTL’s vessel. The price is based on market price and general commercial term. | It was the normal business transaction of the Company under reasonable service charge rate and general commercial term. |
| | 4.2 TMT purchases fuel oil from Sea oil offshore - Purchase cost of oil | 7,619,971.2 | - | TMT purchases fuel oil and lubricating oil from Sea Oil Offshore for carriers of TMT’s vessel. The price is based on market price and general commercial term. | It was the normal business transaction of the Company under reasonable service charge rate and general commercial term. |
| 5. Vega Twenty Company Limited (“Vega Twenty”) | NTL purchases fuel oil from Vega Twenty - Purchase cost of oil - Trade Account payable | - - | 7,325,250.0 7,838,017.5 | NTL purchases fuel oil and lubricating oil form Vega Twenty for NTL’s vessel. The price is based on market price and general commercial term | It was the normal business transaction of the Company under reasonable service charge rate and general commercial term. |
| 6. Speed Production Company Limited (“Speed Production”) | The Company paid for AGM video presentation to Speed Production - Other expense | 100,000.0 | 177,000.0 | - The company needs to prepare a video for the Annual General Meeting of Shareholders presentation. The rate of service fee is comparable to the price of other service providers. | It was the transaction which is useful for the Company and the price and commercial term were reasonable. |
| 7. Prodigy House Company Limited (“Prodigy House”) | The Company paid for VTR of corporate presentation to Prodigy House - Other expense | - | 875,000.0 | - The company needs to prepare a video for corporate presentation. The rate of service fee is comparable to the price of other service providers. | It was the transaction which is useful for the Company and the price and commercial term were reasonable. |
| 8. Kemaman Bitumen Company Sdn Bhd | NSSG provided service of shipment in Time Charter Contract to Kemaman Bitumen Company Sdn Bhd - Freight income | 253,846,396.0 | 300,746,352.2 | NSSG provided service of shipment with a contract period of 1 year. The rate of service fee at USD 750,000 per month. | It was the normal business supporting transaction and has caused benefits to the Company Group at a reasonable price. |

| Person/juristic person that may have conflict of interests | Nature of related party transaction | Accounting year ended 31 Dec 2019 | Accounting year ended 31 Dec 2020 | Necessity / reasonability of transaction | Opinion of the Audit Committee |
|--|---|-----------------------------------|-----------------------------------|---|---|
| 9. Thai Shipowners' Association | 9.1 The Company paid membership fee to Thai Shipowners' Association - Other Expense | 110,000.0 | 118,691.5 | The Company paid membership fee of shipowner in the general normal rate for the members. | It was the transaction with membership fee in the collection rate for the general members. |
| | 9.2 NTL paid membership fee to Thai Shipowners' Association - Other expens | 45,000.0 | 44,264.0 | NTL paid annual membership fee to Thai Shipowners' Association in the normal rate specified by Thai Shipowners' Association. | It was the transaction with membership fee rate in the collection rate for the general members. |
| | 9.3 TMT paid membership fee to Thai Shipowners' Association - Other expense | 35,000.0 | 34,427.5 | TMT paid membership fee of Thai Shipowners' Association in the general rate for members. | It was the transaction with fee rate in the collection rate for the general members. |
| | 9.4 NMC paid membership fee to Thai Shipowners' Association - Other expense | 5,000.0 | - | NMC paid membership fee of Thai Shipowners' Association in the general rate for members. | It was the transaction with fee rate in the collection rate for the general members. |
| | 9.5 BSC paid member ship fee to Thai Shipowners' Association - Other expense | 5,000.0 | - | BSC paid membership fee of Thai Shipowners' Association in the general rate for members. | It was the transaction with fee rate in the collection rate for the general members |
| 10.Mr. Thinnakorn Therdwikan | Big Sea paid a rental fee for office building to Mr. Thinnakorn Therdwikan who is a director of Big Sea. - Office building rental fee. | 1,200,000.0 | 1,200,000.0 | Director of Big Sea granted office building for rent with the contract period of 3 years ended of 1 July 2021 at the rate of service charge of 100,000 Baht per month which is determined by the actual cost of Director plus the difference that covers the service of Director. The rate of rent of office building is the market price which is same as the price of office rent in the zone of nearby area. | Such transaction has caused benefit to the company's staffs under reasonable price of service charge. |

Necessity and reasonability of the related party transactions

The Meeting of the Audit Committee No. 1/2021 held on 25 February 2021 considered the information of the related party transaction of the Company in the accounting year ended 31 December 2020 in accompany with the inquiry of information from the Executive of the Company and subsidiaries and verified information as specified in notes to financial statements audited by the Company's auditor. The said meetings deemed that the related party transactions of the Company in the accounting year ended 31 December 2020 were the transactions for normal business operation of the Company and in accordance with normal commercial term in the same nature which should be performed by the reasonable man in the same situation by trade bargaining power without influence in the way that the other contractual parties have status of the parties that may have conflicts (Arm's length Basis), and without transfer of interests among the Company, subsidiaries and parties that may have conflicts.

Measure and procedure of the approval on the related party transaction

The Meeting of the Board of Directors No. 1/2017 on 30 March 2017 resolved to determine the policy for entry to perform the related party transactions of the Company and subsidiaries for transparency of related transactions between the person or juristic person that may have conflict of interests and for protection of the interest of the Company. The said policy and procedure can be summarized as follows:

In performing the related party transactions of the Company and its subsidiaries, and the persons that may have conflict of interests, gain and loss, or may have conflict of interests in the future with the Company, such as the major shareholder, director, executive, regulator or the connected person, the Company shall comply with Securities and Exchange Law, regulations, announcements and orders of the Capital Market Supervisory Board, and the Stock Exchange of Thailand. The stakeholders are unable to participate in consideration and approval of the said transactions.

In case where the laws prescribed that those related party transactions shall be approved by the Meeting of the Board of Directors, the Company shall assign the Audit Committee to attend the Meeting for consideration and comment on the necessity of the transaction performing and reasonability of the said transactions. In entry to perform the transaction which is the commercial agreement that is general commercial term, and the transactions which are the commercial agreement that is not general commercial term, the following principle shall be complied.

(a) Performing the transaction which is the commercial agreement that is the general commercial term

The Board of Directors approved the principle for the Management to enable to approve performing the related party transaction which is the commercial agreement that is the general commercial term between the Company and its subsidiaries, and director, executive or related person. If commercial agreement is entered in such transaction in the same nature that the reasonable man should perform with the general agreement party in the same situation by the trade bargaining power without influence of his/her status as director, executive, or connected person (as the case may be).

However, the Company shall prepare report of such transaction performing summary for quarterly reporting in the Meeting of the Audit Committee, and Meeting of the Board of Directors.

(b) Performing the transaction which is the commercial agreement that is not the general commercial term

In performing the transaction which is the commercial agreement that is not the general commercial term, the Audit Committee shall consider and remark the opinion prior to proposing to the Board of Directors or the Meeting of the Shareholders (as the case may be) for further consideration and approval to ensure that the entry to perform such transaction is for the purpose of maximum benefit of the Company and in accordance with Securities and Exchange Law, regulations, announcements and orders of the Capital Market Supervisory Board, and Stock Exchange of Thailand, as well as compliance with the requirement for disclosure of the information of the connected transaction performing.

In case where the Audit Committee is not expert in considering the contingent related party transaction, the Company shall appoint the independent expert or auditor of the Company to remark the opinions on such related party transaction. The said opinions shall be used by the Audit Committee, the Board of Directors, or shareholders (as the case may be) as supporting information for decision making in order to be confident that the entry to perform such transaction is necessary and reasonable under main concern on the interest of the Company. The Company shall disclose related party transaction in Annual Registration Statement and notes to financial statements audited by the auditor of the Company.

Policy of related party transaction performing in the future

According to the contingent related party transaction, the Board of Directors shall comply with Securities and Exchange Law as well as regulations, announcements and orders of the Capital Market Supervisory Board, and Stock Exchange of Thailand, and comply with the requirement for disclosure of the related party transaction performing information of the Company or subsidiaries in accordance with the accounting standards prescribed by the Institute of Certified Accountants and Auditor of Thailand.

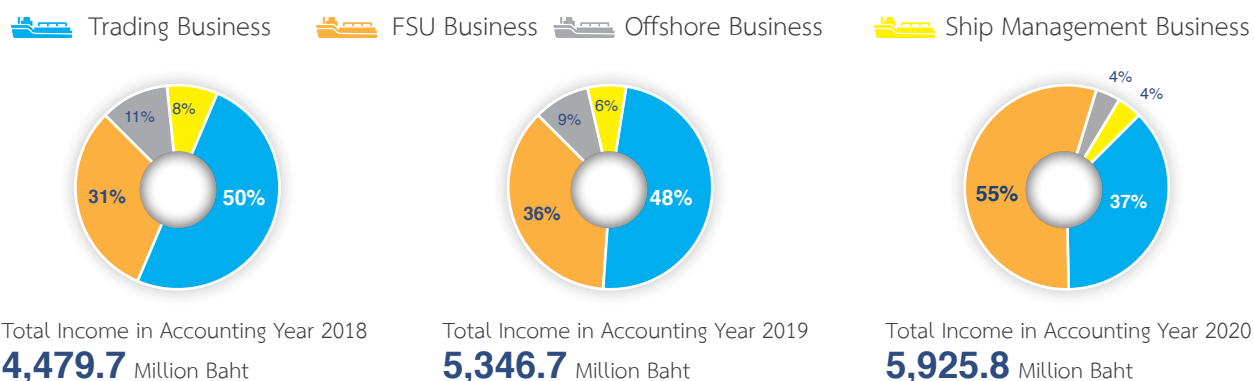
Management Discussion and Analysis (MD&A)

The following analysis and explanation were created for consolidated financial statement of the years 2018, 2019 and 2020 and it should be considered together with notes to financial statements. The financial statements of the Company Group are in accordance with the Thai Financial Reporting Standard (TFRS) and financial statement of accounting period for the years 2018, 2019 and 2020. The information provided herein are in form of consolidated basis.

1 Overview of past operational result and financial position

Overview of operational result in accounting years of 2018 - 2020

The Company Group provides comprehensive transportation and storage services for crude oil, refined oil products, and liquefied petrochemicals products. Our business covers 4 main activities: 1) Trading Business, 2) FSU Business, 3) Offshore Business, and 4) Ship Management Business. The income shares based on each business in 2018-2020 are as follows:



In 2020, all countries of the world, including Thailand have encountered the critical situation caused by the outbreak of COVID-19 all over the world, severely affecting the way of doing business and overall economic system of the world and Thailand throughout the whole year.

However, the year of 2020 was regarded as the “Year of Ongoing Business Growth” for the Company Group with very successful performance, the income and profits of the Company Group was achieved the target, the Company Group could generate a total revenue of 5,925.8 Million Baht and a total net profit of 1,701.6 Million Baht as a result of harvesting the success from accurate investments at the right time in the past, especially, the expansion of investment in Floating Storage Units (“FSU”) Business in which the Company Group has adjusted the investment plan for business expansion since the end of 2018 in line with the change of industry conditions that the International Maritime Organization (IMO) has enforced IMO2020 measure prescribing all international shipping operators to use low sulfur fuel oil (0.5% by weight) instead of high sulfur fuel oil (3.5% by weight) from January 1, 2020 onwards. As a result, the FSU Business could generate 3,248.6 Million Baht in 2020, an increase of 67.4% from 2019. Meanwhile, the Company Group could maintain the income of domestic Trading Business at the same level as previous year although the consumption of jet fuel (Jet A-1) has significantly decreased due to the impact of severe drop in the number of flights from abroad to Thailand, caused by COVID-19 outbreak. Nevertheless, due to closely monitor on market situations including the ability in effective ship management, therefore, the Company Group could modify the transportation route and petroleum products transported to be consistent with the market situations, making the Company Group’s utilization rate maintained in high level, the domestic Trading Business could generate revenue of 2,035.7 Million Baht in 2020, decreasing 10.2% when compared to 2019, whereas other business units could continue to operate as planned.

The significant transactions reflecting the Company Group's operational results in last three years could be summarized as follows:

| Transaction (Million Baht) | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|--|-------------------------|-------------------------|-------------------------|
| Revenue from services | 4,479.7 | 5,346.7 | 5,925.8 |
| Gross Profit | 1,111.2 | 1,695.5 | 2,458.4 |
| Gross Profit | 24.8 | 31.7 | 41.5 |
| Sales and Administrative Expense | 389.7 | 435.4 | 485.5 |
| Net Profit | 746.4 | 1,122.5 | 1,701.6 |
| Net Profit Margin (%) | 16.7 | 21.0 | 28.7 |
| Net Profit in Owners' Equity of the Holding Company* | 711.8 | 1,023.4 | 1,533.1 |

*Remark: Such profit is calculated from net profit in owners' equity of the holding company, inclusive of net profit in other shareholders' equity from business merger under common control.

Revenues from services of the years 2018, 2019 and 2020 were 4,479.7 Million Baht 5,346.7 Million Baht and 5,925.8 Million Baht, respectively, increasing for 32.3% and 10.8% in 2018 and 2019, respectively. In 2019, revenues from services of the Company Group increased from 2018 because the Company has foreseen a business opportunity for storing and blending fuel oil to obtain low sulfur oil (0.5% by weight) in accordance with IMO regulations requiring international shipping operators to use low sulfur fuel oil (0.5% by weight) as a fuel instead of high sulfur fuel oil (3.5% by weight) as mentioned above, the Company has therefore invested in purchasing 3 VLCC-sized (Very Large Crude Carrier) vessels to be modified into vessels for Floating Storage Units in order to expand services for major European and Asian fuel oil producers and traders, as well as to add 5 more vessels to a fleet of Trading Business to expand such business in line with the continual increase in consumption of finished oil in Thailand, resulting in better revenues, gross profit and net profit of 2019 when compared to 2018.

While in 2020, the Company Group has successfully negotiated a tariff adjustment with customers for 6 FSU vessels from all eight vessels in FSU fleet, in line with the increase of storage demand and mixing. Meanwhile, the Company Group has continued to maintain its revenue level of Trading Business similar to that of 2019 despite a significant decline in jet fuel consumption (Jet A-1). Due to the outbreak of COVID-19 as mentioned above, it made the revenue, gross profit and net profit much higher compared to 2019.

The selling and administrative expenses of the Company Group from 2018 - 2020 were 389.7 Million Baht, 435.4 Million Baht and 485.5 Million Baht, respectively. The selling and administrative expenses in 2019 were higher when comparing to 2018 mainly due to the difference in exchange rates from the return of investment in the liquidated joint venture. In January 2019, the Company Group registered the winding-up of Srithai Capital Company Limited (STC), an associated company in which the Company was holding 51.0% of direct shares with the Ministry of Commerce. Later, in December 2019, STC completed its liquidation process. The Company Group, therefore, received the return of investment funds after the closing of the company but since the exchange rate on the date when the Company Group companies has invested in STC was 36.19 Baht per USD while the exchange rate on the date of investment fund return was 30.57 Baht per USD, the Company Group, therefore, recognized the said difference as the loss from investment fund return. However, the said transaction was a Non-Recurring Item and does not affect the overall performance of the Company Group. While the selling and administrative expenses in 2020 were higher compared to 2019, due to the selling expenses of vessels in Trading Business and Offshore Business which were sold in the 3rd quarter of 2020 because the customers had to stop their operations due to the decreased oil volume in oil fields and the continued decline in crude oil prices in mid-2020, and the employee compensation expenses of FSU business is higher as a result of improved operating results.

The net profit from 2018 to 2020 were 746.4 Million Baht, 1,122.5 Million Baht and 1,701.6 Million Baht, respectively, or representing net profit margins of 16.7%, 21.0% and 28.7% respectively. In 2019, the net profit margin was increased from 2018, as a result of success in expanding the fleet in FSU Business and Trading Business, while the increased net profit margin of 2020 is a result of success in negotiating to adjust the service fees of vessels in FSU Business as mentioned above.

2 Financial Performance Analysis

2.1 Financial Performance Analysis for Accounting Years of 2018, 2019 and 2020

2.1. Revenue from Services

The Company Group's revenue from services has continuously increased during the past 3 years for the accounting years of 2018, 2019 and 2020, representing 4,479.7 Million Baht 5,346.7 Million Baht and 5,925.8 Million Baht, respectively. The Company Group's most revenue came from Trading Business and FSU Business.

The revenue from services can be divided into 4 business units consisting of: 1) Trading Business, 2) FSU Business, 3) Offshore Business, and 4) Ship Management Business as shown in below table:

| Revenue from Services (Million Baht) | Accounting Year 2018 | | Accounting Year 2019 | | Accounting Year 2020 | |
|---|-------------------------|--------------|-------------------------|--------------|-------------------------|--------------|
| | Value | % | Value | % | Value | % |
| Revenue from Trading Business | 2,254.0 | 50.3 | 2,587.9 | 48.4 | 2,203.3 | 37.2 |
| Revenue from FSU Business | 1,395.7 | 31.2 | 1,940.9 | 36.3 | 3,248.6 | 54.8 |
| Revenue from Offshore Business | 471.8 | 10.5 | 491.2 | 9.2 | 225.5 | 3.8 |
| Revenue from Ship Management Business | 358.2 | 8.0 | 326.6 | 6.1 | 248.4 | 4.2 |
| Total Revenue from Services | 4,479.7 | 100.0 | 5,346.7 | 100.0 | 5,925.7 | 100.0 |

1) Revenue from Trading Business

The revenues from Trading Business have continuously expanded for accounting years of 2018, 2019 and 2020, the revenues from Trading Business were 2,254.0 Million Baht, 2,587.9 Million Baht and 2,203.3 Million Baht, respectively, or representing 50.3%, 48.4% and 37.2% of total revenues from services. The revenue from Trading Business was varied in accordance with the shipment volume as follows:

| Trading Business | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|------------------------------|-------------------------|-------------------------|-------------------------|
| Average Utilization Rate (%) | 6,471.5 | 9,282.3 | 9,880.3 |

- For the accounting year of 2019 compared to the accounting year of 2018, the Company Group earned increasing revenue from Trading Business by 333.9 Million Baht or increasing 14.8% due to (1) the increase of shipment volume, (2) the increase of six more vessels consisting of five 3,000 DWT vessels and one 5,300 DWT vessel, (3) the acquisition of Big Sea Company Limited (Big Sea) on full year basis.
- For the accounting year of 2020 compared to the accounting year of 2019, the Company Group earned decreasing revenue from Trading Business by 384.6 Million Baht or decreasing 14.9% due to: (1) the severe decrease of airjet oil shipment affected by the outbreak of COVID-19, (2) one vessel of Trading Business was sold due to its old age and drydocking.

2) Revenue from FSU Business

For the accounting years of 2018, 2019 and 2020, the revenues from FSU Business were 1,395.7 Million Baht, Baht 1,940.9 Million Baht and 3,248.6 Million Baht, respectively, representing 31.2%, 36.3% and 54.8% of total revenues from services, respectively. However, the revenues from FSU Business changed its utilization rates as follows:

| FSU Business | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|------------------------------|-------------------------|-------------------------|-------------------------|
| Average Utilization Rate (%) | 86.25 | 94.30 | 99.90 |

- For the accounting year of 2019 compared to the accounting year of 2018, the Company Group earned the increasing revenue from FSU Business by 545.2 Million Baht or 39.1% mainly due to more demands of bunker oil storage and admixture to support IMO2020 Measures that reduces ceiling of the proportion of sulphur in fuel oil to be 0.5% from before 3.5%. This measure will be effective from 1 January 2020 onwards, resulting in the ability of the Company Group to expand its new customer base, under the purpose of storage and admixture of Ultra-Low Sulfur Fuel Oil (ULSFO) with High Sulfur Fuel Oil (HSFO) to acquire Low Sulfur Fuel Oil (LSFO) in accordance with the criteria of IMO2020 from the end period of Q4/2018. Due to such increasing demand, the Company Group invested to expand 3 more vessels in FSU Business fleet in 2019 in order to support the customers who are the major manufacturers and traders in Europe and Asia as discussed above.
- For the accounting year of 2020 compared to the accounting year of 2019, the Company Group earned the increasing revenue from FSU Business by 1,307.7 Million Baht or 67.4% mainly due to (1) three additional vessels in FSU Business served customers for a full year; and (2) the Company Group can negotiate to increase the service rates in line with the increasing demand for FSU vessels to store and mix low sulfur fuel oil in accordance with IMO2020 measures.

3) Revenue from Offshore Business

The revenues from Offshore Business have consisted of the revenue from Floating Storage and Offloading Unit (FSO) Business, and the revenue from Accommodation Work Barge (AWB) for the accounting years of 2018, 2019 and 2020, the revenues from Offshore Business were 471.8 Million Baht, 491.2 Million Baht and 225.5 Million Baht, respectively, or representing 10.5%, 9.2% and 3.8% of total revenues from services, respectively. However, the revenues from Offshore Business were changed in accordance with a number of utilization days as shown below:

| Offshore Business | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|---|-------------------------|-------------------------|-------------------------|
| Number of Utilization Days of Offshore Support Vessels (days) | 936.1 | 1,006.0 | 468.0 |

- For the accounting year of 2019 compared to the accounting year of 2018, the Company Group earned the increasing revenue from Offshore Business by 19.4 Million Baht or 4.1% mainly due to the increasing demand for AWB vessels in accordance with the market situation and clearer direction of petroleum exploration and production in Thailand, making AWB vessels back to serve the customers who are the major manufacturers of the country more than 2018. In 2019, AWB vessels served a total of 276 days, while served only 208 days in 2018.
- For the accounting year of 2020 compared to the accounting year of 2019, the Company Group earned the decreasing revenue from Offshore Business by 265.7 million baht or 54.1% due to the disposal of two FSO vessels during 2020, resulting from the shutdown of customers due to the decreasing volume of oil in oil fields. Therefore, at the end of 2020, only 1 AWB vessel was operating in Offshore Business.

4) Revenue from Ship Management Business

For the accounting years of 2018, 2019 and 2020, the revenues from Ship Management Business were 358.2 Million Baht 326.6 Million Baht and 248.4 Million Baht, respectively, or representing 8.0%, 6.1% and 4.2% of total revenues from services, respectively.

- For the accounting year of 2019 compared with the accounting year of 2018, the Company Group earned the decreasing revenue from Ship Management Business by 31.6 Million Baht or representing 8.8%, mainly due to the decreasing number of vessels in Ship Management Business, in the beginning of 2018, the Company Group provided the ship management services to a total of 6 external customers, consisting of 3 FSU vessels, 2 Aframax vessels and 2 Container vessels, while in 2019, the Company Group provided services of ship management to 3 vessels of external customers, as the customers who own the FSU vessels had sold 1 FSU vessel as scrap and the Company Group cancelled the services to 2 container vessels.
- For the accounting year of 2020 compared with the accounting year of 2019, the Company Group earned the decreasing revenue from Ship Management Business by 78.2 Million Baht or representing 23.9%, mainly due to the decreasing number of vessels in Ship Management Business. While in beginning of 2020, Aframax vessel served in Ship Management Business had been sold as scrap, resulting in remaining only 2 vessels not owned by the Company Group to serve in Ship Management Business in 2020.

2.1.2 Cost of Services

For the accounting years of 2018, 2019 and 2020, the cost of services for the Company Group were 3,368.6 Million Baht, 3,651.2 Million Baht and 3,467.4 Million Baht, respectively, increasing by 282.6 Million Baht or 8.4% in 2019, and decreasing by 183.8 Million Baht or 5.0% in 2020. The cost of services for the Company Group has been classified by the type of businesses as follows:

| Cost of Services (Million Baht) | Accounting Year 2018 | | Accounting Year 2019 | | Accounting Year 2020 | |
|------------------------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | Value | % | Value | % | Value | % |
| Cost of Trading Vessel Services | 1,847.8 | 54.9 | 2,047.4 | 56.1 | 1,776.0 | 51.2 |
| Cost of FSU Vessel Services | 925.8 | 27.5 | 1,063.5 | 29.1 | 1,356.8 | 39.1 |
| Cost of Offshore Vessel Services | 360.8 | 10.7 | 352.9 | 9.7 | 201.2 | 5.8 |
| Cost of Ship Management Services | 234.2 | 6.9 | 187.4 | 5.1 | 133.4 | 3.8 |
| Total Cost of Services | 3,368.6 | 100.0 | 3,651.2 | 100.0 | 3,467.4 | 100.0 |

The proportion of the Company Group's cost of services have been classified by the types of expenses in the accounting years of 2018, 2019 and 2020 as below summary:

| Cost of Services (Million Baht) | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|---|----------------------|----------------------|----------------------|
| | % | % | % |
| Fuel Oil for Sailing | 22.2 | 22.9 | 22.9 |
| Depreciation and Amortization | 14.0 | 17.1 | 20.2 |
| Affreightment expense of Trading Vessels under Time Charter | 8.1 | 9.4 | 2.8 |
| Cost of Ship Management ¹ | 12.1 | 6.2 | 7.9 |
| Cost of Trading Business ² | 43.4 | 44.3 | 46.1 |
| Other Expenses | 0.2 | 0.1 | 0.1 |
| Total Cost of Services | 100.0 | 100.0 | 100 |

Remark: 1 Cost of Ship Management such as seafarer expense, maintenance expense, etc
2 Cost of Trading Business Unit such as Port Due and Port Charge, operating agent expense, cost of insurance, and affreightment expense of other vessels under spot charter.

1) Cost of Trading Vessel Service

The cost of trading vessel services consists of main costs such as fuel oil expense, depreciation and amortization, affreightment expense of trading vessels under time charter, and cost of ship management. For the accounting years of 2018, 2019 and 2020, costs of trading vessel services were 1,847.8 Million Baht 2,047.4 Million Baht and 1,776.0 Million Baht, respectively, or representing 54.9%, 56.1% and 51.2% of total cost of services, respectively.

- For the accounting year of 2019 compared with the accounting year of 2018, the Company Group's cost of trading vessel services was increased by 199.6 Million Baht or 10.8% due to: (1) the cost recognition of Big Sea Co., Ltd. in full year basis, (2) the increase in fuel oil cost for sailing in line with the increase of cargo shipment, and (3) the increase of depreciation and amortization caused by the recognition of new 6 vessels.
- For the accounting year of 2020 compared with the accounting year of 2019, the Company Group's cost of trading vessel services was decreased by 271.4 Million Baht or 13.3% due to the decrease in fuel prices in 2020 from 2019, in line with the decreasing in crude oil prices.

2) Cost of FSU Vessel Service

For the accounting years of 2018, 2019 and 2020, the costs of services for FSU Business were 925.8 Million Baht 1,063.9 Million Baht and 1,356.8 Million Baht, respectively, or representing 27.5%, 29.1% and 39.1% of total costs of services, respectively.

- the accounting year of 2019 compared to the accounting year of 2018, the Company Group's cost of FSU vessel services was increased by 138.1 Million Baht, or representing 14.9%, mainly due to: (1) the increasing costs of services for 3 new vessels, namely Aquarius Star, Crystal Star and Darin Star, which are consistent with the increasing revenue, and (2) the increase in depreciation and amortization of all these 3 new vessels.
- For the accounting year of 2020 compared to the accounting year of 2019, the Company Group's cost of FSU vessel services was increased by 293.3 Million Baht, or representing 27.6%, mainly due to: (1) the increasing costs of services for 3 new vessels, namely Aquarius Star, Crystal Star and Darin Star, which served for a full year in 2020; and (2) the increase in depreciation and amortization of all these 3 new vessels with full-year deduction of depreciation while the depreciation in 2019 had been deducted after each vessel was on duty.

3) Cost of Offshore Vessel Service

For the accounting years of 2018, 2019 and 2020, the costs of Offshore Vessel services were 360.8 Million Baht 352.9 Million Baht and 201.2 Million Baht, respectively, representing 10.7%, 9.7% and 5.8% of total costs of services, respectively.

- The cost of Offshore Support Vessel services in 2019 was slightly decreased from 2018 because the Company Group could control the maintenance cost and improve the expenses of AWB vessels during the Off-Hired period.
- For the accounting year of 2020 compared to the accounting year of 2019, the costs of Offshore Vessel services were decreased because two FSO vessels decreasingly served customers due to the closure of customer's oil fields as mentioned above.

4) Cost of Ship Management Service

- For the accounting year of 2019 compared to the accounting year of 2018, the Company Group's cost of ship management service was decreased by 46.8 Million Baht or representing 20.0% due to the cancellation of all 3 vessel services consisting one FSU vessels cancelled during the 2nd quarter of 2018 because the customer took it sold as scrap, and two container vessels, combined with the Company Group could better control and manage vessel maintenance cost.
- For the accounting year of 2020 compared to the accounting year of 2019, the Company Group's cost of ship management service was decreased by 54.0 Million Baht or representing 28.8% due to the cancellation of Aframax vessel service in the international trading business since the beginning of 2020 because the customer took the vessel sold as scrap.

2.1.3 Gross Profit and Gross Profit Margin

For the accounting years of 2018, 2019 and 2020, total gross profits were 1,111.2 Million Baht, 1,695.5 Million Baht and 2,458.4 Million Baht, respectively, or the gross profit margins were 24.8%, 31.7% and 41.5%, respectively. However, the gross profit and gross profit margin are classified by business as follows

| Gross Profit (Million Baht) | Accounting Year 2018 | | Accounting Year 2019 | | Accounting Year 2020 | |
|--|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| | Value | Gross Profit Margin | Value | Gross Profit Margin | Value | Gross Profit Margin |
| Gross Profit from Trading Business | 406.2 | 18.2 | 540.6 | 20.9 | 427.3 | 19.4 |
| Gross Profit from FSU Business | 469.9 | 33.7 | 877.4 | 45.2 | 1,891.9 | 58.2 |
| Gross Profit from Offshore Business | 111.0 | 23.5 | 138.3 | 28.2 | 24.2 | 10.8 |
| Gross Profit from Ship Management Business | 124.1 | 34.6 | 139.2 | 42.6 | 115.0 | 46.3 |
| Total Gross Profit | 1,111.2 | 24.8 | 1,695.5 | 31.7 | 2,458.4 | 41.5 |

(1) Gross Profit from Trading Business

For the accounting years of 2018, 2019 and 2020, the gross profit from the Trading Business were 406.2 Million Baht 540.6 Million Baht and 427.3 Million Baht, respectively, representing the gross profit margins of 18.2%, 20.9% and 19.4%, respectively, the profit margin of 2019 was increased when comparing to 2018 due to: (1) the recognition of the income and gross profit from Big Sea Company Limited (Big Sea) in full year of 2019; (2) the Company Group assembled 6 new vessels to serve the major oil manufacturer of the country, resulting in better income and gross profit; and (3) in the 4th quarter of 2019, one vessel in international trading business providing SPOT service was benefited from better global shipping rates of Aframax-sized vessels.

While the gross profit of Trading Business in 2020 was slightly decreased compared to 2019, due to (1) the impact of COVID-19 outbreak resulting in the decrease of jet fuel (Jet A-1) transportation, the Company Group changed the mode of transportation to be in line with the market situation by switching from jet fuel transport to the South Region to be gasoline and diesel transportation to the Central Region and Bangkok instead, to maintain the utilization rate in a high level; however, the gross profit of gasoline transportation to the Central Region and Bangkok is lower than the gross profit of jet fuel transportation to the South; and (2) in the 4th quarter of 2020, one company-owned vessel in the international trading business was dry dock or under big maintenance as plan, no income could be generated in such period but the fixed costs were still recognized, the gross profit of Trading Business in 2020 was therefore declined when compared to 2019.

(2) Gross Profit from FSU Business

For the accounting years of 2018, 2019 and 2020, the gross profits from FSU Business were 469.9 Million Baht, 877.4 Million Baht, and 1,891.9 Million Baht, respectively, representing a gross profit margin of 33.7%, 45.2% and 58.2%, respectively. In 2019, the Company Group's gross profit margin from FSU Business was increased when comparing to 2018 because since at the end of 2018, the Company Group has foreseen that more demand on bunker oil storage to support IMO2020 Measures to reduce the proportion of sulfur content in bunker oil to 0.5% by weight from previously 3.5% by weight, which will be effective from 1 January 2020 onwards. The Company Group has increased 3 more vessels for FSU Business to expand its fleet for supporting the expansion of new customer base who aims to admix ultra-low sulfur fuel oil (ULSFO) with high-sulfur fuel oil (HSFO) to acquire low-sulfur fuel oil (LSFO) according to the IMO2020 criteria. The Company Group has started to provide 2 additional vessels in FSU Business in the 2nd Quarter of 2019 and 1 additional vessel in the 3rd Quarter of 2019.

For the accounting year of 2020 compared to the accounting year of 2019, the Company Group's gross profit from FSU Business was increased by 1,014.5 Million Baht or representing 115.6%, compared to 2019, mainly because in the 2nd quarter of 2020, the Company Group successfully negotiated to increase the service rates with FSU customers to be in line with the increasing demands of FSU vessels to store low sulfur fuel oil to support IMO2020 measures, and the demand to use FSU vessels to store crude oil was significantly increased in mid-2020 as global oil consumption fell sharply due to the impact of COVID-19 outbreak.

(3) Gross Profit from Offshore Business

For the accounting years of 2018, 2019 and 2020, the gross profit from Offshore Business were 111.0 Million Baht 138.3 Million Baht and 24.2 Million Baht, respectively, representing a gross profit margin of 23.5%, 28.2% and 10.8%, respectively.

In 2019, the gross profit of the Offshore Business was improved from 2018 due to: (1) the on-hired length of AWB vessels being longer, in accordance with clearer market situation and the direction of petroleum exploration and production in Thailand. In 2019, AWB vessels served totally 276 days, while in 2018, served only 208 days.

While the gross profit of 2020 was declined when compared to 2019 because two FSO vessels were disposed during 2020 due to the shutdown of customers caused by the decreasing volume of oil in oil fields. Therefore, at the end of 2020, only 1 AWB vessel was operating in Offshore Business.

(4) Gross Profit from Ship Management Business

For the accounting years of 2018, 2019 and 2020, the gross profits from Ship Management Business were 124.1 Million Baht 139.2 Million Baht and 115.0 Million Baht, respectively, representing a gross margin of 34.6%, 42.6% and 46.3%, respectively. The reason why the Company Group could continuously increase the gross profit from Ship Management Business was better management of staff expenses, reduced vessel maintenance costs, then resulting in reduced operational costs.

While the gross profit from Ship Management Business in 2020 was declined from that of 2019 because one vessel not owned by the Company Group was sold as scrap by the owner as mentioned above.

2.1.4 Other Incomes

Other incomes consist of dividend received, interest received, and other incomes. For the accounting years of 2018, 2019 and 2020, the Company Group's other incomes were 92.5 Million Baht 58.1 Million Baht and 54.3 Million Baht, respectively. The details of other incomes are as follows:

| Other Incomes (Million Baht) | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|---|----------------------|----------------------|----------------------|
| Interest Received | 20.5 | 11.5 | 4.4 |
| Gain from Disposal of Equipment and Seagoing Vessel | 44.4 | 2.4 | 0.3 |
| Demurrage | 5.5 | 9.1 | 5.5 |
| Others ¹ | 22.4 | 35.1 | 44.1 |
| Total Other Incomes | 92.5 | 58.1 | 54.3 |

Remark: 1 Other incomes mostly consist of insurance indemnity, other services, and revenue from leasing vessel equipment

For the accounting year of 2019, compared to the accounting year of 2018, other incomes were decreased by 34.2 Million Baht or representing 37.2% due to the decrease of interest received, slow compensation payments and profit from sale of vessels. However, in 2018, the Company Group earned the profit from selling vessel equipment and old-aged seagoing vessels in FSU Business for 44.4 Million Baht.

For the accounting year of 2020 compared to the accounting year of 2019, the Company Group's other incomes were decreased by 3.8 Million Baht or representing 6.5%, mainly due to the decrease in interest received from deposits, in line with the decrease in the policy interest rate of the Bank of Thailand.

2.1.5 Administrative Expenses

The Company Group's administrative expenses mostly consist of salary and remuneration of executives and employees, entertainment expense, travel expense, and consulting fee and management fee, rental fee and

common service charge, depreciation and amortization. For the accounting years of 2018, 2019 and 2020, the Company Group's administrative expenses were 389.7 Million Baht 435.4 Million Baht and 485.5 Million Baht, respectively. However, the Company Group's administrative expenses are classified into following types of transactions:

| Administrative Expenses (Million Baht) | Accounting Year 2018 | | Accounting Year 2019 | | Accounting Year 2020 | |
|--|-------------------------|------------|-------------------------|------------|-------------------------|------------|
| | Value | %* | Value | %* | Value | %* |
| Salary and Bonus of the Executives and Employees | 216.4 | 4.8 | 281.6 | 5.3 | 315.8 | 5.3 |
| Entertainment Expense, Travelling Expense, Consulting Fee and Management Fee | 64.0 | 2.3 | 58.8 | 1.1 | 42.4 | 0.7 |
| Rent and Common Service Charge | 39.2 | 0.9 | 17.1 | 0.3 | 12.6 | 0.2 |
| Depreciation and Amortization | 27.6 | 0.6 | 34.2 | 0.6 | 35.4 | 0.6 |
| Impairment from Investment | (24.1) | (0.5) | 23.1 | 0.4 | - | - |
| Loss from assets disposal | - | - | 3.9 | 0.1 | 45.4 | 0.8 |
| Others | 66.6 | 0.7 | 16.6 | 0.3 | 33.9 | 0.6 |
| Total Administrative Expenses | 389.7 | 8.8 | 435.4 | 8.1 | 485.5 | 8.2 |

* Percentage of revenues from services

For the accounting year of 2019 compared with accounting year of 2018, the Company Group's administrative expenses were estimated to be 8.1% and 8.8% of revenues from services, respectively. The selling and administrative expenses was decreased when comparing to the incomes from services, mainly due to the success in business expansion, therefore, the growth of the Company Group's revenues from services was higher than administrative expenses, the selling and administrative expenses in 2019 was decreased from 2018. In 2019, the Company Group recorded the impairment expenses of investment in the amount of 23.1 Million Baht, which was caused by the conversion of investment fund from USD to Thai Baht, from the investment return after closing an associated company. However, the said transaction was a one-time transaction (Non-Recurring Item) and does not affect the overall performance of the Company Group.

For the accounting year of 2020, the Company Group's administrative expenses were 8.2% almost similar to 8.1% of total incomes from services, such administrative expenses were slightly increased due to the loss of asset disposal for one FSO ship in mid-2020, during selling such vessel, the prices of steel were significantly dropped due to the impact of COVID-19 outbreak. However, the Company Group could take better control on some costs including of entertainment expense, travel expense, and rental fee and common service charge, therefore, a total of administrative expenses was slightly increased.

2.1.6 Gain (Loss) from Exchange Rate

The Company Group's partial revenue was received in USD currency, particularly in FSU Business and Offshore Business for cashflow hedging. The Company Group, therefore, chose to acquire funds by long-term borrowing from financial institutions in USD currency. However, the accounting standard has required the Company Group to record the recognition of: 1) the actual gain and loss from exchange rates as the result of differences between exchange rates on transaction date and on payment date, and 2) the unrealized gain and loss from the differences between exchange rates on transaction date and on the ending date of the financial statement cycle. Most of gains and losses from exchange rates with fluctuation occurred from such recordings relating to long-term borrowing in USD currency as per the following detail of gain and loss from exchange rates in 2018, 2019 and 2020.

For the accounting year of 2018, the Company Group's gain from exchange rate was 8.2 Million Baht due to Baht appreciation when compared to USD currency.

For the accounting year of 2019, the Company Group's gain from exchange rate was 47.7 Million Baht due to Baht appreciation when compared to USD currency.

For the accounting year of 2020, the Company Group's loss from exchange rate was 11.2 Million Baht due to the slight depreciation of Baht when compared to US currency and compared to previous year.

2.1.7 Financial Cost

For the accounting years of 2018, 2019 and 2020, the financial costs of the Company Group were 167.8 Million Baht, 211.0 Million Baht and 214.1 Million Baht, respectively.

For the accounting year of 2019 compared to the accounting year of 2018, the Company Group's financial cost was increased by 43.2 Million Baht or representing 25.7% due to the increase of the Company Group's loans for the fleet expansion as mentioned above.

For the accounting year of 2020 compared to the accounting year of 2019, the Company Group's financial cost was increased by 3.1 Million Baht or representing 1.5%, there was not a significant change when compared to previous year.

2.1.8 Share of Profit (Loss) from Investments in Associates and Joint Ventures

For the accounting years of 2018, 2019 and 2020, the Company Group's shares of profit (loss) from the investments in associates and joint ventures were 150.4 Million Baht, 92.0 Million Baht and 90.1 Million Baht, respectively. The Company Group invested in ordinary shares of the associated companies such as TIM, and invested in ordinary shares of joint ventures such as TNTL, TST, TNS, STC, and BMS for the accounting years of 2018. In 2019, the Company Group additionally acquired 4,102,824 ordinary shares of TMN Co., Ltd. (TMN), resulting in the increase of the Company Group's shareholding in TMN from 18.2% to be 24.9%, causing the change of TMS's status from general investment to be an associated company. Therefore, in 2019, the Company Group's associated companies are TMN and TIM, while the Company Group's joint ventures are TNTL, TST, TNS, STC and BMS. Later, during the year, STC completed the liquidation, consequently, in 2020, the Company Group's associates include TMN and TIM while the Company Group's joint ventures are TNTL TST TNS and BMS.

In 2018, the Company Group's shares of profit (loss) from the investment in associated companies and joint ventures mostly were 64.5 Million Baht from TNS, 4.5 Million Baht from TST, 3.6 Million Baht from TNTL, 94.9 Million Baht from BMS, and (17.1) Million Baht from STC.

In 2019, the Company Group's shares of profit (loss) from the investment in associated companies and joint ventures mostly were 13.9 Million Baht from TNS, 3.1 Million Baht from TST, 3.2 Million Baht from TNTL, 67.5 Million Baht from BMS, 2.5 Million Baht from TIM, 0.1 Million Baht from STC and 1.7 Million Baht from TMN.

In 2020, the Company Group's shares of profit (loss) from the investment in associated companies and joint ventures mostly were (3.8) Million Baht from TNS, 2.4 Million Baht from TST, 3.4 Million Baht from TNTL, 70.0 Million Baht from BMS, 3.2 Million Baht from TIM, and 14.9 Million Baht from TMN.

2.1.9 Net Profit and Net Profit Margin

For the accounting years of 2018, 2019 and 2020, the Company Group's net profits were 746.4 Million Baht, 1,122.5 Million Baht and 1,701.6, respectively, increasing 376.10 Million Baht or 50.4% in 2019, and increasing 579.10 Million Baht or 51.6% in 2020; representing the net profit margins of 16.7%, 21.0% and 28.7%, respectively.

In the accounting year of 2019, the Company Group's net profit was increased by 50.4% when comparing to the accounting year of 2018, mainly due to the success of the expansion of FSU Business and the expansion of the domestic fleet as mentioned above.

While in accounting year of 2020, the Company Group's net profit was increased by 51.6% when comparing to the accounting year of 2019, mainly due to the successful negotiations in increasing service rates of FSU Business as mentioned above.

2.1.10 Net Profit Sharing

The net profit sharings for the accounting year of 2018, 2019 and 2020 were as follows:

| Net Profit Sharing (Million Baht) | Accounting Year 2018 | | Accounting Year 2019 | | Accounting Year 2020 | |
|--|-------------------------|--------------|-------------------------|--------------|-------------------------|--------------|
| | Value | % | Value | % | Value | % |
| Net Profit in Portion of the Owners of the Holding Company | 711.8 | 95.4 | 1,023.4 | 91.1 | 1,533.0 | 90.1 |
| Net Profit in Portion of Non-Controlling Interests | 34.6 | 4.6 | 99.1 | 8.9 | 168.6 | 9.9 |
| Net Profit | 746.4 | 100.0 | 1,122.5 | 100.0 | 1,701.6 | 100.0 |

Net Profit in Portion of the Owners of the Holding Company

The net profit in portion of the owners of the holding company for the accounting year of 2019 was 1,023.4 Million Baht, increasing from the accounting year of 2018 by 311.6 Million Baht, or 43.8% due to the full-year profit recognition of Big Sea Co., Ltd. and the increase of Domestic Trading Business and FSU Business to support the demand of customers. The net profit in portion of the owners of the holding company for the accounting year of 2020 was 1,533.0 Million Baht, increasing from the accounting year of 2019 by 509.6 Million Baht, representing 49.8% due to the increasing recognition of profit from the operation results of FSU Business with increasing number of serving vessels.

Net Profit in Portion of Non-Controlling Interests

The net profit in portion of non-controlling interests, which is the profit in the portion of the minor shareholders in SHT, NSSG, Big Sea and OCN based on the shareholding proportion at that time as follows:

| Company | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|---------|----------------------------------|--|------------------------------------|
| SHT | - 1 January – 31 December: 6.1% | - 1 January – 31 December: 6.1% | - 1 January – 31 December: 6.1% |
| NSSG | - 1 January – 31 December: 12.5% | - 1 January – 31 December: 12.5% | - 1 January – 31 December: 12.5% |
| AAM | - | - | - 16 September – 31 December: 6.1% |
| Big Sea | - 2 July - 31 December: 30.0% | - 1 January - 12 August: 30.0% - 13 August - 31 December: 20.0% | - 1 January - 31 December: 20.0% |
| OCN | - 1 January – 31 December: 6.1% | "winding-up" | "winding-up" |

The factors affecting the change in net profit which is the portion of non-controlling interests in the accounting year of 2019, factors affecting the change included: (1) the change in the shareholding proportion of the minority shareholders during the year; and (2) the subsidiary's net profit, especially, the net profit in NSSG, which the operation of FSU Business, was improved by the increasing number of serving vessels. While in the accounting year of 2020, the factor affecting the change was the increasing net profit of subsidiary, especially, the net profit in NSSG, which operates the FSU Business and showed the improved performance from an increasing number of serving vessels in full year, and success in negotiating to increase service rates with customers.

3 Analysis of Financial Position

Overview of Assets

As of 31 December 2018, 2019 and 2020, the Company Group's total assets were 10,814.8 Million Baht, 13,063.0 Million Baht and 13,642.8 Million Baht, respectively. The core assets include cash and cash equivalents, account receivables and other receivables, property, building and sea-going vessels, goodwill, and investments in associated companies and joint ventures, etc.

As of 31 December 2019, compared to the accounting year of 2018, total assets were increased by 2,248.2 Million Baht or 20.8% due to the increase of seagoing vessels used in business operations amounting 2,594.3 Million Baht, while the Company Group's cash was decreased by 344.5 Million Baht, mostly due to the payment for purchasing seagoing vessels in terms of fund and loan payments, therefore, the total net assets were increased by 2,248.2 Million Baht.

As of 31 December 2020, compared to the accounting year of 2019, total assets were increased by 579.8 Million Baht or 4.5%, mainly due to an increase of the Company Group's cash and cash equivalents by 1,277.0 Million Baht, mainly from better operating results, acceptance of loan returns, and the increasing recognition based on the proportion of joint operations on behalf of CNC Joint Venture, netting with the decrease in cash incurred from the purchase of seagoing vessel in the portion of equity, repayment of loans and interests, dividends payment, while account receivables and other receivables were decreased by 144.5 Million Baht and the decrease of seagoing vessels used in the business for 538.0 Million Baht, therefore, a total of net assets was increased by 579.8 Million Baht.

Current Assets

Account Receivables and Other Receivables

The Company Group's account receivables and other receivables mostly consist of account receivables relating to the Company Group's services on Trading Business and FSU Business, and prepaid expenses which mostly are prepaid insurance premium. For the accounting years of 2018, 2019 and 2020, the Company Group's account receivables and other receivables were 426.4 Million Baht, 508.9 Million Baht and 364.4 Million Baht, respectively, as follows:

| Account Receivables (Million Baht) | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|--|-------------------------|-------------------------|-------------------------|
| Account Receivables | | | |
| Account Receivables – Other Parties | 251.1 | 253.7 | 178.4 |
| Account Receivables – Related Parties | 46.1 | 38.9 | 17.3 |
| Account Receivables not yet issued for Invoice | 82.6 | 104.8 | 82.4 |
| Total Account Receivables | 379.8 | 397.4 | 278.1 |
| Other Receivables | | | |
| Other Receivables – Related Parties | 0.4 | 17.0 | 36.5 |
| Prepaid Expenses | 27.0 | 32.2 | 31.3 |
| Accrued Funds returned from the closeout of joint ventures | - | 51.0 | - |
| Accrued VAT Receivable | 10.2 | - | 3.9 |
| Accrued Corporate Income Tax Receivable | 8.0 | - | - |
| Advance Payment and Others | 1.0 | 11.3 | 14.6 |
| Account Receivables and Other Receivables | 426.4 | 508.9 | 364.4 |

As of 31 December 2019, the Company Group's account receivables and other receivables were increased from the accounting year of 2018 mostly due to the increase of account receivables in FSU Business in line with the increase income of the business while the increase of other receivables was due to (1) accrued funds returned from the closeout of joint ventures, and (2) advance payments on behalf of customers both for related parties and other businesses. The average collection period for 2019 was 27 days.

As at 31 December 2020, the Company Group's account receivables and other receivables were decreased from the accounting year of 2019 mostly due to the decrease of account receivables in Offshore Business in line with the decrease income of the business, while the increase of other receivables was due to the accrued dividends from joint ventures, and the decrease of funds returned from the closeout of a joint venture. The average collection period of 2020 was 21 days.

The Company Group's account receivables can be classified into outstanding aging period as follows:

| Account Receivables (Million Baht) | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|---|-------------------------|-------------------------|-------------------------|
| Not yet due for payment or outstanding not exceeding 3 months | 379.8 | 397.4 | 278.1 |
| Outstanding for payment from 3 to 6 months | - | - | - |
| Outstanding for payment from 6 to 12 months | - | - | - |
| Total Account Receivables | 379.8 | 397.4 | 278.1 |

The period of granting credit to customers of the Group They last from 30 days to 60 days.

Short-Term Loans to Related Parties

For the accounting year of 2018, the Company Group granted short-term loans to related parties of Srithai Capital Co., Ltd. for 35.0 Million Baht, and paid the whole amount of loans during the year .

For the accounting year of 2019, the Company Group had no transaction during the year.

For the accounting year of 2020, the Company Group had no transaction during the year.

Inventory

Inventories consists of: (1) oil remaining on board means fuel oil remaining on board used by the Company Group for customer service, and (2) consumables. For the accounting years of 2018, 2019 and 2020, inventories of the Company Group were 120.5 Million Baht, 146.9 Million Baht and 163.1 Million Baht, respectively as follows:

| Inventory (Million Baht) | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|--------------------------|-------------------------|-------------------------|-------------------------|
| Oil Remaining on Board | 119.3 | 145.4 | 161.5 |
| Consumables | 1.2 | 1.5 | 1.6 |
| Inventory Balance | 120.5 | 146.9 | 163.1 |

While in 2019, inventories were increased by 26.1 Million Baht or 21.9% when comparing to 2018 because the Company Group has expanded additional businesses, and had additional number of vessels, resulting in requirement to store oil remaining on board in bigger volume.

While in 2020, inventories were increased by 16.1 Million Baht or 11.0% when comparing to 2019 because the Company Group purchased oil remaining on board in the last quarter of 2020 to support consumption in 2021, resulting in storing oil remaining on board in bigger volume than previous year.

Non-Current Assets

Investment in Associated Companies and Joint Ventures

For the accounting years of 2018, 2019 and 2020, the Company Group's investments in associated companies and joint ventures were 487.7 Million Baht, 645.0 Million Baht and 672.9 Million Baht, respectively. The changes of investments in the Company Group's associated companies and joint ventures were as follows:

In 2018, the Company Group recognized profits from the investment in associated companies and joint ventures for 150.3 Million Baht and reduced the investment balance by dividend received for 166.3 Million Baht.

In 2019, the Company Group's investment was increased due to: (1) the recognition of profits from investments in associated companies and joint ventures for 92.0 Million Baht, (2) the transfer of status from general investment to be the investment in the associated companies and joint ventures for 121.0 Million Baht, (3) the purchase of additional investment amounting 41.0 Million Baht and the decrease of investment fund as well with (1) dividend received of 35.0 Million Baht, (2) writing off the investment in the liquidated joint venture-net with allowance of 52.0 Million Baht, (3) the recognition of comprehensive loss from the conversion of financial statements for 9.8 Million Baht.

In 2020, the Company Group's investment was increased due to: (1) the recognition of profits from investments in associated companies and joint ventures for 90.1 Million Baht, and the decrease of investment fund as well with (1) dividend received of 61.2 Million Baht; and (2) the recognition of comprehensive loss from the conversion of financial statements for 0.9 Million Baht.

Long-Term Loans to Related Parties

For the fiscal year 2018, the long-term loans to related parties of the Company were 94.7 Million Baht and there was no such transaction in 2019, the main reason is that the Company has classified such long-term loans as part of Long-term loans due within one year (Current assets) amounted to 88.0 Million Baht and decreased due to foreign exchange losses at the end of the period. The long-term loan is a loan that NSSG has given TNS to borrow for investment in fixed assets. The long-term loan was fully repaid in January 2020.3

Properties, Buildings and Sea-Going Vessels

The Company Group's properties, buildings and sea-going vessels mostly include sea-going vessels and sea-going vessels under vessel building. For the accounting years of 2018, 2019 and 2020, the Company Group's properties, buildings and sea-going vessels were 6,943.4 Million Baht, 9,537.7 Million Baht and 8,999.8 Million Baht, respectively as follows:

| Properties, Buildings and Sea-Going Vessels (Million Baht) | Accounting Year 2018 | | Accounting Year 2019 | | Accounting Year 2020 | |
|--|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | Value | % | Value | % | Value | % |
| Sea-Going Vessels | 6,394.7 | 92.1 | 9,032.7 | 94.7 | 8,661.1 | 96.2 |
| Sea-Going Vessels under Vessel Building | 319.0 | 4.6 | 230.1 | 2.4 | 11.1 | 0.1 |
| Buildings and Improvement of Buildings | 61.9 | 0.9 | 51.1 | 0.5 | 63.8 | 0.7 |
| Major Overhaul Expense | 128.1 | 1.8 | 151.8 | 1.7 | 179.5 | 2.0 |
| Equipment Used on Board | 14.8 | 0.2 | 41.0 | 0.4 | 49.1 | 0.6 |
| Others | 24.9 | 0.4 | 31.0 | 0.3 | 35.2 | 0.4 |
| Total Properties, Buildings and Sea-Going Vessels | 6,943.4 | 100.0 | 9,537.7 | 100.0 | 8,999.8 | 100.0 |

For the accounting year of 2019, the properties, buildings and sea-going vessel were increased by 2,594.3 Million Baht or 37.4 % because in 2019, the Company Group purchased additional equipment and sea-going vessels for 3,386.5 Million Baht, netting with the decrease from amortization of depreciation for 634.3 Million Baht, disposal of sea-going vessels for 8.3 Million Baht, and gain from the difference on foreign exchange from value conversion of financial statements of SHT for 149.6 Million Baht.

For the accounting year of 2020, the properties, buildings and sea-going vessel were decreased by 537.9 Million Baht or 5.6% when compared to previous year, main reasons were: in 2019, the Company Group purchased additional equipment and sea-going vessels for 400.7 Million Baht, netting with the decrease from amortization of depreciation for 730.6 Million Baht, disposal of sea-going vessels for 204.7 Million Baht, and gain from the difference on value conversion of financial statements for 3.3 Million Baht.

Analysis of Source of Fund

Liabilities

For the accounting years of 2018, 2019 and 2020, the Company Group's total liabilities were 3,844.4 Million Baht 5,783.1 Million Baht and 5,319.0 Million Baht, respectively.

For the accounting year of 2019, compared to the accounting year 2018, total liabilities were increased by 1,938.7 Million Baht or 50.4% as a result of receiving additional long-term loans from financial institutions to be used as funds for business expansion, netting with repayment of long-term loans from financial institutions and liabilities under financial lease agreements.

For the accounting year of 2020 compared to the accounting year of 2019, total liabilities were decreased by 464.1 Million Baht or 8.0% as a result of repayment of long-term loans from financial institutions and liabilities under financial lease agreements.

Overdraft and Short-Term Loans

The overdraft and short-term loans consist of overdraft and promissory notes for accounting year 2018, 2019 and 2020. The overdraft and short-term loans from financial institutions of the Company Group were 25.0 Million Baht 0.0 Million Baht and 0.0 Million Baht, respectively.

For the accounting year of 2019, compared to the accounting year 2018, the overdraft and short-term loans from financial institutions were decreased by 25.0 Million Baht because the Company Group repaid short-term loans from financial institutions during the year.

For the accounting year of 2020, the Company Group withdrew 110.0 Million Baht of short-term loans from financial institutions during the year the Company has already repaid short term loans to the bank.

Account Payables and Other Payables

Most of account payables and other payables were derived from the purchase of shipping fuel oil, affreightment expense of trading vessels under time charter, materials and equipment on board, accrued repair and inspection service charge, operating agent expense, cost of insurance, and cost of new vessel building, and other accrued expenses. For the accounting years of 2018, 2019 and 2020, the Company Group's account payables and other payables were 447.6 Million Baht 517.3 Million Baht and 660.8 Million Baht, respectively as follow:

| Account Payables and Other Payables (Million Baht) | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|--|-------------------------|-------------------------|-------------------------|
| Account Payables - Other Parties | 183.6 | 258.9 | 422.2 |
| Account Payables - Other-Related Parties | 48.4 | 60.9 | 46.9 |
| Accrued Expenses | 65.0 | 94.0 | 118.5 |
| Account Payable for Asset Purchase | 1.2 | 23.4 | 2.2 |
| Unearned Incomes | 9.4 | 17.1 | 8.0 |
| Estimate of compensations transferred for business acquisition | 140.0 | 63.0 | 63.0 |
| Total Account Payables and Other Payables | 447.6 | 517.3 | 660.8 |

For the accounting year of 2019, compared to the accounting year of 2018, the Company Group's balance of account payables and other payables were increased by 69.7 Million Baht or 15.6% due to following main factors: (1) other payables was increased due to the increasing demand of fuel oil for FSU vessels as a result of 3 new vessels added in FSU Business fleet, and (2) the increase from account payables for asset purchase because at the end of the year, 5 vessels had dry dock or big maintenance, resulting in the increase of account payables for asset purchase from the previous period.

For the accounting year of 2020 compared to the accounting year of 2019, the Company Group's balance of account payables and other payables were increased by 143.5 Million Baht or 27.7%, due to the main factor that other payables - other entities were recognized in the proportion to the joint operation on behalf of "CNN Joint Venture" in consolidated financial statements

Non-Current Liabilities

Long-Term Loan from Financial Institution

For the accounting years of 2018, 2019 and 2020, the Company Group's long-term loans were 2,929.2 Million Baht, 4,765.5 Million Baht and 4,169.6 Million Baht, respectively as per detail of loan balance and important condition of loans of the Company Group for the accounting years of 2018, 2019 and 2020 as follows:

| Long-Term Loan (Million Baht) | Accounting Year 2018 | Accounting Year 2019 | Accounting Year 2020 |
|---|----------------------|----------------------|----------------------|
| Long-Term Loan from Financial Institutions with 1-year term (Current Portion) | 968.9 | 1,139.1 | 1,171.9 |
| Long-Term Loan from Financial Institutions with 1-year term (Non - Current Portion) | 1,960.3 | 3,626.4 | 2,997.7 |
| Total Long-Term Loan from Financial Institution | 2,929.2 | 4,765.5 | 4,169.6 |

For the accounting year of 2019, compared to the accounting year of 2018, the long-term loans were increased by 1,836.3 Million Baht or 62.7%. In 2019, the Company Group additionally paid long-term loans for business expansion for 3,097.1 Million Baht, netting with the repayment of long-term loans for 1,116.4 Million Baht and gained difference from foreign exchange by 144.4 Million Baht.

In 2019, a subsidiary company was unable to comply with the financial conditions for maintaining the debt servicing coverage ratio stipulated in the loan agreement, however, such subsidiary received a letter from the bank to waive the financial conditions. As mentioned on 6, 16 and 26 December 2019, respectively.

The following are details of conditions relating to the maintenance of debt service coverage ratio

| Company | DSCR (Times) | | D/E Ratio (Times) | |
|-------------|------------------------------------|---|------------------------------------|------------------------|
| | Defined by the Lender ¹ | Defined by the Lender 2019 ² | Defined by the Lender ¹ | As of 31 December 2019 |
| The Company | More than 1.0 – 1.2 Times | 1.67 – 2.88 Times | Not over 3.0 Times | 0.44 Times |
| SHT | More than 1.0 – 1.1 Times | 0.88 – 0.90 Times | Not over 2.0 – 6.5 Times | 0.65 Times |
| NTL | More than 1.0 – 1.2 Times | 1.38 – 1.51 Times | Not over 2.1 - 3.5 Times | 1.09 Times |
| Big Sea | More than 1.1 – 1.25 Times | 1.58 Times | Not over 1.15 - 2.5 Times | 0.64 Times |

¹ The Company Group, SHT and NTL have had several loan lines and terms and conditions of each line determines maintenance of different financial ratios.

² The calculation methods for DSCR ratio are different among banks.

For the accounting year of 2020, compared to the accounting year of 2019, the long-term loans were decreased by 595.9 Million Baht or 12.5%. In 2020, the Company Group paid long-term loans for 1,198.4 Million Baht, withdrew loans for additional business expansion of 582.5 Million Baht and gained difference from foreign exchange by 20.0 Million Baht.

In 2020, the Company Group and its subsidiaries were able to comply with all financial conditions related to maintaining the debt repayment coverage ratio stipulated in loan agreement.

Liabilities under Financial Lease

For the accounting years of 2018, 2019 and 2020, the Company Group's liabilities under financial leases were 356.2 Million Baht 288.8 Million Baht and 106.0 Million Baht, respectively. The liabilities under financial leases have been mostly used for purchasing seaogin vessels.

For the accounting year of 2019, compared to the accounting year of 2018, the liabilities under financial leases were decreased by 67.4 Million Baht, mostly due to the repayment according to the financial lease agreement.

For the accounting year of 2020, compared to the accounting year of 2019, the liabilities under financial leases were decreased by 182.8 Million Baht mostly due to the repayment according to the financial lease agreement.

Owners' Equity

The owners' equity consists of issued and paid-up capital, premium on ordinary shares, retained earnings, other component of owners' equity, and non-controlling interests. As of 31 December 2018, 2019 and 2020, the Company Group's shareholders' equities were 6,970.4 Million Baht 7,279.8 Million Baht and 8,323.8 Million Baht, respectively.

For the accounting year of 2019, compared to the accounting year of 2018, the owner's equity was increased by 309.4 Million Baht or 4.4% due to (1) the decrease from the acquisition of non-controlling interests in the subsidiary for 211.0 Million Baht, (2) the Company Group paid a total dividend of 519.7 Million Baht, and (3) the Company Group had a total comprehensive income for the period of 1,040.0 Million Baht.

For the accounting year of 2020, compared to the accounting year of 2019, the owner's equity was increased by 1,044.0 Million Baht or 14.3% due to (1) a total gain and loss for the period of 1,644.7 Million Baht; (2) the issuance of ordinary shares of subsidiary with non-controlling interests of 39.5 Million Baht; (3) the Company Group paid a total dividend of 625.9 Million Baht; and (4) the effect of the change in new accounting policy for 14.3 Million Baht.

4 Liquidity Analysis

Cash Flow from Operating Activities

For the accounting year of 2018, the Company Group's cash flow received from operating activities was 1,107.5 Million Baht mainly due to profit before income tax of 804.7 Million Baht which was added back with depreciation and amortization of 501.9 Million Baht. However, the Company Group's cash flow used from change in operating assets and liabilities was (73.9) Million Baht mainly due to increase (decrease) of account receivables and other receivables, and account payables and other payables of 29.1 Million Baht, and (149.4) Million Baht, respectively, and income tax payment of 55.0 Million Baht, resulting in the Company Group's net cash flow from operating activities of 1,107.5 Million Baht.

For the accounting year of 2019, the Company Group's cash flow received from operating activities was 1,977.7 Million Baht mainly due to profit before income tax of 1,246.9 Million Baht which was added back with depreciation and amortization of 639.9 Million Baht. However, the Company Group's cash flow used from change in operating assets and liabilities was (60.5) Million Baht mainly due to increase (decrease) of account receivables and other receivables, and account payables and other payables of (41.2) Million Baht, and 134.0 Million Baht,

respectively, and income tax payment of 52.0 Million Baht, resulting in the Company Group's net cash flow from operating activities of 1,977.7 Million Baht.

For the accounting year of 2020, the Company Group's cash flow received from operating activities was 3,014.8 Million Baht mainly due to profit before income tax of 1,893.1 Million Baht which was added back with depreciation and amortization of 734.9 Million Baht. However, the Company Group's cash flow used from change in operating assets and liabilities was 298.7 Million Baht mainly due to increase (decrease) of account receivables and other receivables, and account payables and other payables of 131.6 Million Baht, and (7.4) Million Baht, respectively, and income tax payment of 94.7 Million Baht, and increase (decrease) of change recognition in other payables in proportion to the joint operation on behalf. "CNN Joint Venture" in the consolidated financial statements for 193.9 Million Baht, resulting in the Company Group's net cash flow from operating activities of 3,014.8 Million Baht.

Cash Flow from Investing Activities

For accounting year 2018, the Company Group's net cash flow used in investing activities was 1,128.3 Million Baht mainly due to (1) cash paid for purchase of sea-going vessel, equipment and plant improvement of 450.6 Million Baht, (2) net cash paid for takeover of 1,392.0 Million Baht, (3) cash received from sale of equipment and sea-going vessel of 584.4 Million Baht, (4) dividend received from joint venture of 166.3 Million Baht, and (5) the Company Group's cash paid from bank deposit with drawing limitation of 56.8 Million Baht.

For accounting year 2019, the Company Group's net cash flow used in investing activities was 3,245.8 Million Baht mainly due to (1) cash paid for purchase of sea-going vessel, equipment and plant improvement of 3,356.0 Million Baht, (2) cash paid for the investment in subsidiaries, joint ventures and other long-term investments of 120.4 Million Baht, (3) cash received from sale of equipment and sea-going vessel of 6.2 Million Baht, (4) dividend received from joint venture of 37.5 Million Baht, (5) the Company Group's cash paid from bank deposit with drawing limitation of 175.4 Million Baht, and (6) cash from interest received for 11.5 Million Baht.

For accounting year 2020, the Company Group's net cash flow used in investing activities was 71.5 Million Baht mainly due to (1) cash paid for purchase of sea-going vessel, equipment and plant improvement of 387.2 Million Baht, (2) cash paid for the investment in joint ventures of 51.0 Million Baht, (3) cash received from sale of equipment and sea-going vessel of 145.8 Million Baht, (4) dividend received from joint venture of 26.4 Million Baht, and (5) the Company Group's cash paid from bank deposit with drawing limitation of 88.0 Million Baht, and (6) cash from interest received for 4.5 Million Baht.

Cash Flow from Financing Activities

For the accounting year of 2018, the Company Group's net cash flow received from financing activities was 1,669.9 Million Baht mainly due to (1) net cash received from long-term loans from financial institutions for 219.8 Million Baht for investment in fleet expansion, (2) payment of short-term and long-term loans from financial institutions, and liabilities under financial leases for 1,471.9 Million Baht, (3) dividend paid for 250.0 Million Baht, and (4) interest expense of 167.8 Million Baht.

For the accounting year of 2019, the Company Group's net cash flow received from financing activities was 943.6 Million Baht mainly due to (1) net cash received from long-term loans from financial institutions for 3,097.1 Million Baht for investment in fleet expansion, (2) payment of short-term and long-term loans from financial institutions, and liabilities under financial leases for 1,217.2 Million Baht, (3) dividend paid for 519.7 Million Baht, and (4) interest expense of 205.6 Million Baht. (5) cash paid for the change of ownership interest in a subsidiary for 211.0 Million Baht.

For the accounting year of 2020, the Company Group's net cash flow received from financing activities was 1,639.8 Million Baht mainly due to (1) net cash received from long-term loans from financial institutions for 582.5 Million Baht for investment in fleet expansion, (2) payment of short-term and long-term loans from financial institutions, and liabilities under financial leases for 1,424.9 Million Baht, (3) dividend paid for 625.9 Million Baht,

and (4) interest expense of 211.1 Million Baht. (5) cash received from the issuance of ordinary shares of subsidiary with non-controlling interests for 39.6 Million Baht.

5 Key Financial Ratios

Liquidity Ratio

For the accounting years of 2018, 2019 and 2020, the Company Group's liquidity ratios were 1.19 times, 0.92 time and 1.32 times, respectively, and the Company Group's quick ratios were 1.11 times, 0.84 time and 1.24 times, respectively.

The Company Group's liquidity ratio and quick ratio were below 1.0 due to 1) the Company Group's negative cash cycle of 4 – 8 days with the average collection period of 21 - 26 days, average holding period of 12 – 16 days and average repayment period of 40 – 47 days, and 2) the Company Group's considerable increasing fleet extension in the past two years mainly using source of investment funds from borrowing financial institutions, resulting in high long-term loan in current portion with 1-year term which was classified in high current liabilities.

While in 2019, the Company Group's liquidity ratio and quick ratio were decreased from previous year because the Company Group took over Big Sea Co., Ltd. for 10% in addition, and the Company Group paid cash in the investment in 6 new vessels for fleet extension as mentioned above as well as repaid loans in installments, resulting in the decrease in cash from 2018.

While in 2020, the Company Group's liquidity ratio and quick ratio were increased from previous year because the Company Group paid cash for the investment of fleet expansion for 1 vessel only, and due to a substantial improvement in operating performance of FSU Business, the cash was therefore increased when compared to 2019.

Profitability Ratio

For the accounting year of 2019, the Company Group's gross profit margin was 31.7%, increased from the gross profit margin in 2018, mainly due to the increase of gross profit margin in FSU Business from full efficiency of vessels, and the Company Group was successful in negotiating with customers for the increase of service fees, as well as the improved gross margin of Offshore Business due to the longer on-hired period of AWB vessels from 2018.

For the accounting year of 2020, the Company Group's gross profit margin was 41.5%, increased from the gross profit margin in 2019, mainly due to the increase of gross profit margin in FSU Business from full efficiency of vessels, and the Company Group was successful in negotiating with customers for the increase of service fees.

For the accounting year of 2019, the Company Group's net profit margin was 21.0%, significantly increasing from the net profit in 2018, mainly due to the success of the FSU Business fleet by adding 3 new vessels and the acceptance to build 6 new vessels for domestic shipping business as mentioned above.

For the accounting year of 2020, the Company Group's net profit margin was 28.7%, significantly increasing from the net profit in 2019, mainly due to the success in fleet expansion of FSU Business fleet and the success in negotiating with customers for the increase of service fees as mentioned above.

For the accounting years of 2018, 2019 and 2020, the Company Group's return on equity were 11.20%, 15.15% and 20.8%, respectively. In 2019, the Company Group's return on equity was increased, mainly due to: (1) the increase of the Company Group's net profit as mentioned above, (2) the Company Group gained a difference from the conversion of equity of the holding company in a subsidiary from the acquisition of shares in Big Sea Company Limited by adding 10% for 210.9 Million Baht, and (3) the Company Group's dividend payment for 519.7 Million Baht. In 2020, the Company Group's return on equity was increased, mainly due to: (1) the increase of the Company Group's net profit as mentioned above, (2) the Company Group's dividend payment for 625.9 Million Baht.

Operating Efficiency Ratio

For the accounting years of 2018, 2019 and 2020, the returns on assets were 6.95%, 9.40% and 12.74%, respectively, and the returns on fixed assets were 18.64%, 21.10% and 25.99%, respectively.

In 2019, the return on assets and return on fixed assets were increased from 2018, mainly due to the increase in net profit ratio as mentioned above.

In 2020, the return on assets and return on fixed assets were increased from 2019, mainly due to the increase in net profit margins as mentioned above.

Financial Policy Analysis Ratio

For the accounting years of 2018, 2019 and 2020, the Debt-to-Equity Ratios were 0.58 time, 0.84 time and 0.68 time, respectively, and the Interest Bearing Debts to Equity Ratios were 0.47 time, 0.69 time and 0.51 time, respectively.

In 2019, the debt-to-equity ratio was increased to 0.84 times and the interest-bearing debt to equity ratio was increased to 0.69 time, mainly due to the increase of total debt because the Company Group withdrew the loans from bank to support the investment in FSU Business and domestic shipping business as mentioned above.

For 2020, the debt-to-equity ratio was decreased to 0.68 time and the interest bearing debt to equity ratio was decreased to 0.51 time, mainly due to the decrease of total debt because the Company Group repaid the loans and not yet withdrew additional loans for business investment as mentioned above.

For the accounting years of 2018, 2019 and 2020, the Company Group's proportions on the ability to pay its obligations were 0.30 time, 0.35 time and 1.07 times, respectively. However, the Company Group's proportions on the ability to pay its obligations were below 1.0 times because the Company Group has been in the phase of investment for business expansion according to the strategic plan, including additional investments in the fleet to respond to the increasing demand for shipping and storage services. In addition, the Company Group has also invested in acquiring the equity in subsidiaries and additional investments in associated companies and joint ventures. The Company Group has had such investment burdens of 1,842.60 Million Baht, 3,476.4 Million Baht and 387.2 Million Baht for 2018, 2019 and 2020, respectively (if excluding such investment burdens, the proportion on the ability to pay its obligations for 2018, 2019 and 2020 would be 0.60 time, 0.93 time and 1.25 times, respectively).

Report of the Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for the Company's financial statements and consolidated financial statements of the Company and its subsidiaries, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with the Financial Reporting Standard, using appropriated accounting policies and consistency practices. The financial statements are also prepared after careful consideration and use of appropriate estimate judgment. Significant information was sufficiently disclosed in notes to financial statements in order to facilitate understanding and use as well as for the benefit of the shareholders and general investors.

The Board of Directors has provided and maintained a risk management system, internal control system and corporate governance along with adequate and effectiveness to ensure that accounting records are accurate, reliable and adequate to protect the company's assets and cover any weaknesses that may occur in order to prevent fraud or irregular operation which have material effects on the accuracy and reliability of the Company's financial report.

The Board of Directors has appointed the Audit Committee comprising 3 Independent Directors to be responsible for reviewing the accuracy of the Company's financial reports and the adequate of information disclosure, including reviewing the appropriate and effectiveness of the Company's internal control system and internal audit system. The opinion of the Audit Committee on these issues have been presented in the Annual Audit Committee Report included in this annual report.

The Company's financial statements and consolidated financial statements of the Company and its subsidiaries have been audited by the Certified Auditor of KPMG Phoomchai Audit Ltd. and expressed an unqualified opinion in the auditor's report and disclosed in the annual report.

The Board of Directors opined that the Company's overall internal control system is sufficient and appropriate, can provide reasonable assurance that the Company's financial statements and consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020 which represented financial position, operating results and cash flow are accurate and complete in accordance with the Financial Reporting Standard, laws and regulations.



(Mr. Bowon Vongsinudom)
Chairman of the Board of Directors



(Mr. Prompong Chaisrisawatsuk)
Director and Chief Executive Officer

**Prima Marine Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Prima Marine Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Prima Marine Public Company Limited and its subsidiaries (the “Group”) and of Prima Marine Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

| Impairment of goodwill, investment in subsidiary and vessels | |
|---|--|
| Refer to Note 3(f), 3(i), 10, 12 and 13 to the consolidated and separate financial statements. | |
| The key audit matter | How the matter was addressed in the audit |
| <p>As at 31 December 2020, the Group has goodwill from acquiring business of Big Sea Co., Ltd. amounting to Baht 1,022 million and the carrying amount of investment in this subsidiary is Baht 1,768 million.</p> <p>The principal business of the subsidiary is local marine transportation of petroleum products. There are several external risk factors such as change in economic and oil price, which may significantly affect the forecasted operating results. These factors are indications that goodwill and investments in subsidiary may be impaired.</p> <p>As at 31 December 2020, the Group had a carrying amount of vessels of Baht 8,682 million representing 64% of total assets. During 2020, the Group's vessels provide several services. The service rates and volumes depend on the market condition. The current market is highly competitive and it leads to a decrease in service rates and volumes for some types of vessel. These factors may be the indications that vessels may be impaired.</p> <p>The management assessed recoverability of goodwill, investment in subsidiary and vessels based on value in use which involves an estimate of the future cash flows.</p> <p>Due to the materiality of the transactions and the significant management judgment involved in determining recoverable amount, I considered that this matter is the key audit matter.</p> | <p>My audit procedures included:</p> <ul style="list-style-type: none">- Making inquiries of the management and checking related documents to understand the process of impairment indicators assessment and preparation of discounted cash flow projection.- Evaluating the key management assumptions used in the calculation of value in use of goodwill, investment in subsidiary and vessels such as forecast of operation, service rates, estimated service volumes, growth rate, salary incremental rate and percentage of expenses per revenue, and discount rates.- Evaluating the key management assumptions for the residual value of vessels.- Performing sensitivity test by varying key assumptions.- Considering the adequacy of the Group's and the Company's disclosures in accordance with Thai Financial Reporting Standards. |

Other Information

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in 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 consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Thanit Osathalert)
Certified Public Accountant
Registration No. 5155

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2021

Statement of financial position

Prima Marine Public Company Limited and its Subsidiaries

| | | Consolidated | | Separate | |
|--|------|----------------------|-------------------|----------------------|------------------|
| | | financial statements | | financial statements | |
| | | 31 December | | 31 December | |
| Assets | Note | 2020 | 2019 | 2020 | 2019 |
| | | (in thousand Baht) | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 6 | 2,218,798 | 941,646 | 832,997 | 403,535 |
| Trade and other current receivable | 5 | 364,464 | 508,915 | 338,476 | 152,709 |
| Current portion of long-term loans to a related party | 5 | - | 87,953 | - | - |
| Inventories | 7 | 163,151 | 146,967 | 2,659 | 1,702 |
| Other current assets | | 7,213 | 4,248 | 2,862 | 3,448 |
| Total current assets | | 2,753,626 | 1,689,729 | 1,176,994 | 561,394 |
| Non-current assets | | | | | |
| Restricted deposits at financial institution | 15 | 392 | 937 | 219 | 166 |
| Investments in associates and joint ventures | 8 | 672,902 | 644,908 | 351,908 | 351,908 |
| Investments in subsidiaries | 10 | - | - | 4,494,950 | 3,948,466 |
| Property, plant, equipment and vessels | 12 | 8,999,813 | 9,537,763 | 3,104,340 | 4,014,188 |
| Goodwill | 13 | 1,022,246 | 1,022,246 | - | - |
| Other intangible assets | 14 | 103,216 | 107,584 | 495 | 582 |
| Deferred tax assets | 22 | 46,948 | 23,262 | 19,292 | - |
| Other non-current assets | 5 | 43,744 | 36,565 | 27,696 | 15,558 |
| Total non-current assets | | 10,889,261 | 11,373,265 | 7,998,900 | 8,330,868 |
| Total assets | | 13,642,887 | 13,062,994 | 9,175,894 | 8,892,262 |

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

Statement of financial position

Prima Marine Public Company Limited and its Subsidiaries

| | | Consolidated | | Separate | |
|--------------------------------------|------|----------------------|------------------|----------------------|------------------|
| | | financial statements | | financial statements | |
| | | 31 December | | 31 December | |
| Liabilities and equity | Note | 2020 | 2019 | 2020 | 2019 |
| | | (in thousand Baht) | | | |
| <i>Current liabilities</i> | | | | | |
| Trade and other current payable | 5 | 660,821 | 517,321 | 162,741 | 209,435 |
| Current portion of long-term loans | | | | | |
| from financial institutions | 15 | 1,171,937 | 1,139,168 | 513,292 | 445,277 |
| Current portion of lease liabilities | 15 | 41,356 | 78,299 | 1,622 | 53,198 |
| Current income tax payable | | 197,005 | 73,105 | - | - |
| Other current liabilities | | 21,688 | 25,004 | 5,694 | 3,436 |
| Total current liabilities | | 2,092,807 | 1,832,897 | 683,349 | 711,346 |
| <i>Non-current liabilities</i> | | | | | |
| Long-term loans from financial | | | | | |
| institutions | 15 | 2,997,697 | 3,626,381 | 1,706,504 | 1,855,202 |
| Lease liabilities | 15 | 64,682 | 210,476 | 6,578 | 135,236 |
| Deferred tax liabilities | 22 | 60,648 | 60,249 | - | 17,865 |
| Non-current provisions for | | | | | |
| employee benefit | 16 | 61,933 | 52,669 | 15,950 | 11,713 |
| Derivative liabilities | 25 | 36,456 | - | 28,194 | - |
| Other non-current liabilities | | 4,785 | 479 | - | 223 |
| Total non-current liabilities | | 3,226,201 | 3,950,254 | 1,757,226 | 2,020,239 |
| Total liabilities | | 5,319,008 | 5,783,151 | 2,440,575 | 2,731,585 |

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

Statement of financial position

Prima Marine Public Company Limited and its Subsidiaries

| | | Consolidated | | Separate | |
|--|------|----------------------|-------------------|----------------------|------------------|
| | | financial statements | | financial statements | |
| | | 31 December | | 31 December | |
| Liabilities and equity | Note | 2020 | 2019 | 2020 | 2019 |
| <i>(in thousand Baht)</i> | | | | | |
| Equity | | | | | |
| Share capital: | 17 | | | | |
| Authorised share capital | | | | | |
| (2,500 million ordinary shares, par value at Baht 1 per share) | | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Issued and paid-up share capital | | | | | |
| (2,500 million ordinary shares, par value at Baht 1 per share) | | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Share premium on ordinary shares | | 3,407,489 | 3,407,489 | 3,407,489 | 3,407,489 |
| Difference arising from common control transactions | 17 | (316,135) | (417,157) | (250,698) | (351,494) |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | 18 | 211,400 | 155,200 | 211,400 | 155,200 |
| Unappropriated | | 2,388,484 | 1,544,921 | 889,683 | 449,482 |
| Other components of equity | 18 | (334,934) | (275,115) | (22,555) | - |
| Equity attributable to owners of the parent | | 7,856,304 | 6,915,338 | 6,735,319 | 6,160,677 |
| Non-controlling interests | 11 | 467,575 | 364,505 | - | - |
| Total equity | | 8,323,879 | 7,279,843 | 6,735,319 | 6,160,677 |
| Total liabilities and equity | | 13,642,887 | 13,062,994 | 9,175,894 | 8,892,262 |

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

Statement of income

Prima Marine Public Company Limited and its Subsidiaries

| | <i>Note</i> | Consolidated | | Separate | |
|---|-------------|-----------------------------|------------------|-----------------------------|----------------|
| | | financial statements | | financial statements | |
| | | Year ended | | Year ended | |
| | | 31 December | | 31 December | |
| | | 2020 | 2019 | 2020 | 2019 |
| <i>(in thousand Baht)</i> | | | | | |
| Revenue from rendering of services | 5, 19 | 5,925,752 | 5,346,662 | 1,854,424 | 1,798,274 |
| Cost of rendering of services | 5 | (3,467,366) | (3,651,174) | (1,417,256) | (1,367,999) |
| Gross profit | | 2,458,386 | 1,695,488 | 437,168 | 430,275 |
| Dividend income | 5 | - | 2,492 | 1,057,612 | 406,781 |
| Other income | 5 | 55,532 | 55,560 | 22,159 | 29,398 |
| Profit before expenses | | 2,513,918 | 1,753,540 | 1,516,939 | 866,454 |
| Administrative expenses | 5 | (485,525) | (435,360) | (280,791) | (228,326) |
| Net foreign exchange gain (loss) | | (11,235) | 47,711 | (31,201) | 72,357 |
| Profit from operating activities | | 2,017,158 | 1,365,891 | 1,204,947 | 710,485 |
| Finance costs | | (214,141) | (210,994) | (113,861) | (88,186) |
| Share of profit of associates and joint ventures | 8 | 90,089 | 92,035 | - | - |
| Profit before income tax expense | | 1,893,106 | 1,246,932 | 1,091,086 | 622,299 |
| Tax benefit (expense) | 22 | (191,460) | (124,438) | 31,418 | (12,020) |
| Profit for the year | | 1,701,646 | 1,122,494 | 1,122,504 | 610,279 |

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

Statement of comprehensive income

Prima Marine Public Company Limited and its Subsidiaries

| | | Consolidated financial statements | | Separate financial statements | |
|------|---|--------------------------------------|------------------|----------------------------------|----------------|
| | | Year ended | | Year ended | |
| | | 31 December | | 31 December | |
| Note | | 2020 | 2019 | 2020 | 2019 |
| | | (in thousand Baht) | | | |
| | Profit for the year | 1,701,646 | 1,122,494 | 1,122,504 | 610,279 |
| | Other comprehensive income | | | | |
| | <i>Items that will be reclassified subsequently to profit or loss</i> | | | | |
| | Foreign currency transaction differences | | | | |
| | for foreign operations | (33,313) | (98,411) | - | - |
| | Loss on cash flow hedges , net of tax | (20,624) | - | (12,473) | - |
| | Share of other comprehensive income (expense) | | | | |
| | of an associate and joint ventures | 8 (910) | 15,983 | - | - |
| | Total items that will be reclassified subsequently to profit or loss | (54,847) | (82,428) | (12,473) | - |
| | <i>Items that will not be reclassified to profit or loss</i> | | | | |
| | Loss on remeasurements of | | | | |
| | defined benefit plans, net of tax | 16 (2,107) | - | (307) | - |
| | Total items that will not be reclassified to profit or loss | (2,107) | - | (307) | - |
| | Other comprehensive expense | | | | |
| | for the year, net of tax | (56,954) | (82,428) | (12,780) | - |
| | Total comprehensive income for the year | 1,644,692 | 1,040,066 | 1,109,724 | 610,279 |
| | Profit attributable to: | | | | |
| | Owners of the parent | 1,533,057 | 1,023,385 | 1,122,504 | 610,279 |
| | Non-controlling interests | 11 168,589 | 99,109 | - | - |
| | | 1,701,646 | 1,122,494 | 1,122,504 | 610,279 |
| | Total comprehensive income attributable to: | | | | |
| | Owners of the parent | 1,480,335 | 948,892 | 1,109,724 | 610,279 |
| | Non-controlling interests | 11 164,357 | 91,174 | - | - |
| | | 1,644,692 | 1,040,066 | 1,109,724 | 610,279 |
| | Earnings per share (in Baht) | | | | |
| | Basic earnings per share | 23 0.61 | 0.41 | 0.45 | 0.24 |

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

Statement of changes in equity

Prima Marine Public Company Limited and its Subsidiaries

| Consolidated financial statements | | | | | | | | | |
|--|----------------------------------|----------------------------------|---|---------------|----------------|---|--|--|---|
| Note | Retained earnings | | Other components of equity | | | | | | Total equity |
| | Issued and paid-up share capital | Share premium on ordinary shares | Difference arising from common control transactions | Legal reserve | Unappropriated | Currency translation differences (in thousand Baht) | Share of other comprehensive income (expense) of an associate and joint ventures | Change in parent's ownership interests in subsidiary | Equity attributable to owners of the parent |
| Year ended 31 December 2019 | | | | | | | | | |
| Balance at 1 January 2019 | 2,500,000 | 3,407,489 | (417,157) | 124,600 | 1,052,136 | (54,658) | (21,873) | - | 6,590,537 |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Distributions to owners of the parent | - | - | - | - | (500,000) | - | - | - | (500,000) |
| Dividend | - | - | - | - | - | - | - | - | (19,703) |
| Changes in ownership interests in subsidiary | - | - | - | - | - | - | - | (124,091) | (124,091) |
| Acquisition of non-controlling interests without a change in control | - | - | - | - | - | - | - | - | (86,903) |
| Total transactions with owners, recorded directly in equity | - | - | - | - | (500,000) | - | - | (124,091) | (730,697) |
| Comprehensive income for the year | | | | | | | | | |
| Profit | - | - | - | - | 1,023,385 | - | - | - | 99,109 |
| Other comprehensive income (expense) | - | - | - | - | - | (90,476) | 15,983 | - | 1,023,385 |
| Total comprehensive income for the year | - | - | - | - | 1,023,385 | (90,476) | 15,983 | - | 948,892 |
| Transfer to legal reserve | - | - | - | 30,600 | (30,600) | - | - | - | - |
| Balance at 31 December 2019 | 2,500,000 | 3,407,489 | (417,157) | 155,200 | 1,544,921 | (145,134) | (5,890) | (124,091) | 6,915,338 |
| | | | | | | | | | 364,505 |
| | | | | | | | | | 7,279,843 |

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

Prima Marine Public Company Limited and its Subsidiaries

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

Statement of changes in equity

Prima Marine Public Company Limited and its Subsidiaries

| | | Separate financial statements | | | | |
|---|-------------|--|---|--|-------------------|-----------------|
| | | Issued and paid-up share capital | Share premium on ordinary shares | Difference arising from common control transactions | Retained earnings | Total equity |
| | <i>Note</i> | | | | Legal reserve | Unappropriated |
| <i>(in thousand Baht)</i> | | | | | | |
| Year ended 31 December 2019 | | | | | | |
| Balance at 1 January 2019 | | 2,500,000 | 3,407,489 | (351,494) | 124,600 | 369,803 |
| | | | | | | 6,050,398 |
| Transactions with owners, recorded directly in equity | | | | | | |
| <i>Distributions to owners of the parent</i> | | | | | | |
| Dividend | 24 | - | - | - | - | (500,000) |
| | | | | | | (500,000) |
| Comprehensive income for the year | | | | | | |
| Profit | | - | - | - | - | 610,279 |
| | | | | | | 610,279 |
| Transfer to legal reserve | | - | - | - | 30,600 | (30,600) |
| | | | | | | - |
| Balance at 31 December 2019 | | 2,500,000 | 3,407,489 | (351,494) | 155,200 | 449,482 |
| | | | | | | 6,160,677 |

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

Statement of changes in equity

Prima Marine Public Company Limited and its Subsidiaries

| Separate financial statements | | | | | | |
|--|------|----------------------------------|----------------------------------|---|--------------------|----------------------------|
| | Note | Issued and paid-up share capital | Share premium on ordinary shares | Difference arising from common control transactions | Retained earnings | Other components of equity |
| | | | | | Legal reserve | Hedging reserve |
| | | | | | (in thousand Baht) | |
| Year ended 31 December 2020 | | | | | | |
| Balance at 31 December 2019 - as reported | | 2,500,000 | 3,407,489 | (351,494) | 155,200 | - |
| Impact of changes in accounting policies | | - | - | - | - | (10,082) |
| Balance at 1 January 2020 - restated | | 2,500,000 | 3,407,489 | (351,494) | 155,200 | (10,082) |
| Transactions with owners, recorded directly in equity | | | | | | |
| <i>Distributions to owners of the parent</i> | | | | | | |
| Dividend | 24 | - | - | - | (525,000) | - |
| Comprehensive income for the year | | | | | | |
| Profit | | - | - | - | 1,122,504 | - |
| Other comprehensive income | | - | - | - | (307) | (12,473) |
| Total comprehensive income for the year | | - | - | - | 1,122,197 | (12,473) |
| Transfer to retained earnings | 17 | - | - | 100,796 | (100,796) | - |
| Transfer to legal reserve | | - | - | - | 56,200 | - |
| Balance at 31 December 2020 | | 2,500,000 | 3,407,489 | (250,698) | 211,400 | (22,555) |
| | | | | | | 6,735,319 |

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

Statement of cash flows

Prima Marine Public Company Limited and its Subsidiaries

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------------|--|----------------|
| | Year ended | | Year ended | |
| | 31 December | | 31 December | |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit for the year | 1,701,646 | 1,122,494 | 1,122,504 | 610,279 |
| <i>Adjustments to reconcile profit to cash receipts (payments)</i> | | | | |
| Depreciation and amortisation | 734,967 | 639,928 | 271,587 | 211,372 |
| Loss (gain) on sales of equipment and vessels | 9,781 | 2,090 | (7,030) | 34 |
| Impairment loss recognised in profit or loss | 49,454 | - | 49,454 | - |
| Loss on liquidation of subsidiary and joint venture | - | 26,762 | - | 3,689 |
| Share of profit on associates and joint ventures, net of tax | (90,089) | (92,035) | - | - |
| Provision for employee benefit obligations | 7,774 | 14,312 | 3,852 | 2,731 |
| Unrealised (gains) loss on exchange rate | (3,860) | (65,679) | 14,335 | (65,628) |
| Finance costs | 214,141 | 210,994 | 113,861 | 88,186 |
| Interest income | (4,405) | (11,504) | (2,806) | (6,417) |
| Dividend income | - | (2,492) | (1,057,612) | (406,781) |
| Tax expense (income) | 191,460 | 124,438 | (31,418) | 12,020 |
| | 2,810,869 | 1,969,308 | 476,727 | 449,485 |
| <i>Changes in operating assets and liabilities:</i> | | | | |
| Trade and other current receivable | 131,572 | (41,153) | 42,220 | (7,909) |
| Inventories | (17,133) | (33,236) | (957) | 1,898 |
| Other current assets | (3,283) | (1,801) | 586 | (1,416) |
| Other non-current assets | 5,528 | 3,400 | (290) | (63) |
| Trade and other current payable | 186,521 | 134,043 | (27,901) | 36,731 |
| Other current liabilities | (3,002) | 920 | 2,259 | 1,020 |
| Other non-current liabilities | (403) | (305) | (222) | (124) |
| Payment of non-current provisions for employee benefit | (1,127) | (1,381) | - | - |
| Net cash generated from operating | 3,109,542 | 2,029,795 | 492,422 | 479,622 |
| Taxes paid | (94,700) | (52,068) | (11,871) | (13,772) |
| Net cash from operating activities | 3,014,842 | 1,977,727 | 480,551 | 465,850 |

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

Statement of cash flows

Prima Marine Public Company Limited and its Subsidiaries

| | Consolidated | | Separate | |
|--|----------------------|--------------------|----------------------|--------------------|
| | financial statements | | financial statements | |
| | Year ended | | Year ended | |
| | 31 December | | 31 December | |
| | 2020 | 2019 | 2020 | 2019 |
| | (in thousand Baht) | | | |
| Cash flows from investing activities | | | | |
| (Increase) decrease in restricted deposits at financial institutions | 567 | 175,376 | (53) | 174,543 |
| Proceeds from disposal of joint venture | 50,999 | - | 50,999 | - |
| Payment for investments in subsidiaries | - | (76,960) | (546,484) | (561,354) |
| Acquisition of other long-term investment | - | (2,431) | - | (2,431) |
| Payment for investments in joint venture and an associate | (49) | (41,029) | - | (41,029) |
| Proceeds from sales of equipment and vessel | 145,674 | 6,227 | 392,676 | 425 |
| Acquisition of deferred dry-docking, equipment and vessels | (387,238) | (3,355,930) | (58,724) | (2,397,185) |
| Acquisition of other intangible assets | - | (55) | - | - |
| Proceeds from repayment of short-term loan to related party | 87,878 | - | - | - |
| Dividend received | 26,250 | 37,477 | 1,022,627 | 406,781 |
| Interest received | 4,405 | 11,504 | 2,806 | 6,417 |
| Net cash from (used in) investing activities | (71,514) | (3,245,821) | 863,847 | (2,413,833) |
| Cash flows from financing activities | | | | |
| Payment for changes in ownership interests in subsidiary without a change in control | - | (210,994) | - | - |
| Proceeds from short-term loans from financial institutions | 110,000 | - | - | - |
| Repayment of short-term loans from financial institutions | (110,000) | (25,000) | - | - |
| Proceeds from long-term loans from financial institutions | 582,469 | 3,097,137 | 437,000 | 2,329,247 |
| Repayment of long-term loans from financial institutions | (1,198,360) | (1,116,453) | (524,018) | (286,223) |
| Payment for lease liabilities | (226,443) | (75,724) | (187,743) | (49,879) |
| Proceeds from issue of subsidiaries' shares from non-controlling interests | 39,586 | - | - | - |
| Dividends paid to owners of the Company | (525,000) | (500,000) | (525,000) | (500,000) |
| Dividends paid to non-controlling interests | (100,967) | (19,703) | - | - |
| Interest paid | (211,140) | (205,667) | (115,175) | (82,182) |
| Net cash from (used in) financing activities | (1,639,855) | 943,596 | (914,936) | 1,410,963 |

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

Statement of cash flows

Prima Marine Public Company Limited and its Subsidiaries

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------------|--|------------------|
| | Year ended | | Year ended | |
| | 31 December | | 31 December | |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Net increase (decrease) in cash and cash equivalents, before effect of exchange rates | 1,303,473 | (324,498) | 429,462 | (537,020) |
| Effect of exchange rate on changes on cash and cash equivalents | (26,321) | (19,990) | - | - |
| Net increase (decrease) in cash and cash equivalents | 1,277,152 | (344,488) | 429,462 | (537,020) |
| Cash and cash equivalents at 1 January | 941,646 | 1,286,134 | 403,535 | 940,555 |
| Cash and cash equivalents at 31 December | 2,218,798 | 941,646 | 832,997 | 403,535 |
| <i>Non-cash transactions</i> | | | | |
| Outstanding payables for purchase of equipments and vessels | 2,195 | 23,376 | 69 | 15,644 |
| Purchase of vehicles under lease agreements | - | 8,211 | - | 1,809 |
| Addition in right-of-use assets | 32,003 | - | 5,748 | - |
| Dividend receivable | 34,984 | - | 34,984 | - |

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

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

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Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Board of Directors on 25 February 2021.

1 General information

Prima Marine Public Company Limited, “the Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 14 September 2017. The company’s registered office at 80 Soi Bangna-Trad 30, Debaratna Road, South Bangna Sub-district, Bangna District, Bangkok.

The immediate and ultimate parent companies during the financial year were Nathalin Co., Ltd and Nathalin Corporation Company Limited. Both were incorporated in Thailand.

The principal activities of the Company and the Group are marine transportation of petroleum products and supporting exploration and production of offshore petroleum products and ship management. Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are disclosed in notes 10.

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases and which have no material impact on the financial statements.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) *Functional and presentation currency*

The financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency.

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- | | |
|---------------|---|
| Note 3(j), 12 | Leases: |
| | - whether an arrangement contains a lease; |
| | - whether the Group is reasonably certain to exercise extension options; |
| | - whether the Group exercise termination options; |
| | - whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees. |
| Note 4 | Impact of COVID-19 Outbreak |

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- | | |
|---------------|---|
| Note 3(j), 12 | Leases: |
| | - whether an arrangement contains a lease; |
| | - whether the Group is reasonably certain to exercise extension options; |
| | - whether the Group exercise termination options. |
| Note 4 | Impact of COVID-19 Outbreak |
| | - measurement of fair values of the contingent consideration from acquisition of subsidiary |
| Note 13 | Impairment test of goodwill: key assumptions underlying recoverable amounts |
| Note 16 | Measurement of defined benefit obligations: key actuarial assumptions |
| Note 25 | Determining the fair value of financial instruments on the basis of significant unobservable inputs |

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

(c) *Foreign currencies*

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from qualifying cash flow hedges to the extent the hedge is effective are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(d) *Financial instruments*

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL or at FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – subsequent measurement and gains and losses

| | |
|------------------------------------|--|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see note 3(d.6) for derivatives designated as hedging instruments. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See note 4(d.6) for financial liabilities designated as hedging instruments.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 3(d.6)).

(d.6) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Accounting policies applicable before 1 January 2020

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Derivatives

Derivatives were recognised when they were exercised.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the first in first out principle, and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

(h) Property, plant, equipment and vessels

Recognition and measurement

Owned assets

Property, plant, equipment and vessels are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant, equipment and vessels have different useful lives, they are accounted for as separate items (major components) of property, plant, equipment and vessels.

Any gains and losses on disposal of item of property, plant, equipment, and vessels are determined by comparing the proceeds from disposal with the carrying amount of property, plant, equipment and vessels, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant, equipment and vessels is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant, equipment and vessels are recognised in profit or loss as incurred.

Expenses occurred during vessel maintenance and dry docking is recognised as capital expenditure. Depreciation is charged to profit or loss on a straight-line basis over the time until the next dry docking with estimated useful lives within 3 years. In case there is any dry docking prior to the next planned dry docking, any remaining cost of dry docking will be written off in profit or loss immediately.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

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Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant, equipment and vessels. The estimated useful lives are as follows:

| | |
|--------------------------------|---------------|
| Buildings | 3-20 years |
| Building improvements | 3-5 years |
| Vessels | 20 - 30 years |
| Deferred dry docking | 2.5 years |
| Vessel equipment | 3 - 5 years |
| Furniture and office equipment | 3 - 5 years |
| Vehicles | 5 years |

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) *Intangible assets*

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

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Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

| | | |
|------------------------------|--------|-------|
| Software licences | 10 | years |
| Customer relationships | 5 | years |
| Long-term service agreements | 2 - 28 | years |

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant, equipment and vessels acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

(k) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Notes to the financial statements

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Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(l) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of [other] non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

(m) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

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Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

(p) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

(q) Revenue

Revenue is recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Rendering of services

The Group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

(r) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(s) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(t) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Notes to the financial statements

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Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(v) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

(w) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 **Impact of COVID-19 Outbreak**

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The situation caused decreasing in demand of domestic oil consumption, resulting in reduction of revenue from domestic marine transportation of petroleum products business.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

Impairment of assets

The Group elected to exclude the COVID-19 situation as impairment indicator for vessels, and elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of goodwill. The guidance expired on 31 December 2020.

Subsequent to 31 December 2020, the COVID-19 pandemic still continues. As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

5 Related parties

Relationships with subsidiaries, associate and joint ventures are described in notes 8 and 10. Relationship with key management and other related parties were as follows:

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---------------------------------|--|---|
| Sea Oil Public Company Limited | Thailand | Subsidiary of the parent company and common directors |
| Sea Oil Petroleum Pte. Ltd. | Singapore | Indirect subsidiary of the parent company |
| Sea Oil Offshore Ltd. | Malaysia | Indirect subsidiary of the parent company |
| Vega Twenty Co., Ltd. | Thailand | Indirect subsidiary of the parent company |
| Prodigy House Co., Ltd. | Thailand | Common director is shareholder's family of the parent company |
| Speed Production Co., Ltd. | Thailand | Common director is shareholder's family of the parent company |
| Kemaman Bitumen Company Sdn Bhd | Malaysia | Common directors |
| Thai Shipowner's Association | Thailand | Common directors |
| Key management personnel | Thailand | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group. |

The pricing policies for transactions with related parties are explained further below:

| Transactions | Pricing policies |
|---|---|
| Revenue from rendering of services | As mutually agreed rate in contract |
| Other income | As mutually agreed rate in contract |
| Interest income | As mutually agreed rate in contract |
| Dividend income | As declared |
| Purchase of goods and receiving of services | Market price or as mutually agreed rate in contract. |
| Management expense | As mutually agreed rate in contract |
| Office rental and service expense | As mutually agreed rate in contract |
| Other service expense | As mutually agreed rate in contract |
| Interest expense | As mutually agreed rate in contract |
| Key management personnel compensation | As defined be the nomination and remuneration committee which does not exceed the amount approved by the shareholders |

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Significant transactions for the year ended 31 December with related parties were as follows:

| <i>Year ended 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|---------|--|---------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | | | | |
| Revenue from rendering of services | 105,694 | 118,980 | - | - |
| Other income | 36 | 36 | 36 | 36 |
| Office rental and service expense | 2,072 | 2,142 | 2,072 | 2,094 |
| Other service expense | 29,443 | 27,936 | 15,101 | 15,813 |
| Subsidiaries | | | | |
| Revenue from rendering of services | - | - | 1,210,304 | 847,927 |
| Other income | - | - | 6,926 | 31 |
| Dividend income | - | - | 996,377 | 370,925 |
| Purchases of goods and receiving of services | - | - | 302,803 | 271,728 |
| Management expense | - | - | 588,277 | 426,599 |
| Other service expense | - | - | 952 | 388 |
| Joint ventures | | | | |
| Revenue from rendering of services | 140,366 | 221,366 | - | - |
| Other income | 18,097 | 17,027 | 13,926 | 13,887 |
| Interest income | 150 | 3,400 | - | - |
| Dividend income | 61,234 | 34,985 | 61,234 | 34,985 |
| Purchases of goods and receiving of services | 83,628 | 275,292 | 83,628 | 148,473 |
| Other service expense | - | 31 | - | - |
| Associates | | | | |
| Revenue from rendering of services | 4,380 | 4,042 | - | - |
| Other income | 1,715 | 1,795 | 1,715 | 1,715 |
| Purchases of goods and receiving of services | 74,290 | 79,782 | 19,208 | 35,541 |
| Management expense | 13,892 | 12,470 | 3,449 | 4,545 |
| Other service expense | - | 300 | - | 70 |
| Key management personnel | | | | |
| Short-term employee benefit | 82,484 | 74,482 | 46,801 | 51,107 |
| Post-employment benefits | 501 | 793 | 501 | 793 |
| Other related parties | | | | |
| Revenue from rendering of services | 301,227 | 253,921 | - | - |
| Other income | - | 32 | - | - |
| Purchases of goods and receiving of services | 298,207 | 342,931 | 33,255 | 38,079 |
| Office rental and service expense | 1,200 | 1,200 | - | - |
| Other service expense | 1,249 | 290 | 1,171 | 210 |

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Balances as at 31 December with related parties were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------|--|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Trade accounts receivable | | | | |
| Parent | 18,044 | 22,045 | - | - |
| Subsidiaries | - | - | 1,387 | 2,717 |
| Joint ventures | 82 | 19,995 | - | - |
| Associates | 515 | 761 | - | - |
| Other related parties | 151 | - | - | - |
| Total | 18,792 | 42,801 | 1,387 | 2,717 |
| Less allowance for expected credit loss (2019: allowance for doubtful accounts) | - | - | - | - |
| Net | 18,792 | 42,801 | 1,387 | 2,717 |
| Other receivables | | | | |
| Subsidiaries | - | - | 243,979 | 3 |
| Joint ventures | 43,940 | 8,807 | 36,291 | 1,304 |
| Associate | 153 | 153 | 153 | 153 |
| Other related parties | - | 127 | - | 127 |
| Total | 44,093 | 9,087 | 280,423 | 1,587 |
| Other non-current assets | | | | |
| Parent | 1,056 | 1,056 | - | - |

Long-term loans to related party

Long-term loans to related party are unsecured loans of Nathalin Shipping Pte. Ltd., which is a subsidiary, to TOP Nautical Star Co., Ltd., which is a joint venture, dominated in US dollars currency. The loan was due and repaid in January 2020.

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|--|---------------|--|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Trade accounts payable | | | | |
| Parent | 18 | 351 | - | 35 |
| Subsidiaries | - | - | 36,118 | 52,416 |
| Joint ventures | - | 23,061 | - | 13,146 |
| Associates | - | 103 | - | 98 |
| Other related parties | 44,889 | 37,464 | 3,218 | - |
| Total | 44,907 | 60,979 | 39,336 | 65,695 |
| Other payables | | | | |
| Parent | 2,036 | 2,110 | 1,490 | 1,587 |
| Subsidiaries | - | - | - | 15,213 |
| Other related parties | 5 | - | - | - |
| Total | 2,041 | 2,110 | 1,490 | 16,800 |

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Significant agreements with related parties

The Company

Service agreements

The Company had entered into transportation service agreements with related companies, which those related companies provide marine transportation service of petrochemical products. The agreements have service period from 2 days to 1 year after the date of agreements.

The Company had entered into ship management agreements with related companies, which those related companies provide technical and crewing management services. The agreements have service period for 1 year and can be extended for an additional period of one year, unless notice of termination issued by either party to the other party.

Service provider agreements

The Company had entered into transportation service agreements with related companies, which the Company provides marine transportation, technical and crewing management services. The agreements have service period for 1 year and can be extended for an additional period of one year, unless notice of termination issued by either party to the other party.

Subsidiaries

Service agreements

Subsidiaries had entered into ship management agreements with related companies, which the subsidiaries provide technical and crewing management. The agreements have service period for 1 year and can be extended for an additional period of one year, unless notice of termination issued by either party to the other party.

Subsidiaries had entered into transportation service agreements with related companies, which the subsidiaries provide marine transportation service of petrochemical products, technical and crewing management. The agreements have service period for 1 year and can be extended for an additional period of one year, unless notice of termination issued by either party to the other party.

Subsidiaries had entered into transportation service agreements with other subsidiaries, which the subsidiaries provide marine transportation service of petrochemical products. The agreements have service period of one year, unless notice of termination issued by either party to the other party.

6 Cash and cash equivalents

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Cash on hand | 3,592 | 4,476 | - | 50 |
| Cash at banks - current accounts | 972,915 | 380,688 | 31,006 | 57,043 |
| Cash at banks - savings accounts | 1,241,683 | 556,482 | 801,383 | 346,442 |
| Highly liquid short-term investments | 608 | - | 608 | - |
| Cash and cash equivalents in the statement of financial position | 2,218,798 | 941,646 | 832,997 | 403,535 |

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

7 Inventories

| | Consolidated financial statements | | Separate financial statements | |
|--------------|--------------------------------------|----------------|----------------------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Bunker | 161,456 | 145,432 | 2,602 | 1,675 |
| Supplies | 1,695 | 1,535 | 57 | 27 |
| Total | 163,151 | 146,967 | 2,659 | 1,702 |

8 Investments in associates and joint ventures

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|----------------|----------------------------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Associates | | | | |
| At 1 January | 166,204 | - | 84,981 | 1,000 |
| Share of net profits of associates | 18,035 | 4,234 | - | - |
| Transfer from other long-term investment | - | 120,942 | - | 42,953 |
| Acquisitions | - | 41,028 | - | 41,028 |
| At 31 December | 184,239 | 166,204 | 84,981 | 84,981 |
| Joint ventures | | | | |
| At 1 January | 478,704 | 487,671 | 266,927 | 321,487 |
| Share of net profits of joint ventures | 72,054 | 87,801 | - | - |
| Share of other comprehensive income of joint ventures | (910) | (9,772) | - | - |
| Acquisitions | 49 | - | - | - |
| Disposal of investment in joint venture, net of impairment | - | (52,011) | - | (54,560) |
| Dividend income | (61,234) | (34,985) | - | - |
| At 31 December | 488,663 | 478,704 | 266,927 | 266,927 |
| Total | | | | |
| At 1 January | 644,908 | 487,671 | 351,908 | 322,487 |
| Share of net profits of associates and joint ventures | 90,089 | 92,035 | - | - |
| Share of other comprehensive income of joint ventures | (910) | (9,772) | - | - |
| Transfer from other long-term investment | - | 120,942 | - | 42,953 |
| Acquisitions | 49 | 41,028 | - | 41,028 |
| Disposal of investment in joint venture, net of impairment | - | (52,011) | - | (54,560) |
| Losses on impairment | - | - | - | - |
| Dividend income | (61,234) | (34,985) | - | - |
| At 31 December | 672,902 | 644,908 | 351,908 | 351,908 |

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Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

| Consolidated financial statements | | | | | | | | | | | | | |
|---|---|----------------------|--------------------|----------|-----------------|---------|---------|---------|---------|---------|------------------------------|---------|---|
| | Type of business | Country of operation | Ownership interest | | Paid-up capital | | Cost | | Equity | | Dividend income for the year | | |
| | | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | | | |
| | | | (in thousand Baht) | | | | | | | | | | |
| Associates | Ship management services | Thailand | 33.33 | 33.33 | 3,000 | 3,000 | 1,000 | 1,000 | 5,719 | 2,546 | - | | |
| | | | TMN Co.,Ltd.* | Thailand | 24.87 | 24.87 | 666,000 | 666,000 | 161,970 | 161,970 | 178,520 | 163,658 | - |
| | | | | | 24.87 | 24.87 | 666,000 | 666,000 | 162,970 | 162,970 | 184,239 | 166,204 | - |
| Joint ventures | | | | | | | | | | | | | |
| TOP-NTL Pte. Ltd. | Ship management services | Singapore | 50.00 | 50.00 | 498 | 498 | 7,824 | 7,824 | 20,733 | 17,531 | - | | |
| TOP-NTL Shipping Trust | Funds for domestic and international transportation | Singapore | 50.00 | 50.00 | 48,120 | 48,120 | 38,675 | 38,675 | 93,936 | 93,379 | - | | |
| TOP Nautical Star Co., Ltd. | | | | | | | | | | | | | |
| (Direct holding 35% and indirect holding by TOP-NTL Shipping Trust 15%) | Marine transportation of petroleum products | Thailand | 50.00 | 50.00 | 150,000 | 150,000 | 52,500 | 52,500 | 91,039 | 119,931 | - | | |
| Bongkot Marine Services Company Limited | Marine transportation of petroleum products | Thailand | 70.00 | 70.00 | 240,000 | 240,000 | 167,977 | 167,928 | 282,955 | 247,863 | 34,984 | | |
| | | | | | | | 266,976 | 266,927 | 488,663 | 478,704 | 34,985 | | |
| | | | | | | | 429,946 | 429,897 | 672,902 | 644,908 | 34,985 | | |
| Total | | | | | | | | | | | | | |

* Direct holding 12.70% and indirect holding by N.T.L Marine Company Limited 6.09% Singha Tanker Company Limited 3.04% and Thai Marine Tanker Company Limited 3.04%.

Notes to the financial statements

P prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

| Separate financial statements | | | | | | | | | | | | | |
|----------------------------------|------------------------|--------------------|-------|---------|---------|------------|---------|---------------|------|------------------------------|---------|--------|--------|
| Country of operation | Ownership interest (%) | Paid-up capital | | Cost | | Impairment | | At cost - net | | Dividend income for the year | | | |
| | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | | |
| | | (in thousand Baht) | | | | | | | | | | | |
| Associates | | | | | | | | | | | | | |
| T.I.M. Ship Management Co., Ltd. | Thailand | 33.33 | 33.33 | 3,000 | 3,000 | 1,000 | 1,000 | - | - | 1,000 | 1,000 | - | - |
| | Thailand | 12.70 | 12.70 | 666,000 | 666,000 | 83,981 | 83,981 | - | - | 83,981 | 83,981 | - | - |
| | | | | | | 84,981 | 84,981 | - | - | 84,981 | 84,981 | - | - |
| Joint ventures | | | | | | | | | | | | | |
| TOP-NTL Pte. Ltd. | Singapore | 50.00 | 50.00 | 498 | 498 | 7,824 | 7,824 | - | - | 7,824 | 7,824 | - | - |
| TOP-NTL Shipping Trust | Singapore | 50.00 | 50.00 | 48,120 | 48,120 | 38,675 | 38,675 | - | - | 38,675 | 38,675 | - | - |
| TOP Nautical Star Co., Ltd. | Thailand | 35.00 | 35.00 | 150,000 | 150,000 | 52,500 | 52,500 | - | - | 52,500 | 52,500 | 26,250 | - |
| Bongkot Marine Services | | | | | | | | | | | | | |
| Company Limited | Thailand | 70.00 | 70.00 | 240,000 | 240,000 | 167,928 | 167,928 | - | - | 167,928 | 167,928 | 34,984 | 34,985 |
| | | | | | | 266,927 | 266,927 | - | - | 266,927 | 266,927 | 61,234 | 34,985 |
| Total | | | | | | 351,908 | 351,908 | - | - | 351,908 | 351,908 | 61,234 | 34,985 |

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

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Joint ventures

The following table summarises the financial information of joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

| | Note | Bongkot Marine Services Company Limited | | TOP Nautical Star Company Limited | | TOP-NTL Shipping Trust | | TMN Company Limited | |
|---|------|--|----------------|--------------------------------------|----------------|---------------------------|----------------|------------------------|----------------|
| | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenue | | 403,374 | 401,865 | 86,663 | 275,962 | 21,981 | 27,548 | 257,725 | 27,942 |
| Profit from continuing operations | a | 100,040 | 96,458 | (7,519) | 27,827 | 2,529 | 6,159 | 59,759 | 5,436 |
| Other comprehensive income | | - | - | - | - | (1,416) | (8,434) | - | - |
| Total comprehensive income (100%) | | 100,040 | 96,458 | (7,519) | 27,827 | 1,113 | (2,275) | 59,759 | 5,436 |
| Group's share of total comprehensive income | | 70,028 | 67,521 | (2,642) | 13,914 | 556 | (1,137) | 14,862 | 1,688 |
| Current assets | b | 107,570 | 86,325 | 263,645 | 311,583 | 131,642 | 169,955 | 150,627 | 19,075 |
| Non-current assets | | 681,692 | 773,826 | - | 196,365 | 120,405 | 145,320 | 615,813 | 699,387 |
| Current liabilities | c | (250,277) | (213,746) | (3,533) | (165,289) | (64,176) | (128,518) | (4,427) | (13,875) |
| Non-current liabilities | d | (134,807) | (292,267) | - | - | - | - | (44,199) | (46,532) |
| Net assets (100%) | | 404,178 | 354,138 | 260,112 | 342,659 | 187,871 | 186,757 | 717,814 | 658,055 |
| Group's share of net assets | | 282,955 | 247,863 | 130,056 | 171,330 | 93,936 | 93,379 | 178,520 | 163,658 |
| Carrying amount of interest in joint venture | | 282,955 | 247,863 | 91,039 | 119,931 | 93,936 | 93,379 | 178,520 | 163,658 |

Notes to the financial statements

P prima Marine Public Company Limited and its Subsidiaries

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| | Bongkot Marine Services Company Limited | | TOP Nautical Star Co., Ltd. | | TOP-NTL Shipping Trust | | TMN Company Limited | |
|---|--|---------|--------------------------------|---------|---------------------------|---------|------------------------|-------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | | | | | |
| Remark: | | | | | | | | |
| a. Includes: | | | | | | | | |
| – depreciation and amortisation | 110,923 | 104,574 | 21,921 | 47,757 | - | - | 81,939 | 8,497 |
| – interest expense | 16,770 | 23,766 | 220 | 9,252 | - | - | 13 | 892 |
| – expense (income) tax benefit | 3,267 | 6,645 | - | (7,048) | 201 | 780 | (1,511) | (545) |
| b. Includes cash and cash equivalents | 93,192 | 75,417 | 260,837 | 82,067 | 131,642 | 131,724 | 137,446 | 2,834 |
| c. Includes current financial liabilities (excluding trade and other payables and provisions) | 167,389 | 167,400 | - | 125,784 | - | - | - | - |
| d. Includes non-current financial liabilities (excluding trade and other payables and provisions) | 124,895 | 292,267 | - | - | - | - | - | - |

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Bongkot Marine Services Company Limited's non-current liabilities include loan from a financial institution (repayable in 2022) with a total outstanding balance of Baht 124.89 million (31 December 2019: Baht 292.27 million).

The following is summarised financial information for the Group's interest in immaterial associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

| | Immaterial associates | | Immaterial joint ventures | |
|---|-----------------------|--------------|---------------------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | (in thousand Baht) | | | |
| Carrying amount of interests in immaterial associate and joint ventures | 5,719 | 2,546 | 20,733 | 17,531 |
| Group's share of: | | | | |
| - Profit from continuing operations | 3,173 | 2,546 | 3,404 | 3,287 |
| - Other comprehensive income | - | - | (202) | (5,555) |
| - Total comprehensive income | <u>3,173</u> | <u>2,546</u> | <u>3,202</u> | <u>(2,268)</u> |

9 Joint operation

As at 30 April 2020, a subsidiary entered into an agreement with other two joint operators to establish a joint operation of "Joint Venture CNNC" ("CNNC") for the construction work for Leam Chabang port development project phase 3 (Part 1) off-shore construction with Port Authority of Thailand. According to the agreement, the subsidiary has right to shares 10% of the profit or loss of CNNC.

As at 3 September 2020, CNNC entered into the construction work for Leam Chabang port development project phase 3 (Part 1) off-shore construction contract with the Port Authority of Thailand. Under the term of the contract, CNNC committed to complete the construction work. The Port Authority of Thailand agreed to pay the construction fee as stipulated in such agreement. As at 31 December 2020, CNNC has not started the construction yet.

Assets and liabilities of the joint operation which are included in consolidated financial position as at 31 December 2020 are as follows:

| | Consolidated financial statements (in thousand Baht) |
|------------------------|--|
| Current assets | 197,179 |
| Non-current assets | 2,064 |
| Current liabilities | (199,301) |
| Net liabilities | (58) |

Other income and expenses of the joint operation which are included in statement of comprehensive income for the year ended 31 December 2020 are as follows:

| | Consolidated financial statements (in thousand Baht) |
|------------------------------|--|
| Other income | 132 |
| Administrative expenses | (190) |
| Net loss for the year | (58) |

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Prima Marine Public Company Limited and its Subsidiaries

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10 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2020 and 2019 comprise investments in the following companies:

| Name of subsidiary | Type of business | Country of operation | Ownership interest | |
|---|---|----------------------|--------------------|-------|
| | | | 2020 | 2019 |
| | | | (%) | |
| Singha Tankers Company Limited * | Marine transportation of petroleum products | Thailand | 93.88 | 93.88 |
| Nathalin Shipping Pte. Ltd. | Ship management services | Singapore | 87.50 | 87.50 |
| With a subsidiary as follows: | | | | |
| - Amity Assets Management Inc. | Marine transportation of petroleum products | Panama | 87.50 | - |
| N.T.L. Marine Co., Ltd. | Marine transportation of petroleum products | Thailand | 99.99 | 99.99 |
| Thaimarine Tanker Co., Ltd. | Marine transportation of petroleum products | Thailand | 99.99 | 99.99 |
| Nathalin Management Company Limited | Ship management services | Thailand | 99.99 | 99.99 |
| BSC Management Seafarer Recruitment Co., Ltd. | Manning agency and ticket agency | Thailand | 99.99 | 99.99 |
| Big Sea Co., Ltd. | Marine transportation of petroleum products | Thailand | 80.00 | 80.00 |
| Phurich Marine Company Limited | Investment holding | Thailand | 99.99 | - |

*Direct holding 51% by the Company and indirect holding by Nathalin Shipping Pte. Ltd. 49%

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Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Investments in subsidiaries as at 31 December 2020 and 2019 and dividend income from those investments for the year were as follows:

| Name of subsidiary | Separate financial statements | | | | | | | | | |
|---|-------------------------------|-------|-----------------|-----------|------------------|------------------|------------|----------|------------------|------------------|
| | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | | | | | | | |
| Singha Tankers Company Limited * | 51.00 | 51.00 | 1,200,000 | 962,000 | 612,001 | 490,621 | - | - | 612,001 | 490,621 |
| Nathalin Shipping Pte. Ltd. | 87.50 | 87.50 | 735,478 | 418,787 | 651,902 | 374,798 | - | - | 651,902 | 374,798 |
| N.T.L. Marine Co., Ltd. | 99.99 | 99.99 | 1,200,000 | 1,053,000 | 1,264,705 | 1,117,705 | - | - | 1,264,705 | 1,117,705 |
| Thaimarine Tanker Co., Ltd. | 99.99 | 99.99 | 180,000 | 180,000 | 180,000 | 180,000 | - | - | 180,000 | 180,000 |
| Nathalin Management Company Limited | 99.99 | 99.99 | 8,500 | 8,500 | 9,691 | 9,691 | - | - | 9,691 | 9,691 |
| BSC Management Seafarer Recruitment Co., Ltd. | 99.99 | 99.99 | 5,500 | 5,500 | 7,159 | 7,159 | - | - | 7,159 | 7,159 |
| Big Sea Co., Ltd. | 80.00 | 80.00 | 360,000 | 360,000 | 1,768,492 | 1,768,492 | - | - | 1,768,492 | 1,768,492 |
| Phurich Marine Company Limited | 99.99 | - | 1,000 | - | 1,000 | - | - | - | 1,000 | - |
| Total | | | | | 4,494,950 | 3,948,466 | - | - | 4,494,950 | 3,948,466 |
| | | | | | | | | | 996,378 | 370,925 |

*Direct holding 51% by the Company and indirect holding by Nathalin Shipping Pte. Ltd. 49%

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

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For the year ended 31 December 2020

Acquisitions

On 21 September 2020, the Company additionally invested in share capital of Nathalin Shipping Pte. Ltd., a subsidiary of the Company, totaling Baht 277.73 million. The percentage of holding interest of the Company remains unchanged.

On 23 September 2020, the Company additionally invested in share capital of N.T.L Marine Co., Ltd., a subsidiary of the Company, totaling Baht 147.00 million. The percentage of holding interest of the Company remains unchanged.

On 23 September 2020, the Company additionally invested in share capital of Singha Tanker Co., Ltd., a subsidiary of the Company, totaling Baht 121.38 million. The percentage of holding interest of the Company remains unchanged.

Incorporation of a subsidiary

On 24 July 2020, the Board of Directors approved to set up an indirect foreign subsidiary in Panama, Amity Assets Management Inc, which is fully owned by Nathalin Shipping Pte. Ltd. The main business of the subsidiary is to provide marine transportation of petroleum products services. The subsidiary was incorporated on 29 October 2020 with USD 10,000 authorized share capital.

On 12 November 2020, the Board of Directors approved to set up a subsidiary, Phurich Marine Co., Ltd., which is fully owned by the Company. The main business of the subsidiary is to hold shares in other companies. The subsidiary was incorporated on 25 November 2020 with 1 million authorized share capital at Baht 1 par value.

For the year ended 31 December 2019

Acquisitions

On 10 June 2019, the Company additionally invested in share capital of N.T.L Marine Co., Ltd., a subsidiary of the Company, totalling Baht 100.00 million. The percentage of holding interest of the Company remains unchanged.

On 24 July 2019, the Company additionally invested in share capital of Singha Tanker Co., Ltd., a subsidiary of the Company, totalling Baht 173.40 million. The percentage of holding interest of the Company remains unchanged.

Changes in ownership interests in a subsidiary without a change in control

In 2019, the Company acquired 36,000 ordinary shares from shareholders of Big Sea Co., Ltd. at the price of Baht 5,860.95 per share, totalling Baht 210.99 million in cash, resulting in an increase of its ownership interest from 70% to 80%. In addition, the Company made an additional payment for the 252,000 shares which were purchased on 2 July 2018 totalling Baht 76.96 million. The Group recognised a decrease in non-controlling interests of Baht 86.90 million and a reduction in other components of equity as a result of changes in ownership interest in subsidiary of Baht 124.09 million.

Deregistration of a subsidiary

On 23 December 2019, Orchard Navee Co.,Ltd. was deregistered with the Department of Business Development. A loss on liquidation of Baht 0.13 million was recognised during 2019.

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11 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

| | 31 December 2020 | | | |
|--|-----------------------------|--------------------------------|---|---|
| | Nathalin Shipping Pte. Ltd. | Singha Tankers Company Limited | Big Sea Co., Ltd. (in thousand Baht) | Amity Asset Management Inc. Total |
| Non-controlling interest percentage | 12.50% | 6.12% | 20.00% | 12.50% |
| Current assets | 1,293,653 | 83,329 | 186,210 | 37,839 |
| Non-current assets | 619,468 | 1,806,604 | 1,213,288 | 478,955 |
| Current liabilities | (399,879) | (294,569) | (164,956) | (500,623) |
| Non-current liabilities | (11,535) | (279,644) | (263,141) | - |
| Net assets | 1,501,707 | 1,315,720 | 971,401 | 16,171 |
| Carrying amount of non-controlling interest | 191,187 | 79,126 | 194,242 | 2,021 |
| Intra-group eliminations | | | | 999 |
| Total | | | | 466,576 |
| Revenue | 4,569,802 | 763,706 | 535,929 | 29,050 |
| Profit | 1,072,464 | 225,343 | 87,672 | 16,548 |
| Other comprehensive income | (16,960) | (23,826) | (2,840) | (679) |
| Total comprehensive income | 1,055,504 | 201,517 | 84,832 | 15,869 |
| Profit allocated to non-controlling interest | 134,058 | 13,802 | 17,534 | 2,069 |
| Intra-group eliminations | | | | |
| Total | | | | 167,463 |
| Other comprehensive income allocated to non-controlling interest | (2,120) | (1,459) | (568) | (85) |
| Cash flows from operating activities | 1,179,107 | 401,258 | 216,263 | 48,259 |
| Cash flows from investing activities | (205,144) | (52,572) | (37,203) | (266,113) |
| Cash flows from financing activities | (403,787) | (276,153) | (96,188) | 255,693 |
| Dividends to non-controlling interest | (100,967) | - | - | - |
| Net increase in cash and cash equivalents | 469,209 | 72,533 | 82,872 | 37,839 |
| | | | | 168,589 |
| | | | | (4,232) |

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

| | 31 December 2019 | | |
|--|--------------------------------|---|-------------------|
| | Nathalin Shipping Pte. Ltd. | Singha Tankers Company Limited (in thousand Baht) | Big Sea Co., Ltd. |
| | | | Total |
| Non-controlling interest percentage | 12.50% | 6.12% | 20.00% |
| Current assets | 726,956 | 16,011 | 98,426 |
| Non-current assets | 486,528 | 1,911,970 | 1,297,747 |
| Current liabilities | (271,940) | (364,961) | (171,636) |
| Non-current liabilities | (3,188) | (529,518) | (337,967) |
| Net assets | 938,356 | 1,033,502 | 886,570 |
| Carrying amount of non-controlling interest | 120,451 | 66,689 | 177,276 |
| Intra-group eliminations | | | |
| Total | | | 364,416 |
| | | | 89 |
| | | | 364,505 |
| Revenue | 3,327,015 | 694,362 | 593,115 |
| Profit | 547,577 | 154,131 | 76,665 |
| Other comprehensive income | (29,912) | (68,499) | - |
| Total comprehensive income | 517,665 | 85,632 | 76,665 |
| Profit allocated to non-controlling interest | 68,447 | 9,441 | 21,207 |
| Intra-group eliminations | | | |
| Total | | | 99,095 |
| | | | 14 |
| | | | 99,109 |
| Other comprehensive income allocated to non-controlling interest | (3,739) | (4,196) | - |
| Cash flows from operating activities | 473,752 | 391,277 | 198,578 |
| Cash flows from investing activities | (13,020) | (15,161) | (160,017) |
| Cash flows from financing activities | (140,687) | (438,962) | (70,246) |
| Dividends to non-controlling interest | (19,703) | - | - |
| Net increase (decrease) in cash and cash equivalents | 300,342 | (62,846) | (31,685) |

Prima Marine Public Company Limited and its Subsidiaries

12 Property, plant, equipment and vessels

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| Consolidated financial statements | | | | | | | | | | |
|---|------|------------------------------------|------------------|----------------------|------------------|--------------------------------|--------------|---------------------------|--------------------------------|------------------|
| | Land | Building and building improvements | Vessels | Deferred dry docking | Vessel equipment | Furniture and office equipment | Vehicles | Vessel under construction | Dry docking under construction | Total |
| | | | | | | (in thousand Baht) | | | | |
| Depreciation | | | | | | | | | | |
| At 1 January 2019 | - | 31,539 | 2,642,198 | 160,938 | 33,042 | 19,360 | 4,721 | - | - | 2,891,798 |
| Depreciation charge for the year | - | 10,310 | 515,724 | 92,815 | 10,824 | 4,323 | 263 | - | - | 634,259 |
| Disposals | - | (506) | (22,336) | (120,684) | (1,471) | (544) | (603) | - | - | (146,144) |
| At 31 December 2019 and 1 January 2020 | - | 41,343 | 3,135,586 | 133,069 | 42,395 | 23,139 | 4,381 | - | - | 3,379,913 |
| Depreciation charge for the year | - | 23,545 | 581,092 | 106,113 | 15,228 | 2,679 | 1,950 | - | - | 730,607 |
| Transfer to asset held for sale | - | - | (171,279) | - | (1,209) | - | - | - | - | (172,488) |
| Disposals | - | - | (21,739) | (62,615) | (1,914) | (2,606) | - | - | - | (88,874) |
| Effect of movements in exchange rates | - | 502 | (81,871) | (991) | (812) | 167 | (11) | - | - | (83,016) |
| At 31 December 2020 | - | 65,390 | 3,441,789 | 175,576 | 53,688 | 23,379 | 6,320 | - | - | 3,766,142 |

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| | Consolidated financial statements | | | | | | | | | |
|-----------------------------|-----------------------------------|------------------------------------|------------------|----------------------|--|--------------------------------|---------------|---------------------------|--------------------------------|------------------|
| | Land | Building and building improvements | Vessels | Deferred dry docking | Vessel equipment (in thousand Baht) | Furniture and office equipment | Vehicles | Vessel under construction | Dry docking under construction | Total |
| <i>Net book value</i> | | | | | | | | | | |
| At 1 January 2019 | | | | | | | | | | |
| Owned assets | 15,840 | 61,902 | 6,056,355 | 124,458 | 14,844 | 8,423 | 454 | 319,026 | 3,762 | 6,605,064 |
| Assets under finance leases | - | - | 338,346 | - | - | - | - | - | - | 338,346 |
| | 15,840 | 61,902 | 6,394,701 | 124,458 | 14,844 | 8,423 | 454 | 319,026 | 3,762 | 6,943,410 |
| At 31 December 2019 | | | | | | | | | | |
| Owned assets | 15,840 | 51,154 | 8,948,132 | 107,625 | 40,963 | 6,746 | 482 | 67 | 44,182 | 9,215,191 |
| Assets under finance leases | - | - | 314,619 | - | - | - | 7,953 | - | - | 322,572 |
| | 15,840 | 51,154 | 9,262,751 | 107,625 | 40,963 | 6,746 | 8,435 | 67 | 44,182 | 9,537,763 |
| At 31 December 2020 | | | | | | | | | | |
| Owned assets | 15,840 | 41,530 | 8,549,753 | 179,463 | 49,092 | 5,316 | 481 | 5,329 | 5,807 | 8,852,611 |
| Right-of-use assets | - | 22,331 | 111,347 | - | - | - | 13,524 | - | - | 147,202 |
| | 15,840 | 63,861 | 8,661,100 | 179,463 | 49,092 | 5,316 | 14,005 | 5,329 | 5,807 | 8,999,813 |

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The gross amount of the Group's fully depreciated plant, equipment and vessels that was still in use as at 31 December 2020 amounted to Baht 198.07 million (2019: Baht 307.95 million).

Borrowing costs of Baht 0.47 million (2019: Baht 4.57 million) were capitalised and included in addition of vessels under construction. The borrowing cost rates were MLR-2%, fixed interest rest of 4.53% to 4.60% per annum and THBFIX+2.4 (2019: MLR-2%, fixed interest rest of 4.53% to 4.60% per annum and THBFIX+2.4).

At 31 December 2020, property, plant, equipment and vessels with a net book value of Baht 6,895.70 million were secured for long-term loans from financial institutions (2019: Baht 7,543.95 million).

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

Prima Marine Public Company Limited and its Subsidiaries

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| Separate financial statements | | | | | | | | | | |
|---|---------------|------------------------------------|------------------|----------------------|--|--------------------------------|--------------|---------------------------|--------------------------------|------------------|
| | Land | Building and building improvements | Vessels | Deferred dry docking | Vessel equipment (in thousand Baht) | Furniture and office equipment | Vehicles | Vessel under construction | Dry docking under construction | Total |
| Depreciation | | | | | | | | | | |
| At 1 January 2019 | - | 26,257 | 1,161,382 | 33,348 | 16,126 | 11,468 | 602 | - | - | 1,249,183 |
| Depreciation charge for the year | - | 8,776 | 166,636 | 26,366 | 6,180 | 3,280 | 47 | - | - | 211,285 |
| Disposals | - | - | - | (34,156) | - | (55) | (602) | - | - | (34,813) |
| At 31 December 2019 and 1 January 2020 | - | 35,033 | 1,328,018 | 25,558 | 22,306 | 14,693 | 47 | - | - | 1,425,655 |
| Depreciation charge for the year | - | 8,167 | 233,184 | 19,180 | 8,371 | 1,456 | 1,142 | - | - | 271,500 |
| Transfer to asset held for sale | - | - | (171,279) | - | (1,209) | - | - | - | - | (172,488) |
| Disposals | - | - | (353,423) | (36,151) | (1,440) | (937) | - | - | - | (391,951) |
| At 31 December 2020 | - | 43,200 | 1,036,500 | 8,587 | 28,028 | 15,212 | 1,189 | - | - | 1,132,716 |
| Net book value | | | | | | | | | | |
| At 1 January 2019 | | | | | | | | | | |
| Owned assets | 15,840 | 57,424 | 1,481,574 | 34,441 | 5,586 | 6,242 | 454 | - | - | 1,601,561 |
| Assets under finance leases | - | - | 209,733 | - | - | - | - | - | - | 209,733 |
| | 15,840 | 57,424 | 1,691,307 | 34,441 | 5,586 | 6,242 | 454 | - | - | 1,811,294 |
| At 31 December 2019 | | | | | | | | | | |
| Owned assets | 15,840 | 48,734 | 3,687,927 | 8,075 | 26,459 | 4,209 | 481 | - | 26,286 | 3,818,011 |
| Assets under finance leases | - | - | 194,415 | - | - | - | 1,762 | - | - | 196,177 |
| | 15,840 | 48,734 | 3,882,342 | 8,075 | 26,459 | 4,209 | 2,243 | - | 26,286 | 4,014,188 |
| At 31 December 2020 | | | | | | | | | | |
| Owned assets | 15,840 | 40,567 | 2,984,109 | 19,597 | 27,198 | 3,091 | 481 | 5,328 | - | 3,096,211 |
| Right-of-use assets | - | - | - | - | - | - | 8,129 | - | - | 8,129 |
| | 15,840 | 40,567 | 2,984,109 | 19,597 | 27,198 | 3,091 | 8,610 | 5,328 | - | 3,104,340 |

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The gross amount of the Company's fully depreciated property, equipment and vessels that was still in use as at 31 December 2020 amounted to Baht 60.28 million (2019: Baht 12.04 million).

At 31 December 2020, property, plant, equipment and vessels with a net book value of Baht 2,657.54 million were secured for long-term loans from financial institutions (2019: Baht 2,529.00 million).

13 Goodwill

| | Consolidated financial statements | |
|------------------------------|--|------------------|
| | 2020 | 2019 |
| | (in thousand Baht) | |
| Cost /Net book value | | |
| At 1 January and 31 December | <u>1,022,246</u> | <u>1,022,246</u> |

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's cash-generating units (CGUs) identified according to business segment which is sea transportation of petroleum and chemical products.

The recoverable amount of CGU was based on its value in use, determined by discounting the future cash flows to be generated was greater than the total carrying amount of goodwill. As a result, goodwill was not impaired as at 31 December 2020. The cash flows were projected over a revenue period which cover vessels economic useful life.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. The key assumptions used in the estimation of goodwill's value in use were as follows:

| Key assumptions | 2020 | 2019 |
|----------------------------|-------|-------|
| Discount rate | 5.68% | 7.97% |
| Terminal value growth rate | 0% | 0% |

The discount rate was estimated based on the historical industry average weighted-average cost of capital, The risk-free discount rate was based on the rate of 10-year government bonds issued by the government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

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14 Other intangible assets

| | Consolidated financial statements | | | |
|---|-----------------------------------|--|------------------------------|----------------|
| | Software licences | Customer relationships (in thousand Baht) | Long-term service agreements | Total |
| Cost | | | | |
| At 1 January 2019 | 1,862 | 63 | 114,405 | 116,330 |
| Additions | 55 | - | - | 55 |
| Effect of movements in exchange rates | (2) | - | - | (2) |
| At 31 December 2019 and 1 January 2020 | 1,915 | 63 | 114,405 | 116,383 |
| Disposal | (267) | - | (1,821) | (2,088) |
| At 31 December 2020 | 1,648 | 63 | 112,584 | 114,295 |
| Amortisation | | | | |
| At 1 January 2019 | 545 | 5 | 2,580 | 3,130 |
| Amortisation for the year | 307 | 11 | 5,351 | 5,669 |
| At 31 December 2019 and 1 January 2020 | 852 | 16 | 7,931 | 8,799 |
| Amortisation for the year | 276 | 11 | 4,073 | 4,360 |
| Disposal | (259) | - | (1,821) | (2,080) |
| At 31 December 2020 | 869 | 27 | 10,183 | 11,079 |
| Net book value | | | | |
| At 31 December 2019 | 1,063 | 47 | 106,474 | 107,584 |
| At 31 December 2020 | 779 | 36 | 102,401 | 103,216 |

The amortisation of long-term service agreements is recognised as administrative expenses and the amortisation of other intangible assets is included in cost of rendering of services and administrative expenses.

| | Separate financial statements |
|---|---|
| | Software licences (in thousand Baht) |
| Cost | |
| At 1 January 2019 | 895 |
| At 31 December 2019 and 1 January 2020 | 895 |
| At 31 December 2020 | 895 |
| Amortisation | |
| At 1 January 2019 | 226 |
| Amortisation for the year | 87 |
| At 31 December 2019 and 1 January 2020 | 313 |
| Amortisation for the year | 87 |
| At 31 December 2020 | 400 |
| Net book value | |
| At 31 December 2019 | 582 |
| At 31 December 2020 | 495 |

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

15 Interest-bearing liabilities

| | Consolidated financial statements | | | | | |
|--|-----------------------------------|-------------------|-----------------------------|------------------|-------------------|------------------|
| | Secured | 2020 Unsecured | Total (in thousand Baht) | Secured | 2019 Unsecured | Total |
| Long-term loans from financial institutions | 4,169,634 | - | 4,169,634 | 4,765,549 | - | 4,765,549 |
| Lease liabilities (2019: Finance lease liabilities) | 106,038 | - | 106,038 | 288,775 | - | 288,775 |
| Total interest-bearing liabilities | 4,275,672 | - | 4,275,672 | 5,054,324 | - | 5,054,324 |

| | Separate financial statements | | | | | |
|--|-------------------------------|-------------------|-----------------------------|------------------|-------------------|------------------|
| | Secured | 2020 Unsecured | Total (in thousand Baht) | Secured | 2019 Unsecured | Total |
| Long-term loans from financial institutions | 2,219,796 | - | 2,219,796 | 2,300,479 | - | 2,300,479 |
| Lease liabilities (2019: Finance lease liabilities) | 8,200 | - | 8,200 | 188,434 | - | 188,434 |
| Total interest-bearing liabilities | 2,227,996 | - | 2,227,996 | 2,488,913 | - | 2,488,913 |

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

| Assets pledged as security for liabilities as at 31 December | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|--------------------------------------|------------------|----------------------------------|------------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | (in thousand Baht) | | | |
| Cash at banks | | 392 | 937 | 219 | 166 |
| Property, plant and vessels | 12 | 6,895,696 | 7,543,951 | 2,657,535 | 2,529,021 |
| Total | | 6,896,088 | 7,544,888 | 2,657,754 | 2,529,187 |

Restricted deposits at financial institutions

As at 31 December 2020, The Group and the Company had Baht 0.39 million and Baht 0.22 million, respectively (2019: Baht 0.94 million and Baht 0.17 million, respectively) restricted deposit at a financial institution was pledged against long-term loans with financial institutions by the Company and subsidiary. The restricted deposit must be maintained as a collateral for the long-term borrowings during the facility period.

As at 31 December 2020, the Group and the Company had unutilised credit facilities totalling Baht 910 million and Baht 580 million, respectively (2019: Baht 875 million and Baht 540 million, respectively).

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

| | Consolidated financial statements | | | Separate financial statements | | |
|----------------------------------|-----------------------------------|---------------|---|-------------------------------|---------------|---|
| | Minimum lease payments | Interest | Present value of minimum lease payments (in thousand Baht) | Minimum lease payments | Interest | Present value of minimum lease payments |
| Finance lease liabilities | | | | | | |
| At 31 December 2019 | | | | | | |
| Within one year | 92,980 | 14,681 | 78,299 | 62,662 | 9,464 | 53,198 |
| 1 - 5 years | 224,858 | 14,382 | 210,476 | 144,285 | 9,049 | 135,236 |
| Total | 317,838 | 29,063 | 288,775 | 206,947 | 18,513 | 188,434 |

Changes in liabilities arising from financing activities

| | Consolidated financial statements | | | |
|---|-----------------------------------|--|--|------------------|
| | Short-term loans | Long-term loans | Lease liabilities (2019: Finance lease liabilities) (in thousand Baht) | Total |
| 2020 | | | | |
| At 1 January | - | 4,765,549 | 288,775 | 5,054,324 |
| Changes from financing cash flows | - | (615,891) | (226,443) | (842,334) |
| Effect of changes in foreign exchange rates | - | 18,461 | 13,865 | 32,326 |
| Other changes of non-cash transaction | - | 1,515 | 29,841 | 31,356 |
| At 31 December | - | 4,169,634 | 106,038 | 4,275,672 |
| 2019 | | | | |
| At 1 January | 25,000 | 2,929,218 | 356,207 | 3,310,425 |
| Changes from financing cash flows | (25,000) | 1,980,684 | (75,724) | 1,879,960 |
| Effect of changes in foreign exchange rates | - | (145,807) | 81 | (145,726) |
| Other changes of non-cash transaction | - | 1,454 | 8,211 | 9,665 |
| At 31 December | - | 4,765,549 | 288,775 | 5,054,324 |
| | Separate financial statements | | | Total |
| | Long-term loans | Finance lease liabilities (2019: Finance lease liabilities) (in thousand Baht) | | |
| 2020 | | | | |
| At 1 January | 2,300,479 | 188,434 | | 2,488,913 |
| Changes from financing cash flows | (87,018) | (187,743) | | (274,761) |
| Effect of changes in foreign exchange rates | 4,653 | - | | 4,653 |
| Other changes of non-cash transaction | 1,682 | 7,509 | | 9,191 |
| At 31 December | 2,219,796 | 8,200 | | 2,227,996 |

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

| | Separate financial statements | | |
|---|-------------------------------|---|------------------|
| | Long-term loans | Lease liabilities (2019: Finance lease liabilities) (in thousand Baht) | Total |
| 2019 | | | |
| At 1 January | 321,550 | 236,504 | 558,054 |
| Changes from financing cash flows | 2,043,024 | (49,879) | 1,993,145 |
| Effect of changes in foreign exchange rates | (65,549) | - | (65,549) |
| Other changes of non-cash transaction | 1,454 | 1,809 | 3,263 |
| At 31 December | 2,300,479 | 188,434 | 2,488,913 |

Long-term loans from financial institutions

As at 31 December 2020, the Group has long-term loans from local financial institutions denominated in Baht and US dollars as follows:

- Loans for the purchases and constructions of vessels are granted by local financial institutions denominated in US dollars with a total outstanding balance of US dollars 51.75 million as at 31 December 2020 (31 December 2019: US dollars 70.15 million) with repayment terms within 1-4 years. The principal is repayable every 3 months. Fixed interest rate and the loans bear interest LIBOR+2.125% to LIBOR+3.50% per annum and FIX IRS 4.8%. These loans are currently secured by 5 vessels, assignment of insurance for the collateral vessels, pledge over bank accounts, and a corporate guarantee by the Company.
- Loans for the purchases, constructions of vessels and building of the Company's building are granted by local financial institutions denominated in Baht with a total outstanding balance of Baht 1,833.46 million as at 31 December 2020 (31 December 2019: Baht 1,673.50 million) with repayment terms within 1-7 years. The principal is repayable every 1-3 months. The interest rates are MLR-1.50% to MLR-1.80% per annum, the fixed interest rate of 3.20% to 4.60% per annum, Prime rate-1.25% to Prime rate-1.50% per annum, BIBOR+1.85% per annum and THBFIX+2.40% per annum. These loans are currently secured by 21 vessels, assignment of insurance for the collateral vessels, land, and building of the Company, pledge over bank accounts and insurance of the building, guaranteed by directors of a subsidiary.
- Loans for shares purchasing of a subsidiary is granted by a local financial institution denominated in Baht with a total outstanding balance of Baht 777.21 million as at 31 December 2020 (31 December 2019: Baht 971.40 million) with repayment terms within 4 years. The principal is repayable every 3 months. The interest is 3.5% per annum. These loans are currently secured by 3 vessels and shares of a subsidiary.

Due to the COVID-19 outbreak, a subsidiary as a borrower was granted a suspension of repayment of principal and interest from a financial institution on 5 May 2020, for the period from May to October 2020. The suspended amount will be paid in the last installment. As a result, loan amounting to Baht 38.43 million and accrued interest of Baht 4.71 million, were presented as non-current liabilities as at 31 December 2020.

As at 31 December 2019, a subsidiary as the borrower had breached certain loan covenants. During December 2019, the lenders have agreed not to demand payment as a consequence of the breach. As a result, the long-term portion of loans amounting to Baht 487 million was presented as non-current liabilities as at 31 December 2019.

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Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

16 Non-current provisions for employee benefits

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------|--------------------------------------|---------------|----------------------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Post-employment benefits | | | | |
| Defined benefit plan | 61,933 | 52,669 | 15,950 | 11,713 |
| Total | 61,933 | 52,669 | 15,950 | 11,713 |

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

| <i>Present value of the defined benefit obligations</i> | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------|----------------------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| At 1 January | 52,669 | 39,738 | 11,713 | 8,982 |
| Included in profit or loss: | | | | |
| Current service cost | 5,411 | 4,792 | 1,335 | 1,227 |
| Past service cost | 1,206 | 8,277 | 2,221 | 1,246 |
| Interest on obligation | 1,157 | 1,243 | 296 | 258 |
| | 7,774 | 14,312 | 3,852 | 2,731 |
| Included in other comprehensive income | | | | |
| Actuarial gain (loss) | | | | |
| - Financial assumptions | 5,929 | - | 1,746 | - |
| - Experience adjustment | (3,312) | - | (1,361) | - |
| | 2,617 | - | 385 | - |
| Benefit paid | (1,127) | (1,381) | - | - |
| | (1,127) | (1,381) | - | - |
| At 31 December | 61,933 | 52,669 | 15,950 | 11,713 |

| <i>Principal actuarial assumptions</i> | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|-------------|----------------------------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(%)</i> | | | |
| Discount rate | 0.36 - 2.82 | 1.74 - 4.21 | 0.36 - 2.82 | 1.76 - 4.16 |
| Future salary growth | 3.5 - 8.5 | 4.0 - 8.5 | 3.5 - 8.5 | 5.0 - 8.5 |
| Employee turnover | 0.0 - 16.0 | 0.0 - 16.0 | 0.0 - 15.0 | 0.0 - 15.0 |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 13.9 years (2019: 12.5 years).

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For the year ended 31 December 2020

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| <i>Effect to the defined benefit obligation At 31 December</i> | Consolidated financial statements | | | |
|--|--|---------------------------|--------------------------------|---------|
| | Increase in assumption 2020 | 2019 | Decrease in assumption 2020 | 2019 |
| | | <i>(in thousand Baht)</i> | | |
| Discount rate (1% change in assumption) | (5,488) | (4,255) | 6,255 | 4,974 |
| Future salary growth (1% change in assumption) | 6,499 | 5,390 | (5,607) | (4,691) |
| Employee turnover (20% change in assumption) | (4,596) | (2,370) | 5,785 | 3,118 |
| <i>Effect to the defined benefit obligation At 31 December</i> | Separate financial statements | | | |
| | Increase in assumption 2020 | 2019 | Decrease in assumption 2020 | 2019 |
| | | <i>(in thousand Baht)</i> | | |
| Discount rate (1% change in assumption) | (1,456) | (930) | 1,586 | 1,079 |
| Future salary growth (1% change in assumption) | 1,459 | 1,162 | (1,284) | (1,021) |
| Employee turnover (20% change in assumption) | (1,583) | (1,059) | 2,088 | 1,385 |

17 Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Difference of acquisitions from entities under common control

The difference of acquisitions from entities under common control, which is lower of the carrying amount of the acquired net assets than the consideration transferred is recognized as discount from business combinations under common control in shareholder's equity. The discount will be included in the consolidated financial statements until control ceases of the subsidiaries acquired.

During 2020, the Company disposed vessels acquired under business acquisitions under common control, resulting in the difference arising from common control transaction related to the vessels of Baht 101.02 million in the consolidated financial statements and Baht 100.80 million in the separate financial statements in shareholder's equity being transferred to retained earnings.

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

18 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

19 Segment information and disaggregation of revenue

Management determined that the Group has four reportable segments which are the Group's strategic divisions for different services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Sea transportation of petroleum and chemical products.
- *Segment 2* Storage of petroleum products.
- *Segment 3* Supporting exploration and production of offshore petroleum products by sending staff and exploration equipment from a place to another place and accommodation work barges.
- *Segment 4* Ship management, recruitment and transportation services for crews.

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. Revenue recognition - at over time for all operating segments.

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| | Segment 1 | | Segment 2 | | Separate financial statements | | | | Eliminate | | Net | |
|--|----------------|----------------|------------------|----------------|-------------------------------|----------------|----------|----------|-----------|----------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 | Segment 3 | Segment 4 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| <i>For the year ended 31 December</i> | | | | | | | | | | | | |
| <i>Information about reportable segments</i> | | | | | | | | | | | | |
| External revenue | 418,646 | 459,103 | - | - | 225,474 | 491,244 | - | - | - | - | 644,120 | 950,347 |
| Inter-segment revenue | - | - | 1,210,304 | 847,927 | - | - | - | - | - | - | 1,210,304 | 847,927 |
| Total revenue | 418,646 | 459,103 | 1,210,304 | 847,927 | 225,474 | 491,244 | - | - | - | - | 1,854,424 | 1,798,274 |
| <i>Disaggregation of revenue</i> | | | | | | | | | | | | |
| Thailand | 418,646 | 459,103 | - | - | 225,474 | 491,244 | - | - | - | - | 644,120 | 950,347 |
| Singapore | - | - | 1,210,304 | 847,927 | - | - | - | - | - | - | 1,210,304 | 847,927 |
| Total revenue | 418,646 | 459,103 | 1,210,304 | 847,927 | 225,474 | 491,244 | - | - | - | - | 1,854,424 | 1,798,274 |

(in thousand Baht)

Notes to the financial statements

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Reconciliations of reportable segment profit or loss, assets and liabilities and other material items

| | Consolidated financial statements | |
|---|--|-------------------|
| | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | |
| Profit or loss | | |
| Total profit before income tax for reportable segments | 2,167,088 | 1,469,051 |
| Unallocated amounts: | | |
| - Other income | 14,016 | 25,823 |
| - Other corporate expenses | (378,087) | (339,977) |
| - Share of profit of investments in an associate and joint ventures | 90,089 | 92,035 |
| Consolidated profit before income tax | 1,893,106 | 1,246,932 |
| Assets | | |
| Total assets for reportable segments | 9,688,673 | 10,285,063 |
| Investments in an associate and joint ventures | 672,902 | 644,908 |
| Other unallocated amounts | 3,281,312 | 2,133,023 |
| Consolidated total assets | 13,642,887 | 13,062,994 |
| Liabilities | | |
| Total liabilities for reportable segments | 3,389,474 | 3,969,468 |
| Other unallocated amounts | 1,929,534 | 1,813,683 |
| Consolidated total liabilities | 5,319,008 | 5,783,151 |

Major customers

Revenues from six customers of the Group's segment 1, 2 and 3 represents approximately Baht 3,945.60 million (2019: Baht 3,103.14 million) of the Group's total revenue.

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for marine transportation business. The Group has been granted several privileges including exemption and reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

| | Consolidated financial statements | | | | | |
|--------------------|--|------------------|---------------------------|------------------|------------------|------------------|
| | 2020 | | | 2019 | | |
| | Promoted | Non- | | Promoted | Non- | |
| <i>Year ended</i> | businesses | promoted | | businesses | promoted | |
| <i>31 December</i> | | businesses | Total | | businesses | Total |
| | | | <i>(in thousand Baht)</i> | | | |
| Oversea revenue | 1,974,010 | 4,598,853 | 6,572,863 | 1,542,289 | 3,327,015 | 4,869,304 |
| Local revenue | 1,288,806 | 1,596,592 | 2,885,398 | 1,538,301 | 1,772,246 | 3,310,547 |
| Eliminations | (2,213,805) | (1,318,704) | (3,532,509) | (1,750,027) | (1,083,162) | (2,833,189) |
| Total | 1,049,011 | 4,876,741 | 5,925,752 | 1,330,563 | 4,016,099 | 5,346,662 |

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

| <i>Year ended 31 December</i> | Separate financial statements | | | | | |
|-----------------------------------|--------------------------------|--|-----------------------------|--------------------------------|--|------------------|
| | 2020 Promoted businesses | 2020 Non- promoted businesses | Total (in thousand Baht) | 2019 Promoted businesses | 2019 Non- promoted businesses | Total |
| Oversea revenue | 1,210,304 | - | 1,210,304 | 847,927 | - | 847,927 |
| Local revenue | 13,429 | 630,691 | 644,120 | 254,879 | 695,468 | 950,347 |
| Total | 1,223,733 | 630,691 | 1,854,424 | 1,102,806 | 695,468 | 1,798,274 |

The Group applies the practical expedient not to disclose revenue expected to be recognised in the future related to performance obligations that are unsatisfied as at 31 December 2019 when it is initially expected that the contracts have original durations of one year or less.

20 Employee benefit expenses

| | <i>Note</i> | Consolidated financial statements | | Separate financial statements | |
|----------------------------|-------------|--------------------------------------|------------------|----------------------------------|----------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | (in thousand Baht) | | | |
| Wages, salaries and bonus | | 1,017,327 | 947,817 | 188,400 | 200,620 |
| Defined benefit plans | | 23,381 | 29,495 | 5,805 | 4,855 |
| Defined contribution plans | 16 | 7,774 | 14,312 | 3,852 | 2,731 |
| Others | | 21,574 | 76,144 | 13,343 | 16,005 |
| Total | | 1,070,056 | 1,067,768 | 211,400 | 224,211 |

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and by the Group at rates ranging from 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

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21 Expenses by nature

| | | Consolidated financial statements | | Separate financial statements | |
|--|--------|--------------------------------------|------------------|----------------------------------|------------------|
| | Note | 2020 | 2019 | 2020 | 2019 |
| | | <i>(in thousand Baht)</i> | | | |
| Employee benefit expenses | 20 | 1,070,056 | 1,067,768 | 211,400 | 224,211 |
| Charter hire | | 628,567 | 944,651 | 504,227 | 608,302 |
| Bunker consumption | | 797,374 | 835,560 | 8,091 | 2,131 |
| Depreciation and amortisation | 12, 14 | 734,967 | 639,928 | 271,587 | 211,372 |
| Management fees | | 366,726 | 300,683 | 630,111 | 512,813 |
| Maintenance fees | | 191,542 | 160,597 | 12,649 | 17,539 |
| Insurance of fixed assets | | 97,747 | 81,177 | 8,224 | 10,576 |
| Lease related expenses (2019: <i>Lease payments</i>) | | 4,663 | 6,639 | 1,867 | 4,051 |
| Loss on liquidation of subsidiary and joint venture | | - | 26,762 | - | 3,689 |
| Impairment loss recognised in profit or loss | | 49,454 | - | 49,454 | - |
| Others | | 11,795 | 22,769 | 437 | 1,641 |
| Total cost of service and administrative expenses | | 3,952,891 | 4,086,534 | 1,698,675 | 1,596,325 |

22 Income tax

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|----------------|----------------------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Income tax recognised in profit or loss | | | | |
| Current tax expense | | | | |
| Current year | 200,010 | 99,680 | - | - |
| Adjustment for prior years | 11,406 | 1,307 | 23 | - |
| | 211,416 | 100,987 | 23 | - |
| Deferred tax expense | | | | |
| Movements in temporary differences | (19,956) | 23,451 | (31,441) | 12,020 |
| Total | (19,956) | 23,451 | (31,441) | 12,020 |
| Total income tax expense (income) | 191,460 | 124,438 | (31,418) | 12,020 |

Notes to the financial statements

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For the year ended 31 December 2020

Income tax recognised in other comprehensive income

| | Consolidated financial statements | | | | | |
|-------------------------|-----------------------------------|------------------------|--|---------------|------------------------|---------------|
| | Before tax | 2020 Tax expense | Net of tax <i>(in thousand Baht)</i> | Before tax | 2019 Tax expense | Net of tax |
| Defined benefit plan | | | | | | |
| actuarial gains | 2,617 | (510) | 2,107 | - | - | - |
| Cash flow hedge reserve | 25,780 | (5,156) | 20,624 | - | - | - |
| Total | 28,397 | (5,666) | 22,731 | - | - | - |

| | Separate financial statements | | | | | |
|-------------------------|-------------------------------|------------------------|--|---------------|------------------------|---------------|
| | Before tax | 2020 Tax expense | Net of tax <i>(in thousand Baht)</i> | Before tax | 2019 Tax expense | Net of tax |
| Defined benefit plan | | | | | | |
| actuarial gains | 384 | (77) | 307 | - | - | - |
| Cash flow hedge reserve | 15,591 | (3,118) | 12,473 | - | - | - |
| Total | 15,975 | (3,195) | 12,780 | - | - | - |

Reconciliation of effective tax rate

| Consolidated financial statements | | | | |
|--|--------------|-------------------------------|-------------|-------------------------------|
| | Rate (%) | 2020 (in thousand Baht) | Rate (%) | 2019 (in thousand Baht) |
| Profit before income tax expense | | 1,893,106 | | 1,246,932 |
| Income tax using the Thai corporation tax rate | 20.00 | 378,621 | 20.00 | 249,386 |
| Effect of different tax rates in foreign jurisdictions | | (30,573) | | (13,320) |
| Difference in effective tax rate of investments in associates and joint ventures | | (18,171) | | (18,407) |
| Income not subject to tax | | (134,414) | | (84,309) |
| Taxable income | | 6,146 | | - |
| Expenses not deductible for tax purposes | | 1,570 | | 2,090 |
| Expenses with additional deduction for tax purpose | | (5,431) | | (12,004) |
| Recognition of previously unrecognised tax losses | | (17,713) | | (305) |
| Current year losses for which no deferred tax asset was recognized | | 19 | | - |
| Under provided in prior years | | 11,406 | | 1,307 |
| Total | 10.11 | 191,460 | 9.98 | 124,438 |

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| | Rate (%) | Separate financial statements | | Rate (%) | (in thousand Baht) |
|--|-------------|-------------------------------|-------------|-------------|-----------------------|
| | | 2020 | 2019 | | |
| Profit before income tax expense | | 1,091,086 | | | 622,299 |
| Income tax using the Thai corporation tax rate | 20.00 | 218,217 | 20.00 | | 124,460 |
| Income not subject to tax | | (238,465) | | | (106,511) |
| Taxable income | | 6,146 | | | - |
| Expenses not deductible for tax purposes | | 374 | | | 1,712 |
| Expenses with additional deduction for tax purpose | | - | | | (7,641) |
| Recognition of previously unrecognised tax losses | | (17,713) | | | - |
| Under provided in prior years | | 23 | | | - |
| Total | 2.88 | (31,418) | 1.93 | | 12,020 |

| Deferred tax At 31 December | Consolidated financial statements | | | |
|--|-----------------------------------|--------------------|-----------------|-----------------|
| | Assets | Liabilities | | |
| | 2020 | 2019 | 2020 | 2019 |
| | | (in thousand Baht) | | |
| Total | 68,182 | 60,941 | (81,882) | (97,928) |
| Set off of tax | (21,234) | (37,679) | 21,234 | 37,679 |
| Net deferred tax assets (liabilities) | 46,948 | 23,262 | (60,648) | (60,249) |

| | Separate financial statements | | | |
|--|-------------------------------|--------------------|----------|-----------------|
| | Assets | Liabilities | | |
| | 2020 | 2019 | 2020 | 2019 |
| | | (in thousand Baht) | | |
| Total | 19,292 | 17,416 | - | (35,281) |
| Set off of tax | - | (17,416) | - | 17,416 |
| Net deferred tax assets (liabilities) | 19,292 | - | - | (17,865) |

| | At 1 January 2020 | Consolidated financial statements (Charged) / credited to | | | At 31 December 2020 |
|---|-------------------------|---|--|---------------------------|---------------------------|
| | | Profit or loss | Other comprehensive income (in thousand Baht) | Component of Equity | |
| Deferred tax assets | | | | | |
| Property, plant, equipment and vessels | 45,577 | (3,426) | - | - | 42,151 |
| Other long-term investments | 4,855 | - | - | - | 4,855 |
| Derivatives | - | (252) | 5,156 | 2,388 | 7,292 |
| Tax losses carry forward | - | 1,548 | - | - | 1,548 |
| Non-current provisions for employee benefits | 10,509 | 1,317 | 510 | - | 12,336 |
| Total | 60,941 | (813) | 5,666 | 2,388 | 68,182 |

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

| | At 1 January 2020 | Consolidated financial statements (Charged) / credited to | | | At 31 December 2020 |
|--|-------------------------|---|--|---------------------------|---------------------------|
| | | Profit or loss | Other comprehensive income (in thousand Baht) | Component of Equity | |
| Deferred tax liabilities | | | | | |
| Property, plant, equipment and vessels | (77,281) | 17,595 | - | (4,723) | (64,409) |
| Other intangible assets | (20,647) | 3,174 | - | - | (17,473) |
| Total | (97,928) | 20,769 | - | (4,723) | (81,882) |
| Net | (36,987) | 19,956 | 5,666 | (2,335) | (13,700) |
| Separate financial statements (Charged) / credited to | | | | | |
| | At 1 January 2020 | Profit or loss | Other comprehensive income (in thousand Baht) | Component of Equity | At 31 December 2020 |
| Deferred tax assets | | | | | |
| Property, plant, equipment and vessels | 15,073 | (4,610) | - | - | 10,463 |
| Derivatives | - | - | 3,118 | 2,521 | 5,639 |
| Non-current provisions for employee benefits | 2,343 | 770 | 77 | - | 3,190 |
| Total | 17,416 | (3,840) | 3,195 | 2,521 | 19,292 |
| Deferred tax liabilities | | | | | |
| Property, plant, equipment and vessels | (35,281) | 35,281 | - | - | - |
| Total | (35,281) | 35,281 | - | - | - |
| Net | (17,865) | 31,441 | 3,195 | 2,521 | 19,292 |

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Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

| | Consolidated financial statements | | |
|--|-----------------------------------|--|---------------------------|
| | At 1 January 2019 | (Charged) / credited to Profit or loss (in thousand Baht) | At 31 December 2019 |
| Deferred tax assets | | | |
| Property, plant, equipment and vessels | 47,523 | (1,946) | 45,577 |
| Investment in joint venture | 10,577 | (10,577) | - |
| Other long-term investments | 4,855 | - | 4,855 |
| Non-current provisions for employee benefits | 7,935 | 2,574 | 10,509 |
| Total | 70,890 | (9,949) | 60,941 |
| Deferred tax liabilities | | | |
| Property, plant, equipment and vessels | (62,190) | (15,091) | (77,281) |
| Other intangible assets | (22,236) | 1,589 | (20,647) |
| Total | (84,426) | (13,502) | (97,928) |
| Net | (13,536) | (23,451) | (36,987) |
| Separate financial statements | | | |
| | At 1 January 2019 | (Charged) / credited to Profit or loss (in thousand Baht) | At 31 December 2019 |
| | | | |
| Deferred tax assets | | | |
| Property, plant, equipment and vessels | 19,683 | (4,610) | 15,073 |
| Investment in joint venture | 10,577 | (10,577) | - |
| Non-current provisions for employee benefits | 1,797 | 546 | 2,343 |
| Total | 32,057 | (14,641) | 17,416 |
| Deferred tax liabilities | | | |
| Property, plant, equipment and vessels | (37,902) | 2,621 | (35,281) |
| Total | (37,902) | 2,621 | (35,281) |
| Net | (5,845) | (12,020) | (17,865) |

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Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

23 Basic earnings per share

| | Consolidated financial statements | | Separate financial statements | |
|--|---|-------------------------|----------------------------------|-----------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht / thousand shares)</i> | | | |
| Profit attributable to ordinary shareholders of the Company (basic) | <u>1,533,057</u> | <u>1,023,385</u> | <u>1,122,504</u> | <u>610,279</u> |
| Number of ordinary shares outstanding during the year | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Basic earnings per share (in Baht) | <u>0.61</u> | <u>0.41</u> | <u>0.45</u> | <u>0.24</u> |

24 Dividend

The Company

The dividends paid by the Group to the shareholders are as follows:

| | Approval date | Payment schedule | Dividend rate per share (Baht) | Amount (in million Baht) |
|------------------|------------------|------------------|--------------------------------------|-----------------------------|
| 2020 | | | | |
| Annual dividend | 23 April 2020 | 21 May 2020 | <u>0.14</u> | <u>350.00</u> |
| Interim dividend | 12 November 2020 | 9 December 2020 | <u>0.07</u> | <u>175.00</u> |
| 2019 | | | | |
| Annual dividend | 19 April 2019 | 15 May 2019 | <u>0.14</u> | <u>350.00</u> |
| Interim dividend | 13 November 2019 | 12 December 2019 | <u>0.06</u> | <u>150.00</u> |

Notes to the financial statements

Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Subsidiaries

The shareholders of the Company have approved dividends as follows:

| | Approval date | Payment schedule | Dividend rate per share (Baht) | Amount (in million Baht) |
|--|------------------|------------------|--------------------------------------|-----------------------------|
| 2020 | | | | |
| Singha Tanker Company Limited | | | | |
| Annual dividend | 27 March 2020 | 24 April 2020 | 6.24 | 60.00 |
| Interim dividend | 13 November 2020 | 23 November 2020 | 8.33 | 100.00 |
| N.T.L Marine Company Limited | | | | |
| Annual dividend | 27 March 2020 | 24 April 2020 | 11.39 | 120.00 |
| Interim dividend | 13 November 2020 | 23 November 2020 | 5.00 | 60.00 |
| Nathalin Management Company Limited | | | | |
| Annual dividend | 27 March 2020 | 24 April 2020 | 235.29 | 20.00 |
| Interim dividend | 13 November 2020 | 23 November 2020 | 117.65 | 10.00 |
| Nathalin Shipping Pte. Ltd. | | | | |
| Annual dividend | 27 March 2020 | 27 April 2020 | 25.98 | 420.86 |
| Interim dividend | 9 November 2020 | 9 November 2020 | 12.89 | 386.87 |

25 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Prima Marine Public Company Limited and its Subsidiaries

| | Consolidated financial statements | | | | | | |
|--------------------------------------|--|---|-----------------------------|---------|-------------|----------|-------------|
| | Carrying amount | | Fair value | | | | |
| | Financial instrument measured at FVTPL | Financial instrument measured at amortised cost | Total (in thousand Baht) | Level 1 | Level 2 | Level 3 | Total |
| At 31 December 2020 | | | | | | | |
| Financial liabilities | | | | | | | |
| Loans from financial institutions | - | (4,169,634) | (4,169,634) | - | (4,169,799) | - | (4,169,799) |
| Interest rate swaps used for hedging | (36,456) | - | (36,456) | - | (36,456) | - | (36,456) |
| Contingent consideration | - | (63,041) | (63,041) | - | - | (63,041) | (63,041) |
| Total financial liabilities | (36,456) | (4,169,634) | (4,269,131) | | | | |

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Prima Marine Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------------------------|----------------------------------|-------------|
| | Carrying amount | Fair value (in thousand Baht) | Carrying amount | Fair value |
| 31 December 2019 | | | | |
| Financial asset and financial liability not measured at fair value | | | | |
| Interest rate swap agreements | - | (10,677) | - | (12,603) |
| Forward foreign exchange contracts | - | (1,263) | - | - |
| Current portion of long-term loans to related party | 87,953 | 88,010 | - | - |
| Long-term loans from financial institutions | (4,765,549) | (4,698,313) | (2,219,796) | (2,275,688) |

Financial instruments measured at fair value

| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|--------------------------|---|--|--|
| Contingent consideration | <i>Discounted cash flows:</i> The valuation model considers the expected payment is determined by considering the possible scenarios of EBITDA, the amount to be paid under each scenario and the probability of each scenario. | Forecast EBITDA margin (31 December 2020: 39.70%). | The estimated fair value would increase (decrease) if: The EBITDA margin were higher (lower). |

| Type | Valuation technique |
|---------------------|--|
| Interest rate swaps | <i>Swap models:</i> The fair value is calculated as the present value of estimated future cash flows. Estimated of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices. |

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Prima Marine Public Company Limited and its Subsidiaries

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Financial instruments not measured at fair value

| Type | Valuation technique |
|---|------------------------|
| Debt securities and other financial liabilities | Discounted cash flows. |

Reconciliation of Level 3 fair values

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| Contingent consideration | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| At 1 January | 63,041 | 140,000 | 63,041 | 140,000 |
| Payments | - | (76,959) | - | (76,959) |
| At 31 December | <u>63,041</u> | <u>63,041</u> | <u>63,041</u> | <u>63,041</u> |

Sensitivity analysis

For the fair values of contingent consideration at fair value, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|-----------------------------------|---------------------------|-------------------------------|---------------------------|
| <i>Contingent consideration</i> | 1% increase in assumption | 1% decrease in assumption | 1% increase in assumption | 1% decrease in assumption |
| <i>Effect to profit or loss</i> | | | | |
| | <i>(in thousand Baht)</i> | | | |
| 31 December 2020 | | | | |
| EBITDA growth rate | (10,500) | 10,500 | (10,500) | 10,500 |
| 31 December 2019 | | | | |
| EBITDA growth rate | (10,500) | 10,500 | (10,500) | 10,500 |

(b) Financial risk management policies

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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Prima Marine Public Company Limited and its Subsidiaries

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The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

The Group has no significant concentrations of credit risk. The Group has appropriate policies in order to ensure that services are provided to customers who has an appropriate credit history. The Group manages this risk by having an appropriate credit control policy and procedure. The Group therefore does not anticipate material losses from credit risk.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

| | Consolidated financial statements | |
|---|-----------------------------------|-----------------------|
| | Trade accounts receivables | Total carrying amount |
| At 31 December 2020 | (in thousand Baht) | |
| Within credit terms | 249,122 | 249,122 |
| Overdue: | | |
| 1-30 days | 28,984 | 28,984 |
| Total | 278,106 | 278,106 |
| Less allowance for expected credit loss | - | - |
| Net | 278,106 | 278,106 |

| | Separate financial statements | |
|---|-------------------------------|-----------------------|
| | Trade accounts receivables | Total carrying amount |
| At 31 December 2020 | (in thousand Baht) | |
| Within credit terms | 42,345 | 42,345 |
| Overdue: | | |
| 1-30 days | 4,399 | 4,399 |
| Total | 46,744 | 46,744 |
| Less allowance for expected credit loss | - | - |
| Net | 46,744 | 46,744 |

| | Consolidated financial statements | Separate financial statements |
|--------------------------------------|-----------------------------------|-------------------------------|
| | (in thousand Baht) | |
| Trade accounts receivables | | |
| At 31 December 2019 | | |
| Within credit terms | 341,189 | 86,116 |
| Overdue: | | |
| Less than 3 months | 56,257 | - |
| 3-6 months | 19 | - |
| | 397,465 | 86,116 |
| Less allowance for doubtful accounts | - | - |
| Net | 397,465 | 86,116 |

The normal credit term granted by the Group ranges from 30 days to 60 days.

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(b.1.1) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks for which the Group considers to have low credit risk.

(b.1.2) Guarantees

The Company's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2020, the Company has issued a guarantee to certain banks in respect of loans from financial institutions granted to subsidiaries (see note 15).

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

| Consolidated financial statements | | | | | |
|---|------------------|------------------|---------------------------|--------------------|--------------------|
| | | | Contractual cash flows | | |
| | Carrying | | Within 1 | | |
| <i>At 31 December 2020</i> | amount | At Call | year | 1 – 5 years | Total |
| | | | <i>(in thousand Baht)</i> | | |
| <i>Non-derivative financial liabilities</i> | | | | | |
| Trade payables | 258,026 | (258,026) | - | - | (258,026) |
| Contingent consideration | 63,041 | - | (63,041) | - | (63,041) |
| Loans from financial institutions | 4,169,634 | - | (1,171,937) | (2,997,697) | (4,169,634) |
| Lease liabilities | 106,038 | - | (46,014) | (67,066) | (113,080) |
| | <u>4,596,739</u> | <u>(258,026)</u> | <u>(1,280,992)</u> | <u>(3,064,763)</u> | <u>(4,603,781)</u> |
| <i>Derivative financial liabilities</i> | | | | | |
| Interest rate swaps | | | | | |
| - Cash outflow | <u>36,456</u> | <u>-</u> | <u>(16,592)</u> | <u>(20,030)</u> | <u>(36,622)</u> |
| Separate financial statements | | | | | |
| | | | Contractual cash flows | | |
| | Carrying | | Within 1 | | |
| <i>At 31 December 2020</i> | amount | At Call | year | 1 – 5 years | Total |
| | | | <i>(in thousand Baht)</i> | | |
| <i>Non-derivative financial liabilities</i> | | | | | |
| Trade payables | 59,421 | (59,421) | - | - | (59,421) |
| Contingent consideration | 63,041 | - | (63,041) | - | (63,041) |
| Loans from financial institutions | 2,219,796 | - | (513,292) | (1,706,504) | (2,219,796) |
| Lease liabilities | 8,200 | - | (2,087) | (7,720) | (9,807) |
| | <u>2,350,458</u> | <u>(59,421)</u> | <u>(578,420)</u> | <u>(1,714,224)</u> | <u>(2,352,065)</u> |

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| At 31 December 2020 | Separate financial statements | | | | |
|---|-------------------------------|---------|------------------------|-------------|----------|
| | Carrying amount | At Call | Contractual cash flows | | Total |
| | | | Within 1 | | |
| | | | year | 1 – 5 years | |
| | | | (in thousand Baht) | | |
| Derivative financial liabilities | | | | | |
| Interest rate swaps | | | | | |
| - Cash outflow | 28,194 | - | (10,951) | (17,653) | (28,604) |

The cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled.

(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases, sales and loans from financial institutions which are denominated in foreign currencies.

| At 31 December 2020 | SGD | Consolidated financial statements | | | Total |
|---|-----------------|-----------------------------------|-----------------|--------------|--------------------|
| | | USD | RM | JPY | |
| | | (in thousand Baht) | | | |
| Trade accounts receivables | - | 3,098 | - | - | 3,098 |
| Interest-bearing liabilities | (3,751) | (1,074,743) | - | - | (1,078,494) |
| Trade payables | <u>(10,471)</u> | <u>(19,484)</u> | <u>(12,919)</u> | <u>(947)</u> | <u>(43,821)</u> |
| Net statement of financial position exposure | <u>(14,222)</u> | <u>(1,091,129)</u> | <u>(12,919)</u> | <u>(947)</u> | <u>(1,119,217)</u> |
| Net exposure | <u>(14,222)</u> | <u>(1,091,129)</u> | <u>(12,919)</u> | <u>(947)</u> | <u>(1,119,217)</u> |

| At 31 December 2020 | Separate financial statements | | |
|---|-------------------------------|-------------|------------------|
| | USD | SGD | Total |
| | (in thousand Baht) | | |
| Trade accounts receivables | 84,026 | - | 84,026 |
| Interest-bearing liabilities | (1,074,743) | - | (1,074,743) |
| Trade payables | <u>(5,445)</u> | <u>(82)</u> | <u>(5,527)</u> |
| Net statement of financial position exposure | <u>(996,162)</u> | <u>(82)</u> | <u>(996,244)</u> |
| Net exposure | <u>(996,162)</u> | <u>(82)</u> | <u>(996,244)</u> |

Sensitivity analysis

A reasonably possible strengthening (weakening) of foreign currencies against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

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| <i>At 31 December 2020</i> | Movement (%) | Consolidated financial statements | | Separate financial statements | |
|----------------------------|-----------------|-----------------------------------|--|-------------------------------|-----------|
| | | Profit or loss | | Profit or loss | |
| | | Strengthening | Weakening <i>(in thousand Baht)</i> | Strengthening | Weakening |
| USD | 3.55 | (72,151) | 72,151 | (65,871) | 65,871 |
| SGD | 1.88 | (6,050) | 6,050 | (35) | 35 |
| MYR | 2.22 | (2,128) | 2,128 | - | - |
| JPY | 5.97 | (697) | 697 | - | - |

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly variable. The Group is primarily exposed to interest rate risk from its borrowings (see note 15). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivatives, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific borrowings.

Exposure to interest rate risk at 31 December

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------------|-------------------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Financial instruments with fixed interest rates</i> | | | | |
| Financial assets | 608 | - | 608 | - |
| Financial liabilities | (3,037,990) | (3,143,947) | (1,645,897) | (1,563,152) |
| | (3,037,382) | (3,143,947) | (1,645,289) | (1,563,152) |
| <i>Financial instruments with variable interest rates</i> | | | | |
| Financial assets | 1,241,683 | 556,481 | 801,383 | 346,442 |
| Financial liabilities | (1,131,644) | (1,621,602) | (573,900) | (737,327) |
| | 110,039 | (1,065,121) | 227,483 | (390,885) |
| Interest rate swaps | 1,059,304 | 1,531,742 | 573,900 | 737,327 |
| | 1,169,343 | 466,621 | 801,383 | 346,442 |

Interest rate swap contract

As at 31 December 2020, the Group has interest rate swap agreements for long-term loans amounted of USD 34.53 million swapping a floating interest rate of LIBOR+2.125% to LIBOR+3.25% per annum, to a fixed interest rate of 4.35% to 4.56% per annum, with settlement monthly and quarterly starting in 2016 to 2024.

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Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1 % in interest rates at the reporting date would have increase (decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------------------|--------------------------------------|---------------------------------|
| | Profit or (loss) | | Profit or (loss) | |
| | 1% increase in interest rate | 1% decrease in interest rate | 1% increase in interest rate | 1% decrease in interest rate |
| At 31 December 2020 | | | | |
| | <i>(in thousand Baht)</i> | | | |
| Financial instruments with variable interest rate | 1,100 | (1,100) | 2,275 | (2,275) |

26 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

27 Commitments with non-related parties

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--------------------------------------|----------------|
| | 2020 | 2019 | 2020 | 20189 |
| | <i>(in thousand Baht)</i> | | | |
| Capital commitments | | | | |
| <i>Contracted but not provided for:</i> | | | | |
| Vessels | - | 165,306 | - | - |
| Total | - | 165,306 | - | - |
| Future minimum lease payments under non-cancellable operating leases | | | | |
| Within one year | 586 | 847 | 336 | 149 |
| After one year but within five years | 232 | 122 | 87 | - |
| Total | 818 | 969 | 423 | 149 |
| Other commitments | | | | |
| Bank guarantees | 3,262,070 | 135,355 | 35,190 | 106,605 |
| Total | 3,262,070 | 135,355 | 35,190 | 106,605 |

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Bank guarantees

On 10 September 2020, a commercial bank issued letters of guarantee to a subsidiary and other two joint operators totalling Baht 3,198.00 million as collaterals for construction contract and advance payment to the Port Authority of Thailand for the construction project described in note 9.

As at 31 December 2020, commercial banks issued letters of guarantee to the Group totalling Baht 64.07 million as collaterals for marine transportation service, expense from service rendering and in respect of staff recruitment to the Department of Labour and other parties.

Share Sale and Purchase Agreements

On 22 December 2020, the Board of Directors has passed the resolution to approve that Phurich Marine Company Limited, a 99.99% owned subsidiary of the Company, entered into the Share Purchase Agreement with Thai Oil Public Company Limited for acquiring all ordinary shares of Thailoil Marine Company Limited at the preliminary purchase price of Baht 346.50 million.

On 14 December 2020, the Company entered into the Share Sale and Purchase Agreement with Big Sea Company Limited for acquiring 72,000 shares as specified in the agreement, bringing the Company's total interest in Big Sea Company Limited to 100%.

28 Events after the reporting period

On 13 January 2021, the Company acquired 55,368 ordinary shares of Big Sea Co., Ltd., totalling Baht 200.00 million according to the Share Sale and Purchase Agreement and made a payment for those shares in January 2021 resulting in an increase of its ownership interest from 80% to 95.38%.

On 8 February 2021, the Board of Directors approved to set up a new subsidiary, Protea Investments Group Limited. The subsidiary has initial authorised share of 10,000 shares with a par value of USD 1 per share or Baht 29.86, totalling USD 10,000 or Baht 298,686.

At the Board of Director's meeting of the Company held on 25 February 2021, the directors approved to propose the appropriation of dividends from annual net profit for the year 2020 of Baht 0.25 per share, amounting to Baht 625 million. The interim dividend of Baht 175 million was paid to the shareholders on 9 December 2020. The remaining dividend of Baht 450 million will be paid to the shareholders on 20 May 2021. The dividend payment is subject to the shareholders' meeting for approval.

Definition

Otherwise specified in this document, the following words have meanings as per below.

| | | | | | |
|-------------------------|-------|---|-----------------------|-------|---|
| The Company | means | Prima Marine Public Company Limited | AWB | means | Accommodation Work Barge for oil drilling rig staffs |
| The Company Group | means | Prima Marine Public Company Limited, its subsidiaries, associates and joint venture company | AHTs Vessel | means | Anchor Handling Tugs Vessel |
| NTL | means | N.T.L. Marine Company Limited | Double Hull Vessel | means | Vessel that has double layers of hull |
| TMT | means | Thaimarine Tanker Company Limited | Single Hull Vessel | means | Vessel that has single layer of hull |
| PM | means | Phurich Marine Company Limited | Medium Range (MR) | means | Tanker in the size between 25,000 - 45,000 DWT |
| PIG | means | Protea Investments Group Limited | Aframax | means | Tanker in the size between 80,000 - 120,000 DWT |
| NMC | means | Nathalin Management Company Limited | VLCC | means | Very Large Crude Carrier in size of 160,000 - 320,000 Deadweight Tonnage |
| NSSG | means | Nathalin Shipping Pte Ltd. | Cargo | means | Crude oil, refined oil product, and Liquefied Petroleum Gas |
| AAM | means | Amity Assey Management Inc. | Seaman | means | All staffs who operate on board |
| BSC | means | BSC Management Seafarer Recruitment Company Limited | SPOT Storage Contract | means | Cargo storage contract under Spot Charter |
| Big Sea | means | Big Sea Company Limited | TC Storage Contract | means | Cargo storage contract under Time Charter |
| SHT | means | Singha Tankers Company Limited | VOYAGE Shipment | means | Shipment under Voyage Charter |
| BMS | means | Bongkot Marine Services Company Limited | SPOT Shipment | means | Shipment under Spot Charter |
| TNTL | means | TOP-NTL Pte. Ltd. | TC Shipment | means | Shipment under Time Charter |
| TST | means | TOP-NTL Shipping Trust | COA Shipment | means | Shipment under Contract of Af freightment for continual shipment service |
| TNS | means | TOP Nautical Star Company Limited | Bareboat | means | Shipment under Bareboat |
| TIM | means | T.I.M. Ship Management Company Limited | NBTC | means | Office of the National Broadcasting and Telecommunication Commission |
| TMN | means | TMN Company Limited | IMO | means | International Maritime Organization |
| Nathalin | means | Nathalin Company Limited | MARPOL | means | The International Convention for the Prevention of Pollution from Ships, MARPOL |
| Trading Business | means | Oil and Petrochemical Tanker Business | MLC | means | Maritime Labour Convention |
| FSU Business | means | Floating Storage Unit ("FSU") Business | OCIMF | means | Oil Companies International Marine Forum |
| Offshore Business | means | Offshore Support Vessel Business | STS Transfer | means | Ship-to-Ship Transfer |
| SM Business | means | Ship Management Business | SIRE | means | Ship Inspection Report Program |
| DWT/ Deadweight Tonnage | means | is the unit used to define vessel load consisting of weight of cargo, weight of fuel, fresh water, passenger and preserved foodstuff (Deadweight Tonnage) | SOLAS | means | International Convention for Safety of Life at Sea |
| Tanker | means | Oil and Petrochemical Tanker | STC | means | Srithai Capital Company Limited |
| FSU Vessel | means | Floating Storage Unit Vessel for crude oil and refined oil product | STCW | means | Convention of Standard of Training, Certification and Watchkeeping for Seafarers (STCW) |
| FSO Vessel | means | Floating Storage and Offloading Vessel for petroleum exploration and production | | | |



PRIMA MARINE
PUBLIC COMPANY LIMITED

PRIMA MARINE PUBLIC COMPANY LIMITED

80 Soi Bangna-Trad 30, Debaratna Road,
Bangna Tai Sub-District, Bangna District, Bangkok 10260



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02-016-0199



www.primamarine.co.th