



# One Report 2021

PRIMA MARINE PUBLIC COMPANY LIMITED



Annual Registration / Annual Report for the year 2021  
(Form 56-1 One Report)



# LEADER

## SHIPS BUSINESS IN THAILAND

Revenue from rendering  
of services

**5,879.98**

Million Baht

Total vessel

**56** vessels

Net Profit

**1,526.54**

Million Baht



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# Financial Highlights

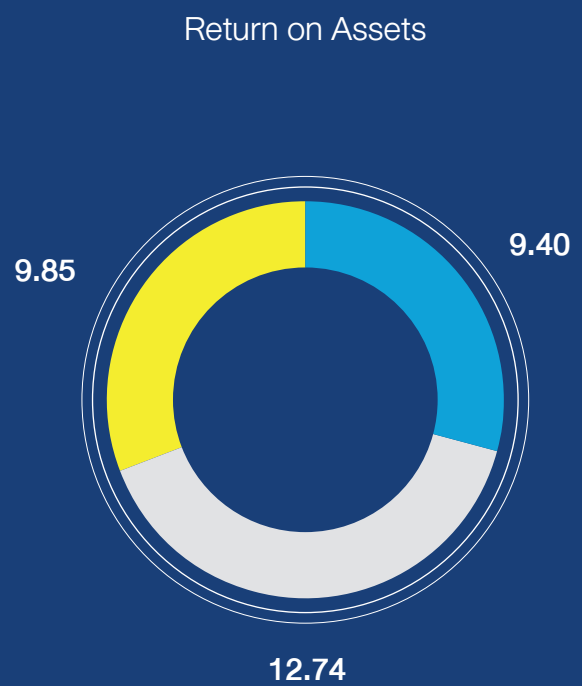
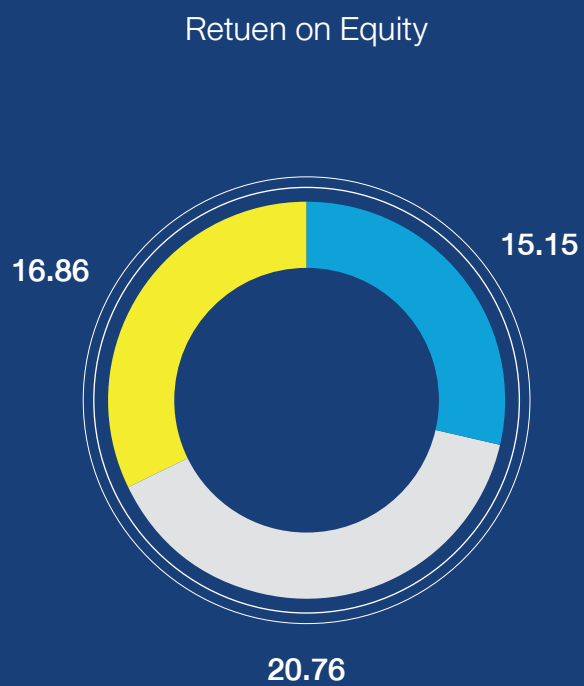
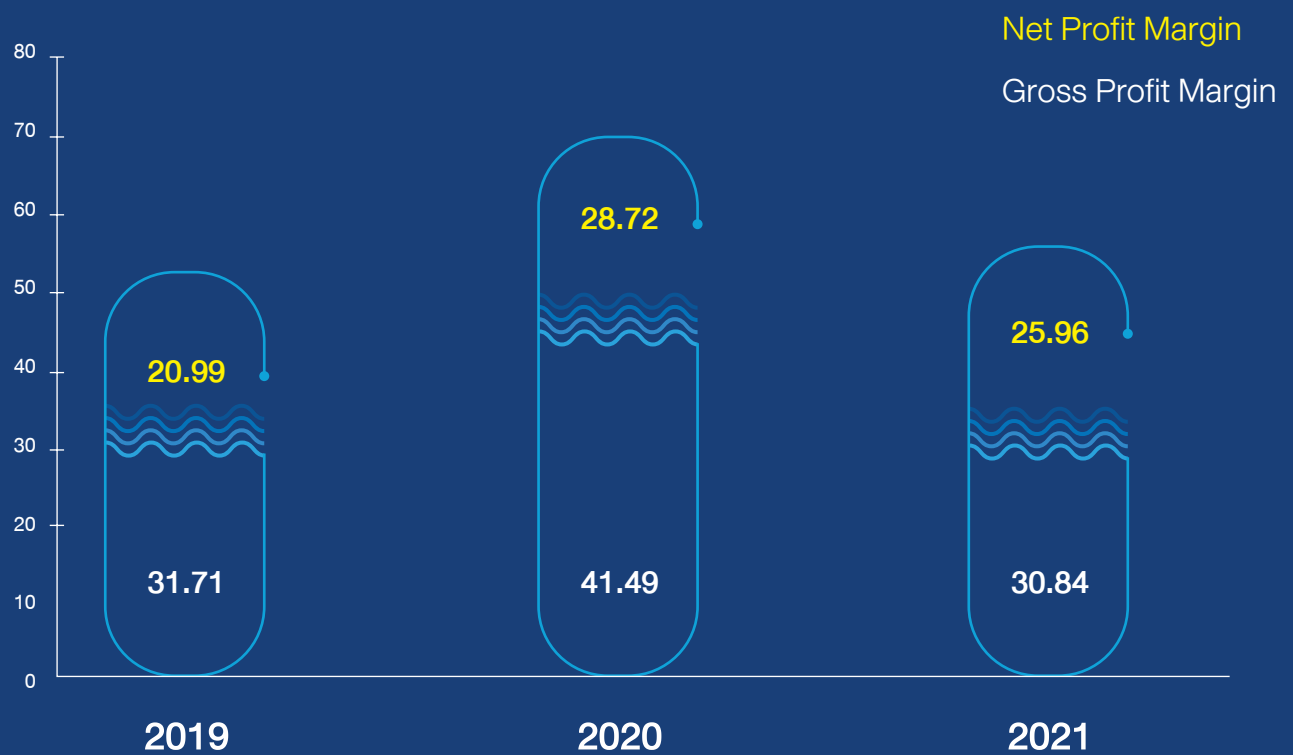
Statement of Comprehensive Income (Unit : Million Baht)	Separate Financial Statements			Consolidated Financial Statements		
	2019	2020	2021	2019	2020	2021
Revenue from rendering of services	1,798.27	1,854.42	1,336.15	5,346.66	5,925.75	5,879.98
Gross profit	430.28	437.17	220.65	1,695.49	2,458.38	1,813.42
EBITDA	921.86	1,475.91	1,519.95	2,097.82	2,842.21	2,862.03
Profit for the year	610.28	1,122.50	1,164.00	1,122.49	1,701.64	1,526.54
Basic earnings per share	0.24	0.45	0.47	0.41	0.61	0.56

Statement of Financial Position (Unit : Million Baht)	Separate Financial Statements			Consolidated Financial Statements		
	2019	2020	2021	2019	2020	2021
Total assets	8,892.26	9,175.89	11,276.88	13,063.00	13,642.88	17,348.97
Total liabilities	2,731.58	2,440.57	4,015.67	5,783.16	5,319.01	8,238.95
Total equity	6,160.68	6,735.32	7,261.21	7,279.84	8,323.87	9,110.02
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			งบการเงินรวม		
	2019	2020	2021	2019	2020	2021
Current Ratio (Times)	0.79	1.72	0.84	0.92	1.32	1.39
Gross Profit Margin (%)	23.93	23.57	16.51	31.71	41.49	30.84
Net Profit Margin (%)	33.94	60.53	87.12	20.99	28.72	25.96
Return on Assets (%)	7.75	12.43	11.38	9.40	12.74	9.85
Return on Equity (%)	10.00	17.41	16.63	15.15	20.76	16.86



## Financial Ratio

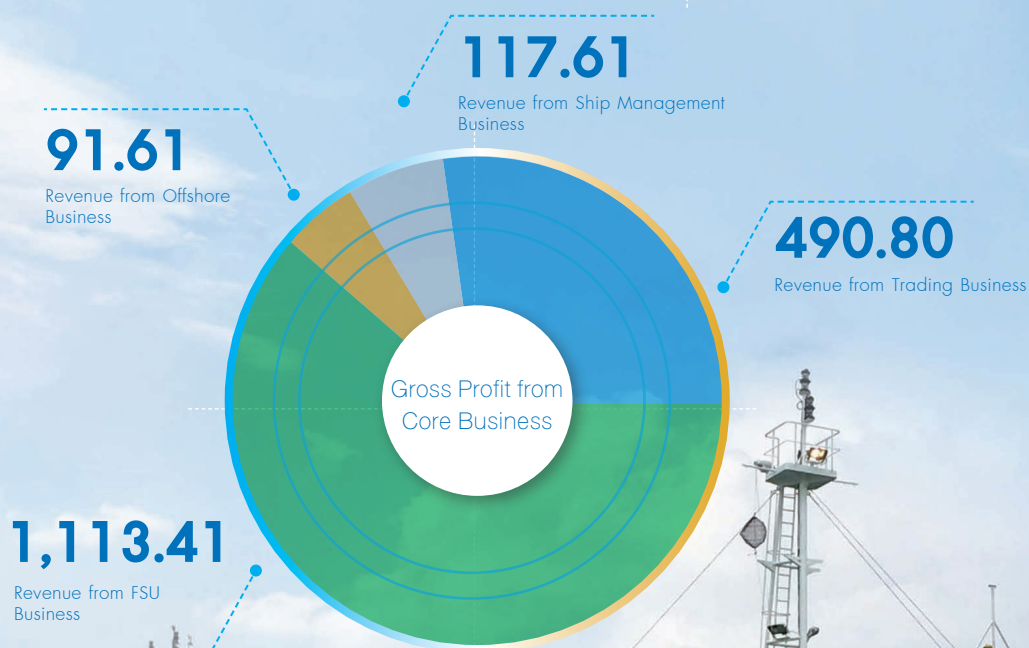
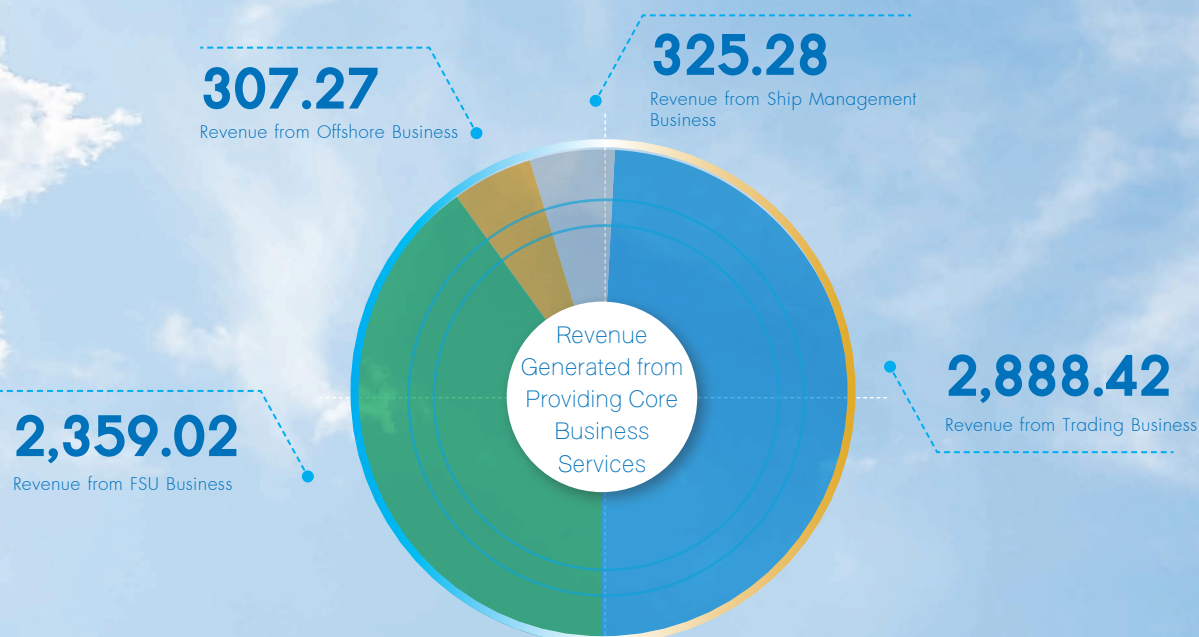


● 2019

● 2020

● 2021

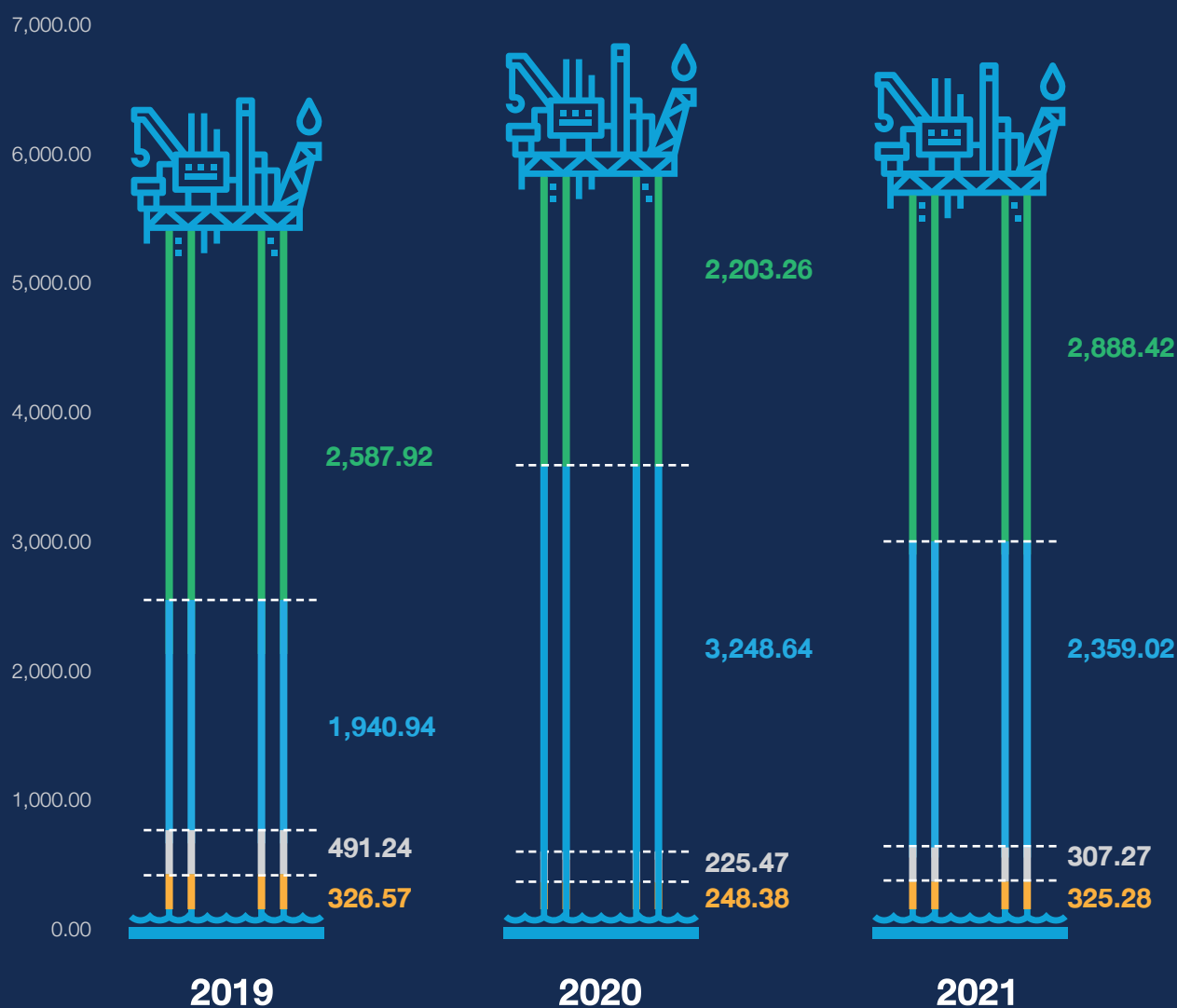
# Operating Results of the Company and its subsidiaries for the year 2021





## Revenue Generated from Providing Core Business Services During the Period of 2019 – 2021

(Unit : Million Baht)



■ Revenue from Trading Business

■ Revenue from FSU Business

■ Revenue from Offshore Business

■ Revenue from Ship Management Business

## Message from the Chairman



**Mr. Bowon Vongsinudom**  
Chairman of the Board of Directors



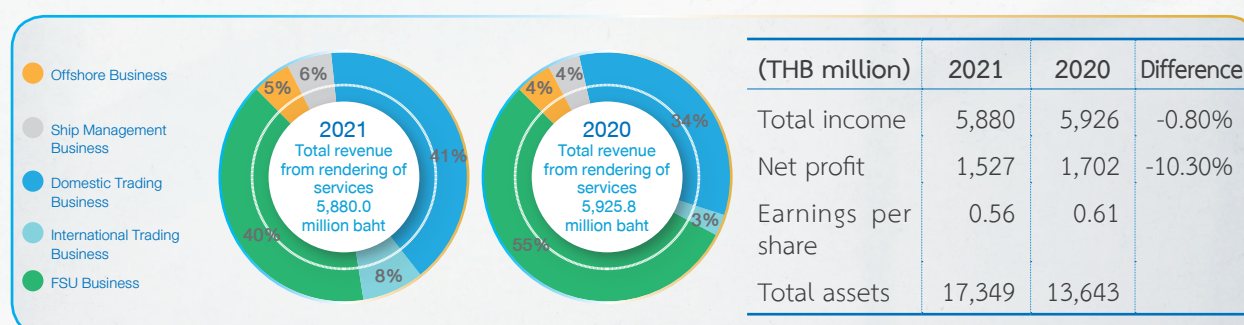
As we could see that 2021 was considered as the year of “adjusting the business for stable growth” of Prima Marine Public Company Limited. According to the analysis on the tendency of oil prices of the world market and the volatility of oil prices that may affect many businesses of the Company, and the business opportunities that may allow steadily growing under the rapid changes of market condition, it was found that the investment in expanding all its business groups, along with the “Synergizing” of the business group both in terms of expanding the procurement and management, will be able to reduce the impact that may arise from the volatility of any business and create stability in revenue generation and total return of the Company in long term.

Therefore, in April 2021, the Company acquired Truth Maritime Company Limited (formerly Thaioil Marine Company Limited), a subsidiary under the Group of Thai Oil Public Company Limited, providing services on marine transportation of petroleum products and crew for Thai Oil Group and PTT Group. The acquisition of Truth Maritime Company Limited not only enables the Company to expand the fleet of 5 petrochemical vessels and 13 crew boats, rather allowing the Company to entered into long-term contract in providing 3 VLCC international crude oil tankers to Thai Oil Public

Company Limited, the 1<sup>st</sup> tanker services was in May 2021, while the 2<sup>nd</sup> and 3<sup>rd</sup> vessels will be in service during the 2<sup>nd</sup> and 4<sup>th</sup> quarters of 2022, respectively.

The quick acquisition of Truth Maritime Co., Ltd. fits the situation where the petroleum exploration and production industry is in the expanding stage, the downsizing of the Floating Storage Unit (FSU) fleet during the declining market demand due to the rising oil price in the world market which hit the record, has resulted the Company to have higher revenue growth in 2021 from the offshore support vessel business, liquefied petroleum tanker business, international oil tanker business, and from selling some older FSU vessels, sufficient to completely replace the downturn in revenue due to the slowdown of FSU business.

Although the 2<sup>nd</sup> and 3<sup>rd</sup> waves of COVID-19 epidemic during 2021 have continued to affect the domestic refined oil tanker business due to the decreasing consumption of refined fuel and jet fuel, the recognition of revenue for the business expansion from the acquisition of Truth Maritime Company Limited is not the whole year (only 7 months), the Company’s overall operating results in 2021 are extremely satisfactory with following summary:



The Company has continued its management by adhering to the principles of Good Corporate Governance, transparency and verifiability, along with the restructuring of management and personnel development to support business expansion as mentioned above, all subsidiaries are also supervised to jointly develop the sustainability by conducting businesses in accordance with good governance principles with responsibility to all stakeholders, concerns on environment and society, and the anti-corruption is also strictly supported. In 2021, the Company was rated of 5 stars or “Excellent CG” on corporate governance and was certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC).

Regarding the personnel management under the COVID-19 situation, the Company has been responsible for its employees, and has measures for office staff to work from home and encouraged employees to learn via online channels in order to develop their skills, continuously learn,

and adapt themselves to cope with the changes at all times. In addition, the Company has provided all seafarers with vaccines and emphasized all employees to strictly follow the measures in preventing and controlling the outbreak.

The Company believes that a strong business structure with more balance and potential in continuously generating stable income, together with the management seriously focusing on sustainable development will be an important mechanism that enables the Company to continuously and stably grow, benefitting all shareholders and stakeholders in the long run. Taking this occasion, on behalf of the Board of Directors, I would like to express our appreciation to the management team and all employees for cooperation with determination and dedication of the best effort to enable the Company to overcome challenges many times, and would like to thank all shareholders and stakeholders, including all related parties in always entrusting, believing, and supporting the Company.



## The Board of Directors consists of 8 directors as follows:



**Mr. Bowon Vongsinudom**

Chairman and Independent Director /  
Member of the Audit Committee



**Admiral Nibhon Chagsudulya**

Vice Chairman / Chairman of the Nomination, Remuneration,  
Corporate Governance, and Sustainable Development Committee /  
Member of the Risk Management Committee



**Mr. Chainoi Puankosoom**

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



**Mr. Somchai Kuvijitsuwan**

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



**Mr. Surasak Chaiyen**

Director / Member of Nomination,  
Remuneration, Corporate Governance,  
and Sustainable Development Committee /  
Member of the Board of Executives



**Ms. Neeracha Panboonhom**

Director



## Management Team

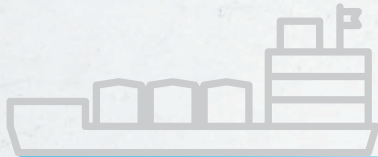
The Company's management team as defined by Notification of the Securities and Exchange Commission, consists of the following 6 executives:



**Mr. Prompong Chaisrisawatsuk**  
Chief Executive Officer



**Ms. Suthasinee Muenlamay**  
Vice President of Commercial  
and Investment



**Ms. Nipat Eamsiriwat**  
Commercial Director



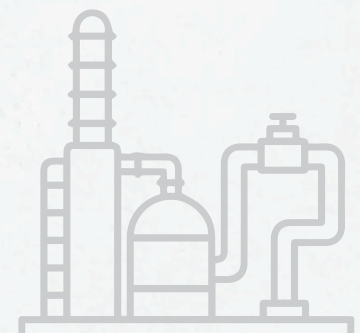
**Mr. Anantachai Auttama**  
Ship Management Business Director

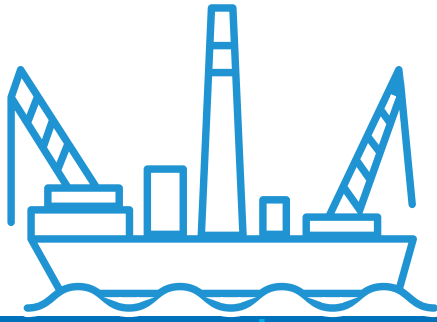


**Mr. Pakasit Kamsang**  
Technical Director



**Mr. Viritphol Churaisin**  
Chief Financial Officer









# Part 1

## Business Operation and Operating Results

# 1. Organizational Structure and Operation of the Company Group

## 1.1 Policy and Business Overview

### 1.1.1 Background and Business Overview

In 1987, Nathalin Company Limited (“Nathalin”) was established with a registered capital of 1,000,000 baht to operate oil tanker business with two 1,000-DWT tankers to transport refined petroleum products of the Petroleum Authority of Thailand (currently PTT Public Company Limited), which subsequently became the start of the Oil and Petrochemical Tanker Business (“Trading Business”).

After its establishment, Nathalin continued to expand its fleet and shipping routes by servicing in domestic and international markets and investing in large carriers. Nathalin provided transport services to major oil trading companies including PTT Public Company Limited, Shell Company of Thailand Limited, Chevron (Thailand) Company Limited, Bangchak Petroleum Public Company Limited, and CEC International Limited (CEC) through its transport vessels of between 1,000-100,000 DWT each.

Later, Nathalin expanded its fleet and increased the size of its vessels and freight volume. Nathalin expanded its Trading Business to transport service of liquid petrochemicals, which is a petroleum-based product, such as paraxylene and mixed xylene. Nathalin began servicing with its 7,000-DWT fleet, transporting between Thailand and China.

On 23 March 2007, Nathalin founded Nathalin Offshore Company Limited with a registered capital of 5,000,000 baht to support business expansion to industries related to the petroleum and petrochemical industry including:

(1) Floating Storage Unit Business (FSU Business) - In 2010, the company began operating with 260,000-DWT vessels in Malaysian waters.

(2) Offshore Support Vessel Business (Offshore Business) - It began providing Floating Storage and Offloading (FSO) vessels (FSO Vessels). In 2011, it commenced services of 48,000-DWT FSO vessels in the Gulf of Thailand as well as Accommodation Work Barges (AWB vessels). In 2012, it began providing anchor handling tugs (AHTs).

(3) Ship Management Business (SM Business) which focuses on ship management to provide safe and timely delivery of goods in accordance with related rules and international standards.

On 10 August 2015, Nathalin Offshore Company Limited changed its name to Prima Marine Company Limited and restructured the business of Nathalin Group to make Prima Marine Company Limited as the flagship company by gathering the businesses related to marine transportation and storage service, petroleum exploration and production support, and ship management under Prima Marine Company Limited and increasing its registered capital to 2,000,000,000 baht.

After its successful development of the shipping business being the Thai company that was able to meet international standards in marine transport and storage and gain broad recognition from domestic and international customers in the petroleum and petrochemical industry, on March 29, 2017, Prima Marine Company Limited became a public company limited and changed its name to Prima Marine Public Company Limited to prepare for listing on the Stock Exchange of Thailand. The company increased its registered capital by 500,000,000 baht to prepare for initial public offering with an aim of improving efficiency, diversifying operations, and enhancing competitiveness.

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.





### 1.1.2 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 shipping, logistics, and ship management as well as support of offshore petroleum exploration and production.
- The Company Group is expanding its market into covering the Asia Pacific Region in the transport of chemical products, petroleum, gas, liquefied petroleum gas and logistics, as well as integrated support of offshore petroleum exploration and production.
- The Company Group shall expand its investment in terms of joint venture with business group specializing in each of above sectors for sustainable growth.
- The Company Group shall emphasize on the development of employees' abilities, promotion of a team concept working in a happy working environment and on basis of mutual trust.
- The Company Group shall be an organization which offers fair return in response to its effective investment plan under its standardized management system and equal treatment to all stakeholders.
- The Company Group shall emphasize the principles of good governance and shall adhere to its social and environmental responsibilities.
- The Company Group shall explore potential businesses including a related and a non-related to the existing businesses for the purpose of diversification toward sustainable growth.

#### 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.

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

### 1.1.3 Significant change and development during the past 3 years

Year	Events
<b>2019</b>	<ul style="list-style-type: none"><li>▶ 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.</li><li>▶ 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.</li><li>▶ 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.</li><li>▶ 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.</li><li>▶ 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.</li><li>▶ On 13 August 2019, 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 totally holding 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.</li><li>▶ 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.</li><li>▶ 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.</li><li>▶ 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.</li><li>▶ 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.</li></ul>
<b>2020</b>	<ul style="list-style-type: none"><li>▶ 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.</li><li>▶ 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.</li><li>▶ 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.</li><li>▶ 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.</li></ul>



Year	Events
<b>2020</b>	<ul style="list-style-type: none"> <li>▶ 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.</li> <li>▶ 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.</li> <li>▶ 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.</li> </ul>
<b>2021</b>	<ul style="list-style-type: none"> <li>▶ On 14 January 2021, the Company purchased additional ordinary shares from the existing shareholders of Big Sea Company Limited in the second phase, totalling 55,368 shares at the purchase price of 200 million baht, raising the company’s equity interests in Big Sea Company Limited to 95.38 percent.</li> <li>▶ On 8 February 2021, the Company established a subsidiary in the British Virgin Islands named Protea Investments Group Limited to operate marine oil tanker service with a registered capital of 10,000 USD.</li> <li>▶ On 1 April 2021, the company purchased additional ordinary shares from the previous shareholders of Big Sea Company Limited in the second phase, totalling 16,632 shares at the purchase price of 60 million baht, raising the company’s equity interests in Big Sea Company Limited to 99.99 percent.</li> <li>▶ On 30 April 2021, Phurich Marine Company Limited, a subsidiary of the Company, completed its acquisition of Thailoil Marine Company Limited (currently Truth Maritime Company Limited) (“TM”) and its subsidiaries (“TM Group”) with a total value of 860.49 million baht.</li> <li>▶ In April 2021, the Company sold the Darin Star, a very large crude carrier (VLCC) vessel, in the FSU Business, to adjust its portfolio to respond to the declining demand for transport vessels in slow-growth markets.</li> <li>▶ In June 2021, the company sold the Energy Star, a very large crude carrier (VLCC) vessel, in FSU Business, to adjust its portfolio to respond to the declining demand for transport vessels in slow-growth markets.</li> <li>▶ In September 2021, the company sold the Jubilee Star, a very large crude carrier (VLCC), vessel in the FSU Business, to adjust its portfolio to respond to the declining demand for transport vessels in slow-growth markets.</li> <li>▶ In September 2021, the company purchased the Phoenix Star, a very large crude carrier (VLCC) vessel, for the FSU Business to replace older vessels that had previously been sold.</li> <li>▶ On 29 September 2021, N.T.L. Marine Company Limited increased its registered capital by 350,000,000 baht (from 1,200,000,000 to 1,550,000,000 baht) to repay loans and build up the company’s working capital.</li> <li>▶ The Company Group has purchased ordinary shares from the existing shareholders of T.I.M. Ship Management Company Limited totalling 10,002 shares at the purchase price of 6.81 million baht, raising its equity interests in T.I.M. Ship Management Company Limited to 100 percent.</li> </ul>

### 1.1.4 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 types of business as follows:

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 2021)

**Paid-Up Capital** : 2,500,000,000 Baht, divided into 2,500,000,000 ordinary shares (as of 31 December 2021))

**Par Value** : 1 Baht per share

**Telephone Number** : (66) 2016 0190-4

**Fax** : (66) 2016 0199

**Company's Website** : [www.primamarine.co.th](http://www.primamarine.co.th)



## 1.2 Nature of Business

### 1.2.1 Revenue Structure

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 2019		31 December 2020		31 December 2021	
	Revenue (Million Baht)	%	Revenue (Million Baht)	%	Revenue (Million Baht)	%
1. Trading Business	2,587.9	48.4	2,203.2	37.2	2,888.4	49.1
2. FSU Business	1,940.9	36.3	3,248.6	54.8	2,359.0	40.1
3. Offshore Business	491.3	9.2	225.5	3.8	307.3	5.2
4. SM Business	326.6	6.1	248.4	4.2	325.3	5.6
Total	5,346.7	100	5,925.7	100	5,880.0	100

As of 31 December 2021, 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
<b>1. Vessel</b>								
<b>1.1 Trading Vessels</b>								
Small Vessel (0 - 20,000 DWT)	34	121,707.28	-	-	-	-	34	121,707.28
Aframax Vessel	1	105,996.00	-	-	1	313,987.00	2	419,983.00
<b>Total Trading Vessels</b>	<b>35</b>	<b>227,703.28</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>313,987.00</b>	<b>36</b>	<b>541,690.28</b>
<b>1.2 FSU Vessels</b>								
VLCC Vessel	5	1,515,023.00	1	299,930.00	-	-	6	1,814,953.00
<b>Total FSU Vessels</b>	<b>5</b>	<b>1,515,023.00</b>	<b>1</b>	<b>299,930.00</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>1,814,953.00</b>
<b>Total Trading &amp; FSU Vessels</b>	<b>40</b>	<b>1,742,726.28</b>	<b>1</b>	<b>299,930.00</b>	<b>1</b>	<b>313,987.00</b>	<b>42</b>	<b>2,356,643.28</b>
<b>2. Offshore Support Vessels</b>								
AWB	1	13,207.00	-	-	-	-	1	13,207.00
Crew Boat	13	1,561.74	-	-	-	-	13	1,561.74
<b>Total Offshore Support Vessels</b>	<b>14</b>	<b>14,768.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>14,768.74</b>

**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.

## 1.2.2 Product information

### (1) Characteristics of Products or Services and Development of Business Innovation.

#### (1.1) Characteristics of Products or Services

#### 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. 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.

##### - International transport route

The tankers of the Company Group consist of VLCC vessels with a tonnage capacity of 80,000 - 120,000 DWT will pick up cargoes from the ports of loading in Singapore and deliver to the ports of discharge in Southeast Asia country, and VLCC vessels with a tonnage capacity of 160,000 - 320,000 DWT will pick up cargoes from the ports of loading in Middle East and deliver to the ports of discharge in Thailand.

#### Products transported by the Company Group

Those transported products are crude oil, refined oil product, and liquefied petrochemicals such as benzene, diesel, A-1 jet fuel, Naphtha, Cyclohexane, Ethanol, Paraxylene, mixed xylene and Toluene, etc.



## 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.

## Tankers used in service

As of 31 December 2021, the Company Group owns 36 tankers in the Trading Business consisting of 34 domestic tankers with tonnage capacity of less than 10,000 DWT, with an average age of the fleet for 14.24 years, and 2 international tankers divided into 1 tanker with tonnage capacity of over 10,000 DWT in type of Aframax (lading capacity from 80,000 - 120,000 DWT) and 1 taker with tonnage capacity of 160,000 - 320,000 DWT in type of VLCC, with a everage age of the fleet for 15.0 years. The details are as follows:

### Domestic Tankers

Vessel name	Country of vessel registration	Maximum tonnage capacity (DWT)	Vessel age (Year)
<b>N.T.L. Marine Company Limited</b>			
1) Siri Thana	Thailand	4,999.42	36
2) Sri Nara	Thailand	4,999.00	29
3) Sri Phuket	Thailand	4,999.00	29
4) Sri Bandon	Thailand	3,138.83	9
5) Sri Tah Chana	Thailand	2,975.00	9
6) Sri Tapi	Thailand	3,022.00	5
7) Sri Khiri Chad	Thailand	4,988.00	4
8) Sri Don Sak	Thailand	3,020.76	4
9) Sri Kanchanadit	Thailand	2,911.00	4
10) Siri Pipat	Thailand	3,497.15	21
11) Sri Surat	Thailand	3,000.00	3
12) Sri Tahphet	Thailand	2,998.20	3
13) Sri Chaiya	Thailand	3,066.00	3
14) Sri Phumriang	Thailand	2,998.80	3
15) Sri Phunpin	Thailand	2,998.90	3
16) Sri Lumphu	Thailand	2,998.90	2
<b>Thaimarine Tanker Company Limited</b>			
1) Bhureemas	Thailand	7,099.00	12
<b>Big Sea Company Limited</b>			
1) Big Sea 9	Thailand	1,929.00	33
2) Big Sea 10	Thailand	1,830.00	33
3) Big Sea 14	Thailand	2,473.00	30
4) Big Sea 17	Thailand	2,412.00	27
5) Big Sea 20	Thailand	1,907.00	27
6) Big Sea 21	Thailand	1,940.00	26
7) Big Sea 101	Thailand	3,200.00	11
8) Big Sea 102	Thailand	2,300.00	7
9) Big Sea 103	Thailand	2,300.00	7
10) Big Sea 104	Thailand	6,400.00	9
11) Big Sea 105	Thailand	3,187.00	4
12) Big Sea 106	Thailand	4,999.00	3

Vessel name	Country of vessel registration	Maximum tonnage capacity (DWT)	Vessel age (Year)
<b>Truth Maritime Company Limited</b>			
1) Phubai Pattr 1	Thailand	7,177.00	14
2) Phubai Pattr 2	Thailand	7,156.00	12
3) Phubai Pattr 4	Thailand	2,584.00	26
4) Phubai Pattr 5	Thailand	3,526.32	23
5) Phubai Nadda 1	Thailand	2,677.00	13
<b>Total tonnage capacity</b>		<b>121,707.28</b>	

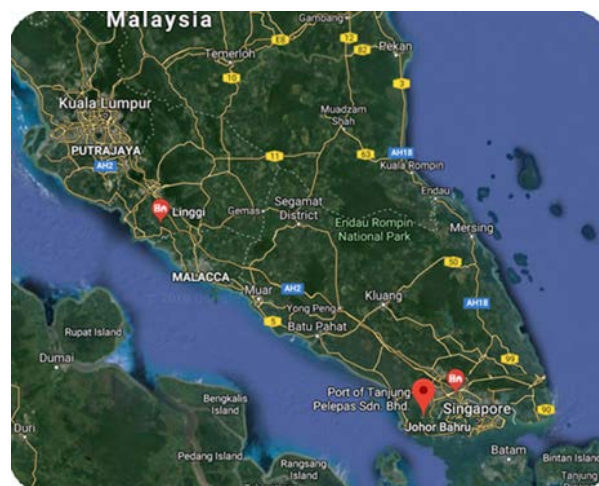
### International Tankers

Vessel name	Country of vessel registration	Maximum tonnage capacity (DWT)	Vessel age (Year)
<b>Singha Tanker Company Limited</b>			
1) Radiant Star	Thailand	105,996.00	16
<b>Truth Maritime Company Limited</b>			
1) Tenki	Panama	313,987.00	14
<b>Total tonnage capacity</b>		<b>419,983.00</b>	

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

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 2021, 4 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



### Products of which the Company Group provide services of transport and storage:

Those products are crude oil and fuel oil.

### 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.

### 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 including cargo volume and period required by the customer for storage. As of 31 December 2021, the Company Group owns 6 vessels in the FSU Business with an average age of the fleet for 21.5 years

Vessel name	Country of vessel registration	Maximum tonnage capacity (DWT)	Vessel age (Year)
<b>Prima Marine Public Company Limited</b>			
1) Crystal Star	Thailand	298,570.00	21
2) Aquarius Star	Thailand	298,641.00	20
3) Phoenix Star	Thailand	307,151.00	22
<b>Singha Tanker Company Limited</b>			
1) Grace Star	Thailand	312,638.00	20
<b>Bongkot Marine Company Limited</b>			
1) Bongkot Star	Thailand	299,930.00	24
<b>Amity Asset Management Inc.</b>			
1) Fortune Star	Thailand	298,023.00	22
<b>Total tonnage capacity</b>		<b>1,814,953.00</b>	

### Offshore Support Vessel Business (“Offshore Business”)

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 Accommodation Work Barges (AWB) and Crew boat etc.

#### (1) 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 2021, 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)
<b>Prima Marine Public Comapny Limited</b>			
Nava Thaneer	Thailand	13,207	11

The service contract of Accommodation Work Barge is TC contract. At present, the term of the contract is 17+6 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.

## (2) Crew Boat

The Company Group has crew boats that transport petroleum drilling platform staffs or cargo from the coast to the offshore drilling platform to support the offshore petroleum exploration and production. The Company's fleet of crew boats serves both domestic and international customers.

As of 31 December 2021, the Company Group owns 13 crew boats for providing services to customer with the total tonnage capacity of 1,561.7 DWT, with an average age of the fleet for 7.6 years. The details are as follows:

Vessel name	Country of vessel registration	Maximum tonnage capacity (DWT)	Vessel age (Year)
<b>Truth Miritime Services Company Limited</b>			
1) TMS 1	Thailand	120.00	10
2) TMS 2	Thailand	120.00	9
3) TMS 4	Thailand	120.00	9
4) TMS 5	Thailand	120.00	9
5) TMS 7	Thailand	120.40	8
6) TMS 8	Thailand	121.00	8
7) TMS 9	Thailand	120.35	7
8) TMS 10	Thailand	120.35	7
9) TMS 11	Thailand	120.35	7
10) TMS 12	Thailand	120.56	6
11) TMS 14	Thailand	118.76	6
12) TMS 111	Thailand	119.97	6
13) TMS Andaman	Thailand	120.00	7
<b>Total tonnage capacity</b>		<b>1,561.74</b>	

The service contract of transportation the petroleum drilling platform staffs or cargo from the coast to the offshore drilling platform is TC contract. At present, the term of the contract approximately 6 months to 1 year since crew boat must be stationed at the area of oil drilling platform all the time to transport petroleum drilling platform staffs or cargo from the coast to the offshore drilling platform.

## Ship Management Business (“SM Business”)

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.

### Technical Management Service

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 on 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.

### Crew Management Service

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 Accomodation Work Barge (“AWB”)
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 international customers.
T.I.M. Ship Management Co., Ltd. (“TIM”)	TIM operates domestic and foreign ship management business covering small and large vessels including Crew Boat both domestic and abroad.

## **(1.2) Business Innovation Development**

### **Research and development of seafarer development innovation**

The Group believes that seafarers are valuable assets for the petroleum and liquid petrochemical transport business. Seafarers need to possess not only an understanding of the different products being transported since they are unique, highly flammable and may have broad environmental impacts in the event of a contaminant spill, but also expertise in navigating various waters and in navigating vessels in different passageways to deliver petroleum and liquid petrochemical products to customers’ ports correctly, safely, and on time.

The company continues to improve deck officer’s knowledge and capabilities to ensure that ship navigation is safely handled in open seas and narrow waterways, especially in the Bandon channel, Surat Thani province. At the channel, captains are required to dock ships for oil unloading by themselves without the help from a ship pilot; therefore, accidents can easily happen without an experienced captain who understands how to dock a ship in narrow passages, including the Bandon channel. To ensure safety, the company has created a full mission bridge simulator using a software exclusively developed by the company to train able seamen on how to navigate ships in various scenarios in the Bandon channel.

### **Research and development of customer service innovation**

The Group is committed to improving services for the transport of petrochemical products aside from the transport of crude and refined oil in which the company specialises. The Group’s Technical Department and Marketing Department have collaborated to develop the capacity of its fleet to respond to customer’s needs. In 2021, the Group expanded its business development in petrochemical transport to meet the demand of customers and conducted research and development of vessels that would be able to transport pyrolysis gasoline or Pygas, a by-product from the steam cracking process which occurs in large quantities when using naphtha or gas oil as raw materials. The product contains several C5-C9 hydrocarbons in the molecule with a high amount of aromatics suitable as a mixture for producing gasoline and for use as raw material in the production of aromatics. The initiative was in line with the trend of the refinery industry that increasingly focuses on chemicals business.

For the fiscal year ended 31 December 2021, the Group's research and development expenses were 2.189 million baht with details as follows:

Year	Operating result	Amount (baht)
2019	-	-
2020	-	-
2021	1) Bridge simulator for Bandon Channel	999,000
	2) Vessel development for pyrolysis gasoline transport	1,190,000

### (1.3) Business License

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

#### ➤ 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 Commercial Registration	28 May 2001	Truth Maritime Co., Ltd.

## ► 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 2021, 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 2021, every FSU vessel of the Company Group has held the STS Approval License for the ship to ship transfer of cargoes at sea.

### (1.4) Rights and Privileges from Investment Promotion

The Company Group has been granted the investment promotion by the Board of Investment (“BOI”) 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 with the following significant main privileges:

#### 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.

The details of the Company Group’s investment promotion certificate are shown in Attachment 4: Assets for Business Operations and Details of Asset Appraisal.



## (2) Marketing and Competition

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

#### Target customer group

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

#### 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 large 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 large 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.

## 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.

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

### Target customer group

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

### 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.

## 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 four 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 Southern Ace and Equatorial Marine, etc.

## Offshore Support Vessel Business (“Offshore Business”)

### Target customer group

Target customer 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.

### 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.

### 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.

## Ship Management Business (“SM Business”)

### Target customer group

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

### 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.

### 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 2021, 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.



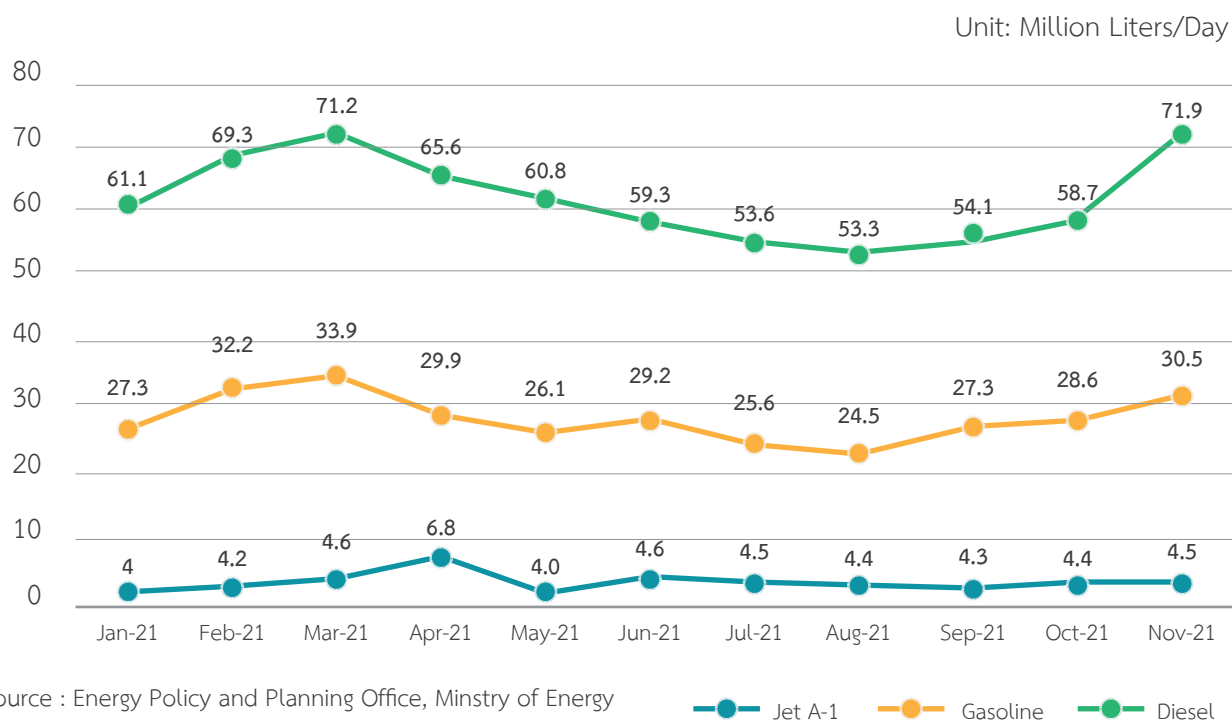
### (3) Overview of the petroleum industry and petroleum transport and storage

#### Overview of refined petroleum use in Thailand

In the first half of 2021, the consumption of all types of refined products in the country fell due to the spread of Covid-19 coupled with the small number of vaccinations and government measures that encouraged working and studying from home, leading to low demand for fuel. The Covid-19 pandemic continues to affect domestic and international tourism and air travel in line with the declining demand for Jet A-1 fuel.

In the second half of 2021, the consumption of all petroleum products continued to fall as the Covid-19 pandemic intensified in July. As a result, the government imposed harsher lockdown measures and expanded maximum and strict control zones. However, in November 2021, domestic consumption of all types of refined fuel increased due to the easing of lockdown measures and the improving Covid-19 situation in the first weeks of the month. Nevertheless, commercial jet fuel (Jet A-1) consumption remained low due to air travel restrictions aimed to prevent the spread of the Omicron variant of Covid-19.

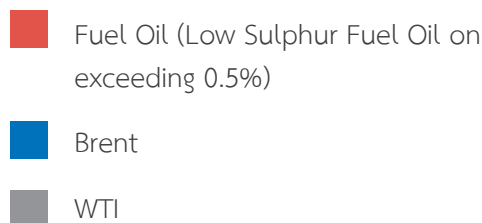
#### Quantity of the Refined Oil Consumption in Thailand during Jan - Nov 2021



#### Petroleum price

Crude oil prices had been rising since the beginning of the previous year and decreased in late November following rising concern of the spread of the new variant of Covid-19, Omicron, which affected demand for petroleum and economic recovery. Moreover, investors were concerned that the spread of Omicron could pressure many countries to reimpose the lockdown measures. A number of European countries were considering imposing strict measures to contain the outbreak. The International Energy Agency (IEA) said the global oil market was experiencing an oversupply of oil and such conditions would become more severe in the beginning of the following year and warned that the spread of the Omicron variant of Covid-19 would affect international travel.

## Fuel & Crude Oil Price of Brent และ WTI in 2021



Source : [www.shipandbunker.com](http://www.shipandbunker.com)

## (4) 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.

## (5) Assets Used in Business Operations

### 1. Permanent Core Assets used for Business Operations

As of 31 December 2021, the Company Group has the permanent core assets used for business operations after deducting accumulated depreciation as shown in the Company's statement of financial position in the amount of 9,605.6 million baht with details as follows:

Type/Characteristic of Assets	Net Book Value as of 31 December 2021 (million baht)	Nature of Proprietary
Land	15.8	Owned
Buildings and Improvements	43.5	Owned
Vessels and Dry-Docking Cost	9,463.8	Owned
Vessel during the Shipbuilding	5.3	Owned
Vessel Equipment	68.5	Owned
Furniture and Office Equipment	8.2	Owned
Vehicles	0.5	Owned
<b>Total</b>	<b>9,605.6</b>	

The details are shown in Attachment 4: Assets for Business Operations and Details of Asset Appraisal.

### 2. Lease Ageement

As of 31 December 2021, the Company Group has the lease agreement used for business operations after deducting accumulated depreciation as shown in the Company's statement of financial position in the amount of 1,735.8 million baht with details as follows:

Type/Characteristic of Assets	Net Book Value as of 31 December 2021 (million baht)	Nature of Proprietary
Buildings and Improvements	17.7	Hire
Vessel	1,698.6	Hire and Hire-purchase
Furniture and Office Equipment	0.2	Hire
Vehicles	19.3	Hired and Hire-purchase
<b>Total</b>	<b>1,735.8</b>	

The details are shown in Attachment 4: Assets for Business Operations and Details of Asset Appraisal.

### 3. Intangible Assets

Assets	Objective of Possession	Net Book Value as of 31 December 2021 (million baht)
Software License	Software licensing rights for use in the Company Group's general business operations, such as accounting software, executive reporting software, inventory management software, and general operating software.	2.3
Customer Relationships	Result from the acquisition of a subsidiary	6.3
Long- term service agreements	Result from the acquisition of a subsidiary	86.7

### 4. Rights and Privileges from Investment Promotion

As of 31 December 2021, the Company Group has been granted the investment promotion by the Board of Investment pursuant to the Investment Promotion Act, B.E. 2520 (As amended) with details shown in Attachment 4: Assets for Business Operations and Details of Asset Appraisal.

### 5. Insurance Contract

The Company Group has a policy to protect the lives of seafarers as well as the main assets used in business operations. As the result, the Company Group has purchased insurance to protect and heal those who have been harmed and to repair property that has been damaged in the event of an accident. There are 2 main types of insurance: (1) Hull and Machinery Insurance: H&M Insurance and (2) Protection and Indemnity Insurance: P&I Insurance. The details are shown in Attachment 4: Assets for Business Operations and Details of Asset Appraisal.

### 6. Subsidiary and Associate Investment Policy

To enhance stability and performance, the Company has a policy of investing in related businesses that are similar or create advantages and support the Company's business activities. The subsidiary and associate company investment policy has been established to serve as a guideline for operations. The details are shown in Attachment 4: Assets for Business Operations and Details of Asset Appraisal.

### 7. Details of Important Contract

The details are shown in Attachment 4: Assets for Business Operations and Details of Asset Appraisal.

### 8. Important Loan Agreement

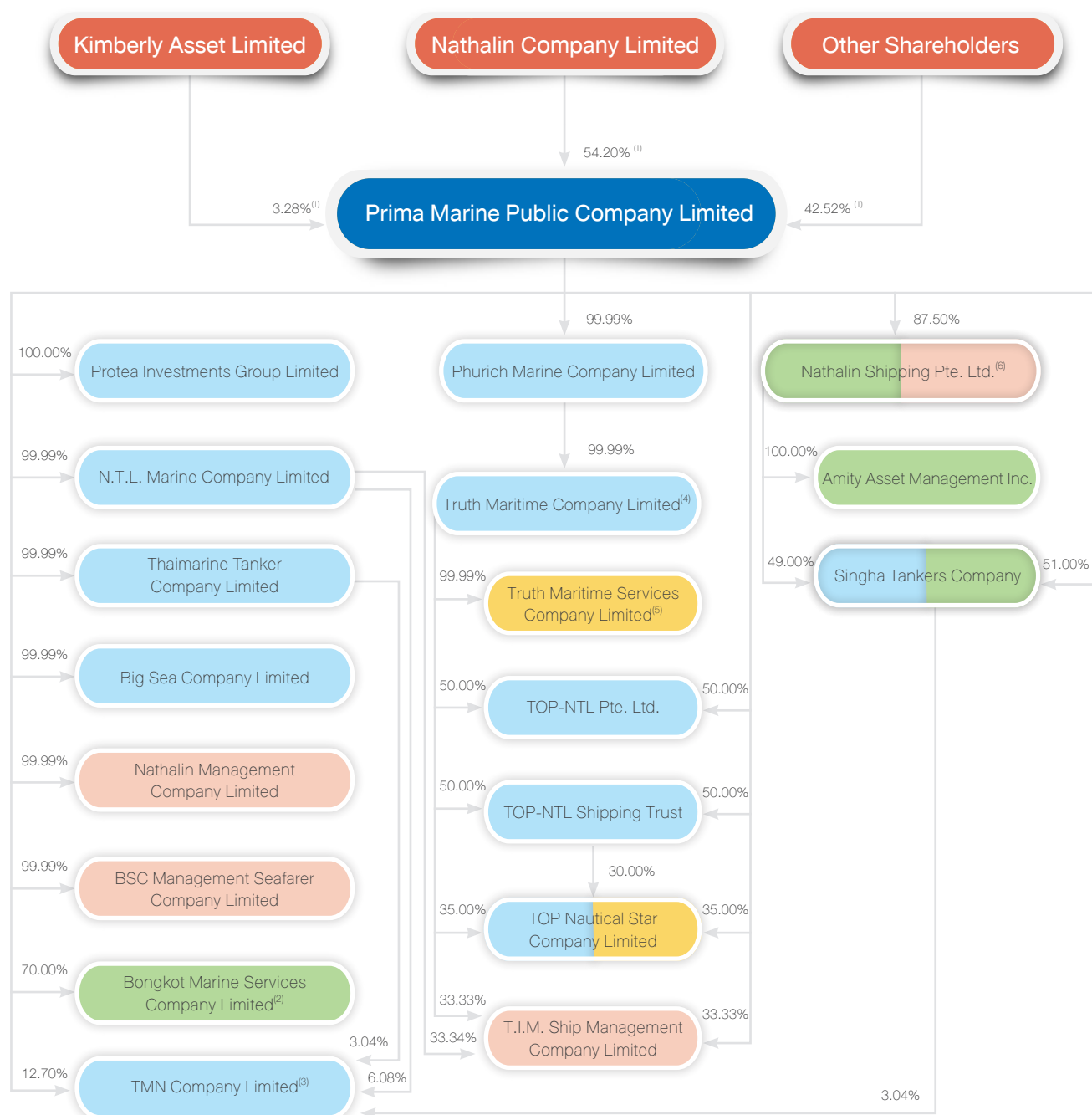
The details are shown in Attachment 4: Assets for Business Operations and Details of Asset Appraisal.

### (6) Under-construction projects

-None-

## 1.3 Shareholding Structure of the Company Group

### 1.3.1 Shareholding Structure of the Company Group



Remarks:

(1) Information as of 25 November 2021

(2) Bangchak Corporation Public Company Limited holds 30.00% of shares

(3) Other shareholders hold 75.14% of share

(4) Formerly name is Thailoil Marine Co', Ltd.

(5) Formerly name is TOP Maritime Services Co., Ltd.

(6) Mr. Wang Wei holds 12.50% of shares



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

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	Total Shareholding <sup>(2)</sup> (%)
<b>Subsidiaries</b>						
<b>Protea Investments Group Limited (PRO)</b> Totala Pier Park, Building 1, Second Floor, Wickhams Cay I, Road Town, British Virgin Islands	International marine transportation of petroleum products services and investment.	10,000 USD	10,000 shares	1 USD	10,000 USD	100.00
<b>N.T.L. Marine Company Limited (NTL)</b> 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.	1,550,000,000 THB	15,500,000 shares	100 THB	1,550,000,000 THB	99.99
<b>Thaimarine Tanker Company Limited (TMT)</b> 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 THB	1,800,000 shares	100 THB	180,000,000 THB	99.99
<b>Big Sea Company Limited (BIGS)</b> 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 THB	360,000 shares	1,000 THB	360,000,000 THB	99.99
<b>Phurich Marine Company Limited (PM)</b> 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 THB	10,000 shares	100 THB	1,000,000 THB	99.99
<b>Truth Maritime Company Limited (TM)</b> 223/97 Country Complex Building A, 22 <sup>nd</sup> Floor, Sanphawut Road, Bangna Tai, Bangna, Bangkok 10260 Tel.: (66) 2361 7500 Fax: (66) 2361 7498-9	Marine transportation of petroleum and petrochemical products.	970,000,000 THB	97,000,000 shares	10 THB	970,000,000 THB	99.99

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	Total Shareholding <sup>(2)</sup> (%)
<b>Subsidiaries</b>						
<b>Truth Maritime Services Company Limited (TMS)</b> 223/97 Country Complex Building A, 2 <sup>nd</sup> Floor, Sanphawut Road, Bangna Tai, Bangna, Bangkok 10260 Tel.: (66) 2361 7501-4 Fax: (66) 2361 7505	Marine transportation services for crew and supplies.	520,000,000 THB	5,200,000 shares	100 THB	520,000,000 THB	99.99
<b>TOP-NTL Pte. Ltd. (TNLT)</b> 6 Temasek Boulevard, #32-03 Suntec Tower Four, Singapore (038986)	Ship management services.	20,000 SGD	20,000 shares	1 SGD	20,000 SGD	99.99
<b>TOP-NTL Shipping Trust (TST) Singapore</b>	Funds for domestic and international transportation.	1,894,000 SGD	-	-	-	99.99
<b>TOP Nautical Star Company Limited (TNS)</b> 88 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.	150,000,000 THB	1,500,000 shares	100 THB	150,000,000 THB	99.99
<b>Nathalin Management Company Limited (NMC)</b> 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 THB	85,000 shares	100 THB	8,500,000 THB	99.99
<b>BSC Management Seafarer Recruitment Company Limited (BSC)</b> 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 THB	55,000 shares	100 THB	5,500,000 THB	99.99
<b>T.I.M. Ship Management Company Limited (TIM)</b> 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 THB	30,000 shares	100 THB	3,000,000 THB	99.99

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	Total Shareholding <sup>(2)</sup> (%)
<b>Subsidiaries</b>						
<b>Singha Tankers Company Limited (SHT)</b> 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 THB	12,000,000 shares	100 THB	1,200,000,000 THB	93.88
<b>Nathalin Shipping Pte. Ltd. (NSSG)</b> 6 Temasek Boulevard, #32-03 Suntec Tower Four, Singapore (038986) Tel.: (65) 6361 0382 Fax: (65) 6361 0377	Ship management services.	30,000,000 SGD	30,000,000 shares	1 SGD	30,000,000 SGD	87.50
<b>Amity Asset Management Inc. (AAM)</b> 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 shares	1 USD	10,000 USD	87.50
<b>Joint ventures</b>						
<b>Bongkot Marine Services Company Limited (BMS)</b> 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 THB	2,400,000 shares	100 THB	240,000,000 THB	70.00
<b>Associate</b>						
<b>TMN Co., Ltd. (TMN)</b> 3354/50 Manorom 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 THB	66,600,000 shares	10 THB	666,000,000 THB	24.67

Remarks:

(1) Information as of 31 December 2021

(2) Total shareholding means effective shareholding by the Company's direct shareholding and/or indirect shareholding by its subsidiaries, joint venture, associate, and /or other companies.

### 1.3.2 Potential Conflict of interest Person

-None-

### 1.3.3 Relationship with Major Shareholders' business

As of 25 November 2021, 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.

As of 31 December 2021, 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.

### 1.3.4 Shareholders

The Company's shareholders structure as of the Record Date on 25 November 2021 are as follows:

Nationality of shareholder	No. of shareholders (persons)	Total shares holding (shares)	%
Thai	25,005	2,362,685,099	94.51
Foreigner	56	137,314,901	5.49
<b>Total</b>	<b>25,061</b>	<b>2,500,000,000</b>	<b>100</b>

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 25 November 2021 are as follows:

Shareholder Name	Number of Shares	%
1. Panboonhom Family Group	1,438,139,800	57.53
1.1 Nathalin Company Limited <sup>(1)</sup>	1,354,999,800	54.20
1.2 KIMBERLY ASSET LIMITED <sup>(2)</sup>	82,000,000	3.28
1.3 Mrs. Vilaisri Panboonhom	1,140,000	0.05
2. Thai NVDR Company Limited <sup>(3)</sup>	60,173,046	2.41
3. Mr. Boonchai Kasemvilas	38,228,300	1.53
4. UOB KAY HIAN PRIVATE LIMITED	28,311,400	1.13
5. Bualuang Infrastructure RMF	20,205,400	0.81
6. Ms. Sunan Ngamakarakul	15,223,600	0.61
7. Mrs. Sanyaluck Pakdisukchareon	13,800,000	0.55
8. Mr. Nurak Mahattana-anon	13,000,000	0.52
9. Mr. Vasupon Thankakan	12,049,700	0.48
10. Value Plus - Dividend Long Term Equity Fund	10,515,400	0.42

Source: Thailand Securities Depository Company Limited

(b.) Major shareholders whose behaviors materially influence the management policy making or the Company's operation

Shareholder Name	Number of Shares	%
Panboonhom Family Group	1,438,139,800	57.53
1. Nathalin Company Limited <sup>(1)</sup>	1,354,999,800	54.20
2. KIMBERLY ASSET LIMITED <sup>(2)</sup>	82,000,000	3.28
3. Mrs. Vilaisri Panboonhom	1,140,000	0.05

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 9,999,991 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 held 100% of share in KIMBERLY ASSET LIMITED.
- (3) 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	16,137,512	0.65
2. STATE STREET BANK AND TRUST COMPANY	14,658,200	0.59

Source: www.set.or.th

## (2) Major Shareholders' Agreement

- None -

## 1.4 Amounts of Registered Capital and Paid-up Capital

### 1.4.1 Ordinary Shares

The Company's registered capital and paid-up capital as of 31 December 2021 are as follows:

Registered capital: 2,500,000,000 Baht, divided into 2,500,000,000 ordinary shares at the par value of 1 Baht.

Paid-up capital: 2,500,000,000 Baht, divided into 2,500,000,000 ordinary shares at the par value of 1 Baht.

### 1.4.2 Other Type of Share whose Rights or Term Differ from Those Ordinary Share

-None-

### 1.4.3 Shares or Convertible Securities as an Underlying Securities for Issuance of Investment Units of Mutual Funds of Foreign Investors

-None-

## 1.5 Issuance of Other Securities

### 1.5.1 Convertible Securities

-None-

### 1.5.2 Debt Securities

-None-

## 1.6 Dividend Payment Policy

### 1.6.1 The Company's Dividend Payment Policy

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

Dividend Payment from Annual Operating Results	2021 <sup>(1)</sup>	2020	2019
Net profit margin per share (Baht)	0.47	0.45	0.24
Dividend paid per share (Baht)	0.26	0.25	0.20
Dividend paid per net profit (%)	55.84	55.68	81.93

Remark:

- (1) The Board of Directors' Meeting No. 2/2021 held on 24 February 2022 has passed the resolution to propose the 2022 Annual General Shareholders Meeting for approval the dividend payment for the year 2021 to the Company's shareholders at the rate of 0.26 Baht per share. The Company paid an interim dividend to all shareholders at the rate of 0.08 Baht per share on 9 December 2021. Therefore, the remaining dividend to be paid to the shareholders at the rate of 0.18 Baht per share. The date of the dividend payment will be on 25 May 2022.

### **1.6.2 Subsidiaries' Dividend Payment Policy**

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.



## 2. Risk Management

### 2.1 Risk Management Policy and Plan

The Risk Management Committee always considers sustainable risk management by formulating the risk management policy to be continuously consistent with the rules of COSO-ERM 2017 as the risk management tool, causing the organization's achievement of the set objectives and goals. The risk is assessed and managed to cover all areas, for instance, Governance Risk, Strategy & Planning Risk, Operation & Infrastructure Risk, and Financial Reporting Risk, in order to seek for adequate and appropriate measures for the risk management for the Company, and the development of ISO 31000 system, an international standard for the risk management. The application of the principle and guideline under this standard helps enhancing the business opportunity for the organization with the risk analysis and risk assessment. In addition, the Company also emphasizes on the Sustainable Development Goals (SDGs) according to the global direction framework determined by United Nations (UN) in 2015.

In 2021, the COVID-19 pandemic situations were still continuously difficult both in the country and overseas. The Company realizes on the employee and seafarer safety and the confidence in the working efficiency of the Company that can continually manage without business interruption. Therefore, the Company has supported the vaccination of its staffs and seafarers both from the government sector and the alternative vaccines supplied by the Company in order to ensure that the staffs and seafarers of the Company will be completely and quickly vaccinated. Moreover, the Company has considered the all-round contingent risks and impacts and thus, has given precedence to the worldwide issues and more interested on the business operations in the matter of Environment, Social, Governance (ESG). In managing risks, the

environmental, social, and governance or good governance factors are taken into account in risk analysis and assessment in order to create the business opportunity. The contingent impacts on the operations of the Company cover the analysis on the rapid and severe changing macro-factors that may result in the occurrence of opportunity and threat all the time. Therefore, the risk of the possible obsolescence of the setting strategy and planning may be arisen. The Company then has determined to monitor, review, and adjust the strategies to be in time with the situations, focusing on the managerial resilience and adjustability, and efficiently operate the business in order to ensure the speed and agility in business adjustment. Key Risk Indicator (KRI) is defined for continuously monitoring the movement of risks.

However, the Company controls and monitors the management of the key risks both of the project risk according to the strategy & planning risk to be consistent with the corporate business strategies and plans, mergers and acquisitions (M&A) for the continuous expansion of Trading Business, such as the approval on the risk for trading the shares in Thai Oil Marine Company Limited focusing on the entry of long-term contract for generating the recurring income stability and profit to the Company, and post-trading completion execution, covering monitoring the progress of the past project investments, such as the investment in the project that is the diversification of business growth in the Laem Chabang Port Project - Phase 3, Part 1 Marine Construction Work, in collaboration with the potential business allies, and monitoring the overall operation of Big Sea Company Limited's business.

In addition, in the Company's operations, it has prepared how the Company copes with the COVID-19 situation. The readiness plan for timely and appropriate situational management, such as

the marketing risk management to ensure the monitoring on the transportation of aircraft (JET A-1) fuel oil and diesel oil to the South, the continuous monitoring on the performance in Thailand economy and measures, the continuous oil consumption requirement, and situation of the business allies, customers, and suppliers in order to appropriately plan and adjust the action plan, as well as the management of financial risks from the fluctuation of the exchange rate, interest rate, and management of the Company's cash flow liquidity to be adequate and enable to be reserved in case of emergency, covering the abatement of operational risk. A strict measure for preventing the COVID-19 infection risk onboard has been formulated, such as screening the persons concerned who must perform aboard operations with Antigen Test Kit (ATK) that can conduct the primary test, security measure, social distancing, and the adequate protective equipment, such as protective equipment, hygienic mask, and hand sanitizer, thermometer, etc. In terms of technique, the delivery of complete and adequate components and spare parts has been monitored to be corresponding to the Preventive Maintenance System (PMS), and Dry Dock. In addition, in planning the seafarers' operations for the aboard operations, leave, or the persons concerned who must perform aboard operations in the severe COVID-19 pandemic situation, the Company determines that there shall be quarantine in the quarantine place specified by the Company, and the confirmation of test result of Real Time Polymerase Chain Reaction (RT-PCR) before operation by strictly complying with the rules and regulations of the supervisory unit according to the measures. Moreover, the Company has also realized on the safety of the office officers. Therefore, it has determined that the said officers can continuously work from home and work from anywhere, by preparing the information technology to always support the operations and Business Continuity Plan (BCP), resulting in the Company Group's ability of the good efficient operation as

Enterprise Risk Management – Treatment Plan; and reporting the risk management results to the Risk Management Committee, the top executives, and the Board of Directors for acknowledgment.

The Company also gives precedence to the continuous creation of risk management awareness culture by organizing the training and seminar on Enterprise Risk Management to the staffs at all levels. In 2021, the Company organized the training and seminars via an online conference system, whereas the external guest speaker with knowledge, competence, and expertise on risk management, was hired from Sustainable Business Development Institute in order to ensure that the Company's staffs and executives have basic knowledge and it is the creation of the proper awareness and understanding on the significance of being a sustainable organization, social responsibility and sustainability as a Corporate, and Corporate Sustainability Management in term of strategy that can fulfill the goal and risks relating to the corporate sustainability. Moreover, the Company has also regularly made the internal communication to the Risk Management Committee, executives, and staff for acknowledgment on the risk management via preparation of the Monthly Risk Management Newsletter. The Company has considered the case studies from political and economic situations both in the regional and international level where the Company can learn and apply the said cases, such as the case study of the world after the COVID-19 crisis in the countries in the aspects of economy, finance and investment, welfare, labor, insurance, and information technology of each changing country focusing on the simply and timely understandable communications.

In addition, the Company gives precedence to the control and monitoring of the risk factors that may result in business disruption, and the regulation risk in strict compliance with regulations and rules of the external agencies, such as International Maritime

Organization (IMO), and gives precedence to the environment where the Company must abate the carbon emission into atmosphere, and ballast water treatment before draining out to the sea. Moreover, in term of society, it increasingly emphasizes on the equal human rights of the executives, staffs, and seafarers, and governance management of the Company so that the organization can stably and sustainably achieve its satisfactory growth objective and goal.

Moreover, the risk management strategy has been planned by raising the matter of risk management to be part of the strategic planning and development of the Company’s business operation for the years 2022 - 2024. The execution in part of risk assessment has still been continued in the readiness plan in four areas of the project investment, consisting of the preparedness in commercial, technical, finance, compliance with the rules of both internal and external supervisory units, and risk assessment, in order to ensure that the project investment for the Company’s business operation is prepared in all areas by completely and appropriately taking into account the factors to the extent of the strategy & planning risk management, and collaboration guideline of the Company for risk-based decision making on the operation so that the organization can stably and sustainably achieve the satisfactory growth objective and goal.



## 2.2 Risk Factors of the Company’s Business Operation



### 2.2.1 Uncontrollable disease outbreaks, threat, and natural disaster risks

(1) **Coronavirus (COVID-19) pandemic risk**  
According to the Coronavirus (COVID-19) pandemic situation in 2021, having severity and mutation of various virus species from the virus pandemic, as well as the delay in vaccination for the COVID-19 protection of the populations in various countries for the first and second doses of vaccine, and the existing continuous monitoring vaccination of the third and fourth doses of Booster, the overview of the global and Thailand economies have been affected, causing a slowdown of the economy and tourism. A COVID-19 pandemic prevention measure in the areas of various provinces that are the areas in the highest and strict control zone in Thailand has resulted in the disruption of airline business for Thailand tourism, causing the huge reduction of the fuel oil consumption requirement as the negative impact on several businesses including Oil and Petrochemical Tanker Business (“Trading Business”). In part of the Floating Storage Unit Business (“FSU Business”), it has been affected from the high reduction of oil consumption requirement in Asia

Pacific as the result of the COVID-19 pandemic situational impact. In addition, in part of Offshore Petroleum Exploration and Production Support Vessel Business (“Offshore Business”) with Crew Boat, despite of the difficulty and complexity in managing the transportation of passengers or cargoes to the drilling platform and the significant higher administrative expenses as the result of the use of the more strict COVID-19 protection measure for the Company in all fleets, for instance, injection of disinfectants inside the office and vessel area section, procurement of Antigen Test Kit (ATK) that can conduct the preliminary test, and protective equipment to be adequate, for instance, protective gear, hygienic mask, hand sanitizer, thermometer, etc.

However, the Company has prepared how to cope with the COVID-19 situation, continuously monitored the vaccination for the COVID-19 protection, and Booster vaccination of the staffs and seafarers by taking into account the all-around risks and impacts covering the Company’s guideline of the management, and the continuous control and monitoring of the situation throughout the year of 2021 and 2022. For instance, in terms of marketing risk, the transportation of aircraft (JET A-1) fuel oil and diesel fuel to the South has been continuous. In terms of economy, the Thailand measure determined by the Thailand government for opening the country on 1 November 2021, together with the COVID-19 pandemic situational management measure for Omicron species as established by the Government, have still been uncertain. It was anticipated that it may take time for recovering Thailand’s economy, and the domestic transportation of fuel oils will be increased. 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 for repair, and controlling and monitoring the risk factors from the COVID-19 pandemic situation, adequacy of the protective equipment, for instance, protective

equipment, hygienic mask, hand sanitizer, thermometer, and Antigen Test Kit (ATK) that can conduct the primary test, etc.; as well as planning of the seafarers’ operations for the aboard operations, leave, or the persons concerned who must perform aboard operations by strictly complying with the rules and regulations of the supervisory agencies according to the measures for safety of the operators and all related parties, and assigning the staffs and seafarers to be ready for the continuous operation.

Moreover, the Company has also realized the safety of the office officers. Therefore, it has been determined that the said officers can continuously work from home and work from anywhere, by preparing the information technology to always support the operations, and Business Continuity Plan (BCP), resulting in the Company Group’s ability of the good efficient operation; 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.

## **(2) Risks from the weather change and severe natural disasters**

In 2021, regarding Climate Change, the environmental policy of which the whole world sets the common goal to reduce the carbon emission and greenhouse gas emission to be net-zero for the business is one of the key topics, i.e., Echo sounding. Since the Company’s operations are 24 hours at sea in operations of trading business, therefore, climate change and severe natural disasters, such as more severe typhoons, depression, and incidence of earthquake, tsunami, 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’s operating efficiency, such as reducing revenues and increasing expenses. The Company realizes such risks and,

therefore, establishes the policy for operation and navigational planning under the requirement of circumspect navigational planning, for instance, following up weather news, tide level, the channel where the vessel is regularly sailing through, and navigational route planning in order to avoid danger from the varied weather or severe natural disasters. From 2020, the Company surveyed the channels using Echo sounder in the channel areas where are used for the routine traffic and integrated the acquired data for the joint ship operations and safety of Ship Management Business. In 2021, the operational preparedness has been trained for the seafarers through a Simulator of the situations for the virtual practice of seafarers in the channel area at Ban Don, Surat Thani Province. Furthermore, the Company is well prepared to handle the situations caused by severe weather and natural disasters by preparing an emergency plan, and continuously exercising annual emergency drills, for instance, docking at the time of severe weather or damage of hull from severe weather, etc. With over 30 years of experience in shipment, the Company is capable of providing its services efficiently and safely, and strictly complies with the rules of the external supervisory unit for sustainable business operation and smooth operation.

For trading vessels of the Company, they are equipped with radio communication according to the ship's safety standard pursuant to the regulations of the 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 the sailing plan to have maximum safety as well.

However, the Company 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 suffers the effect,

cargo, and environment in case of unexpected events as the result from the severe weather and natural disasters.

## **2.2.2 Strategy and Planning Risk**

The risk from the development of the Company's strategies and business operation plans under the COVID-19 pandemic situation in 2021 has been the very important risk factor, and required the consideration both in terms of the Company's business operation strategy together with risk management, as well as the change in business, technology, and customer demand that may affect the Company all around in order to prevent, control and monitor any events that result in the business disruption as follows.

### **(1) Risk from the rapid and severe change of demand and supply of the oil and transportation market**

The Company'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 2021, the crude oil price in the world market has been increasingly fluctuated and increased when compared with last 2020 due to various areas of factors, for instance, the continuously emerging new wave of the COVID-19 pandemic situation, resulting in the requirement of various countries for the frequent review and adjustment of the economic operation policy, the country opening for travelling, consumption, investment, manufacturing, and export, causing the increase in the world oil consumption requirement. Moreover, the Group of Organization of the Petroleum Exporting Countries (OPEC) and OPEC+ have still had the production capacity fixing policy, resulting in the steadiness of crude oil price in a high and fluctuating level and causing the difficulty of the operators in oil and carrier business in the situational prediction, including the control and monitoring on Geopolitics about the geographical,



political, and international relationship impacts, for instance, the situation of the electric energy crisis of Kazakhstan where the consumption of electric energy in large number for the Cryptocurrency seekers has been protested, possibly having a direct impact on the group of the fuel oil business, etc.

However, even though the increasing fuel price in 2021 in part of the vessels of the fleet of small carriers in the country, the Company has the policy of Cost-Plus Pricing Method, whereas it is the transportation service cost and expenses plus profit as defined by the Company, and varied with the retail fuel oil in front of the oil station in Bangkok in the same direction. In addition, the crude oil price that has been adjusted in high level almost the whole year 2021 has still positively affected Offshore Petroleum Exploration and Production Support Vessel Business (“Offshore Business”) as well.

In addition, the Company 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 has determined to monitor, review, and adjust the strategies to be up to date, and focus on the resilience of management, and the efficient business operation with speed and agility of business adjustment ability. Key Risk Indicator (KRI) is defined to continuously monitor the risk movement.

## **(2) Risk from the change of Thailand and regional economic conditions that may affect the Company’s operations**

The Company’s working boundary is in the Southeast Asia zone. The economic conditions in this region will affect the Company’s operations. Despite the slowdown of economic conditions due to the continuous COVID-19 pandemic situation 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 public sectors. Even though the vaccination for COVID-19 protection for the first and second doses of vaccine has been delayed in commencement, and the complete vaccination of the third and fourth doses of Booster for the staffs and seafarers in various countries, the recovery of the world economy after the COVID-19 pandemic situation or the country opening for traveling, consumption, investment, manufacturing and export has caused the increase in the global oil consumption requirement. However, there has still been an uncertainty due to the new species of Coronavirus.

In addition, in 2021, the domestic leading refineries have been affected by the oil price fluctuation in accompany with the COVID-19 pandemic situation, resulting in the fluctuation of global oil demand and supply. It has still been uncertain for most domestic leading refineries to control the COVID-19 pandemic situation even though the economic recovery has been commenced. Moreover, most leading refineries have slowed down their manufacturing and investment due to the environmental policy on the common goal of the whole world to reduce carbon emission and greenhouse gas emission to be net-zero, possibly resulting in the change in the worldwide energy consumption and the oil consumption requirement.

In addition, the political uncertainty situation of Myanmar, the contingent risks of economic boycott, and withdrawal of EU and USA trade privileges will entirely affect the overall trade, investment, and economic condition of Myanmar, and the expansion opportunity for the investment growth in part of the Company’s Offshore Petroleum Exploration and Production Support Vessel Business (“Offshore Business”) as well.

The Company establishes the risk factor management plan for the risk from the economic trend due to the continuous slowdown of growth in the group of countries in the Southeast Asia Region. The Company 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 a regular basis, and formulating the continuous expansion strategy in the group of countries consisting of Cambodia, Laos, Myanmar and Vietnam (CLMV), including Indonesia and China, for business sustainability and reduction of domestic service concentration.

**(3) Risk from the rapid changing requirement of the stakeholders**

In the Company's business operation, it gives precedence to the assessment on the significance and relationship of the business value chain and the risk analysis for the all-around concern on the stakeholder impact. The expectation of the said stakeholder will be rapidly changed and changed all the time. At present, one risk factor that is taken part as a new drive from the COVID pandemic situation (COVID Disruption), such as the trend of work from home and online conference, the trend of alternative energy, and the use of an electric vehicle. All stakeholders expect that the energy is more environmentally friendly.

The Company emphasizes the creation of awareness to arise for the staffs at all levels for real practice, ability to fairly and equitably fulfill the stakeholder's expectation, together with the existing focus of the Company on the management of the Company's vessel utilization rate for the maximum efficiency, such as alteration of more carrier service routes to the Central Region other than the main transportation in the Southern Region's area in order to maintain the vessel utilization rate to be in the high level in the COVID-19 pandemic period; and the formulation

of business operation strategy by studying on the feasibility of the projects, for instance, the improvement of the vessel engine functional efficiency for abatement of greenhouse gas emission, supply of new vessel that uses alternative energy or renewable energy in replacement of the oil usage for the sustainable business operation of the Company.

**(4) Risk from the rapid change of technologies**

In the Company's business operation, it gives precedence to the application of information technology to support the operations both in part of the office and fleets of the Company, such as Ballast Water Management System (BWMS). In 2021, BWMS has been installed with the group of Oil and Petrochemical Tanker Business ("Trading Business"), that are Siri Pipat, Sri Khirichad, and Radiant Star, etc. There are the UV disinfection technology, touch screen system, and digital display of indicator results, for convenience of the aboard BWMS management for standard treatment, particularly before draining down to the sea. At present, it can be seen that the technological direction has been rapidly changed. It will be risky for newly emergence of new technology and work complication on modern technology until possibly causing the business disruption (technology disruption) of the Company, possibly resulting in the delay in execution and the operating knowledge and understanding of the seafarers and office.

Nevertheless, in formulating the strategic plan of the Company, the modern technology system has been continuously studied, and the digital strategy has been planned for applying with the Company toward the digital transformation through the adoption of digital technology with every segment of the Company, causing the change together with the provision of knowledge to the seafarers and staffs to be prepared with the technological change in time, and enable to smoothly operate the business.

**(5) Risk from the possible late portfolio management**

In the Company's business operation, revenue from the group of Oil and Petrochemical Tanker Business ("Trading Business") is mainly earned when compared with revenue from the fleet of FSU Business, Trading Business, and the Offshore business, and others. In 2021, it reflected the mitigation of risk previously from the Company's main dependence of revenue from the fleet of FSU.

The Company's strategic plan is established not based on the past success experience only for establishing the strategy or decision-making on the current events of the Company only. Nevertheless, the Company has also taken into account the portfolio management by expanding its investment using the Mergers and Acquisitions (M&A) Approach in order to expand the Trading Business of Oil and Petrochemicals, for instance, purchasing 100% of shares of Thail Marine Company Limited, resulting in the acquisition of the fleet of Petrochemical Tankers and Offshore Crew Boat. In addition, the Company manages the risk of the customer group by entering to purchase all of the remaining shares of Big Sea Company Limited, aiming at the entry into the long-term transport agreement with other customers other than the main customers of the Company. At present, the Company has also been understudy of the investment in new business with continuous growth in order to regularly reinforce the growth and risk diversification in various businesses.

**(6) Risk from the rapid changing Competitive Platform Strategy**

At present, according to the risk from the rapid changing Competitive Platform Strategy, in the transportation service business in the near future, the mode of the global oil and petrochemical transportation may be changed from fuel oil to transport other types, such as the battery, Liquefied Natural Gas (LNG) or Hydrogen Fuel, etc., in accompany with the competitors who are the new entrants in the market, and may not be the

competitors in the same industrial business, resulting in the difficulty of the business to predict the competition in the industry. The strategy in the primary form as before may be unable to be planned.

However, the Company gives precedence and emphasizes on the risk management in terms of strategy and business operation plan through monitoring of the strategic factor risk to support the consideration, all-around decision-making to be in time with the situations, as well as planning of the Company's fuel consumption strategy that may be changed based on the global situation as well.

### **2.2.3 Financial Risks**

**(1) Risk from the fluctuation of exchange rate**

According to the substantial Baht value fluctuation situation, several financial institutions reported the Baht value situation for Baht per USD in 2021, resulting in confront of the Company's business operation with the continuous fluctuation risk of the exchange rate between USD currency and Thai Baht. In 2021, the Baht value had continuously depreciated in the year-end period (average exchange rate as of 30 December 2021 was at 33.383 Baht per USD) and expected that the Baht value would tend to be likely more depreciated in 2022 from the supporting factor of USD currency appreciation. Particularly in the first half period of the year 2022 from the signal of the Federal Reserve System (FED), there may be an increase of interest rate in 2022, more tight controlled monetary policy of USA, as well as a resolution on reduction of bond purchase scheme financial limit according to the Quantitative Easing (QE) Measure to be 30,000 million USD per month, in accompany with the global and Thailand COVID-19 pandemic situation for Omicron Species. It was expected that in the second half period, the Thai Baht might return to be appreciated in case of the gradual recovery of the tourism sector in accompany with the recovery of global and Thailand economy.

However, the Company 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 the exchange rate, together with the use of Foreign Currency Deposit (FCD) Account. The Company's objective is just to manage the exchange rate risk, not to seek for gain from using derivatives at all.

## **(2) Risk from the fluctuation of interest rate**

According to the situation where the Bank of Thailand (BOT) disclosed the monetary policy report No. 8/2564 of last December 2021, the BOT unanimously resolved to maintain the interest rate of the policy for 2022 according to the monetary and fiscal measures of Thailand, focusing on the restoration and upgrade of the economic potential, promotion of strong income restoration. In accompany with the global and Thailand COVID-19 pandemic situation for Omicron Species and vaccination of Thailand populations for the continuous protection of the COVID-19, it will affect the economy in the first period of the year 2022. It was expected that the risk has still been low, but the impact may be severe and prolonged from the situation longer than the expectation. However, it has depended on the severity of the pandemic situation and the strictness of the control measure of Thailand. Moreover, the BOT has still needed to monitor the recovery of the labor market, particularly the employment and labor income that have still been lower than the pre-COVID-19 pandemic period.

In addition, the BOT has still mainly monitored the global situation of inflation that has been temporarily increased from the energy fuel in 2021. Thailand's inflation rate in 2022 and 2023 has tended to be at 1.7% and 1.4%, respectively. The BOT assessed that it has still been risky that the inflation rate will be higher than the forecast in the context

of the rapid increase of global inflation. The BOT has closely monitored the development of the above factor. Moreover, the situation where Thailand commercial banks have declared to support the international community's attempt on the transition toward net-zero greenhouse gas emission in order to mutually diminish the environmental impact, drive Thailand and the bank clients in the economic system by aiming for granting credit and financial investment to the environmentally friendly business that may affect the current fuel consuming business group that has difficult access to the source of capital, and high-interest rate in the future.

However, in terms of the financial institution loan interest rate management, the Company has continuously monitored the situation of both deposit and loan interest rate of the financial institutions and emphasized the Company's loan interest rate that is regarded as the key finance cost. The Company establishes the policy for applying the loan credit using fixed-rate, and negotiating with the financial institution to the extent of the risk management using Interest Rate SWAP (IRS) Approach and the entry into the financial transactions of the Company in a fixed rate for hedging the interest rate risk, credit granting, and financial investment situations of Thailand commercial banks in the future.

## **(3) Cash flow liquidity risk**

The Company has continuously given precedence to the circumspect use of the financial policies and executions under the COVID-19 pandemic situation in 2021 and 2022 in its business operations, with the internal factor control, annual budgeting planning, and monitoring on expenses based on the Company's plans, to be consistent with the appropriate return. In addition, the Company has also additionally considered the external factors and financial risk management to be corresponding to the rapidly changing current economic environment.

The Company emphasizes the cash flow liquidity through regular planning and considering the Company's cash withdrawal by taking into account the maintenance of the Company's liquidity to the extent of the expenses from the loan interest rate. This will affect finance costs, and financial ratio, statement of income, and return of the shareholders. In addition, the procedure for preventing and maintaining the Company's liquidity is determined by considering the all-around spending framework both in terms of cash inflow and cash outflow management of the Company to be efficient and balanced between them. Close monitoring on the debtor's payment status is determined to prevent the risk from the debtor's outstanding payment for a long time. Moreover, the Company has had no policy for investing money in high-risk investments in order to hedge the illiquidity risk of the Company.

#### **2.2.4 Risk from compliance with the ordinances, rules, regulations, and policies**

##### **(1) Risk from the amendment in laws, notifications, regulations, or practices of the supervisory agencies**

The Company is a public limited company that issues its securities under the Securities and Exchange Act B.E. 2535 (1992), and has the listed securities in the Stock Exchange of Thailand. Therefore, the Company is determined to fulfill 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") as 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. In addition, in 2021, the SEC has declared its intention to mutually support the disclosure standards of financial information relating to climate, and mitigation of the environmental problems in collaboration with the international community to be corresponding

to the UN Climate Change Conference of the Parties No. 26 (COP26).

However, the Company, the Board of Directors, executives, and staffs, as well as the compliance unit of the Company perform their duty to study, monitor, coordinate, communicate, give counsel, and supervise the Company's operations according to laws, notifications, regulations or practices that are amended as prescribed by the supervisory agencies, and also establish the Company's policies, disclose the sustainable development in the social responsibility policy.

The Company is aware of the significance of the business operations for sustainable growth under corporate social responsibilities by focusing on the business operations with care on the stakeholders, economy, society, and environment with virtue, ethics, and code of conduct of the Company, which are consistent with the Corporate Governance Code of the Office of the SEC in order to ensure that the Company's operation is taken place according to laws, notifications, regulations, or practices prescribed by the supervisory unit, and to make the stakeholders confident that the Company is on the ground of good governance, performs its duty with integrity and transparency, coordinates with all sectors, and has good corporate governance, resulting in the continuous sustainable development under Environmental, Social, Governance (ESG) concern for balanced growth, covering 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 staff and the executives of the Company 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.



**(2) Risk relating to the international laws, and rules in the specific business which are applied worldwide**

In the business operations, the Company gives precedence to the sustainable compliance with the laws which are effective worldwide under Environmental, Social, Governance (ESG) concern, and the compliance with the international requirements and laws relating to the environment. The Company always realizes and strictly complies with the requirements and laws. In term of the environment, in 2021, the issue globally emphasized by the United Nations Framework Convention on Climate Change Conference of the Parties (UNFCCC COP26 or called “COP26” that has had a beginning point from the Paris Agreement. The important agenda relating to Clause 6 of the Paris Agreement of the Conference No. 21 in 2015 at Paris regarding the Cooperative Implementation for enhancing the ability to mitigate Green House Gas (GHG) Emission Rate. Total international leaders of 197 countries have countersigned the Anti-Global Warming Agreement on the Nationally Determined Contributions or NDCs by limiting the average surface temperature on earth for not exceeding 2OC. However, the ideal goal is the limitation of the surface temperature on earth for not exceeding 1.5 OC for non-occurrence of the climate crisis that is threatening the people worldwide. Therefore, it has been a national action plan for mitigating pollution emission. The scientists anticipated that the pollution emission should be mitigated by 45% when compared with the level in 2010. It was expected that the pollution emission shall be mitigated within 2030, and pollution emission shall be mitigated to be zero within 2050.

However, the international carriers and freighters of the Company have currently been changed to consume Low Sulfur Fuel Oil (LSFO) not exceeding 0.5% by weight of sulfur in the ship fuel for the fleets that 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) on a continuous basis according to the IMO2020 measure under the focus on a minimum impact on the Company’s operations.

Moreover, regarding 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 that are built after 8 September 2017 shall be installed with the BWMS from the shipbuilding dock in the beginning. In the group of existing ships that are built before 8 September 2017, it has been 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 to 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, in 2021, the Company has installed with the group of Oil and Petrochemical Tanker Business (“Trading Business”), which are Siri Pipat, Sri Khirichad, and Radiant Star, etc., whereas there is UV disinfection technology, touch screen system, and digital indicator result display for managing the ballast water on the ships to be treated according to the standards before draining down to the sea, and simultaneously jointly planned on a continuous basis to ensure the

proper operations pursuant to the said International Convention, and the ability to install the wastewater treatment system according to the 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 Company to avoid the operating impact.

In addition, the Company realizes and strictly complies with the requirements and laws according to the Maritime Labor Act B.E. 2558 (2015) relating to the society, for instance, employment, welfare, labor, health, and safety of the seafarers, etc. The international laws prescribe the rules relating to labor protection in sea-going vessel works. The International Labor Organization (ILO) and International Maritime Organization (IMO) have promulgated various issues of the Conventions consisting of the Convention in part relating to seafarers or labor in the sea-going vessels, such as the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), etc.

However, regarding the compliance with the ordinances, rules, and regulations, the Company 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. In addition, it also emphasizes on compliance with laws that are effective worldwide under the sustainable Environmental, Social, Governance (ESG) concern.

### **(3) Risk from cyber and risk from Information Technology System**

In the Company'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 both 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) in order to promote the operating safety of the sea-going vessels, effective on 1 January 2021. Thus, the Company has updated the Work Manual of the Fleet's Information Security System according to ISM Code, communicated with the fleets for acknowledgment, controlled and monitored, established the event reporting in case of detecting the cyber-attack or threat events, as well as determined the strict compliance. The said Manual also includes the information technology system security of the Company that highly emphasizes on the security of network system, computer system, computer work system, and information system to be adequate and suitable according to the Information Security Management System Standard (ISO/IEC 27001). For instance, the Company has adopted the Enterprise Resource Planning (ERP) System for planning the overall business resources of the Company in operations of the Trading Business and the FSU Business and working at the office. The Company has also adopted the Private Cloud Computing Technology for secure storing and sharing the 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 supervises and manages the information technology, and formulates the strategy and business plan by taking into account the adoption of the appropriate Information Technology System with the Company 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's personnel, and complying with the matters of law and the requirements of both internal and external compliance units.

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

The Personal Data Protection Act B.E. 2562 (2019) was 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's operations on behalf of the personal data controller who shall comply with the rules, procedures, and conditions for collecting, using, or disclosing the personal data, and establishing a security measure, a verification system in order to delete or destroy the personal data, and taking action in the event of a violation of personal data, and taking action based on the right of the personal data subject.

In this regard, the Company is prepared in various areas, whereas the compliance unit of the Company 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 on 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, in order to ensure that the Company gives precedence to and prepares for strictly complying with laws. However, the Company 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's Board of Directors, executives, and staffs for preventing violation, right impact or misuse of the personal data according to laws. In 2021, the Company emphasized the adoption of the information technology system as part of the data security system, protection of the data not to be exported to the outside for the strict compliance with the Personal Data Protection Act B.E. 2562 (2019).

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

Pursuant to the Trade Competition Act B.E. 2560 (2017), which has been 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.

In addition, in the expansion of the business investment by means of Mergers and Acquisitions (M&A) as a core strategy of the Company for achieving the sustainable business operation, in last 2020-2021, the Company has entered into the Trading Agreement for Shares in the Thai Oil Marine Company Limited, and strictly carried out pursuant to the Trade Competition Act B.E. 2560 (2017). The Company has continuously coordinated and monitored the results. The consideration and approval result from the Office of Trade Competition

Commission (OTCC) shall cause the closing of trading within the specified period.

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

**(6) Risk relating to Thai Financial Reporting Standards 16: TFRS 16 Leases**

Thai Financial Reporting Standard 16: TFRS 16 Financial Lease is effective from 1 January 2020 onwards. In terms of the financial lease under the principle according to the said new TFRS, it has affected the figures in the Company's financial statements and caused more complications 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 a short-term agreement that may materially affect the marketing insecurity.

However, the Company has realized and emphasized the compliance with the said TFRS. Under the COVID-19 pandemic situation in 2021, the Accounting Profession Oversight Committee determines that the Federation of Accounting Profession shall announce TFRS 16 Leases (COVID-19 Phase 1 and 2, relief measure, consent on reduction of lease fee relating to the COVID-19 within 30 June 2021. The Company has monitored the situations and strictly executed according to the Government Gazette by mutually taking into account the all-around detail in terms of accounting, finance, and marketing, and proposing the executives, the Committees, and the Board of Directors for regularly considering and making the proper decisions.

**(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. In 2021, in USA by President Joe Biden, as the first country that issues the Countermeasure of Senior General Min Aung Hlaing's coup d'etat, has caused a sanction against army and the companies of the Republic of the Union of Myanmar as the first part. In addition, the economic policy situation has still been monitored on a continuous basis in ASEAN Summit in 2022 accordingly.

However, the Company 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 the Know Your Customer (KYC) process prior to entering into the contracts with any customers in order to prevent the Company from taking any action relating to the group who is under economic sanction that will cause damage to reputation and image. In addition, the Company has still monitored the situation of the agreement on Regional Comprehensive

Economic Partnership (RCEP) for the largest free trade zone, which is effective on 1 January 2022. Thailand is 1 of 15 countries in a joint establishment and has been liberalized in accordance with the Free Trade Agreement (FTA) with the group of goods and products, as well as monitored the situation of the agreement on Comprehensive and Progressive Agreement of Trans-Pacific Partnership (CPTPP). FTA focuses on the creation of the investment climate as an aid promoting the business's flexibility, preparedness to support the Environment, Social, Governance (ESG) trend, as well as advancement of the investment promotion measure, whereas it may be one factor affecting the consumption of energy fuels in transportation system of goods, where the mode of transportation may be changed, and also possibly affect the Company's transportation business operation.

## 2.2.5 Operational risk

The risks in terms of Safety, Security, Health, and Environment (SSHE) from the operations of the Company's seafarers are always likely to arise. The Company 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.

### (1) Risk from occupational accident

As the Company provides cargo transport and storage services, which carry high value and flammable goods, if the accident arises with the vessel, it may cause the injury and death of the seafarers and other persons, and damage of property as well as the Company's reliability. Moreover, it may affect the environment, which may significantly result in a negative impact on the Company's businesses, performance, and financial position.

However, the Company 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 shall execute according to such plan for the efficiency of Sea Worthiness and work safety to ensure the Company's ability to manage risk from accidents, which may lead to the operation disruption, and damage to life and properties, and mitigation of pollution emission.

Moreover, the Company regularly raises the case study from the incident that may cause accidents arising during operations inside the Company for communication within the Company's fleet in order to build awareness for carefulness and preparedness in order to prevent the occurrence of such nature of the incident, and drills the emergency situation in cooperation with the group of Thailand and foreign leading oil companies. The Company 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 the problems, and control the 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, and incidence of cargo transmission pipeline's breakage and tear, would resulting in the 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 a spill. The Company also gives high precedence to the environmental management after the oil spill. In addition, the information technology is trained and applied as an aid for managing the occupational risk of the Company. In 2021, there have been the training via Simulator of



Virtual Navigation Training, whereas the said Simulator is a preparation of the virtual character of channel at Ban Don, Surat Thani Province; and the seafarer training to have the conning skills, proficiency, confidence, and ability to solve the emergency situations during conning the vessels in the channel area at Ban Don by the seafarer himself, for instance, navigation in the situation of traffic jam situation both from the vessel in and out the channel area, tugboat, vessel that moors along the coast and blocks the traffic line, vessel groundings or blockage, etc. The Company continuously emphasizes on the cooperation of the fleet and the office by setting up a navigation situation control and monitoring team throughout the transportation service period under the Project called “Ring The Bell” , where the incident warning is mutually notified for smooth operation, quality transportation service, and upgrade of accidental action. There are the 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 acknowledgment and mutual decision-making.

However, the Company 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 considers the all-around contingent risk factors and communicates and completely builds awareness of insurance to all related parties for regular acknowledgment.

## **(2) Risk from theft and pillage by pirate**

The Company transports and stores cargoes with high value, and has the maritime navigational routes that may have to pass the area risky to theft at sea, for instance, the Singapore Strait, Strait of Malacca,

the east area of Malaysia, and Middle East zone etc. In the operation of the Company’s fleet, before the vessel leaves and passes the risky area of the sea theft, the Company has set the internal work rule, stating the guideline and measure of aboard 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 the pirate. The Company makes adequate insurances to cover the risks assessed by it, and determines 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 the illegal acts at sea and the piracy act, as well as keep periodically watching, following up, and reporting through the route until reaching the destination. The Company 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 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) with the Company’s sea-going vessels, which must sail to receive cargoes in the route risky to pillage by a pirate in the Middle East area. The Company has established a preventive and security measure for the seafarers, hull, properties, and cargoes on board, such as, 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 is made via

the channel of E-mail to the related parties for acknowledgement on every voyage. The Ship Security Alert System (SSAS), which is the push button system upon the event of an 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 the 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 onboard. The backup ASIA Cellular Satellite (ACeS) is prepared to contact for requesting assistance in case of emergency or at the time of damage of communication equipment. In addition, in 2021, the Company has installed the preventive equipment of theft and pillage by pirate for Phubai Pattr 5 to be consistent with the Preventive Maintenance System (PMS), and planned the consideration on execution with the vessels of the Company accordingly.

### **(3) Risk from lack of the personnel with special skills and experiences**

The Company's business operation shall rely on the personnel and seafarers with experiences and expertise on performing duties on board. If the Company has insufficient or unqualified personnel for operation, it may affect the Company's failure to operate its business to meet the standards specified by the customers. In accompany with the global and Thailand labor situational direction, the finding indicated a large number of the retirement age and a shortage of the personnel with the special skills.

From the above-mentioned, the Company recruits the seafarer in its key position via the Manning Agent of Seafarers, and the business allies that 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 determines that the qualified seafarers must be selected to be conforming to the rules and regulations of the Marine Department. There are significant selection rules, for instance, passing the training courses approved by the Marine Department or other agencies approved by the Marine Department, etc. From 2020 onwards, the Company has realized on the said importance by setting up Training and Fleet Management Division for sustainably training and developing the potential Thai personnel into both domestic and foreign navigational industry.

In 2020, the International Maritime Organization (IMO) had 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 Convention's STCW content and standards that are internationally accepted

Other than training and development, the Company has also highly emphasized on the personnel retention, particularly the Company's measure for personnel upskill, personnel reskill creation and development, as well as 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, the provision of health insurance, and setting up of the provident fund for the personnel and the seafarers of the Company, covering the promotion and support on training and seminar to the personnel to have skills and knowledge, for instance English language, the special vocational skills, etc.

### 3. Driving Business for Sustainability

#### 3.1 Policy and Sustainability Management Goals

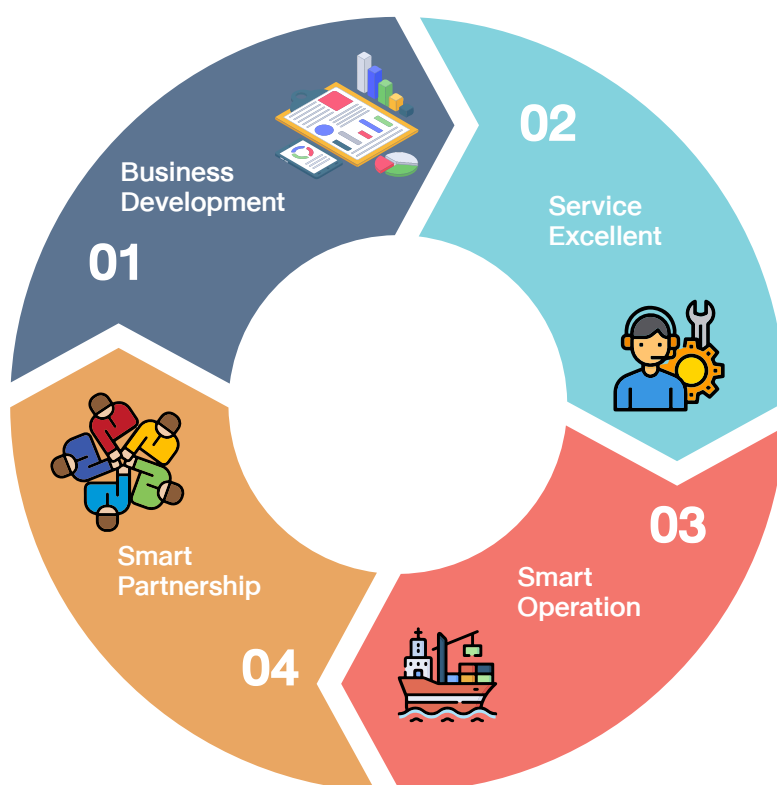
The Company Group has realized the importance of sustainable business growth under Social Responsibility, by prioritizing business operations with good treatment and care for stakeholders, economy, society, and environment with morality, ethics and code of conduct, in which the sustainability is the true core wheel driving the business, we have therefore, emphasized the awareness of impacts on the public, directly and indirectly, the cultivation of knowledge and understanding, and the creation of culture on working with good governance in all process, in order to enhance the benefits to the public along with the sustainable growth of the Company, additionally, we have also created new innovations to respond the needs of all stakeholders in accordance with the intention of being the “**Leader of Thailand’s Energy Transport to Achieve Sustainable Success.**”

#### 3.2 Stakeholder Impact Management in the Business Value Chain

The Company Group has developed a stakeholder management plan to assess the importance and relationships in the business value chain. and analyze the risks to take into account the impact on stakeholders in all aspects as well as create awareness among employees at all levels for real practice.

##### 3.2.1 Business Value Chain

The Company Group has operated a marine transportation and the storage of crude oil, petroleum products, and liquefied petroleum business, as desired by customers in a full range, we have also support of offshore petroleum exploration and production and ship management, with following business value chain:



Value Chain	Process	Stakeholders
1. Business Development	<ul style="list-style-type: none"> <li>▶ Exploring the needs of customers and business trends.</li> <li>▶ Setting business strategies and business models to meet the needs of customers and business trends.</li> <li>▶ Searching Potential Business Partners</li> </ul>	<ul style="list-style-type: none"> <li>▶ Customers</li> <li>▶ Employees</li> <li>▶ Business Partners</li> <li>▶ Partners</li> <li>▶ Broker/Agent</li> </ul>
2. Service Excellent	<ul style="list-style-type: none"> <li>▶ Verifying the availability of services in all 4 areas: Compliance, Finance, Technical and Marketing.</li> <li>▶ Developing service quality and personnel providing services.</li> <li>▶ Communicating with customers and relevant parties on a regular basis</li> <li>▶ Preparing written agreement to determine service details.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Customers</li> <li>▶ Employees</li> <li>▶ Business Partners</li> <li>▶ Partners</li> <li>▶ Broker/Agent</li> <li>▶ government and private organizations</li> <li>▶ Financial Institutes</li> </ul>
3. Smart Operation	<ul style="list-style-type: none"> <li>▶ Providing services of efficient fleet under international standards, and having qualifications to meet the needs of customers.</li> <li>▶ Closely monitoring operations with modern technology.</li> <li>▶ Providing services of professional ship management and specialization</li> <li>▶ Environmentally friendly operating</li> </ul>	<ul style="list-style-type: none"> <li>▶ Customers</li> <li>▶ Employees</li> <li>▶ Business Partners</li> <li>▶ Partners</li> <li>▶ Broker/Agent</li> <li>▶ government and private organizations</li> <li>▶ Community, Society and Environment</li> </ul>
4. Smart Partnership	<ul style="list-style-type: none"> <li>▶ Quickly and completely responding, managing and finding solutions (one stop service).</li> <li>▶ Contacting, coordinating, communicating and not concealing important information, and having communication channels for listening to problems and suggestions.</li> <li>▶ Building and maintaining relationships with stakeholders through activities for long-term business cooperation.</li> <li>▶ Conducting survey on opinions/needs of stakeholders so that the information obtained will be applied to analyze and develop services.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Customers</li> <li>▶ Employees</li> <li>▶ Business Partners</li> <li>▶ Partners</li> <li>▶ Broker/Agent</li> <li>▶ Regulators</li> <li>▶ Community, Society and Environment</li> <li>▶ Shareholders and investors</li> <li>▶ Competitors</li> <li>▶ Creditors</li> <li>▶ Mass Media</li> </ul>

### 3.2.2 Analysis on the Stakeholders in Business Value Chain

Group of Stakeholders	Engagement Channels	Stakeholder Expectation	Response Guideline of the Stakeholder Expectation
Shareholders/ Investors	<ul style="list-style-type: none"> <li>▶ Shareholder's meeting</li> <li>▶ Opportunity Day</li> <li>▶ Site Visit</li> <li>▶ Online Media/Email</li> <li>▶ Whistle Blowing</li> </ul>	<ul style="list-style-type: none"> <li>▶ Equitable, transparent, and fair shareholder treatment</li> <li>▶ The management of the Company according to laws, objectives, Articles of Association, and resolution of the Shareholders' Meeting, as well as Good Corporate Governance</li> <li>▶ Generation of good return to the shareholders</li> <li>▶ No creation of damage or conflict of interests to the Company</li> <li>▶ Adequate, equal, correct, and timely acquisition of the key information about the Company</li> <li>▶ Respect to the right of shareholders</li> </ul>	<ul style="list-style-type: none"> <li>▶ Supervise to have the equitable, transparent, and fair shareholder treatment.</li> <li>▶ 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.</li> <li>▶ 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</li> <li>▶ 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.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>▶ Human Resources and Employees Communicate</li> <li>▶ Town Hall Meeting</li> <li>▶ Online Media, Intranet, and Email</li> <li>▶ Whistle Blowing</li> </ul>	<ul style="list-style-type: none"> <li>▶ Good, appropriate, and fair return, welfare, and privilege</li> <li>▶ Good and safe working atmosphere</li> <li>▶ Fair appointment, removal, reward, and punishment</li> <li>▶ Continuous development of the knowledge, competency, and internal potential of the employees based on the operating line</li> <li>▶ Hearing the problems, understanding the circumstances occurred with the employees, and full support and assistance</li> <li>▶ Career security and progress</li> <li>▶ Perception of news and information or movement of the Company</li> </ul>	<ul style="list-style-type: none"> <li>▶ Provide the appropriate and fair welfare and return to the employees.</li> <li>▶ Maintain the working environment for safety of the employee's life and properties.</li> <li>▶ Give the equal opportunity in impartial filling, appointing, removing, and passing the assessment based on knowledge, competency, will and work success.</li> <li>▶ 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.</li> <li>▶ Provide the opinion hearing channel or the whistleblowing channel for the breach of rules or legal offence.</li> <li>▶ Avoid any acts which are unfair and may affect the career security and neither threaten nor depress the employee's condition of the mind.</li> <li>▶ Inform the useful news and information to the employees via the Company's e-mail.</li> </ul>



Group of Stakeholders	Engagement Channels	Stakeholder Expectation	Response Guideline of the Stakeholder Expectation
Creditors	<ul style="list-style-type: none"> <li>▶ Analysts Meeting</li> <li>▶ Meeting with creditors</li> <li>▶ Site visit</li> <li>▶ Online Media/Email</li> </ul>	<ul style="list-style-type: none"> <li>▶ Fair, transparent, and accountable treatment process without taking advantage</li> <li>▶ Strict compliance with the agreed terms and/or conditions</li> <li>▶ Provision of the correct, complete, and factual information</li> </ul>	<ul style="list-style-type: none"> <li>▶ 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.</li> <li>▶ The trade negotiations with the creditors must not take advantage, be transparent and fair.</li> <li>▶ 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.</li> <li>▶ Provide the creditors the accurate and factual information about the Company.</li> </ul>
Business Partner	<ul style="list-style-type: none"> <li>▶ Supplier Day Meeting</li> <li>▶ Online Media/Email</li> <li>▶ Whistle Blowing</li> </ul>	<ul style="list-style-type: none"> <li>▶ Fair, transparent and accountable treatment process without taking advantage</li> <li>▶ Strict compliance with the agreed terms and/or conditions</li> <li>▶ Creation of confidence on occupational health and safety during working</li> <li>▶ Provision of the correct, complete and factual information</li> <li>▶ Body of knowledge and mutual creation of new innovations for benefits of all parties</li> </ul>	<ul style="list-style-type: none"> <li>▶ Prepare the systematic work procedure and review at least once a year.</li> <li>▶ 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.</li> <li>▶ The trade negotiations with the business partners must not take advantage, be transparent and fair.</li> <li>▶ 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.</li> <li>▶ Provide the business partners the accurate and factual information about the Company.</li> <li>▶ Prepare the Tanker Management and Self-Assessment (TMSA) Form</li> </ul>

Group of Stakeholders	Engagement Channels	Stakeholder Expectation	Response Guideline of the Stakeholder Expectation
Customers	<ul style="list-style-type: none"> <li>▶ Direct Meeting</li> <li>▶ Customer service via PRMoperation@primamarine.co.th</li> <li>▶ Customer Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>▶ Quality and standard services and customer requirement satisfaction</li> <li>▶ Provision of the correct, complete, and factual data</li> <li>▶ Hearing and solving of the problems from use of services</li> <li>▶ Non-disclosure of the customer information or secrets</li> <li>▶ Creation of new innovations for the customer requirement satisfaction.</li> <li>▶ Good relationship and equitable treatment</li> </ul>	<ul style="list-style-type: none"> <li>▶ 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.</li> <li>▶ 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.</li> <li>▶ 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.</li> <li>▶ Prepare a customer satisfaction assessment form once a year. Establish a non-disclosure measure for the customer information and secrets.</li> <li>▶ Promote and provide the creation of new service innovations to ensure more customer benefits and satisfactions.</li> </ul>
Business Competitors	<ul style="list-style-type: none"> <li>▶ Meetings of various industry-related groups</li> <li>▶ Working network in accordance with government policies</li> </ul>	<ul style="list-style-type: none"> <li>▶ Business operation under the framework of law and fair competition</li> <li>▶ Honest business operation</li> <li>▶ No damage of the business competitors' reputation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Behave, conduct and compete in business operation under the framework of fair competition laws and rules.</li> <li>▶ Not seek for business competitors' confidential information by dishonest or inappropriate methods.</li> <li>▶ Not try to damage business competitors' reputation by malicious or false accusations.</li> </ul>

Group of Stakeholders	Engagement Channels	Stakeholder Expectation	Response Guideline of the Stakeholder Expectation
Government Agencies	<ul style="list-style-type: none"> <li>▶ Supporting the projects that benefit the public</li> <li>▶ Participating in projects that benefit the public</li> <li>▶ Disclosure or cooperation</li> <li>▶ Online Media/Email</li> </ul>	<ul style="list-style-type: none"> <li>▶ Compliance with the related laws, regulations of the government agencies</li> <li>▶ Collaboration with the government agencies</li> </ul>	<ul style="list-style-type: none"> <li>▶ Hear the opinions and suggestions from the government sector.</li> <li>▶ Share the opinions from private sector to public sector for creating the better understanding in business sector.</li> <li>▶ Collaborate with the government agencies that have duties to govern the business operations of the Company.</li> <li>▶ Strictly comply with laws, rules, and practical guidelines from the government sector.</li> </ul>
Community	<ul style="list-style-type: none"> <li>▶ Organizing activities with the community</li> <li>▶ Online Media/Email Whistle Blowing</li> </ul>	<ul style="list-style-type: none"> <li>▶ Understanding on the way of community living</li> <li>▶ Participation in the community development in all dimensions to upgrade the living of people in society</li> <li>▶ Hearing of the opinions of the community people</li> </ul>	<ul style="list-style-type: none"> <li>▶ Perform field trip to visit the community on the appropriate occasion basis.</li> <li>▶ Hear the opinions, requirements, and suggestions of the community people.</li> <li>▶ Mutually solve problems and support the projects which are useful for the community.</li> </ul>
Society	<ul style="list-style-type: none"> <li>▶ Disclosing or report</li> </ul>	<ul style="list-style-type: none"> <li>▶ Business operation under the social responsibility without cause of the social damage on the whole</li> <li>▶ Compliance with laws or social regulations</li> <li>▶ Profit return to the society</li> </ul>	<ul style="list-style-type: none"> <li>▶ Not perform any acts which may cause damage to the society on the whole.</li> <li>▶ Promote and support the appropriate activities for social creation, and profit return to the society.</li> <li>▶ Cultivate the awareness to the employees at all levels to seriously and regularly have social responsibilities.</li> <li>▶ Strictly comply with laws and rules relating to the business operations of the Company.</li> </ul>
Mass Media	<ul style="list-style-type: none"> <li>▶ NEWSletter / Press Release</li> <li>▶ Interview</li> <li>▶ Disclosing or report</li> </ul>	<ul style="list-style-type: none"> <li>▶ Communication of correct and up-to-date information</li> <li>▶ Involvement and good relationship with mass media</li> </ul>	<ul style="list-style-type: none"> <li>▶ Publish turnover news once per quarter.</li> <li>▶ Organize the mass media meeting event once a year.</li> <li>▶ Organize the executive/Company/operating area (vessel) visit activities on the appropriate occasional basis.</li> </ul>

### 3.3 Sustainability Management in Environmental Dimension

#### 3.3.1 Environmental Policies and Practice Guidelines

The Company Group has prioritized social responsibility in terms of environmental protection, we have operated and controlled the services of the Company and its subsidiaries to strictly comply with the laws related to environmental conservation. The Company has also operated its business under the concept of environmental care and conservation, by focusing on the supervision and development of service processes including material and product selection that are friendly to nature and environment. In addition, we have also emphasized the reduction of wastes from production process by adhering to the principle of using less or using as needed, with the objective to have the most efficient use of resource sharing for maintenance and avoiding damages against environment, starting from an environmentally friendly design, using non-consumable materials, and reusing them many times, providing a system to protect the environment, to be defined as a practical guideline and used as a tool for business operations.

The operation of oil tanker business may pollute the marine environment in many ways, including pollution from oil, pollution from toxic liquids in tonnage, pollution from marine transport which is a dangerous substance in containers, pollution from sewage, pollution from garbage. and air pollution from vessels, or any accident during transportation which causes oil leakage into the sea. Although the leakage incident is rarely occurred but it causes a wide damage to, especially marine ecosystem, which will affect humans, either directly or indirectly. Therefore, many countries are aware of the importance of tackling the problem of environmental pollutions from maritime oil transportation by enacting legislation to control standards and safety in navigation and to control pollutions, as well as giving cooperations among countries to establish maritime standards

In 2020, the “International Maritime Organization (IMO)”, a special agency under the United Nations responsible in shipping control and as a central platform among member countries in establishing standards and practical guidelines on maritime safety and marine environmental protection, has issued the rule limiting the sulphur in the fuel oil used on board ships operating outside designated emission control areas to 0.50% m/m (mass by mass) from the previous limit of 3.5% for pollution reduction.

The Company’s business operations is under the supervision of the International Maritime Organization (IMO) through the flag state; therefore, the Company Group has always emphasized and strictly complied with the requirements and laws of both internal and external regulators in order to oversee operational processes and to develop more effective and sustainable operations.

#### 3.3.2 Environmental Performance

##### (1) Ballast Water Management

The Ships’ Ballast Water is used in goods transportation to adjust the center of gravity so that the ships will be in a good balance, but the transferring ballast water from one port to another port is one of causes for the problem of moving plant and animal species from one place to new environment, some species can rapidly grow and reproduce, affecting ecological balance, economy, and potential to cause disease to humans. Therefore, the International Maritime Organization (IMO) has developed the International Convention for the Control and Management of Ships’



Ballast Water and Sediments, which was announced on 2004 8 September 2004 and entered into force globally on 8 September 2017. The said Convention has applied to all vessels of a size from 400 gross tons or higher which are registered under State Parties ratifying in this Convention and use ballast water for international travel, there are two standards for ballast water management to be applied to ships including:

1. D-1 Ballast Water Exchange Standard: the standard for the exchange of ballast water in mid sea requires ships to exchange their ballast water in open seas, away from coastal areas. Ideally, this means at least 200 nautical miles from land and in water at least 200 metres deep, or in case of less than 200 nautical miles, the distance must not less than 50 nautical miles from land and at least 200 metres deep.

2. D-2 Ballast Water Performance Standard: the standard determines the efficiency of ballast water on ships, requiring the maximum number of organisms allowed to be discharged, including identified microorganisms that are harmful to human health. The ship owners are required to install the Ballast Water Management System (BWMS) before discharging the ballast water into the sea.

During this time, some ships can also choose to use standard D 1 to handle the ballast water, but after 8 September 2024, all ships under the provisions of this Convention must be equipped with the Ballast Water Management System (BWMS) and comply with D2 standard without exception.

The Company Group, as a marine freight forwarder, places great importance on compliance with this Convention in a strict and accurate manner. The IMO-certified ballast water treatment system is planned for international marine vessels transporting in international waters with the consideration on the installation of ballast water treatment system in all sides of each ship, for example, the renewal survey period upon the International Oil Pollution Prevention Certificate (IOPP) and upon the period of maintenance and shipyard of the Company Group in order to not affect the operations.

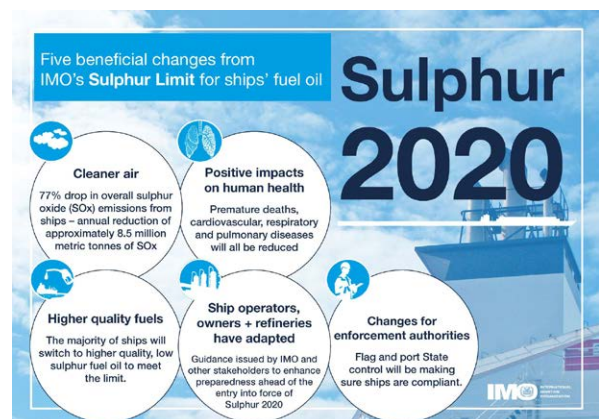
### Performance

At present, three (3) vessels under the Company Group's fleet are completely installed of the Ballast Water Management System (BWMS) and other seven (7) vessels subject to the requirements will be gradually installed of BWMS in next dry dock. The Company decided to use UV Irradiation system for the BWMS and expected to be completed before 8 September 2024.

### **(2) Prevention of air pollution from navigation**

Presently, the international shipping and cargo ships are a major source of sulfur dioxide (SO<sub>2</sub>) due to the use of sulfur-containing fuels, this gas is harmful to both living things and ecosystems, and also a cause of acid rain and respiratory disease. Therefore, to reduce marine pollution and air pollution, and reduce the rate of Green House Gas (GHG) that can cause global warming, the International Maritime Organization (IMO) has the rule limiting the sulphur in the fuel oil that has been enacted on 1 January 2020 ("IMO2020").

All shipping companies is required to use fuel with a maximum sulphur content of 0.50% m/m (mass by mass) from the previous limit of 3.5%, or to install the Exhaust Gas Cleaning Scrubber to reduce sulfur dioxide (SO<sub>2</sub>) emissions in the air, which is a control over Ozone-Depleting Substances, Nitrogen Oxides (NO<sub>x</sub>), Sulfur Oxides (SO), and Particulate Matter.





Upon this new rule, the Company Group has taken action to support the situation in accordance with the IMO2020 measures, our policy is to switch to Low Sulphur Fuel Oil (LSFO) with a maximum sulphur content of 0.50% m/m (mass by mass). For the fleet providing services or required to transport on any route outside Thai waters, it must follow all rules of the International Maritime Organization (IMO) and monitored of its engine condition in which the engine has been modified to use such low sulfur fuel.

### **Performance**

The Company Group has announced the use of low sulfur fuel with a maximum sulphur content of 0.50% m/m (mass by mass) for ships since 25 December 2019 onwards, to express our intention to give cooperation and create international standards. All transport ships of the Company Group are completely inspected and granted of the International Air Pollution Prevention Certificate.

### **(3) Waste Management on Ships**

During the ship is on journey, in addition to the mission of goods transportation, there are also activities of seafarers in daily life like cooking, recreational activities; therefore, the ship must also carry sufficient amount of supplies, facilities, and necessary utilities in each shipping, causing wastes on ship and then requiring proper management to prevent the impact on environment and marine ecosystems.

The waste management on ship must follow the The United Nations Convention on the Law of the Sea (UNCLOS) adopted in 1982 and the International Convention for the Prevention of Pollution from Ships 1973 and the Protocol of 1978 (MARPOL 73/78) in Annex V. Thailand has become a party to both conventions, but not yet a party to Annex V. Thailand has a policy to become a party to the Convention in Annex V in order to cooperate with other countries in regulating the ship to not dump wastes in the sea The Thai law which is currently in force is not sufficiently comprehensive; therefore, the law of navigation in Thai waters has been amended by adding provisions on the littering at sea, establishing measures to control the ship to not dump wastes in the sea based on the international standards and the obligations of the Convention.

In terms of waste management on ship, the Company Group prepared a Garbage Management Plan and a Garbage Record Book, and all wastes on the ship must be clearly sorted and then sent to dump on land, the waste dumping into the sea is prohibited. In addition, the Company also train our seafarers to have knowledge and understanding of the International Convention for the Prevention of Pollution from Ships in the part of controlling wastes from ships. The Company has the policy to equip all ships providing international freight services with the certified incinerator in accordance with the conditions stipulated by the International Maritime Organization (IMO).

### **Performance**

The Company Group has prepared a Garbage Management Plan and a Garbage Record Book, and all wastes on the ship must be clearly sorted and then sent to dump on land to an agency certified of ship waste management by the Marine Department, the waste dumping into the sea is strictly prohibited. The seafarers are also trained of waste management on ship as specified training schedule.

#### **(4) Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator**

The global climate change is another crisis for humanity and becomes more and more severe, such as rising sea levels and extreme weather conditions like severe drought and flooding. During 31 October to 12 November 2021, the 26<sup>th</sup> UN Climate Change Conference of the Parties (COP26) was held in Glasgow, Scotland, with the goal to enable states parties under the United Nations Framework Convention on Climate Change (UNFCCC) to achieve their goal of reducing their greenhouse gas emissions to Net Zero in global level, and then leading to Carbon Neutrality by 2050. Many countries are called to propose higher goal to reduce greenhouse gas emissions (importantly, carbon dioxide, methane and nitrogen oxides) to be Net zero GHG emission by 2030 in line with the goal of reducing greenhouse gas emissions.

The greenhouse gases on the planet include carbon dioxide, methane, nitrous oxide, hydrofluorocarbon gas group, perfluorocarbon gas group, sulfur hexafluoride gas, nitrogen trifluoride gas, water vapor, ozone and CFCs; due to the situation having excessive amounts of greenhouse gases, the global agreement to control greenhouse gas emissions was formed at the COP26 Conference.

In the maritime transport sector, the IMO held the 76<sup>th</sup> session of the IMO's Marine Environment Protection Committee (MEPC 76), the resolutions adopted by this meeting include the technical and operational measures to reduce the carbon intensity of international shipping coming into effect from the year 2023, such measures are:

1. The technical measure called Energy Efficiency Design Index (EEDI) for newly assembled ship is established, but in case it is applied the existing ship, it will be called Energy Efficiency Existing Ship Index (EEXI). The EEXI value will be applied to all types of ships with 400 GRT or higher, which internationally sail, regardless of the shipbuilding date, all ships, no matter how old of the ship, are required to calculate the EEXI, the EEXI will be imposed on ships under the requirement, on 1 January 2023.

2. The Carbon Intensity Indicator (CII) is a criteria used to measure how much CO<sub>2</sub> emitted by any ship under this regulation per 1 DWT of vessel weight over a nautical mile, the measure will be annually conducted, based on the IMO's short-term measures to reduce greenhouse gas emissions, such as the improvement of the Ship Energy Efficiency Management Plan (SEEMP) to be audited, rating of fuel consumption, or determination of fuel consumption or ship speed. At the 76<sup>th</sup> MEPC conference, all these three measures became CII regulations. The CII-compliant ships are international ships of more than 5,000 GRT and are the ships compliant with the EEXI regulations, which will come into force in 2024.

#### **Preformance**

At present, there are 13 ships under the Company Group subject to apply EEXI, all of which have almost completed the preparation of technical report, expected to be completed by the middle of 2022. The remaining ships that are not subject to the EEXI enforcement are planned by the Company to be calculated of the EEXI value in order to enhance the operational standards for marine environment protection. After attaining EEXI value, any ships over 5000 GRT will be further calculated of the CII value, the Company's target is to calculate total greenhouse gas emissions for all ships in the fleet to assess their carbon emissions and develop a road map for emission reduction policies as a future goal.

## (5) Environmental Preservation and Development Activities

### ▶ Oil/Chemical Spill Drill

The Company is aware of the security surveillance and the impact on the complex value chain, ecosystem, and a large number of related personnel, we have prepared our readiness to cope with any unexpected emergency, and established a working group for emergency plan drill and coordinating with relevant agencies alike the real situation to respond to and cope with emergency that may occur. The emergency drill on the Bongkot Star, a VLCC sized vessel in the FSU business, is held twice a year under the supervision of the Marine Department.

▶ Soft coral propagation project to restore degraded coral reefs and to create eco-tourism, implemented by the Aquatic Resources Research Institute, Chulalongkorn University, at Koh Sichang District, Chonburi Province

The increasing developments on economy and society developments of the country has resulted in the deterioration of environment which is unfavorable for the natural propagation of fishes; and the excessive fishing severely affects the species and quantity of aquatic animals. In order to restore natural resources, the Company Group therefore attended a lecture on coral propagation, and has joined hands in growing soft corals to be planted under the sea by experts. This project has been continuously cooperated and operated by the Company Group for the past 3 years and we plan to participate in expanding knowledge with the communities.



## 3.4 Sustainability Management in Social Dimension

### 3.4.1 Social Policy and Practice Guidelines

#### (1) Business Operation with Fairness

The Company has focused on business operation with honesty, fairness, and ethics, and determined to have trade competition in accordance with ethical business practices, laws and fair-trade competition principles, including to reject any behavior that impedes fair competition, such as seeking competitors' confidential information, soliciting, receiving, and not giving any dishonest commercial benefits in the procurement of assets, etc.

#### (2) Respect on Right in Intellectual Property

The Company respects the intellectual property rights of others, we have a policy for its personnel to comply with the laws or requirements related to intellectual property rights, such as the use of legally copyrighted computer programs, etc. In addition, we have a campaign to promote and cultivate the subconscious mind for the Company's personnel at all levels to raise the social responsibility.

#### (3) Anti-Corruption

The Company manages its business on the basis of transparency and ethics, and adheres to the principles of good corporate governance, and complies with the laws related to anti-corruption, giving or accepting bribes to government officials or the private sector. We have established our organizational structure to divide clearer responsibilities, work process, and chain of command in each function in order to balance the power and to have an appropriate check-up among them. Details of the Company's Anti-Corruption has been disclosed in "Section 2: Corporate Governance"

#### **(4) Respect on Human Rights**

The Company has a policy to support and respect the protection of human rights by treating stakeholders such as employers, communities and society with respect for human values, considering equality and equal freedom, not violating fundamental rights, and not discriminating, regardless of race, nationality, religion, language, color, gender, age, education, physical condition or social status. We also monitor our business to prevent it from getting involved in human rights violations such as child labor, sexual harassment, etc. In addition, the Company has promoted the surveillance of compliance with human rights requirements by engaging employees and related parties to express their opinions and providing channels for complaints for those who have been damaged by the rights violations arising from the Company's business operations and then taken appropriate remedies.

In order to effectively respect human rights, the Company has created knowledge on human rights and cultivated the conscious among its personnel to comply with human rights principles

#### **(5) Fair Treatment of Labor**

Human resources development and fair treatment of labor are factors that increase the values of business, and enhance the competitiveness and sustainable growth. For this reason, the Company Group has, therefore, established following policies and guidelines:

- Respecting the rights of employees based on human rights principles and complying with labor laws.
- Providing fair employment process and conditions including compensation and consideration of performance and merits under a fair performance evaluation process.
- Promoting human resources development with training, seminars, and sending personnel to attend seminars and training in various fields related to the development of knowledge, competency, and potential of personnel, and also cultivating good attitude, morality, ethics, and teamwork among personnel.
- Providing employees with benefits as required by laws such as social security, and benefits other than those required by laws including health insurance and accident insurance, provident fund and subsidies to employers, i.e. scholarships for employees' children, and funeral aid, etc.
- Providing personnel at all levels with annual health check-up, taking into account risk factors based on individual level, age, gender and working environment.
- Enabling employees to safely work under good and hygienic workplace by providing measures to prevent accidents, and encouraging employees to have safety consciousness, as well as organizing training and encouraging employees to have good hygiene and taking care of the workplace to be hygienic with safety all the time.
- Providing employees with opportunities to express their opinions or complaints about unfair treatment or improper acts in the Company, and protecting employees who report complaints.

#### **(6) Customer Responsibility**

The Company is committed to develop the services of the Company and its subsidiaries for the highest satisfaction and benefit of customers and to adhere to treat customers with responsibility, honesty and take care of customers as if they are family members of the Company as follows:

- The Company mainly takes into account the quality and standards of the Company by focusing on providing quality and standard services, so that the customers can use services with quality, hygiene, and the highest satisfaction. In addition, the Company recognizes the importance of providing knowledge and understanding about the services, employees are responsible in providing accurate and complete information about the services.

- The Company has a project to continually develop and innovate new services to respond the needs of customers, so that the customers can use a variety of services with quality and standard, and as desired.
- The Company adheres to fair marketing, with a policy to ensure that customers is provided of information about the Company's services with correctness, not distorted, ambiguous, or the exaggerating advertisements, so that the customers obtain accurate and sufficient information for decision making.
- The Company takes into account the safety of customers, and is committed to providing customers with quality and safe services in accordance with international safety standards and regulations, and as required by law. We have ealways designd, created, and developed services to make our customers to be confident in the quality, standards and safety of our services.
- The Company establishes the customer relationship system to be used for communication with customers and effectively receiving complaints about the quality of services through the Company's website, so that the needs of customers will be quickly responded.
- The Company will keep the customer's information confidential and will not misuse such information.
- The Company provides activities to strengthen the relationship between customers, and between customers and the Company to be sustainable.

#### (7) Contributions to community or social development

The Company is aware of its responsibility to the community and society to strengthen the community and and truly return to the society, with the objective to create knowledge, works, amd people; therefore, the Company has a policy to help and develop society by focusing on donations and education support, to cooperate in many activities with surrounding communities in the areas where the Company operates its business, as appropriate, and to respond to iincidents affecting the communitéis, society and environment due to the Company's operations with speed and efficiency. In addition, the Company has also encouraged its employees to have awareness and responsibility to the environment and society.

#### (8) Innovation and dissemination of innovations derived from operation, with responsibility on society, environment, and stakeholders

The Company emphasizes creative activities and services that are motivated by responsibility to society environment and stakeholders, as appropriate, with the first aim oncreating innovations in the Company's operations. The innovation on the process and social services is based on "new concept " to respond to the needs of society in various aspects. The Company provides employees with opportunity to engage and propose comment on the development of creative work processes.

### 3.4.2 Social Performance

#### (1) Corporate Governance

Based on the determination to conduct business with fairness and adhere to the principles of good corporate governance, the Company is rated in terms of good corporate governance at "Excellent" or "5 Stars" level from the Corporate Governance Survey of Listed Companies 2021 (or CGR 2021) for the third year in a row (2019 - 2021), this demonstrates our determination to develop standards and to maintain ourselves in a fair and ethical business operations.



#### (2) Anti-Corruption

The Company has been certified as a member of the CAC project by the CAC Committee since 2019. The accreditation is valid for 3 years and in 2020, the Company has not had any complaints or whistleblowing of any misconduct or corruption.





### (3) Fair Treatment of Labor

#### Employee Compensation

Employees' compensation (excluding executives) of the Company and its subsidiaries in 2021 totaled approximately THB 1,185.87 million, consisting of salary, wage, bonus, social security contribution, provident fund, and other welfares.

#### Human Resources Development and Employee Training

In 2021, the Company has formulated the development plan appropriate to employees in each department, covering both basic skills, management skills, and professional knowledge. We provided 120 in-house training courses and 47 external courses, with the average number of employees' training hours at 51.20 hours per person.

Year	2021	2020	2019
Number of training hours per year	51.20	35.94	52.80

#### Safety, Occupational Health and Working Environment

In 2021, the Company has set the goal on safety, occupational health and working environment and the performance is as follows:

Safety Statistic	Target	Duration	Performance
Statistics of accidents in office buildings (employee injuries)	0 Time	365 Days	0 Time
Statistics of accidents on ships (employee injuries)	0 Time	365 Days	1 Time

### (4) Customer Responsibility

#### Service Standard Certification

The Company has been certified of Quality Management System (ISO 9001:2015) in accordance with the international standards, by Bureau Veritas Certification (Thailand) Limited.

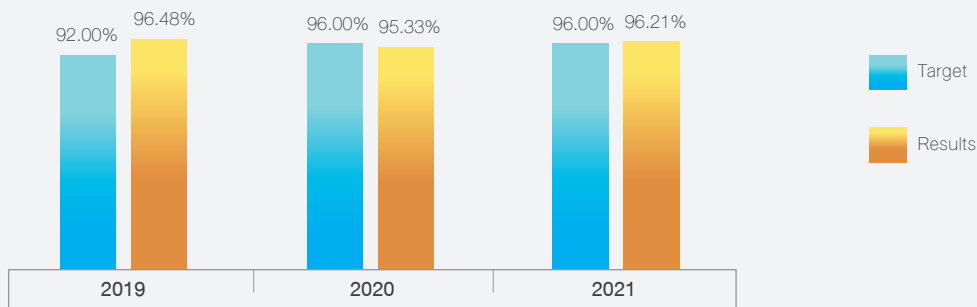
#### Customer Relations

The Company has managed a customer relationship system to receive service feedback and to be notified of complaints about the quality of services in order to quickly respond to the needs of customers. The customers can send or notify the issue to the Company by contacting the Marketing Department, or by sending email to PRMoperation@primamarine.co.th

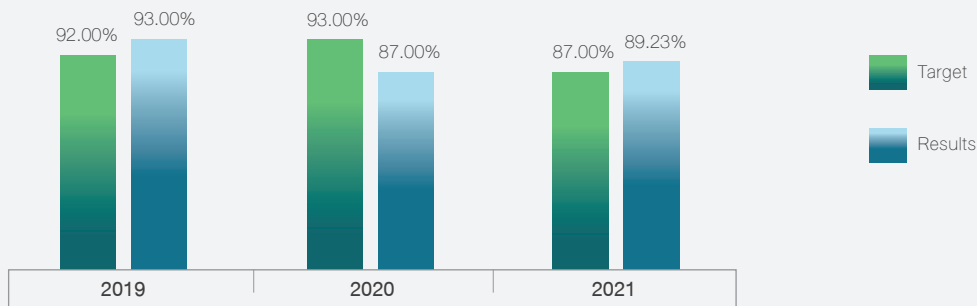
#### Survey on Customer Satisfaction

The Company has sent the questionnaire on customer satisfaction about the services to assess the operations, to be beneficial to the development and upgrade of operational standards and quality, once a year.

#### Results of Customer Satisfaction Survey by Commercial 1 Department



#### Results of Customer Satisfaction Survey by Commercial 2 Department



#### (5) Contributions to Community or Social Development

Among the contributions to community and social development, one area is to strengthen the community by creating knowledge, works, and people, the Company Group has a policy to provide communities in the surrounding area of operation with assistance and activity support, and responding to incidents affecting the communities, society and environment with speed and efficiency.

In addition, the Company's personnel are also encouraged to participate in projects and activities to cultivate their awareness and responsibility to environment and society. The projects continuously supported and developed in 2021 are as follows:

#### ► Project to support educational equipment, deliver lifeboats with davits to the Merchant Marine Training Center

To be utilized for learning from the equipment used in the actual operation by providing lifeboats with davits.



➤ **Project to enhance the safety of life and property for people and tourists in Ko Sichang Sub-District together with the Ko Sichang Sub-District Municipality, Chonburi Province**

The Company Group continually supports the safety of life and property for communities in needy areas, the support is provided through Bongkot Marine Services Co., Ltd., by providing motorcycles and equipment to facilitate the safety monitoring for people in the communities and tourists.



➤ **Project to promote and improve the quality of life of fishermen with the Chonburi Fisheries Association, Chonburi Province**

The Company Group recognizes the importance of promoting and developing the quality of life and occupation of fisheries in communities close to the sea, we therefore conducted the filed survey on the needs and donated THB 200,000 to support the project in promoting fish breeding and improving the fishermen's quality of life to be spent as a working capital, we also discussed to seek for opportunity in sustainably expanding the knowledge with the Chonburi Fisheries Association in the following years.



➤ **Project to enhance operational safety for Marine Police of Si Racha, Si Racha District, Chonburi Province**

The Company Group joins in purchasing life jackets to facilitate the safety monitoring for people in the communities and tourists by supporting through Bongkot Marine Services Co., Ltd.



➤ **Donation to support the fight against COVID-19**

In 2021, all sectors have been affected by the wide spread of COVID-19 because it is an emerging virus to be infected through the respiratory tract, the medical profession does not have any knowledge to completely cure it, and there is no vaccine to prevent it. Therefore, people are at risk of infection, especially medical personnel, as a result, the Company Group decided to donate fund to support medical agencies and government agencies in the areas of operation, as follows:

➤ **Donating THB 50,000 to Laem Chabang City Municipality, Si Racha District, Chonburi Province.**



➤ **Donating THB 30,000 to Surat Thani Hospital, Mueang Surat Thani District, Surat Thani Province**



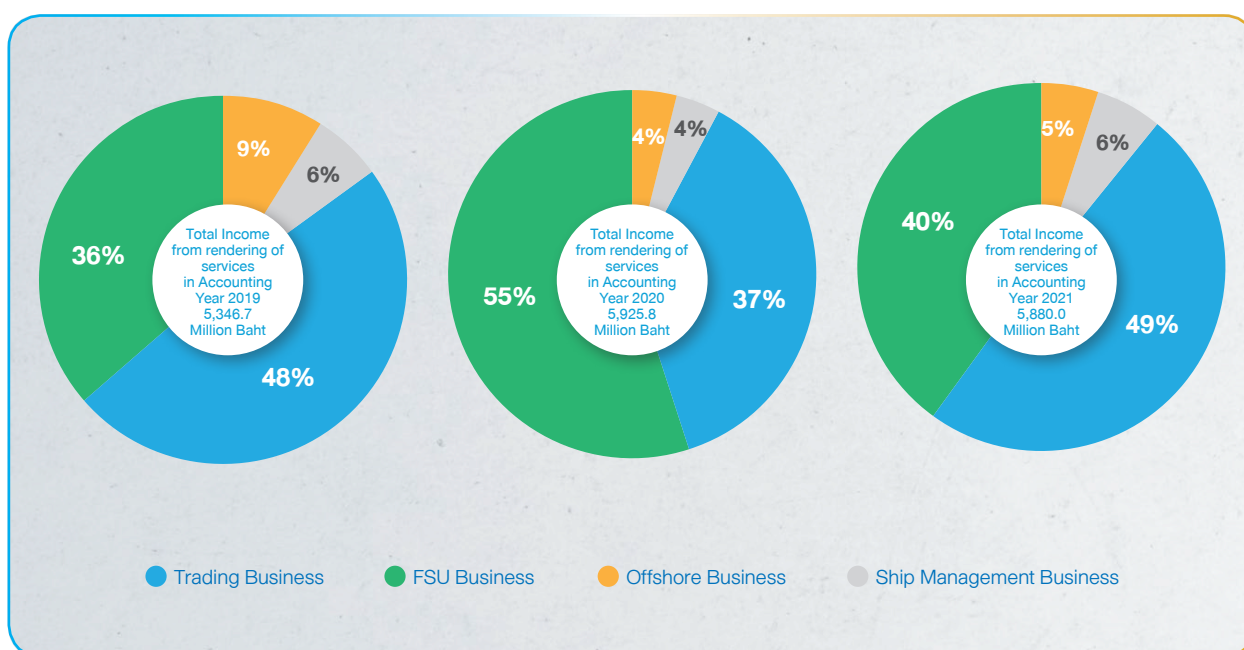
## 4. Management Discussion and Analysis (MD&A)

The following analysis and explanation were created for the consolidated financial statement of the years 2019, 2020 and 2021 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 2019, 2020 and 2021. The information provided herein are in form of consolidated basis.

### 4.1 Overview of past operational result and financial position

#### Overview of operational result in accounting years of 2019 – 2021

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 2019 - 2021 are as follows:



In 2021, the crisis situation caused by the COVID-19 epidemic in Thailand has continued to intensify due to a new wave of outbreak in late 2020, resulting in the number of infected people rapidly increased in many provinces nationwide and the number of daily infections reached ten thousand in early 2021. In addition, many countries around the world are still facing the outbreak of COVID-19 similar to Thailand, Covid-19 has damaged the economy, dramatically affected and changed the life of people, and affected demand and supply chains in many industries around the world. Additionally, the world's crude oil prices in 2021 have been highly volatile, directly affecting the FSU Business, which was previously the main business that generated the highest proportion of revenue for the Company Group.

Therefore, in 2021, the Company Group has planned and operated its business to balance among various business groups, and reduce too much dependence on any business, the year 2021 is considered as the year of “**Adjusting Business Base for Stable Growth**” of the Company Group. The Company Group acquired the business of Truth Maritime Company Limited (formerly known as Thai Oil Marine Company Limited) on 30 April 2021 from Thai Oil Public Company Limited, the said investment not only immediately expand the Company Group’s Domestic Trading Business, International Trading Business, Offshore Support Business, and Ship Management Business after the acquisition, but the Company Group also could reach an agreement to provide Thai Oil Marine Company Limited with services of three(3) VLCC-sized international crude oil tankers in International Trading Business under a long-term contract as follows: the 1<sup>st</sup> tanker has been in service in May 2021, while the 2<sup>nd</sup> and 3<sup>rd</sup> tankers will be in service in the 2<sup>nd</sup> and 4<sup>th</sup> quarters of 2022, respectively.

As a result, the revenue of the said business group was significantly increased compared to the year 2020, the increasing revenue could offset the revenue of Floating Storage Units Business (FSU) which has slowed down from the impact of the severe epidemic situation of COVID-19 and the volatility of global crude oil prices, resulting in the decreasing demand of FSU vessels for mixing and storage of oil in 2021 compared to 2020. Additionally, the effective management of the fleet’s shipping routes with flexibility in product modification in transportation of clear oil products and the expansion of service to customers in Indian Subcontinent have enabled P the Company Group to maintain a high utilization rate of its fleet. For the Company Group’s operations in 2021, a total income was 5,880.0 million baht with a total net profit of 1,526.5 million baht.

Important particulars reflecting the Company Group’s operational performance in the past 3 years can be summarized as follows:

Particular (Million Baht)	Accounting year 2019	Accounting year 2020	Accounting year 2021
Revenue from Services	5,346.7	5,925.8	5,880.0
Gross profit	1,695.5	2,458.4	1,813.4
Gross profit margin (%)	31.7	41.5	30.8
Selling and administrative expenses	435.4	485.5	498.1
Net profit	1,122.5	1,701.6	1,526.5
Net profit margin (%)	21.0	28.7	26.0
Net profit attributable to owners of major company*	1,023.4	1,533.1	1,402.8



The revenue from services for the years 2019, 2020 and 2021 were 5,346.7 million baht, 5,925.8 million baht and 5,880.0 million baht, respectively, the revenue of 2020 was increased by 10.8% compared to 2019, while the revenue of 2021 was decreased by 0.8% compared to 2020. In 2020, the Company Group successfully negotiated with customers on a service rate adjustment for 6 out of 8 vessels under FSU Business, in line with the demand for fuel oil storage and mixing that has been highly increased. At the same time, the revenue of domestic trading business was maintained at a level close to 2019, despite a significant drop in the consumption of Jet A-1 due to COVID-19 outbreak; therefore, the revenue, gross profit and net profit of 2020 was much higher compared to 2019.

In 2021, although the revenue of FSU Business was declined due to the high volatility of crude oil prices in the world market which affected the demand for FSU vessels for storage and blending of fuel oil, the successful acquisition of Truth Maritime Company Limited has enabled the Company Group to expand the domestic trading business, international trading business, offshore business and ship management business to compensate for the declining revenue of FSU business as mentioned above. As a result, the overall revenue of 2021 was similar to that of 2020. However, the Company Group has been continuously affected by the rising price of crude oil in the world market, resulting in its increasing cost of Bunker price throughout the year; the increasing cost of seafarers for COVID-19 test and prevention throughout 2021, and the preparation cost of AWB vessels during 1Q21. Therefore, the Company Group's cost of services in 2021 was higher than that of 2020, causing gross profit and net profit in 2021 decreased when comparing to 2020.

The Company Group's selling and administrative expenses for the years 2019, 2020 and 2021 were 435.4 million baht, 485.5 million baht, and 498.1 million baht, respectively. The higher selling and administrative expenses in 2020 compared to that of 2019, due to the expenses incurred from the sale of vessels in the Offshore Business during 3Q20. The vessels were sold because the customer is necessary to stop the operation due to the decline in oil wells and the continued decline in crude oil prices in the middle of 2020. Additionally, the compensation of employees in the FSU Business was higher in accordance with the operational result of 2020, while the selling and administrative expenses in 2021 will be increased when comparing to 2020, due to the increasing expense of seafarers' COVID-19 test and prevention, and administrative expenses related to the acquisition of Truth Maritime Company Limited.

The net profits for the years 2019, 2020 and 2021 were 1,122.5 million baht, 1,701.6 million baht, and 1,526.5 million baht respectively, representing a net profit margin of 21.0%, 28.7% and 26.0%, respectively. The increasing net profit margin in 2020 was due to the successful negotiation in adjusting the service rates of vessels in the FSU Business as discussed above. Meanwhile, the decline in net profit margin in 2021 was due to a decline in gross profit from a slowdown in FSU Business, an increase in fuel costs in line with the increasing crude oil prices in 2021, a declining share of profit from investments in associated companies and joint ventures, administrative expenses for the expanded business, and additional financial advisory fees for the acquisition of Truth Maritime Company Limited.

## 4.2 Performance Analysis

### 4.2.1 Analysis of Operating Results for fiscal years 2019, 2020 and 2021

#### 4.2.1.1 Revenue from Services

The Company Group's revenue from services has continuously increased during the past 3 years for the accounting years of 2019, 2020 and 2021, representing 5,346.7 Million Baht, 5,925.8 Million Baht, and 5,880.0 Million Baht, respectively. The revenue mostly 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 details shown in below table:

Revenue from services (Million Baht)	Accounting Year 2019		Accounting Year 2020		Accounting Year 2021	
	Value	%	Value	%	Value	%
Revenue from Trading Business	2,587.9	48.4	2,203.3	37.2	2,888.4	49.1
Revenue from FSU Business	1,940.9	36.3	3,248.6	54.8	2,359.0	40.1
Revenue from Offshore Business	491.2	9.2	225.5	3.8	307.3	5.3
Revenue from Ship Management Business	326.6	6.1	248.4	4.2	325.3	5.5
<b>Total Revenue from Services</b>	<b>5,346.7</b>	<b>100.0</b>	<b>5,925.8</b>	<b>100.0</b>	<b>5,880.0</b>	<b>100.0</b>

#### 1) Revenue from Trading Business

The revenue from Trading Business has continuously expanded for accounting years of 2019, 2020 and 2021, amounting 2,587.9 Million Baht, 2,203.3 Million Baht and 2,888.4 Million Baht, respectively, or representing 48.4%, 37.2% and 49.1% of total revenues from services, respectively. The revenue from Trading Business was varied in accordance with the shipment volume as follows:

Trading Business	Accounting Year 2019	Accounting Year 2020	Accounting Year 2021
Shipment volume (million litres)	9,282.3	9,880.3	9,188.8

- 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, as a result, the Company Group had to adjust the routes and the products in the transportation to the routes with lower service rate in order to maintain the high utilization rate; and (2) one vessel of Trading Business was sold due to its old age and drydocking.

- For the accounting year of 2021 compared to the accounting year of 2020, the Company Group earned increasing revenue from Trading Business by 685.1 Million Baht or increasing 31.1% due to: (1) additional 5 vessels have served in the domestic trading business after the acquisition of Truth Maritime Co., Ltd.; (2) efficient fleet management in altering routes and shipping products, as well as expanding the services to customers in Indian Subcontinent; (3) one VLCC vessel from the acquisition of Truth Maritime Company Limited earned revenue for international trading by providing services to Thai oil Group under a long-term time charter contract.

## 2) Revenue from FSU Business

For the accounting years of 2019, 2020 and 2021, the revenues from FSU Business were 1,940.9 Million Baht, 3,248.6 Million Baht and 2,359.0 Million Baht, respectively, representing 36.3%, 54.8% and 40.1% of total revenues from services, respectively. However, the revenues from FSU Business changed its utilization rates as follows:

FSU Business	Accounting Year 2019	Accounting Year 2020	Accounting Year 2021
Average Utilization Rate (%)	94.30	99.90	74.39

- 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 which were supplied during 2019 served customers for a full year of 2020; 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
- For the accounting year of 2021 compared to the accounting year of 2020, the Company Group earned the decreasing revenue from FSU Business by 889.6 Million Baht or 27.4% mainly due to: (1) the reduction of service rate since Q2/2021, in line with the market situation where the demand for FSU transportation and storage vessels has decreased due to the impact of the continuously rising crude oil price in the world market; (2) three vessels of FSU Business were decreased in 2021 due to sales of vessels to make profits from the sharply rising steel price of the world market, to maintain a high level of utilization rate of remaining FSU fleet.

## 3 Revenue from Offshore Business

The revenues from Offshore Business have consisted of the revenue from Floating Storage and Offloading Unit (FSO) Business, the revenue from Accommodation Work Barge (AWB), and the revenue from Crew Boat, for the accounting years of 2019, 2020 and 2021, the revenues from Offshore Business were 491.2 Million Baht, 225.5 Million Baht and 307.3 Million Baht, respectively, or representing 9.2%, 3.8% and 5.3% 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 2019	Accounting Year 2020	Accounting Year 2021
Number of Utilization Days of Offshore Support Vessels (days)	1,006.0	468.0	2,863.7

- 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 is operating in Offshore Business.
- For the accounting year of 2021 compared to the accounting year of 2020, the Company Group earned the increasing revenue from Offshore Business by 81.8 million baht or 36.3% because the AWB vessel under the time charter contract is resumed to serve customers from 26 April 2021, under the contract with higher service rates and longer term than the contract of previous year, in line with the better situation of petroleum exploration and production business in the Gulf of Thailand, and 13 vessels have been added into the fleet of crew boats after the acquisition of Truth Maritime Co., Ltd. that started to recognize the revenue from 30 April 2021.

#### 4) Revenue from Ship Management Business

For the accounting years of 2019, 2020 and 2021, the revenues from Ship Management Business were 326.6 Million Baht, 248.4 Million Baht and 325.3 Million Baht, respectively, or representing 6.1%, 4.2% and 5.5% of total revenues from services, respectively.

- 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.
- For the accounting year of 2021 compared with the accounting year of 2020, the Company Group earned the increasing revenue from Ship Management Business by 76.9 Million Baht or representing 31.0%, as a result of the acquisition of Truth Maritime Company Limited, causing the Company Group acquiring and continuing the Shipping/Ship Agent business, which is one of the businesses expertised by Truth Maritime Group. At the end of 2021, there are totally 36 vessels under the management of the Company Group, 4 of them are not the vessels of the Company Group and 32 of them are the vessels of the Company Group.

##### 4.2.1.2 Cost of Services

For the accounting years of 2019, 2020 and 2021, the cost of services for the Company Group were 3,651.2 Million Baht, 3,467.4 Million Baht and 4,066.6 Million Baht, respectively, decreasing by 183.8 Million Baht or 5.0% in 2020, and increasing by 599.2 Million Baht or 17.3% in 2021. 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 2019		Accounting Year 2020		Accounting Year 2021	
	Value	%	Value	%	Value	%
Cost of Trading Vessel Services	2,047.4	56.1	1,776.0	51.2	2,397.6	59.0
Cost of FSU Vessel Services	1,063.5	29.1	1,356.8	39.1	1,245.6	30.6
Cost of Offshore Vessel Services	352.9	9.7	201.2	5.8	215.7	5.3
Cost of Ship Management Services	187.4	5.1	133.4	3.8	207.7	5.1
<b>Total Cost of Services</b>	<b>3,651.2</b>	<b>100.0</b>	<b>3,467.4</b>	<b>100.0</b>	<b>4,066.6</b>	<b>100.0</b>

The proportion of the Company Group's cost of services have been classified by the types of expenses in the accounting years of 2019, 2020 and 2021 as below summary:

Cost of Services (Million Baht)	Accounting Year 2019	Accounting Year 2020	Accounting Year 2021
	%	%	%
Fuel Oil for Sailing	22.9	22.9	26.1
Depreciation and Amortization	17.1	20.2	22.2
Affreightment expense of Trading Vessels under Time Charter	9.4	2.8	-
Cost of Ship Management <sup>1</sup>	6.2	7.9	8.3
Cost of Trading Business <sup>2</sup>	44.3	46.1	43.3
Other Expenses	0.1	0.1	0.1
<b>Total Cost of Services</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note: <sup>1</sup> Costs of Ship Management such as seafarer expense, maintenance expense, etc.

<sup>2</sup> Costs of Trading Business such as Port Due and Port Charge, operational agent expense, insurance fee, and affreightment expense of other vessels under spot charter.

#### 1) Cost of Trading Vessel Services

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 2019, 2020 and 2021, costs of trading vessel services were 2,047.4 Million Baht 1,776.0 Million Baht and 2,397.6 Million Baht, respectively, or representing 56.1%, 51.2% and 59.0% of total cost of services, respectively.

- 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.
- For the accounting year of 2021 compared with the accounting year of 2020, the Company Group's cost of trading vessel services was increased by 621.6 Million Baht or 35.0% due to the increase in fuel oil prices for vessels in 2021 compared to 2020, in line with the continuously increasing prices of crude oil in the world market throughout the year.

#### 2) Cost of FSU Vessel Services

For the accounting years of 2019, 2020 and 2021, the costs of services for FSU Business were 1,063.9 Million Baht, 1,356.8 Million Baht and 1,245.6 Million Baht, respectively, or representing 29.1%, 39.1% and 30.6% of total costs of services, respectively.

- 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.
- For the accounting year of 2021 compared to the accounting year of 2020, the Company Group's cost of FSU vessel services was decreased by 111.2 Million Baht, or representing 8.2 %, mainly due to: the lower cost of services in line with the decreasing three FSU vessels which were sold in Q2 and Q3 of



2021 during the highest global steel prices in the past 10 years, 3 vessels sold included Darin Star, Energy Star and Jubilee Star.

### 3) Cost of Offshore Vessel Services

For the accounting years of 2019, 2020 and 2021, the costs of Offshore Vessel services were 352.9 Million Baht, 201.2 Million Baht and 215.7 Million Baht, respectively, representing 9.7%, 5.8% and 5.3% of total costs of services, respectively.

- 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.
- For the accounting year of 2021 compared to the accounting year of 2020, the costs of Offshore Vessel services were slightly increased because additional 13 vessels served customers after the acquisition of Truth Maritime Company Limited.

### 4) Cost of Ship Management Services

For the accounting years of 2019, 2020 and 2021, the costs of Ship Management services were 187.4 Million Baht, 133.4 Million Baht and 207.7 Million Baht, respectively, representing 5.1%, 3.8% and 5.1% of total costs of services, respectively.

- 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.
- For the accounting year of 2021 compared to the accounting year of 2020, the Company Group's cost of ship management service was increased by 74.3 Million Baht or representing 55.7% due to the cost of Shipping/Ship Agent business which has started to recognize the revenue after the acquisition of Truth Maritime Company Limited, in line with the increase in business revenue and the rising cost of seafarers in testing and preventing the spread of COVID-19, compared to previous year.

#### 4.2.1.3 Gross Profit and Gross Profit Margin

For the accounting years of 2019, 2020 and 2021, total gross profits were 1,695.5 Million Baht, 2,458.4 Million Baht and 1,813.4 Million Baht, respectively, or the gross profit margins were 31.7%, 41.5% and 30.8%, respectively. However, the gross profit and gross profit margin are classified by business as follows:

Gross Profit (Million Baht)	Accounting Year 2019		Accounting Year 2020		Accounting Year 2021	
	Value	Gross Profit Margin	Value	Gross Profit Margin	Value	Gross Profit Margin
Gross Profit from Trading Business	540.6	20.9	427.3	19.4	490.8	17.0
Gross Profit from FSU Business	877.4	45.2	1,891.9	58.2	1,113.4	47.2
Gross Profit from Offshore Business	138.3	28.2	24.2	10.8	91.6	29.8
Gross Profit from Ship Management Business	139.2	42.6	115.0	46.3	117.6	36.2
<b>Total Gross Profit</b>	<b>1,695.5</b>	<b>31.7</b>	<b>2,458.4</b>	<b>41.5</b>	<b>1,813.4</b>	<b>30.8</b>

### (1) Gross Profit from Trading Business

For the accounting years of 2019, 2020 and 2021, the gross profit from the Trading Business were 540.6 Million Baht, 427.3 Million Baht and 490.8 Million Baht, respectively, representing the gross profit margins of 20.9%, 19.4%, and 17.0% respectively, the gross profit of 2020 was decreased when comparing to 2019 due to: (1) the impact of COVID-19 outbreak that has greatly reduced the transportation of Jet A-1 fuel, the Company Group has therefore adjusted its transportation modes in line with the market situation by changing from the transport of aviation fuel to the south to be the transport of gasoline and diesel to the central region and Bangkok, in order to maintain the high utilization rate; however, the transportation of gasoline in the central region and Bangkok earns a lower gross margin than the transport of Jet A-1 fuel to the South; and (2) during Q4 of 2020, one vessel of the Company Group's international trading business was in drydocking as planned, therefore, there was no income during the said period, but fixed cost were still recognized. As a result, the gross profit of Trading Business in 2020 was decreased compared to 2019.

While the gross profit of Trading Business in 2021 was slightly increased compared to 2020, due to: (1) efficient fleet management in altering routes and shipping products as well as expanding services to customers in Indian Subcontinent region; (2) the increased number of vessels serving customers in the domestic trading business after the acquisition of Truth Maritime Co., Ltd.; (3) additional 1 VLCC vessel in the international trading business, resulting from the business expansion during 2Q of 2021. However, the gross profit margin was slightly decreased from 2020 due to the increased fuel cost of only Aframax vessel under SPOT contract under the entire fleet of the Company Group, in line with oil prices in the world market.

### (2) Gross Profit from FSU Business

For the accounting years of 2019, 2020 and 2021, the gross profits from FSU Business were 877.4 Million Baht, 1,891.9 Million Baht, and 1,113.4 Million Baht, respectively, representing a gross profit margin of 45.2%, 58.2% and 47.2%, respectively. In 2020, the Company Group's gross profit margin from FSU Business was increased by 1,014.5 Million Baht or increasing 115.6% when comparing to 2019 because since aduring Q2 of 2020, the Company Group has successfully negotiated with customers on the adjustment of service rates for FSU Business, in line with the growing demand for FSU for storage of low sulfur fuel oil to support IMO2020 measures, and the demand for the use of transport and storage vessels for crude oil has sharply increased in the middle of 2020 as the world's oil consumption has sharply dropped due to the impact of the COVID-19 outbreak.

For the accounting year 2021 compared to accoutning year 2020, the Company Group's gross profit from FSU Business was decreased from the year 2020 by 778.5 million baht, or decreasing 41.1%, mainly due to: the increase of crude oil prices in the world market while the price of oil futures was lower than the current oil price (backwardation), resulting in lower demand of FSU vessels for storage and mixture of low-sulfur fuel oil, and then causing a continual slowdown in the FSU Business. In addition, the increase of crude oil prices in the world market has caused the increasing cost of low surfur fuel oil (LSFO) used as fuel for the Company Group's vessels throughout the year 2021.

### (3) Gross Profit from Offshore Business

For the accounting years of 2019, 2020 and 2021, the gross profit from Offshore Business were 138.3 Million Baht, 24.2 Million Baht and 91.6 Million Baht, respectively, representing a gross profit margin of 28.2%, 10.8% and 29.8%, respectively. 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.

Meanwhile, the gross profit of 2021 was increased compared to 2020 due to additional 13 vessels serving in crew boat fleet after the acquisition of Truth Maritime Co., Ltd. since Q2 of 2021. The AWB vessel serving under the contract with higher service rate made the gross profit of Offshore Business higher compared to previous year. At the end of 2021, the Company Group 's Offshore business has 1 AWB vessel and 13 crew boats operated.

#### (4) Gross Profit from Ship Management Business

For the accounting years of 2019, 2020 and 2021, the gross profits from Ship Management Business were 139.2 Million Baht, 115.0 Million Baht and 117.6 Million Baht, respectively, representing a gross margin of 42.6%, 46.3% and 36.2%, respectively, 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.

Meanwhile, the gross profit of Ship Management Business in 2021 was increased from that of 2020 due to the service provision of Ship Agent business acquired from the business expansion as mentioned above, while the gross profit margin in 2021 was declined compared to 2020 as a result of the reduction of one VLCC vessel not owned by the Company Group but managed by the Company Group until August 2021, the Company Group purchased the said vessel and used it as FSU vessel; therefore, the said vessel changed its status from vessel not owned by the Company Group to be a vessel owned by the Company Group.

##### 4.2.1.4 Other Incomes

Other incomes consist of dividend received, interest received, and other incomes. For the accounting years of 2019, 2020 and 2021, the Company Group's other incomes were 58.1 Million Baht, 54.3 Million Baht and 591.6 Million Baht, respectively. The details of other incomes are as follows

Other Incomes (Million Baht)	Accounting Year 2019	Accounting Year 2020	Accounting Year 2021
Interest Received	11.5	4.4	3.4
Gain from Disposal of Equipment and Seagoing Vessel	2.4	0.3	439.6
Demurrage	9.1	5.5	41.4
Other income from reversal of accrued shares debt	-	-	63.0
Others <sup>1</sup>	35.1	44.1	44.2
<b>Total Other Incomes</b>	<b>58.1</b>	<b>54.3</b>	<b>591.6</b>

Note: <sup>1</sup> Other incomes mostly consist of insurance indemnity, other services, and revenue from leasing vessel equipment.

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.

For the accounting year of 2021 compared to the accounting year of 2020, the Company Group's other incomes were increased by 537.3 Million Baht or 989.5%, mainly due to gains from the sale of 3 FSU vessels during the highest increase of steel prices in the world market for the past 10 years, amounting 439.6 Million Baht.

#### 4.2.1.5 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 2019, 2020 and 2021, the Company Group's administrative expenses were 435.4 Million Baht, 485.5 Million Baht and 498.1 Million Baht, respectively. However, the Company Group's administrative expenses are classified into following types of transactions:

Administrative Expenses (Million Baht)	Accounting Year 2019		Accounting Year 2020		Accounting Year 2021	
	Value	%±*	Value	%±*	Value	%±*
Salary and Compensation of the Executives and Employees	281.6	5.3	315.8	5.3	320.9	5.5
Entertainment Expense, Travelling Expense, Consulting Fee and Management Fee	58.8	1.1	42.4	0.7	49.4	0.8
Rent and Common Service Charge	17.1	0.3	12.6	0.2	9.5	0.2
Depreciation and Amortization	34.2	0.6	35.4	0.6	50.9	0.9
Impairment from Investment and Sea-Going Vessels	23.1	0.4	-	-	13.2	0.2
Loss from assets disposal	3.9	0.1	45.4	0.8	-	-
Others	16.6	0.3	33.9	0.6	54.2	0.9
<b>Total Administrative Expenses</b>	<b>435.4</b>	<b>8.1</b>	<b>485.5</b>	<b>8.2</b>	<b>498.1</b>	<b>8.5</b>

\* Percentage of revenues from services

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 in 2019, 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.

For the accounting year of 2021, the Company Group's administrative expenses were 8.5% slightly increased from 2020 with the administrative expenses at 8.2% of total incomes from services, due to the increasing administrative expenses for business expansion after the acquisition of Truth Maritime Company Limited and financial consultant fee for such acquisition. However, the Company Group could better control the expenses in terms of entertainment expenses, travel expenses, rental fees and common service fees, as similar to 2020, resulting in a slight increase in overall administrative expenses.

#### **4.2.1.6 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 2019, 2020 and 2021:

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 and compared to previous year.

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.

For the accounting year of 2021, the Company Group's loss from exchange rate was 30.0 Million Baht due to the slight depreciation of Baht when compared to US currency and compared to previous year.

#### **4.2.1.7 Financial Cost**

For the accounting years of 2019, 2020 and 2021, the Company Group's financial cost were 211.0 Million Baht, 214.1 Million Baht and 248.8 Million Baht, respectively.

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.

For the accounting year of 2021 compared to the accounting year of 2020, the Company Group's financial cost was increased by 34.7 Million Baht or representing 16.2%, due to the borrowing for the acquisition of Truth Maritime Company Limited.

#### **4.2.1.8 Share of Profit (Loss) from Investments in Associated Companies and Joint Ventures**

For the accounting years of 2019, 2020 and 2021, the Company Group's shares of profit (loss) from the investments in associates and joint ventures were 92.0 Million Baht, 90.1 Million Baht and 26.9 Million Baht, respectively. In 2019, the Company Group invested in ordinary shares of the associated companies such as TIM, TMN, and invested in ordinary shares of joint ventures such as TNTL, TST, TNS, STC, and BMS. Later, during the year, STC completed the liquidation, consequently, in 2020, the Company Group's associated companies include TMN and TIM while the Company Group's joint ventures are TNTL, TST, TNS and BMS.

On 30 April 2021, Phurich Marine Company Limited, a subsidiary of the Company Group, completed the acquisition of 100% ordinary shares of Truth Maritime Company Limited (formerly known as "Thaioil Marine Co., Ltd.") which holds shares in associated companies and joint ventures of the Company Group as follows: TIM, TNTL, TST and TNS, as a result, the associated companies and joint ventures of the Company Group become the subsidiaries of the Company Group, therefore, in 2021, the Company's associated companies, consequently, consist of TMN while its joint venture consists of BMS.

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.

In 2021, the Company Group's shares of profit (loss) from the investment in associated companies and joint ventures mostly were 3.2 Million Baht from TNS, (0.2) Million Baht from TST, 1.5 Million Baht from TNTL, 64.2 Million Baht from BMS, 0.8 Million Baht from TIM, and (42.6) Million Baht from TMN.

#### 4.2.1.9 Net Profit and Net Profit Margin

For the accounting years of 2019, 2020 and 2021, the Company Group's net profits were 1,122.5 Million Baht, 1,701.6 Million Baht and 1,526.5 Million Baht, respectively.

In the 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.

While in the accounting year of 2021, the Company's net profit was declined by 10.3% when comparing to the accounting year of 2020, mainly due to the slowdown in FSU Business and the increase of bunker prices throughout the year 2021 as mentioned above.

#### 4.2.1.10 Net Profit Sharing

The net profit sharings for the accounting year of 2019, 2020 and 2021 were as follows:

Net Profit Sharing (Million Baht)	Accounting Year 2019		Accounting Year 2020		Accounting Year 2021	
	Value	%	Value	%	Value	%
Net Profit in Portion of the Owners of the Holding Company	1,023.4	91.1	1,533.0	90.1	1,402.8	91.9
Net Profit in Portion of Non-Controlling Interests	99.1	8.9	168.6	9.9	123.7	8.1
<b>Net Profit</b>	<b>1,122.5</b>	<b>100.0</b>	<b>1,701.6</b>	<b>100.0</b>	<b>1,526.5</b>	<b>100.0</b>

#### 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 2020 was 1,533.0 Million Baht, increasing from the accounting year of 2019 by 509.6 Million Baht, or 49.8% due to the recognition of higher profit from the operating results of the FSU Business with the increasing number of vessel to be continuously increased from previous year. For the accounting year of 2021, it was 1,402.8 Million Baht, decreasing 130.2 Million Baht compared to 2020 or 8.5% due to the declining performance of the FSU Business which the demand of fuel oil storage and mixing has continuously slowed down from previous year.



### 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 AAM based on the shareholding proportion at that time as follows:

Company	Accounting Year 2019	Accounting Year 2020	Accounting Year 2021
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%	- 1 January - 31 December: 6.1%
Big	- 1 January - 12 August: 30.0% <sup>13</sup>	- 1 January - 31 December: 20.0%	- 1 January - 14 January: 20.0%
Sea	- August - 31 December: 20.0%	-	- 15 January - 31 March: 4.6%
TIM	-	-	- 1 May - 30 September: 33.3%

The factors affecting the change in net profit which is the portion of non-controlling interests in the accounting year of 2020, factors affecting the change included: the increased net profit of subsidiary, especially, the net profit in NSSG, which the operation of FSU Business, was improved by the increasing number of serving vessels in full year, and the success in negotiating to increase service rates with customers. While in the accounting year of 2021, the factor affecting the change was the decreasing net profit of subsidiary, especially, the net profit in NSSG, which operates the FSU Business and showed the declined performance caused by the slowdown of FSU Business.

## **4.3 Analysis of Financial Position**

### **Overview of Assets**

As of 31 December 2019, 2020 and 2021, the Company Group's total assets were 13,063.0 Million Baht, 13,642.8 Million Baht and 17,348.9 Million Baht, respectively. The core assets include cash and cash equivalents, account receivables and other receivables, property, building and sea-going vessels, right-of-use asset, goodwill, and investments in associated companies and joint ventures, etc.

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.

As of December 31, 2021, compared to the accounting year of 2020, total assets was increased by 3,706.1 Million Baht or 27.2% mainly due to an increase in the acquisition of assets of a subsidiary under long-term lease of crude oil tankers by 1,588.6 Million Baht. The Company's cash and cash equivalents were increased by 392.8 Million Baht, mainly due to cash received from selling vessel, long-term loans from financial institutions, 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 increased by 376.5 Million Baht due to the acquisition of the "TM" Business Group, the increase in land, buildings, equipment, and sea-going vessel from the acquisition of the "TM" Business Group, and the decrease from selling sea-going vessel, netting with the increase of 753.0 Million Bah. The investments in associated companies and joint ventures were decreased

due to the transfer of status to be a subsidiary by 214.9 Million Baht. The deposit in financial institutions with drawing limitation was increased due to using deposit as collateral for loans from financial institutions by 226.3 Million Baht. The goodwill was increased due to the acquisition of “TM” Business Group by 445.5 Million Baht, therefore, a total net assets was increased by 3,706.1 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 2019, 2020 and 2021, the Company Group’s account receivables and other receivables were 508.9 Million Baht, 364.4 Million Baht and 740.9 Million Baht, respectively, as follows:

Account Receivables (Million Baht)	Accounting Year 2019	Accounting Year 2020	Accounting Year 2021
<b>Account Receivables</b>			
Account Receivables - Other Parties	253.7	178.4	366.3
Account Receivables - Related Parties	38.9	17.3	17.2
Account Receivables not yet issued for Invoice	104.8	82.4	184.7
<b>Total Account Receivables</b>	<b>397.4</b>	<b>278.1</b>	<b>568.2</b>
<b>Other Receivables</b>			
Other Receivables - Related Parties	17.0	36.5	1.3
Prepaid Expenses	32.2	31.3	101.3
Accrued Funds returned from the closeout of joint ventures	51.0	-	-
Accrued VAT Receivable	-	3.9	6.3
Accrued Corporate Income Tax Receivable from Joint Ventures	-	-	21.0
Advance Payment and Others	11.3	14.6	42.8
<b>Account Receivables and Other Receivables</b>	<b>508.9</b>	<b>364.4</b>	<b>740.9</b>

As of 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.

As of 31 December 2021, the Company Group’s account receivables and other receivables were increased from the accounting year of 2020 mostly due to the acquisition of the “TM” group and the increase from accrued account receivables from the proportional recognition of joint operations on behalf of CNC Joint

venture and the decrease in account receivables in the FSU Business, in line with the decline in revenue. Meanwhile, other receivables were increased due to the advance payments to the contractor on the proportional recognition of joint operations on behalf Joint venture CNC and accrued dividend from joint ventures. The average collection period of 2021 was 26 days.

The Company Group's account receivables can be classified into outstanding aging period as follows:

Account Receivables (Million Baht)	Accounting Year 2019	Accounting Year 2020	Accounting Year 2021
Not yet due for payment or outstanding not exceeding 3 months	397.4	278.1	497.6
Outstanding for payment from 3 to 6 months	-	-	62.0
Outstanding for payment from 6 to 12 months	-	-	8.6
<b>Total Account Receivables</b>	<b>397.4</b>	<b>278.1</b>	<b>568.2</b>

The period of granting credit to customers of the Company Group is ranged from 30 days to 60 days.

#### 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 2019, 2020 and 2021, inventories of the Company Group were 146.9 Million Baht, 163.1 Million Baht and 166.2 Million Baht, respectively as follows:

Inventory (Million Baht)	ปีบัญชี 2562	ปีบัญชี 2563	ปีบัญชี 2564
Oil Remaining on Board	145.4	161.5	163.8
Consumables	1.5	1.6	2.4
<b>Inventory Balance</b>	<b>146.9</b>	<b>163.1</b>	<b>166.2</b>

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.

While in 2021, inventories were increased by 3.1 Million Baht or 1.9% when comparing to 2020, without significant change from the previous year.

#### **Non-Current Assets**

##### Investment in Associated Companies and Joint Ventures

For the accounting years of 2019, 2020 and 2021, the Company Group's investments in associated companies and joint ventures were 645.0 Million Baht, 672.9 Million Baht and 457.9 Million Baht, respectively. The changes of investments in the Company Group's associated companies and joint ventures were as follows:

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) writting 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 90.1Million 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.

In 2021, the Company Group's investment was decreased due to: (1) the dividend received in an amount of 25.1 Million Baht, (2) the transfer to be a subsidiary for 219.7 Million Baht, and the increase of investments by (1) recognizing profit from investments in associated companies and joint ventures in an amount of 26.9 Million Baht, and (2) recognizing a comprehensive loss from coverting financial statements in an amount of 3.0 Million Baht.

#### **Goodwill**

For accounting years of 2019, 2020 and 2021, the Company Group's goodwills were 1,022.2 Million Baht, 1,022.2 Million Baht and 1,467.7 Million Baht, the changes in goodwill of the Company Group are as follows:

For the accounting year of 2020, the said transaction was not changed during the year.

For the accounting year of 2021 on 30 April 2021, Phurich Marine Company Limited, a direct subsidiary of the Company Group has acquired the controlling power over Truth Maritime Company Limited (formerly known as "Thaioil Marine Company Limited") ("TM") and has a subsidiary ("TM Group"), TM Group provides freight forwarding services for petroleum and petrochemical products, and cargo and passenger ships, including ship agency service. This acquisition is the purchase of 100% equity in the company, resulting in having goodwill from the acquisition in an amount of 445.5 Million Baht.

#### **Right-of-use Assets**

For the accounting years of 2019, 2020 and 2021, the Company Group's right-of-use assets were 334.8 Million Baht, 147.2 Million Baht and 1,735.8 Million Baht, respectively. The changes in the right-of-use assets of the Company Group are as follows:

For the accounting year of 2020, the Company Group's right-of-use asset was decreased by 187.6 Million Baht or 56.0% compared to previous year, due to: (1) the transfer to be asset held for sale in an amount of 187.5 Million Baht, (2) the depreciation for the year amounting 31.6 Million Baht and increased during the year in an amount of 31.5 Million Baht.

For the accounting year of 2021, the Company Group's right-of-use asset was increased by 1,588.6 Million Baht or 1,079.2% compared to previous year, due to: (1) the acquisition of right-of-use asset of a subsidiary in a crude oil tanker lease contract amounting 1,643.5 Million Baht; (2) an increase in rental fee for 22.6 Million Baht during the year; (3) the difference from the conversion of financial statement for 69.2 Million Baht and decreased from depreciation for the year amounting 146.7 Million Baht.

#### **Long-Term Loans to Related Parties**

For the accounting years of 2019, 2020 and 2021, the Company Group had no long-term loans to related parties.

### 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 2019, 2020 and 2021, the Company Group's properties, buildings and sea-going vessels were 9,202.9 Million Baht, 8,852.6 Million Baht and 9,605.6 Million Baht, respectively as follows:

Properties, Buildings and Sea-Going Vessels (Million Baht)	Accounting Year 2019		Accounting Year 2020		Accounting Year 2021	
	Value	%	Value	%	Value	%
Sea-Going Vessels	8,718.1	94.7	8,549.8	96.6	9,251.7	96.3
Sea-Going Vessels under Vessel Building	230.1	2.5	11.1	0.1	38.8	0.4
Buildings and Improvement of Buildings	40.6	0.4	41.5	0.5	43.5	0.5
Major Overhaul Expense	151.8	1.6	179.5	2.0	178.5	1.8
Equipment Used on Board	41.0	0.5	49.1	0.6	68.5	0.7
Others	21.3	0.3	21.6	0.2	24.6	0.3
<b>Total Properties, Buildings and Sea-Going Vessels</b>	<b>9,202.9</b>	<b>100.0</b>	<b>8,852.6</b>	<b>100.0</b>	<b>9,605.6</b>	<b>100.0</b>

\*Note: In 2021, some items are reclassified to be right-of-use assets.

For the accounting year of 2020, the properties, buildings and sea-going vessel were decreased by 350.3 Million Baht or 3.8% when compared to previous year, main reasons were: in 2020, the Company Group purchased additional equipment and sea-going vessels for 356.4 Million Baht, and had the difference from the conversion of financial statement for 9.5 Million Baht, netting with the decrease from amortization of depreciation for 699.0 Million Baht, disposal of sea-going vessels and equipment for 17.2 Million Baht.

For the accounting year of 2021, the properties, buildings and sea-going vessel were increased by 753.0 Million Baht or 8.5% when compared to previous year, main reasons were: in 2021, the Company Group (1) purchased additional equipment and sea-going vessels for 907.8 Million Baht, (2) the merger of "TM" Group for 1,995.6 Million Baht, (3) had the difference from the conversion of financial statement for 170.7 Million Baht, netting with the decrease from amortization of depreciation for 783.6 Million Baht, loss from impairment for 13.2 Million Baht, and the disposal of sea-going vessels and equipment for 1,524.3 Million Baht.

### **Analysis of Source of Fund**

#### **Liabilities**

For the accounting years of 2019, 2020 and 2021, the Company Group's total liabilities were 5,783.1 Million Baht, 5,319.0 Million Baht and 8,238.9 Million Baht, respectively.

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.

For the accounting year of 2021 compared to the accounting year of 2020, total liabilities were increased by 2,919.9 Million Baht or 54.9% as a result of long-term borrowing from financial institutions, long-term borrowings from related parties based on the proportional recognition of joint operations on behalf of Joint venture, CNC, and the increase in lease liabilities.

#### **Overdraft and Short-Term Loans**

The overdraft and short-term loans consist of overdraft and promissory notes for accounting year 2019, 2020 and 2021. The overdraft and short-term loans from financial institutions of the Company Group were 0.0 Million Baht, 0.0 Million Baht and 0.0 Million Baht, respectively.

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 Group already repaid to the bank during the year.

For the accounting year of 2021, the Company Group withdrew short-term loans from financial institutions during the year in an amount of 770.0 Million Baht, and acquired from the merger of the “TM” group for 162.5 Million Baht. The Company Group already repaid to the bank during the year.

#### **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 2019, 2020 and 2021, the Company Group’s account payables and other payables were 517.3 Million Baht, 660.8 Million Baht and 890.4 Million Baht, respectively as following details:

Account Payables and Other Payables	Accounting Year 2019	Accounting Year 2020	Accounting Year 2021
Account Payables and Other Payables - Other Parties	258.9	223.0	298.1
Account Payables and Other Payables - Related Parties	60.9	46.9	140.4
Accrued Expenses	94.0	118.5	100.0
Account Payable for Asset Purchase	23.4	2.2	3.0
Unearned Incomes	17.1	207.2	348.9
Estimate of Compensations transferred for Business Acquisition	63.0	63.0	-
<b>Total Account Payables and Other Payables</b>	<b>517.3</b>	<b>660.8</b>	<b>890.4</b>

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 “CNNC Joint Venture” in consolidated financial statements.

For the accounting year of 2021 compared to the accounting year of 2020, the Company Group’s balance of account payables and other payables were increased by 229.6 Million Baht or 34.7%, mainly due to the main factor that other payables - other entities were recognized, advance income from the acquisition on the merger of the “TM” group in consolidated financial statements.



## Non-Current Liabilities

### Long-Term Loan from Financial Institution

For the accounting years of 2019, 2020 and 2021, the Company Group's long-term loans were 4,765.5 Million Baht, 4,169.6 Million Baht and 5,243.0 Million Baht, respectively as per detail of loan balance and important condition of loans of the Company Group for the accounting years of 2019, 2020 and 2021 as follows:

Long-Term Loan (Million Baht)	Accounting Year 2019	Accounting Year 2020	Accounting Year 2021
Long-Term Loan from Financial Institutions with 1-year term (Current Portion)	1,139.1	1,171.9	1,384.5
Long-Term Loan from Financial Institutions with 1-year term (Non - Current Portion)	3,626.4	2,997.7	3,858.5
<b>Total Long-Term Loan from Financial Institution</b>	<b>4,765.5</b>	<b>4,169.6</b>	<b>5,243.0</b>

In 2019, a subsidiary company failed to comply with the financial conditions for maintaining the debt servicing coverage ratio stipulated in the loan agreement, however, such subsidiary received letters from the bank to waive the financial conditions on 6, 16 and 26 December 2019, respectively.

The following are details of conditions relating to the maintenance of debt service coverage ratio under the loan agreements:

Company	DSCR (Times)		D/E Ratio (Times)	
	Defined by the Lender <sup>1</sup>	As of 31 December 2021 <sup>2</sup>	Defined by the Lender <sup>1</sup>	As of 31 December 2021
Company Group	More than 1.0 - 1.2 times	2.17 - 2.35 times	Not more than 2.0 - 3.0 times	0.89 time
SHT	More than 1.0 time	1.16 times	Not more than 2.5 - 3.0 times	0.15 time
NTL	More than 1.0 - 1.2 times	1.36 times	Not more than 2.5 - 3.0 times	0.48 time
Big Sea	More than 1.1 - 1.25 times	1.29 times	Not more than 2.0 - 2.5 times	0.12 time
TM	More than 1.1 - 1.25 times	0.07 time	Not more than 2 - 2.5 times	1.17 times

<sup>1</sup> The Company Group, NTL and Big Sea have had several loan lines and terms and conditions of each line determines maintenance of different financial ratios

<sup>2</sup> 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.

For the accounting year of 2021 compared to the accounting year of 2020, the long-term loans were increased by 1,073.4 Million Baht or 25.7 %. In 2021, the Company Group paid long-term loans for 3,279.4 Million Baht, withdrew loans for additional business expansion of 2,972.2 Million Baht, gained from the merger of “TM” Group for 1,222.5 Million Baht, and gained difference from foreign exchange by 158.1 Million Baht.

In 2021, 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 2019, 2020 and 2021, the Company Group’s liabilities under financial leases were 288.8 Million Baht, 106.0 Million Baht and 1,698.7 Million Baht, respectively. The liabilities under financial leases have been mostly used for renting seaogin vessels.

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.

For the accounting year of 2021 compared to the accounting year of 2020, the liabilities under financial leases were increased by 1,592.7 Million Baht due to the acquisition of liabilities under lease agreements of subsidiaries in crude oil vessel lease agreements for 1,643.5 Million Baht and the decrease of payment according to the lease agreements.

#### **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 2019, 2020 and 2021, the Company Group’s shareholders’ equities were 7,279.8 Million Baht, 8,323.8 Million Baht and 9,110.0 Million Baht, respectively.

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.

For the accounting year of 2021 compared to the accounting year of 2020, the owner’s equity was increased by 786.2 Million Baht or 9.4% due to: (1) a total comprehensive gain and loss for the period in an amount of 1,779.7 Million Baht, (2) a decrease from the acquisition of non-controlling interests and unchanged controlling power in an amount of 260.2 Million Baht, and (3) the Company Group paid a total dividend of 733.3 Million Baht.

## **4.4 Liquidity Analysis**

#### **Cash Flow from Operating Activities**

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 3,020.7 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 203.9 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. "CNNC 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 3,020.7 Million Baht.

For the accounting year of 2021, the Company Group's cash flow received from operating activities 1,988.9 Million Baht, mainly due to the profit before income tax of 1,660.3 Million Baht and added back by depreciation and amortization of 952.9 Million Baht. However, the Company Groups had cashflow used from changes in operating assets and liabilities for 430.3 Million Baht, mainly due to an increase (decrease) of trade receivables and other receivables, and account payables and other payables of (484.6) Million Baht and 350.4 Million Baht, respectively; and mostly paid for income tax in an amount of 260.9 Million Baht, as a result, the Company Group had net cash flow from operating activities at 1,988.9 Million Baht.

#### **Cash Flow from Investing Activities**

For the accounting year of 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 and equipment for 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 ventures 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 the accounting year of 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 and equipment for 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.

For the accounting year of 2021, the Company Group's net cash flow used in investing activities was 731.4 Million Baht, mainly due to (1) cash paid for purchase of sea-going vessel and equipment for 897.6 Million Baht, (2) cash net paid for business acquisition of 153.8 Million Baht, (3) cash received from sale of equipment and sea-going vessel of 2,007.4 Million Baht, (4) dividend received from joint venture of 39.1 Million Baht, and (5) the decrease due to bank deposit with drawing limitation of 266.4 Million Baht, and (6) cash from interest received for 2.7 Million Baht.

#### **Cash Flow from Financing Activities**

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.

For the accounting year of 2021, the Company Group's net cash flow received from financing activities was 2,453.4 million baht, mainly due to: (1) cash received from long-term loans from financial institutions for 2,972.2 Million Baht, (2) payment of long-term loans from financial institutions, other long-term loans and liabilities under financial leases for 4,119.0 Million Baht, (3) dividend paid for 733.3 Million Baht, (4) interest expense of 253.8 Million Baht, (5) cash paid for the change of ownership interest in a subsidiary that do not result in loss of control for 266.8 Million Baht, (6) cash received from long-term borrowing from related parties in proportion to joint operations on behalf of "CNC Joint Venture" in the consolidated financial statements for 109.8 Million Baht, (7) net cash paid from short-term loans from financial institutions for 162.5 Million Baht.

## 4.5 Key Financial Ratios

### Liquidity Ratio

For the accounting years of 2019, 2020 and 2021, the Company Group's liquidity ratios were 0.92 times, 1.32 times and 1.39 times, respectively, and the Company Group's quick ratios were 0.84 time, 1.24 times and 1.33 times, respectively. The Company Group's liquidity ratio and quick ratio were over 1.0 while in 2019, it was 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 that year and previous 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 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.

While in 2021, the Company Group's liquidity ratio and quick ratio were increased from previous year because the Company Group received cash from selling vessel, the cash was therefore increased when compared to 2020.

### Profitability Ratio

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 2021, the Company Group's gross profit margin was 30.8%, decreasing from the net profit in 2020, mainly due to the decrease of gross profit margin in FSU Business from decreasing number of serving vessels, the continuously rising price of crude oil in the world market, while the price of oil futures was lower than the current oil price (backwardation), resulting in lower demand of FSU vessels for storage and mixture of low-sulfur fuel oil, and then causing the Company Group to decide

to sell 3 vessels during 2021, as well as the increasing cost of low sulfur fuel oil (LSFO) used as fuel for the Company Group's vessels.

For the accounting year of 2020, the Company Group's gross 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 year of 2021, the Company Group's net profit margin was 26.0%, decreasing from the net profit in 2020, mainly due to the decreasing number of FSU vessels in service, the continuously rising price of crude oil in the world market, while the price of oil futures was lower than the current oil price (backwardation), resulting in lower demand of FSU vessels for storage and mixture of low-sulfur fuel oil, and then causing the Company Group to decide to sell 3 vessels during 2021, as well as the increasing cost of low sulfur fuel oil (LSFO) used as fuel for the Company Group's vessels as mentioned above.

For the accounting years of 2019, 2020 and 2021, the Company Group's return on equity were 15.15%, 20.76% and 16.86%, respectively. In 2021, 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. In 2021, the Company Group's return on equity was decreased, mainly due to: (1) the decrease of the Company Group's net profit as mentioned above, (2) the Company Group's dividend payment for 733.3 Million Baht.

#### **Operating Efficiency Ratio**

For the accounting years of 2019, 2020 and 2021, the returns on assets were 9.40%, 12.74% and 9.85%, respectively, and the returns on fixed assets were 21.10%, 25.99% and 24.15%, respectively.

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.

In 2021, the return on assets and return on fixed assets were decreased from 2020, mainly due to the decrease in net profit margins as mentioned above.

#### **Financial Policy Analysis Ratio**

For the accounting years of 2019, 2020 and 2021, the Debt-to-Equity Ratios were 0.84 time, 0.68 time and 0.94 time, respectively, and the Interest Bearing Debts to Equity Ratios were 0.69 time, 0.51 time and 0.76 time, respectively.

For 2020, the debt-to-equity ratio was decreased to 0.68 time and the Interest Bearing Debts 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.

For 2021, the debt-to-equity ratio was increased to 0.94 time and the Interest Bearing Debts to Equity Ratio was increased to 0.76 time, mainly due to the increase of total debt because the Company Group's long term loans have been increased from the business acquisition of Truth Maritime Company Limited.

For the accounting years of 2019, 2020 and 2021, the Company Group's proportions on the ability to pay its obligations were 0.35 time, 1.14 time and 0.35 time, respectively. In 2021, the Company Group's proportions on the ability to pay its obligations were below 1.0 time because the Company Group was under investment phase in the business acquisition of Truth Maritime Company Limited in order to expand the business according to the strategic plan.

## 5. General Information and Other Important Information

### 5.1 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 48 <sup>th</sup> - 51 <sup>th</sup> Floor, Empire Tower, 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel: (66) 2677 2000 Fax: (66) 2677 2222 www.kpmg.co.th

### 5.2 Other Important Information

- None -

### 5.3 Legal Disputes

#### 5.3.1 Any lawsuit that may negatively affect the assets of the Company or its subsidiary at an amount higher than 5 percent of the shareholders' equity

- None -

#### 5.3.2 Any lawsuit that affects the business operations of the Company or its subsidiary materially but the assessment whereof cannot be quantified in numbers

- None -

#### 5.3.3 Any lawsuit that is not caused by normal business operations of the Company or its subsidiary.

- None -



## 5.4 Secondary Market

- None -

## 5.5 Regularly Contacted Financial Institutions

### Kasikornbank Public Company Limited

No. 400/22 Phahon Yothin Road, Sam Sen Nai Sub-District, Phaya Thai District, Bangkok 10400

Tel: 0-2222-0000

Fax: 0-2470-1144

[www.kasikornbank.com](http://www.kasikornbank.com)

### Bangkok Bank Public Company Limited

333 Silom Road, Silom Sub-District, Bang Rak District, Bangkok 10500

Tel: 0-2231-4333

Fax: 0-2231-4890

[www.bangkokbank.com](http://www.bangkokbank.com)

### United Overseas Bank (Thai) Public Company Limited

191 South Satorn Road, Yannawa Sub-District, Satorn District, Bangkok 10120

Tel: 0-2343-3000

Fax: 0-2287-2973-4

[www.UOB.co.th](http://www.UOB.co.th)

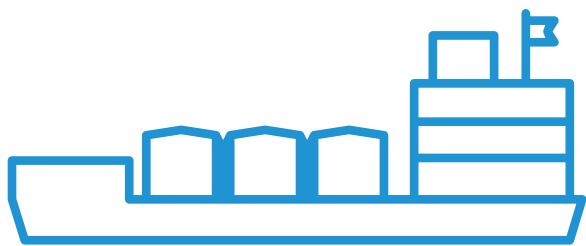
### Krung Thai Bank Public Company Limited

35 Sukhumvit Road, Klong Toei Nua Sub-District, Vadhana District, Bangkok 10110

Tel: 0-2255-2222

Fax: 0-2255-9391-6

<https://krungthai.com>





## Part 2

### Corporate Governance

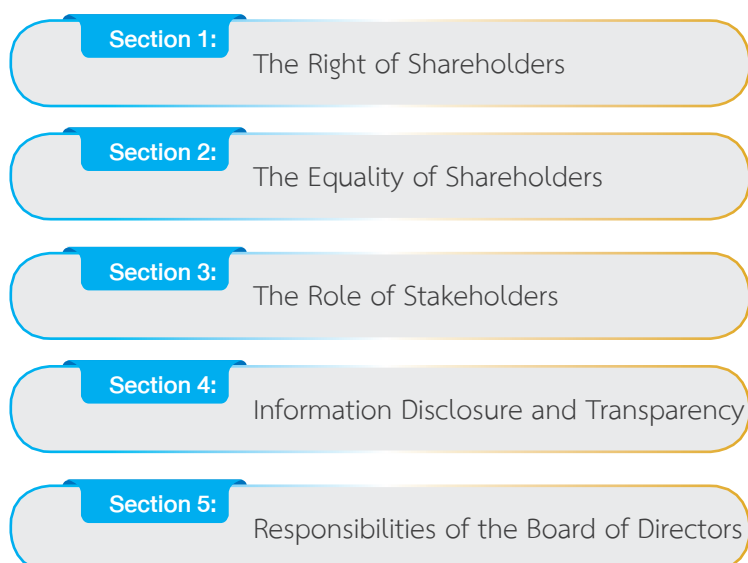
## 6. Corporate Governance Policy

### 6.1 Overview of the Policy and Guidelines

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:



#### 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 2021, 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 2021 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 3<sup>rd</sup> year (2019 - 2021) in a row from the 2021 Corporate Governance Report of Thai Listed Companies (CGR 2021) by the Thai Institute of Directors (IOD).



### **6.1.1 Policy and Guidelines related to the Board of Directors**

#### (1) Nomination and Appointment of Directors and Executives

##### (1.1) Nomination and Appointment Process for Directors and Independent Directors

#### Determination of the criteria

The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee was empowered by the Board of Directors to determine the qualifications and criteria for nominating directors and independent directors as well as member of sub-committee in accordance with laws and related regulations.

#### 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.
- The Company has prepared a Board Skill Matrix to consider the qualifications and skills necessary for the Board of Directors in accordance with the Company's business strategy and to nominate the directors according to qualifications and skills that are still lacking in the Board of Directors.

#### Selection Consideration

The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee has considered the ratio, diversity and structure of the Board members, including their knowledge, abilities, experience, and specific expertise in support of the Company's business strategy as well as dedication their time to fully performing their role on the Board, along with the appropriate qualifications and do not possess disqualifying characteristics as specified by law on public limited companies, and do not possess characteristics indicating a lack of appropriateness in respect to trustworthiness in managing business with shares held by public shareholders as specified by law on securities and exchange. Furthermore, the Committee has considered the independence and qualification of each independent director to ensure that the Company's independent directors are fully qualified as prescribed by laws and relevant regulations. Then, the Committee will propose their appointment to the Board of Directors and /or the meeting of shareholders for approval (as the case may be).

## Appointment

### **(a) The appointment of directors to replace those retiring by rotation or new directors**

The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee will consider screening and nominating persons who are deemed appropriate qualifications and do not possess disqualifying characteristics as specified by law on public limited companies and law on securities and exchange, and then propose their appointment to the Board of Directors and the meeting of shareholders for approval. 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) Appointment of new director(s) to replace director(s) who retired due to other reason apart from retirement by rotation**

The Nomination, Remuneration Corporate Governance, and Sustainable Development Committee will consider screening and nominating persons who are deemed appropriate qualifications and do not possess disqualifying characteristics as specified by law on public limited companies and law on securities and exchange, and then propose their appointment to the Board of Directors for approval unless the remaining term of that director who retired 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.

## **(1.2) Nomination and Appointment of Executives**

### Determination of the Criteria

The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee was empowered by the Board of Directors to determine the qualifications and criteria for nominating Chief Executive Officer (CEO), Vice President, and Chief Financial Officer (CFO). The Board of Executives was empowered by the Board of Directors to determine the qualifications and criteria for nominating other Function Director to be in line with laws and related regulations.

### Selection Consideration and Appointment

The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee will consider screening and nominating persons with appropriate knowledge, ability, experience, and specific expertise in support of the Company's business strategy, laws, and related regulations, and then propose



the appointment of Chief Executive Officer (CEO), Vice President, and Chief Financial Officer (CFO) (as the case may be) to the Board of Directors for approval. Other Function Directors will be considered for appointment by the Board of Executives.

## (2) Remuneration of Directors and Executives

### (2.1) Remuneration of 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. Furthermore, directors' remuneration must be consistent with each member's responsibilities and performance, as well as at an adequate level when compared to the remuneration of other companies listed on the Stock Exchange of Thailand and the same industry.

The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee will consider whether the form and payment criteria for directors' remuneration are proper, fair and in compliance with the relevant laws, and propose them to the Board of Directors and the Meeting of Shareholders for approval.

The 2021 Annual General Meeting of Shareholders, held on 23 April 2021 has passed the resolution to approve the remuneration for the Board of Directors and sub-committees in the amount not exceeding 30 million baht, consisting of monthly remuneration, meeting allowance, annual compensation (bonus), and other benefits, i.e., life and health insurance of directors. The policy and rate of the monthly remuneration and meeting allowance are as follows:

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

The Board of Directors is authorized to determine the necessary conditions, set out the details and payout ratio of annual compensation (bonus) and other benefits as appropriate.

#### (2.2) Remuneration Executives

The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee will consider the form and payment criteria of remuneration for Chief Executive Officer (CEO), Vice President, and Chief Financial Officer (CFO) are proper, fair and in compliance with the relevant laws, and propose them to the Board of Directors for approval. The Board of Directors will consider the remuneration of other Function Directors. The remuneration of executives' policy is linked to the Company's performance and yearly key performance indicator (KPI).

#### (3) The independence of the Board of Directors from the Management

The Company has established a policy of separating the Board of Directors' and Management's duties and responsibilities. The Board of Directors is responsible for developing significant policies, visions, missions, directions, strategies and plans for the Company's business operations, as well as supervising the executives in implementing such policies, visions, missions, directions, strategies and plans into action. This includes having to consider, comment and vote on critical issues so that the Board of Directors, led by the Chairman, to be able to make decisions independently, set policies and effectively monitor management's operations. Furthermore, the Company has separated the duties and responsibilities of the Chairman of the Board and Chief Executive and must not be the same person. Mr. Bowon Vongsinudom, the Chairman of the Board, has scope of roles and responsibilities as the Board of Directors' leader and Chairman of the Shareholders' Meeting, while Mr. Prompong Chaisrisawatsuk, the Chief Executive Officer, has scope of roles and responsibilities in day-to-day operations under the scope of power, business plan and budget, vision as well as mission approved by the Board of Directors.

#### (4) Holding a directorship in other companies of directors and executives

(4.1) 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.

(4.2) 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.

(4.3) The Company's director and executive can hold the director or executive office of the companies in the Group.

#### (5) The Meeting of the Board of Directors

(5.1) Throughout the year, the Board of Directors sets a meeting schedule in advance and informs each director to allocate time for the meeting.

(5.2) The Board of Directors shall convene the not less than 6 meetings per year. A special meeting may be conducted if it is deemed necessary. The agenda for the meeting is clearly set out in advance, and it includes an agenda to follow up on operating results on a regular basis. The meeting invitation letter and supporting documents must be delivered to all directors at least 7 days prior to the meeting date so that the directors have adequate time to study the information before attending the meeting unless in case of urgency. The minutes of the meeting were created and recorded for reference and examined. Every meeting, the executive and relevant parties attended the meeting to provide information and details in order to make correct and fast decisions.

(5.3) For the best practice, the Board of Directors should have a quorum at least two-thirds of the total number of directors present while making a decision.

(5.4) A decision of the Board of Directors meeting shall be by a majority of votes. In casting votes, each director shall have one vote, provided that any director who has any interest in a particular matter

may not vote on such matter. In the case of an equality of votes, the person presiding over the meeting shall have an additional vote as a casting vote.

**(6) 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

**(7) Directors and Executives Development**

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.

**(8) Performance Assessment of the Board of Directors and Sub-committees**

The Company decides that the Board of Directors and Sub-Committees shall evaluate their performance annually both in form of entire the Board or Committee and individual 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 the Form 56-1 One Report with the criteria and procedure as follows:

(8.1) 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 2 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

(8.2) The Company Secretary will collect all performance assessment forms, then summarize the scores and propose the results to the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee together with the assessment procedures and criteria for consideration.

(8.3) The Nomination, Remuneration, Corporate Governance, and Sustainable Development 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.

**(9) Supervision of Subsidiaries and Associates Companies**

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. Please see details on Clause 8.1.3 Supervision of Subsidiaries and Associates Companies.

## 6.1.2 Policy and Guidelines related to Shareholders and Stakeholders

### (1) Protecting Shareholders' Rights

The Company recognizes and values the fundamental rights of shareholders, both as a securities investor and as a company owner, especially the fundamental rights of shareholders, including the right to buy, sell, or transfer shares of the Company, the right to acquire profits of the Company, the right to receive adequate information, the right to attend shareholder meetings, the right to express his/her opinions, the right to make a necessary decision i.e., dividend payment, appointment or and removal of directors, appointment of auditors, approval of important transactions impacting the Company's business operations, amendment of articles of association and memorandum of association etc.

The following are the Company's guidelines for protecting and facilitating shareholders' rights:

(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

(1.3) The Company delivered the invitation letter with information related to meeting agenda to all shareholders at least 7 days in advance or any other period as prescribed by relevant laws or regulations. Each agenda contains the Board of Directors' opinions as well as sufficient information for the meeting to provide shareholders time to study the information prior to the meeting date. In addition, the invitation letter will be published on the Company's website prior to the meeting date.

(1.4) Prior to the meeting date, the Company's shareholders are provided the chance to submit comments, recommendations, or inquiries in accordance with the criteria established by the Company and published on the Company's website.

(1.5) Any shareholders who are unable to attend the meeting in person may authorize independent directors proposed by the Company to act as their attorney in attending the meeting and voting on their behalf by completing one of the proxy forms provided by the Company and included with the meeting invitation letter.

(1.6) The Company selects an appropriate date for the shareholders' meeting and holds it in a convenient location. A map of the meeting location will be included in the invitation letter for shareholders. Furthermore, the Company ensure that enough time is set out for the meeting.

(1.7) Prior to voting, the Company provides an opportunity for shareholders to express their opinions, make suggestions, or ask questions in each agenda. The Company's directors and executives attended the shareholders' meeting in order to respond to shareholders' questions.

(1.8) For transparency and accountability, the Company promotes the use of ballots for voting in all agenda.

(1.9) After the finish of shareholders' meeting, the Company shall prepare complete and accurate minutes of the shareholders' meeting, which will include all questions, comments, and proposals for shareholders to review.

### (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:

(2.1) In every shareholder meeting, the Company shall ensure that all shareholders have an equal opportunity. 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. The Company ensure that all shareholders and proxies attending the meeting have equal chance to express their opinions, suggestions, and inquiries about each agenda item in timely and suitable manner.

(2.2) 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.

(2.3) The Company will support separate vote for each director in the election of directors' agenda.

### (3) Prevention for the Use of Inside Information

(3.1) 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.

(3.2) 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.

(3.3) All the Company's directors and executives are required by law to report their securities holdings to the company secretary on a regular basis and disclose them in the Form 56-1 One Report.

### (4) The Prevention on Conflict of Interests

(4.1) 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 Form 56-1 One Report.
- 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.

(4.2) 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 the Form 56-1 One Report and notes to financial statements that have been audited by the Company's auditor.

(4.3) 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.

(4.4) To prevent any conflicts of interest, the Company has required that directors notify their interests in any meeting agenda at least prior to considering the relevant agenda in the Board of Directors' meeting and record such interests in the minutes. The director is not permitted to take part in the consideration and approval of such a matter.

#### (5) Responsibilities to 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:

(5.1) 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.

(5.2) Responsibilities to Employees

The Company will equally and fairly treat all employees and provide them the appropriate compensation in accordance with the Company's short-term and long-term performance. 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. As part of the Company's personnel management and development, anti-corruption measures have been implemented, as well as training for all workers on how to comply with applicable laws and regulations. Furthermore, the Company is responsible for the safety, occupational health, and working environment of its workers, as well as their property.

(5.3) 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.

(5.4) 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

(5.5) 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.

(5.6) 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.

(5.7) Responsibilities to Community, Society and Environment

The Company conducts its business operations with a responsibility to the community, society, and environment, emphasizing safety, community and society quality of life, sustainability, and natural resource conservation. The Company encourages the efficient and sustainable use of natural resources, as well as the development of a culture and awareness among its workers to take responsibility for the community, society, and environment, includes providing employees with environmental education and training, as well as adhering to all applicable rules and regulations. In addition, the Company tries to participate in various activities that create and maintain the environment and society.

#### (5.8) Responsibilities to Human Rights

The Company respects and promotes the protection of human rights by treating related parties with fairly and in accordance with humanity values, concerning on 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.

#### (5.9) Responsibilities to Intellectual Property Rights

The Company respects the intellectual property rights of others by complying with laws and regulations relating to intellectual property rights as well as encouraging and training the Company's employees at all levels to improve awareness and understanding of intellectual property rights and laws.

#### (6) 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

(6.1) The Company has the Zero Tolerance Policy for Anti-Corruption and comply with laws which relating to anti-corruption applicable in Thailand.

(6.2) 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.

(6.3) 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.

(6.4) 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.

#### (6.5) Political Assistance

➤ 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.

➤ 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.

#### (6.6) 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.

#### (6.7) 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.

#### (6.8) Gift, Entertainment and Other Benefit

➤ 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.

➤ 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 receiving all cash.

#### (6.9) 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.

#### (6.10) 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.

#### (6.11) 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.

#### (6.12) 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.

(6.13) 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.

(6.14) 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.

(7) Measures Imposed on Persons who Fail to Comply with the Policy and Guidelines

The person who does not comply with the Policy and Guideline on Corporate Governance of the Company shall be considered for disciplinary punishment. Moreover, the said person may be punished according to law if the said act is illegal.

### **6.1.3 Policy and Guidelines on 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 Form 56-1 One 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 Form 56-1 One 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 Form 56-1 One Report, as well as compensation payment policy, form, and details of compensation for directors and top executives of the Company and its subsidiaries (if any).

(3) The Company discloses the audit fee and other service fees for auditor in the Form 56-1 One 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 Form 56-1 One Report 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

## 6.2 Business Code of Conduct

The Board of Directors realizes the significance of ethics and code of conduct which shall be observed by the Board of Directors, all executives, and staffs as guideline of duty performance and put into practice with the related parties. The Board of Directors has therefore considered determining and resolving the approval of this “Code of Conduct” in writing as practical standard accordingly as per the following details.

### 6.2.1 Ethics and Code of Conduct for the Board of Directors

- (1) Honestly, transparently, and fairly perform duties for all related parties, and take precaution to maintain the overall interests of the Company and shareholders.
- (2) Prudently and carefully manage the Company.
- (3) Perform duties at their full knowledge and capacity.
- (4) Oversee the Company to treat the staffs, shareholders, and related parties equally, transparently and fairly.
- (5) Supervise the management to comply with laws, objectives and articles of association, as well as the resolutions of the Shareholders’ Meeting.
- (6) Not exploit for self-benefit or other person’s benefit by using any of the Company’s information which has not yet been publicly disclosed.
- (7) Not disclose the confidential information of the Company.
- (8) Not take any action that may cause any damages to the Company.

### 6.2.2 Ethics and Code of Conduct for the Executives

- (1) Guidelines of the Executives with the Company, the Board of Directors, and the Shareholders
  - (1.1) Perform his or her duties to the best of their knowledge and abilities, honestly, transparently, and fairly treat the related parties. Carefully manage the Company and adhering to all laws, the Company’s objectives, the Company’s articles of association, and the resolutions of the shareholders’ meeting. Furthermore, the executives must protect the interests of the Company and shareholders.
  - (1.2) Not exploit for self-benefit or other person’s benefit by using any of the Company’s information which has not yet been publicly disclosed, as well as not disclose the confidential information of the Company. Moreover, not take any action that may cause any damages or conflict of interests to the Company.
  - (1.3) Supervise the Company’s properties not to be wrongfully devalued or lost.
- (2) Guidelines of the Executives with the Staffs are as follows:
  - (2.1) Provide appropriate and fair welfare and remuneration to the staffs. The appointment, discharge, including staffs’ reward giving and punishment shall be fairly performed in good faith based on knowledge, competency, and suitability of the said staffs. Build the staffs’ confidence on the wellbeing and welfare.
  - (2.2) Oversee and maintain the working environment to be always safe for life and properties of the staffs.
  - (2.3) Give precedence and support to develop knowledge and competency of the staffs by thoroughly and regularly providing the opportunity to the staffs.
  - (2.4) Hear the opinions and suggestions based on the staffs’ professional knowledge.
  - (2.5) Manage by avoiding any unfair acts that may affect the security of the staff’s career or that may threaten and pressure the condition of staff’s mind.
  - (2.6) Treat the staffs politely and respect to their individualism and dignity of humanity.



(2.7) Establish the understanding and reiterate the staffs for the ethics and roles which they could perform to support in creating behavior within the outline of code of conduct among all parties.

(2.8) Provide the opportunity to the staffs for notifying any illegal act in the Company.

(2.9) Reiterate the staffs to be aware of the consumption of the limited internal resources for maximum benefit.

(3) Guidelines of the Executives with the Customers are as follows:

(3.1) Provide quality services by determining level and standard of service quality that can be performed by the staffs and accepted by the customers, as well as maintaining the standard of service quality in accordance with professional standards, including strictly adhering to the conditions, promises or proposals provided to the customers or other people. Customer will be notified the the event of failure until the compliance is impossible, and a remedial solution for the same or similar result will be found.

(3.2) Disclose the full information about the Company's projects and services in consistency with fact. Advertisement of the Company's project shall not create any misunderstanding to the customers and ordinary people about the quality, price or condition of selling or services.

(3.3) Systemize the receipt of complaints relating to the Company's projects and services and resolve or clarify to the customer and other people about the operating result of the said complaint.

(3.4) Keep the information or confidentiality of the customer and not wrongfully use for self-benefit or other person's benefit.

(3.5) Not profiteer upon the comparison with the quality of the services, and not establish the trade condition which is unfair to customers.

(3.6) Promote and arrange the creation of new service innovation for more customer's benefit and satisfaction.

(4) Guidelines of the Executives with the Business Partners, and/or Creditors are as follows:

(4.1) Not request, accept or agree to accept, and not provide or promise to provide any benefit which are fraudulent or not in trade tradition for the business partners and/or creditors.

(4.2) Trade negotiation with the business partners, and/or creditors must be transparent, fair, and without any additional advantage.

(4.3) Strictly comply with the agreement and/or agreed condition. In case of failure until the compliance is impossible, the business partners and/or creditors must be informed and shall mutually seek for corrective solution for the same or similar result.

(4.4) Provide the information related to the company which is correct and consistent with fact to the business partners and/or creditors.

(5) Guidelines of the Executives with the Trade Competitors are as follows:

(5.1) Conduct, behave, and compete under the framework of the laws and the rule of good competition

(5.2) Not seek for confidential information of the trade competitors by dishonest or improper methods.

(5.3) Not attempt to discredit the trade competitor's reputation by baseless accusation.

### **6.2.3 Ethics and Code of Conduct for the Staffs**

(1) Perform duties at their full knowledge, capacity, honesty, and maintain the confidential of the Company and customers strictly, as well as strictly operate according to the internal control system of the Company.

- (2) Respect the rights of other staffs in the Company and not baseless criticize other staffs, executives or the Company. Maintain and mutually create the unity among the staffs and assist other staffs to perform duty as appropriate.
- (3) Care and assist to maintain working environment to be clean and safe, as well as care and strict to any activities that reinforce the quality, efficiency, and development of the Company.
- (4) Inform the superior or other responsible sector upon the detection of any act or event that may wrongfully cause the damages to the Company's reputation or properties.
- (5) Assist supervising the Company's properties not to be lost or devalued.

## 6.3 Material Changes and Developments regarding Policy, Guidelines and Corporate Governance System in the Preceding Year

### 6.3.1 Review on the Policies, Practical Guidelines, and Charters

#### (1) Review on the Good Corporate Governance Policy

The Board of Directors have considered reviewing and developing the policy and practical guideline relating to the Company's good corporate governance to be consistent with the Corporate Governance Code for Listed Companies 2017 or CG Code of the Office of the Securities and Exchange Commission, and the rules of assessment based on CGR of Thai Institute of Directors (IOD). At the Board of Directors' Meeting No. 12/2021 held on 23 December 2021 resolved to approve the revision of the good corporate governance policy of the Company in the following matters.

- Add the policy relating to the entry into the related party transactions of the Company and/or its subsidiaries with the connected parties.
- Correct the community, social, and environmental treatment by adding the knowledge provision and training to the employees regarding the environment.
- Add the policy relating to respect for human rights, respect for intellectual property right, and anti-corruption.
- Improve the complaint and whistleblowing channel of the stakeholders to be corresponding to the policy on complaint and whistleblowing of offence and corruption, and revised the investigation on the complaints or clues to be consistent with the policy on investigation of the complaints and clues of offence and corruption, as well as complainer or whistleblower protection.
- Enhance the powers, duties, and responsibilities of the Chairman of the Board, and the segregation of roles, duties and responsibilities between the Board and Management.
- Add the advance schedule of the yearly Board of Directors' Meeting, and notify each director for acknowledgement.
- Add the rule of the number of directors while the Board of Directors will resolve in the meeting where the directors of not less than 2/3 (two-third) of total number of directors shall be present.

#### (2) Review on the Policy on Securities Trading of the Directors, Executives, and Employees

To be consistent with laws and set of regulations relating to the prevention of insider trading, and reporting of securities and futures contract holding, the Board of Directors' Meeting No. 12/2021 held on 23 December 2021 has resolved to approve an amendment of the policy on the securities sale of the directors, executives and employees of the Company in the following matters.

- Amend the scope of the policy covering the person who lives and cohabits together as husband and wife, of the director, executive, employee of the Company, as well as any juristic person of the said person, spouse or person who lives and cohabits together as husband and wife, and the underage child, that hold the shares of more than 30 percent of total voting rights and have the maximum shareholding proportion in the said juristic person.
- Prohibit the directors, executives, and employees, who recognize or possess the insider information of the Company, from entering to bind with the futured contract relating to the Company's securities, as well as prohibit the disclosure of the insider information to other persons either directly or indirectly, and whether by any means, where they realize or should realize that the information receiver may exploit the said information in purchasing or selling the Company's securities, or enter to bind themselves with futures contract relating to the Company's securities.
- Revise the reporting of securities holding of the directors and executives to the Office of the SEC.

(3) Review on the Charter of the Board of Directors and the Sub-Committees

To comply with the Corporate Governance Code for the Listed Companies 2017 or CG Code of the Office of the Securities and Exchange Commission prescribing that the Charter should be regularly reviewed at least once a year, therefore, the Secretary of the Board of Directors, and the Secretary of the Sub-Committees have reviewed the four Charters of the Board of Directors and the Sub-Committees, for instance, Charter of the Board of Directors, Charter of the Nomination and Remuneration and Corporate Governance Committee, and Charter of the Risk Management Committee, and Charter of the Executive Committee. However, there has been no proposal for updating the said Charters due to their completeness covering the Company's tasks, and update.

### 6.3.2 Implementation of 2017 Corporate Governance Code for Listed Companies

The Board of Directors' Meeting No. 12/2021 held on 23 December 2021 proposed by the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee considered and reviewed the implementation 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. However, in 2021, 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, Corporate Governance, and Sustainable Development Committee established by the Board of Directors already consisted of member majority, who are independent directors, but the Chairman is not an independent director. The Board of Directors considered that the elements of this Nomination, Remuneration, Corporate Governance, and Sustainable Development 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	

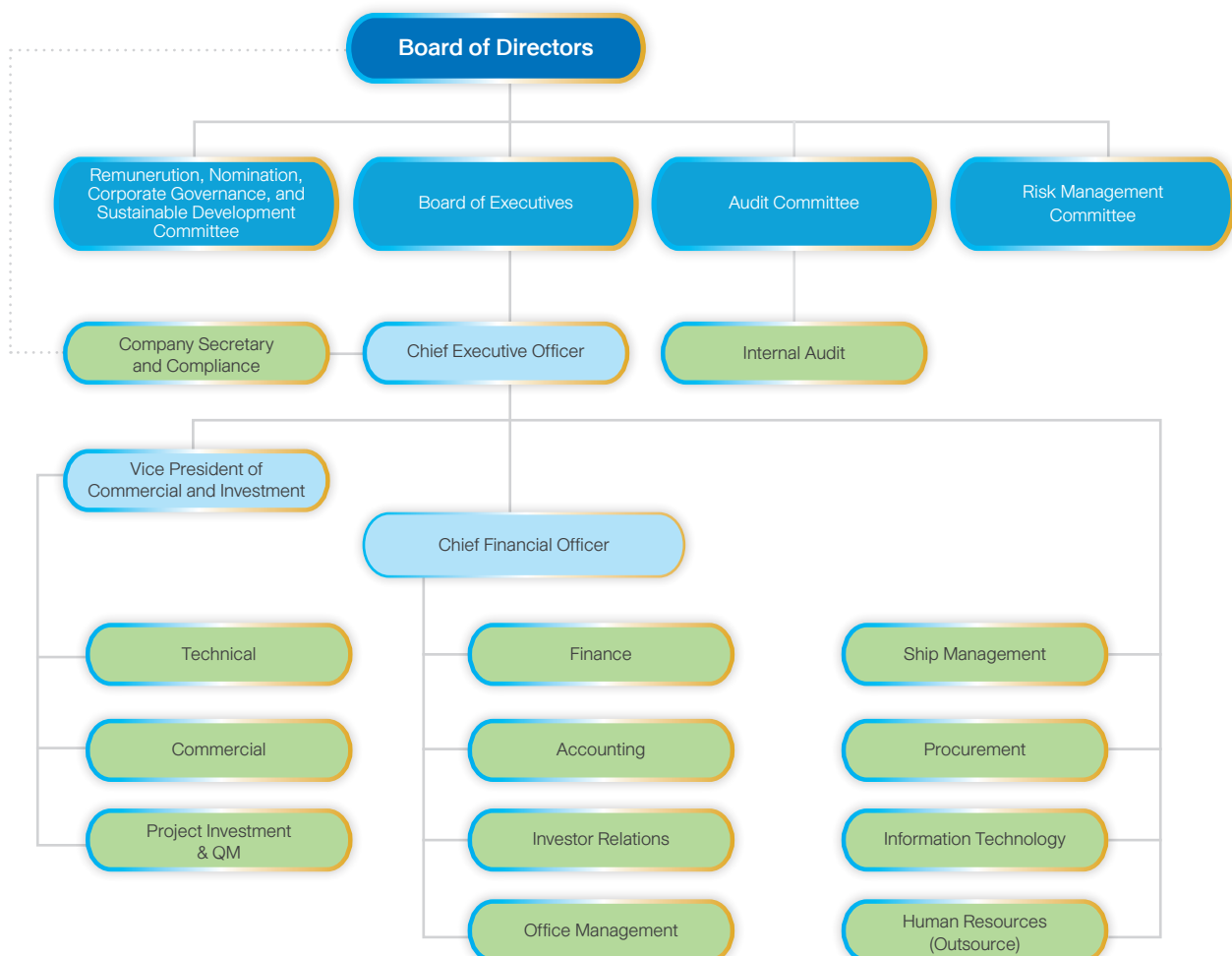
### 6.3.3 Compliance with the Corporate Governance Code in other aspects

- (1) The Company has provided a report on the performance of all Sub-committees. (Only the director level) and disclosed in the Form 56-1 One Report.
- (2) The Company's Board of Directors has established the Nomination, Remuneration, Corporate Governance, and Sustainable Development 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.

## 7. Corporate Governance Structure and Material Facts Related to the Board, Subcommittees, Executives, Employees and Others

### 7.1 Corporate Governance Structure

As of 1 January 2022, the Company's organization structure consists of the Board of Directors and 4 Subcommittees i.e., (1) Audit Committee (2) Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee (3) Risk Management Committee and (4) Board of Executives. The Company's top management is led by the Chief Executive Officer (CEO).

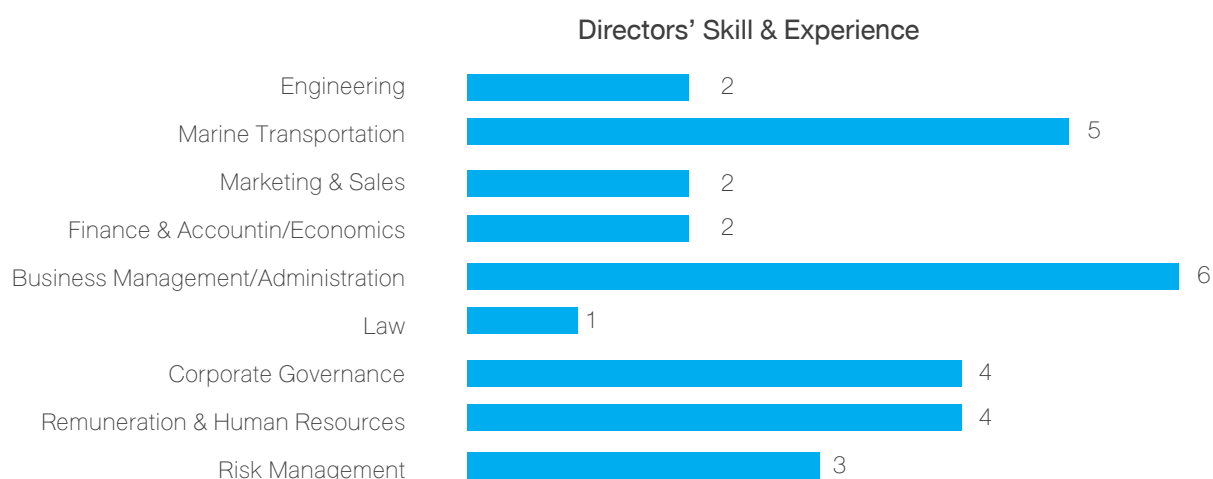
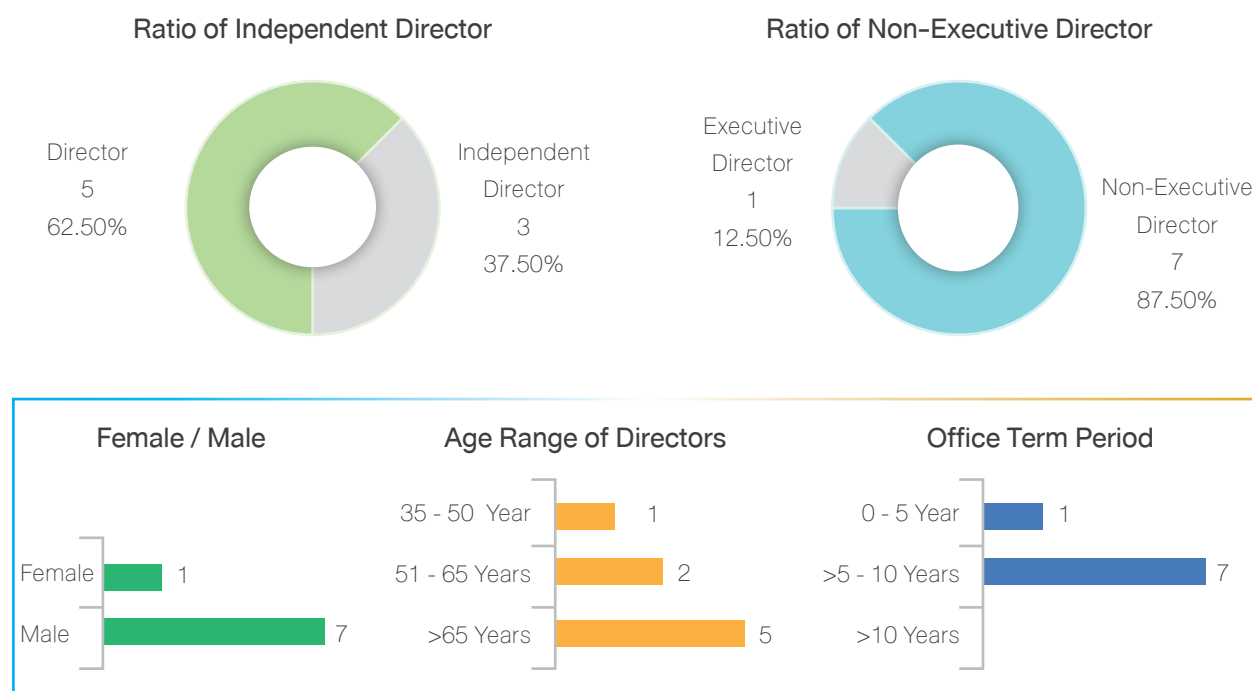


## 7.2 The Board of Directors

### 7.2.1 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.

The Board of Directors currently has 8 directors: 1 Executive Director and 7 Non-executive 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.



## 7.2.2 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 shareholder 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.

## 7.2.3 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 director who vacates office may be re-elected. The independent directors shall have the office term for not less than 9 years in consecutive manner.

## 7.2.4 Director and Controlling Person

As of 31 December 2021, the Board of Directors comprises the following 8 directors:

Name of Directors	Position	Date of Appointment <sup>(1)</sup>
1. Mr. Bowon Vongsinudom	Chairman and Independent Director / Member of the Audit Committee	22 January 2016
2. Admiral Nibhon Chagsudulya	Vice Chairman / Chairman of the Nomination, Remuneration, Corporate Governance, and Sustainable Development 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, Corporate Governance, and Sustainable Development Committee	22 January 2016
4. Mr. Somchai Kuvijitsuwan	Independent Director / Member of the Audit Committee / Member of the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee	22 January 2016



Name of Directors	Position	Date of Appointment <sup>(1)</sup>
5. Mr. Suraphon Meesathien	Director / Chairman of the Risk Management Committee	22 January 2016
6. Mr. Prompong Chaisrisawatsuk	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, Corporate Governance, and Sustainable Development Committee / Member of the Board of Executives	22 January 2016
8. Ms. Neeracha Panboonhom	Director	1 February 2020

Remark: <sup>(1)</sup> Date of Appointment means the first date appointed as a Director of the Company.

The details of each director shown in Attachment 1: Details of directors, executives, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, and the Company Secretary.

## 7.2.5 Role and Responsibility of the Board of Directors

### (1) Scope of Duties, Authorities and Responsibilities of the Board of Directors

(1.1) 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.

(1.2) 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.

(1.3) 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.

(1.4) 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.

(1.5) Acknowledge audit report of the Audit Committee.

(1.6) 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.

(1.7) 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.

(1.8) Consider approving interim dividend payment to the Company's shareholders.

(1.9) 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.

(1.10) 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.

(1.11) 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.

(1.12) 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.

(1.13) 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.

(1.14) Consider approving the determination of salary, salary increase, bonus, remuneration, and reward of the Chief Executive Officer.

(1.15) 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.

(1.16) Appoint the Company Secretary to assist the Board of Directors in working for business operation in accordance with relevant laws, announcements, and regulations.

(1.17) Request for professional opinion from external organization, if necessary, for appropriate decision-making support.

(1.18) 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.

(1.19) Hold the Meeting of the Shareholders to be Annual General Meeting of Shareholders within 4 months from the ending date of the Company's accounting year.

(1.20) Fairly consider approving the issues under concern on interests of the shareholders and all groups of stakeholders of the Company.

(1.21) 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.

The details of Charter of the Board of Directors shown in Attachment 6: Charter of the Board of Directors and Charter of the Subcommittee

(2) Scope of Duties, Authorities and Responsibilities of the Chairman

(2.1) The Board Chairman or person designated by the Board Chairman has a duty to call for a meeting of Board of Directors and to encourage all directors to attend the meeting.

(2.2) Determining the meeting agenda with the Chief Executive Officer.

(2.3) 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 effective with sufficient time for the presentation of information, gave the directors an opportunity to

inquire and express opinions freely, and controlling the discussions and summation of the meeting's resolutions.

(2.4) 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 effectively with sufficient time, give the shareholders an opportunity to inquire and express opinions equally, and respond to all questions raised by shareholders.

(2.5) Promoting the Company's Corporate Governance Policy among directors, executives, and employees.

(2.6) Communicating all essential information to directors.

(2.7) Supervising and follow up the directors to perform their duty in the scope of authorities and responsibilities to meet the Company's objectives and target as well as compliance with the laws and the Company's Corporate Governance Policy.

(2.8) Promoting good relationship between executive directors and non-executive directors including the directors and management team.

(3) Scope of duties and responsibilities of the Chief Executive Officer (CEO)

(3.1) 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.

(3.2) 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.

(3.3) 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 Delegation of Authority.

(3.4) 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 Delegation of Authority.

(3.5) Have authority to employ, appoint, remove, discharge, and dismiss the staff of the Company in the position below the level of Function Director.

(3.6) 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.

(3.7) 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.

(3.8) Issue internal orders, rules, announcements, and records for operation of the Company to be in line with the policies and for the Company's benefit and maintain organizational discipline.

(3.9) 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.

(3.10) Do other duties entrusted by the Board of Directors or the Board of Executives and have essential authority to execute in the said function.

(3.11) 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.

(4) Authorized Directors of the Company

The directors who are authorized to sign on behalf of the Company as of 31 December 2021 are Admiral Nibhon Chagsudulya, Mr. Suraphon Meesathien, Mr. Prompong Chaisrisawatsuk, Mr. Surasak Chaiyen, or Ms. Neeracha Panboonhom whereas two directors of these five directors shall jointly sign and affix the Company's seal.

## 7.3 Subcommittees

The Company's Board of Directors appointed 4 Sub-committees including (1) Audit Committee (2) Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee (3) Risk Management Committee and (4) Board of Executive, with details as follows:

### 7.3.1 The 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 2021, the Audit Committee consists of 3 members as follows:

Name List	Position
1. Mr. Chainoi Puankosoom (Independent Directors)	Chairman of the Audit Committee
2. Mr. Somchai Kuvijitsuwan (Independent Directors)	Member of the Audit Committee
3. Mr. Bowon Vongsinudom (Independent Directors)	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.

#### 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.

The details of Charter of the Audit Committee shown in Attachment 6: Charter of the Board of Directors and Charter of the Subcommittee

### 7.3.2 The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee

The Nomination, Remuneration, Corporate Governance, and Sustainable Development 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 of the Committee. Secretary of the Committee will be appointed to help the operation of the Nomination Remuneration, Corporate Governance, and Sustainable Development Committee.

The office term of the Nomination, Remuneration, Corporate Governance, and Sustainable Development 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, Corporate Governance, and Sustainable Development Committee who retires by rotation may be appointed to resume the office of the Committee members.

As of 31 December 2021, the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee consists of 4 members as follows:

Name List	Position
1. Admiral Nibhon Chagsudulya (Director)	Chairman of the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee
2. Mr. Chainoi Puankosoom (Independent Director)	Member of the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee
3. Mr. Somchai Kuvijitsuwan (Independent Director)	Member of the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee
4. Mr. Surasak Chaiyen (Director)	Member of the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee

#### Scope of Duties and Responsibilities of the Nomination, Remuneration, Corporate Governance, and Sustainable Development 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) 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.

(6) Formulate and review the Company's significant criteria and practices in accordance with the corporate governance principles.

(7) Suggest the requirements for the Code of Conduct for business operation and good practices to the Company's directors, executives, and employees.

(8) 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.

(9) 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.

(10) Establish sustainability policies, goals, strategies, and action plans that are consistent with the company's and its subsidiaries' responsible business operations, covering economic, environmental, social, and corporate governance, and propose them to the Board of Directors for approval.

(11) Supervise, monitor, promote, and support the implementation of sustainable development policies, goals, strategies, and action plans.

(12) Consider and determine the business's value chain, relevant stakeholders, sustainability materiality topics, and sustainability framework including the implementation of sustainability activities or initiatives.

(13) Evaluate and review sustainability's policies, goals, strategies, and action plans to ensure that it's consistent with the Company's and its subsidiaries' business conditions and compliance with laws and international best practices.

(14) Ensure that sustainability performance is reported and disclosed in the business sustainability report or annual registration statement/annual report (Form 56-1 One Report).

(15) Review and propose the correction on scope of authorities, duties and responsibilities of the Nomination, Remuneration and Corporate Governance Committee in consistency with situation.

(16) Take any other action as assigned by the Board of Directors or in accordance with the policy prescribed by the Board of Directors.

The details of Charter of the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee shown in Attachment 6: Charter of the Board of Directors and Charter of the Subcommittee.

### 7.3.3 The 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 2021, the Risk Management Committee consists of 3 members as follows:

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

#### 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 assess 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.

The details of Charter of the Risk Management Committee shown in Attachment 6: Charter of the Board of Directors and Charter of the Subcommittee.

### 7.3.4 The Board of Executives

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 2021, the Company's Board of Executive consists of 5 members as follows

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

#### Scope of Duties and Responsibilities of the Board of Executives

- (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.

The details of Charter of the Board of Executives shown in Attachment 6: Charter of the Board of Directors and Charter of the Subcommittee.

## 7.4 Management Team

### 7.4.1 Name and Position of Executives

As of 1 January 2022, The Company's executives as defined by Notification of the Securities and Exchange Commission, consists of the following 6 executives:

Name List	Position
1. Mr. Prompong Chaisrisawatsuk	Chief Executive Officer
2. Ms. Suthasinee Muenlamay	Vice President of Commercial and Investment
3. Ms. Nipat Eamsiriwat	Commercial Director
4. Mr. Anantachai Auttama	Ship Management Business Director
5. Mr. Pakasit Kamsang <sup>(1)</sup>	Technical Director
6. Mr. Viritphol Churaisin	Chief Financial Officer

Remark

<sup>(1)</sup> Mr. Pakasit Kamsang was appointed as Technical Director by the resolution of the Board of Directors No. 11/2021 held on 9 November 2021, effective from 1 January 2022 onwards.

The details of each executive shown in Attachment 1: Details of directors, executives, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, and the Company Secretary.

### 7.4.2 Remuneration Policy for Executive

The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee will consider whether the form and payment criteria for executives' remuneration in the position of Chief Executive Officer, Vice President, and Chief Financial Officer to be proper, fair and in compliance with the relevant laws, and propose them to the Board of Directors for approval. Executives in the position of other Function Director are compensated in accordance with the Board of Executives' policy and criteria. The Company's performance and yearly key performance indicators (KPIs) are used to determine executive remuneration policies.

### 7.4.3 Performance Evaluation of Executives

The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee will consider the criteria and result of performance assessment for Chief Executive Officer, Vice President, and Chief Financial Officer and propose it to the Board of Directors for consideration and approval. The criteria, performance evaluation, and remuneration for other Function Director will be considered by the Chief Executive Officer.

In 2021, the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee determined the performance assessment indicators for the Chief Executive Officer, Vice President, and Chief Financial Officer, and proposed to the Board of Directors for approval 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, Vice President, and Chief Financial Officer, to assess himself/herself performance once a year and present the result to the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee and the Board of Directors.

### 7.4.4 Remuneration for Executives

#### Monetary Remuneration

In 2021, the total remuneration for the 5 executives\* of the Company was 30.31 million Baht, consisting of salary and bonus which are based on the Company's operations and performance as well as each individual's performance.

#### Other Remuneration

##### **Provident Fund**

The Company has implemented a Provident Fund. In 2021, the Company paid a total of 1.04 million Baht into the provident fund for 5 executives\*.

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

### 7.4.5 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) Potential - Consider the qualification or personal ability that can work with efficiently or higher than present performance, and can develop or more express his/her ability for future assignment

## 7.5 Information of Employees

### 7.5.1 Number of Employees

As of 31 December 2021, the number of employees of Company and its subsidiaries was 721 people (excluding directors and executives\*) can be divided into departmental as follows:

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

Department / Division	Number of Employees (persons)
Marketing / Commercial and Operation	28
Human Resources (Ship)	20
Office Management	7
Project Investment and Quality Management	9
Compliance and Company Secretary	6
Technical	56
Seafaring	12
Sesfarer	471 <sup>(1)</sup>
General Service	9
Procurement	18
Internal Audit	3
Information Technology	5
Executives Office	14
Accounting and Finance	52
Investor Relations	13
Health, Safety, Security, Environment and Quality (HSSEQ)	15
<b>Total</b>	<b>721</b>

Remark: <sup>(1)</sup> It classified into 51 regular staffs and 420 staffs under employment contract.



### 7.5.2 Significant Change in the number of Employees during the past 3 Years

In 2021, the Company completed the acquisition of all ordinary shares of Thaioil Marine Company Limited (Currently Truth Maritime Company Limited) and completed the acquisition of all ordinary shares of Big Sea Company limited, making the Company Group acquired 115 additional employees from the acquisition.

### 7.5.3 Employees' Remuneration

Total remuneration for employees (excluding executives) of the Company and subsidiaries in 2021 was 1,185.87 million Baht. The remuneration includes salary, bonus, social security, provident fund, and other welfare.

### 7.5.4 Provident Fund

The Company Group established a provident fund for its employees in compliance with Provident Fund Act, B.E. 2530 which demonstrates the Company's commitment to long-term sustainable employee care. Employees can contribute monthly at rates ranging from 2% to 15% of their basic salaries, while the Company Group contribute at the rate of 7% of the employees' basic salaries. The Company Group's provident fund manage by Bangkok Capital Asset Management Company Limited which has declared to adopt the Investment Governance Code: I Code and has anti-corruption policy. Employees can invest in provident fund in a variety of ways, depending on their requirement and risk appetite.

In this regard, the following proportions of employees contribute to the Company's and its subsidiaries' provident funds:

Company Name	Yes/No PVD	Total Employees	Employees that are participating in PVD	% Participating in PVD
Prima Marine Public Company Limited	Yes	95	73	76.84%
Big Sea Company Limited	Yes	254	167	65.75%
Nathalin Management Company Limited	Yes	47	23	48.94%
BSC Management Seafarer Recruitment Company Limited	Yes	10	7	70.00%
Truth Maritime Company Limited	Yes	47	32	68.09%
Truth Maritime Services Company Limited	Yes	17	15	88.24%
T.I.M. Ship Management Company Limited	Yes	14	12	85.71%

### 7.5.5 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.

(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.

## **7.6 Other Significant Information**

### **7.6.1 The person assigned to take direct responsibility for accounting oversight**

Ms. Supattra Sertkratok has been appointed as Accounting Manager to take direct responsibility for accounting oversight effective from 1 May 2021 onwards. Ms. Supattra Sertkratok meets all of qualifications specified by related regulations.

The details of the person assigned to take direct responsibility for accounting oversight shown in Attachment 1: Details of directors, executives, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, and the Company Secretary.

### **7.6.2 Company Secretary and Head of Compliance**

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. Udornrat Sittthikorn as Company Secretary and Head of Compliance 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 and Head of Compliance 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 Company Secretary and Head of Compliance shown in Attachment 1: Details of directors, executives, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, and the Company Secretary.

### **7.6.3 Head of Internal Audit**

Pursuant to the Charter of Audit Committee of Prima Marine Public Company Limited, it prescribes that the Audit Committee shall consider selecting the Head of Internal Audit. Miss Sirimapan Phaichalerm has acted as the Internal Audit Manager since 1 November 2016, and in the opinion of the Audit Committee, Miss Sirimapan Phaichalerm is suitable for the position of Head of Internal Audit with her understanding in the Company's business and work process, and ability to give counsels and suggestions for the efficient improvement of work process. However, the Company has supported the internal auditors to regularly attend the trainings on the internal audit standards and other matters relating to the internal audit operations in order to ensure that the internal auditors have adequate knowledge according to the internal audit standards, ordinance, rules, and regulations relating to the audited matters.

The details of Head of Internal Audit shown in Attachment 1: Details of directors, executives, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, and the Company Secretary.

### **7.6.4 Head of Investor Relations**

Mr. Pachara Rodsomboon has been appointed as Head of Investor Relations in order 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 Company Limited, 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

### 7.6.5 Remuneration for the Auditor

In 2021, the Company and its subsidiaries paid the auditor remuneration with the following details:

#### Audit Fees

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

List	Audit Fee ( Baht)
Prima Marine Public Company Limited	2,300,000.00
Subsidiaries	6,360,253.56
<b>Total Audit Fee</b>	<b>8,660,253.56</b>
Out-of-pocket	226,247.93
<b>Total amount of Audit Fee and Out-of-pocket</b>	<b>8,886,501.49</b>

#### Non-Audit Fees

The Company and its subsidiaries paid KPMG Phoomchai Audit Limited in the amount of 929,864 in non-audit fees, which includes the investment promotion certificate inspection fee in the amount of 594,000 Baht and the fee for reviewing quarterly financial report of the subsidiaries and joint venture in the amount of 335,864 Baht.

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.



## 8. Report on Key Operating Results related to Corporate Governance

### 8.1 Performance of the Board of Directors in the past year

#### 8.1.1 Nomination, Development and Performance Assessment of the Board of Director

##### (1) Nomination of Directors and Executives

##### Nomination of Directors

The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee will consider and select appropriate person with knowledge, abilities, experience, and specific expertise in support of the Company's business strategy as well as dedication their time to fully performing their role on the Board, along with the appropriate qualifications and do not possess disqualifying characteristics as specified by law on public limited companies, and do not possess characteristics indicating a lack of appropriateness in respect to trustworthiness in managing business with shares held by public shareholders as specified by law on securities and exchange. In this regard, the Committee takes into account the Board's ratio, diversity, and structure. Furthermore, the Committee has considered the independence and qualification of each independent director to ensure that the Company's independent directors are fully qualified as prescribed by laws and relevant regulations, Then, the Committee will propose their appointment to the Board of Directors and /or the meeting of shareholders for approval (as the case may be).

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.

#### **A shareholder's right to appoint a director**

The appointment of director in replacement of director who retired by rotation, or the appointment of new director shall be proposed to the shareholders' meeting for consideration and approval with the 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.

#### **Nomination of the Chief Executive Officer**

The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee will screen and nominate the appropriate person with knowledge, ability, experience, and specific expertise in support of the Company's business strategy before recommending him or her to the Board of Directors for approval.

#### **Nomination of director and executives in 2021**

In 2021, there are 2 directors who retired by rotation i.e., Admiral Nibhon Chagsudulya (Director) and Mr. Somchai Kuvijitsuwan (Independent Director). The Company gave shareholders the opportunity to nominate the candidate who is regarded as properly qualified to be considered for election as the director by disclosed the criteria and nomination procedures on the Company's website, from 20 November - 31 December 2020. However, nobody nominated the candidates for election as the director.

The Nomination, Remuneration, and Corporate Governance Committee, with exception of the member who have conflicts of interest, has considered nominating and selecting the appropriate person for proposing to the Board of Directors and the 2021 Annual General Meeting of Shareholders for approval Admiral Nibhon Chagsudulya (Director) and Mr. Somchai Kuvijitsuwan (Independent Director) to be the Company's directors for another term.

## (2) Directors and Executives Development

The Company encourages director and executive to attend the training and seminar in necessary course to perform their duties. In 2021, the Company's directors and executives attended training program and seminars to improve their knowledge as follows:

Name of Director or Executive	Training Program or Seminar
1. Ms. Neeracha Panboonhom	• Corporate Sustainability and Sustainability Risks
2. Mr. Surasak Chaiyen	• Advanced Master of Management (AMM), Class 7/2021, Graduate Scholl pf Public Administration, National Institute of Development Administration (NIDA)
3. Ms. Suthasinee Muenlamay	• Corporate Sustainability Strategy, Class 4 by Sustainable Business Development Institute developed in collaboration with the Stock Exchange of Thailand
4. Mr. Anantachai Auttama	• Finance for Non-Finance Managers and all Concerned, The Thai Institute of Banking and Finance Association • Carbon Credit, Fiscal Policy Research Institute Foundation • Crucial Conversations by PacRim Group Thailand
5. Mr. Pakasit Kamsang	• Corporate Sustainability Strategy, Class 4 by Sustainable Business Development Institute developed in collaboration with the Stock Exchange of Thailand
6. Mr. Viritphol Churaisin	• CFO Refresher

## (3) The Performance Assessment of the Board of Directors and Subcommittees

In 2021, Company Secretary and Compliance Department submitted all performance assessment forms to the Board of Directors and all Subcommittees to assess their own performance for the year 2021 with following criteria and results of performance assessment:

Category of Directors and Assessment Criteria	Assessment Results
<b>The Board of Directors</b>	
<b>Entire Board Assessment</b> 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
<b>Individual Assessment</b> 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.	3.97 / 4.00

Category of Directors and Assessment Criteria	Assessment Results
<b>Audit Committee</b>	
<b>Entire Committee Assessment</b> 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.	3.98 / 4.00
<b>Individual Assessment</b> 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.	3.95 / 4.00
<b>Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee</b>	
<b>Entire Committee Assessment</b> The assessment criteria are divided into 3 main areas as follows: (1) Structure and Qualifications of the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee; (2) The Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee's meetings; (3) Roles, duties and responsibilities of the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee.	3.96 / 4.00
<b>Individual Assessment</b> The assessment criteria are divided into 3 main areas as follows: (1) Structure and Qualifications of the Nomination, Remuneration and Good Corporate Governance, and Sustainable Development Committee; (2) the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee's meetings; (3) Roles, duties and responsibilities of the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee.	3.93 / 4.00
<b>Risk Management Committee</b>	
<b>Entire Committee Assessment</b> 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.	3.94 / 4.00
<b>Individual Assessment</b> 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.	4.00 / 4.00
<b>Board of Executives</b>	
<b>Entire Committee Assessment</b> 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.	3.85 / 4.00
<b>Individual Assessment</b> 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.	3.88 / 4.00

## 8.1.2 Meeting Attendance and Individual Directors' Remuneration

### (1) Board Meeting Attendance

In 2021, the Board of Directors held 12 meetings and 2 meetings between Independent Directors (ID), with the details of attendance for each director shown below:

Name of Directors	Position	Meeting Attended / Total Meetings (Times)		
		AGM 2021	Board of Directors' Meeting	Independent Directors' Meeting
1. Mr. Bowon Vongsinudom	Chairman and Independent Director	1/1	12/12	2/2
2. Admiral Nibhon Chagsudulya	Vice Chairman	1/1	12/12	-
3. Mr. Chainoi Puankosoom	Independent Director	1/1	12/12	2/2
4. Mr. Somchai Kuvijitsuwan	Independent Director	1/1	12/12	2/2
5. Mr. Suraphon Meesathien	Director	1/1	12/12	-
6. Mr. Prompong Chaisrisawatsuk	Director	1/1	12/12	-
7. Mr. Surasak Chaiyen	Director	1/1	12/12	-
8. Ms. Neeracha Panboonhom	Director	1/1	12/12	-

### (2) Subcommittee Meeting Attendance

In 2021, member of the subcommittee attended the meeting with details as follows:

Name of Member	Meeting Attended / Total Meetings (Times)			
	Audit Committee	Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee	Risk Management Committee	Board of Executive
1. Mr. Chainoi Puankosoom	6/6	4/4		
2. Mr. Somchai Kuvijitsuwan	6/6	4/4		
3. Mr. Bowon Vongsinudom	6/6			
4. Admiral Nibhon Chagsudulya		4/4	5/5	
5. Mr. Surasak Chaiyen		4/4		12/12
6. Mr. Suraphon Meesathien			5/5	
7. Mr. Prompong Chaisrisawatsuk			5/5	12/12
8. Mr. Wang Wei				12/12
9. Ms. Suthasinee Muenlamay				12/12
10. Mr. Viritphol Churaisin				12/12

### (3) Directors' Remuneration Payment

During the year 2021, the Company paid the remuneration to (1) Board of Directors (2) Audit Committee (3) Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee (4) Risk Management Committee and (5) Board of Executives consisting of monthly allowances, meeting allowances and bonus in the amount of 17,123,000 Baht. The details are as follows:

Name of Directors and Subcommittee Member	Monthly and Meeting Allowance for the Board of Directors	Meeting Attended / Total Meetings (Times)				Bonus	Total
		Audit Committee	Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee	Risk Management Committee	Board of Executives		
1. Mr. Bowon Vongsinudom	1,188,000	174,000	-	-	-	2,342,400	3,704,400
2. Admiral Nibhon Chagsudulya	756,000	-	140,000	145,000	-	1,903,200	2,944,200
3. Mr. Chainoi Puankosoom	756,000	210,000	116,000	-	-	1,537,200	2,619,200
4. Mr. Somchai Kuvijitsuwan	756,000	174,000	116,000	-	-	1,537,200	2,583,200
5. Mr. Suraphon Meesathien	756,000	-	-	175,000	-	-	931,000
6. Mr. Prompong Chaisrisawatsuk	756,000	-	-	145,000	420,000	-	1,321,000
7. Mr. Surasak Chaiyen	756,000	-	116,000	-	348,000	-	1,220,000
8. Ms. Neeracha Panboonhom	756,000	-	-	-	-	-	756,000
9. Mr. Wang Wei	-	-	-	-	348,000	-	348,000
10. Ms. Suthasinee Muenlamay	-	-	-	-	348,000	-	348,000
11. Mr. Viritphol Churaisin	-	-	-	-	348,000	-	348,000
<b>Total</b>	<b>6,480,000</b>	<b>558,000</b>	<b>488,000</b>	<b>465,000</b>	<b>1,812,000</b>	<b>7,320,000</b>	<b>17,123,000</b>



### 8.1.3 Supervision of Subsidiaries and Associated Companies

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.

## 8.1.4 Monitoring of Compliance with the Corporate Governance Policy and Guidelines

### (1) Protecting the Shareholders' Rights

The Company recognizes and gives importance to the basic rights of shareholders both as a securities investor and the Company's owner. The following are the results of the Company's protecting its shareholders' rights throughout the last year.

#### (1.1) The right to buy, sell, transfer the Company's securities that they are holding

The Company's shares are listed on the Stock Exchange of Thailand, and shareholders or investors can buy, sell, and transfer them conveniently. Thailand Securities Depository Co., Ltd. was appointed as the company's securities registrar.

#### (1.2) The right to receive the profit sharing from the Company

All shareholders entitled to receive a share of the Company's profits as a dividend. The Company will inform the shareholders of the record date for specifying the list of shareholders who are entitled to receive the dividend and the date of dividend payment via the Stock Exchange of Thailand's channel.

#### (1.3) The right to receive adequate information

The Company ensure that significant financial and non-financial information is disclosed to shareholders in timely, accurate, adequate manner, and in accordance with regulations, standards, and related guideline.

(1.4) The right to attend the shareholders meeting, express their opinions, and make decisions on important matters of the Company

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 2021, the Company has arranged the 2021 Annual General Meeting of Shareholders on 23 April 2021. The Company implemented the Corporate Governance for the right of shareholders in attending the meeting as follows:

- 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](http://www.primamarine.co.th) since 20 November 2020. The subject and name of candidates can be submitted to the Company from 20 November to 31 December 2020.
- 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 2021, 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 20 days in advance (31 March - 2 April 2021).
- The Company publicized the invitation letter of the 2021 Annual General Meeting of Shareholders on the Company's website at [www.primamarine.co.th](http://www.primamarine.co.th) , in both Thai and English since 22 March 2021 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.
- The Company's shareholders are provided of opportunities to send inquiries in advance before the 2021 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](mailto:cp_cs@primamarine.co.th) from 22 March to 16 April 2021.

- 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.
- In connection with the Coronavirus 2019 ("COVID-19") outbreak, the Company has been closely monitoring the situation with the deepest concern for the safety of the meeting attendees as well as its staff. Therefore, the Company facilitated the shareholders to exercise their rights for attending the meeting and casting their vote via electronic media (E-Meeting) in compliance with the Emergency Decree on Electronic Meeting, B.E. 2563 (2020) and related notifications.
- 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, served by Online Asset Co., Ltd.
- The Company organizes voting in every agenda using the "IR PLUS AGM" application and separated in each issue in case of many issues in that agenda, for example, the appointment of directors, for transparency and accountability.
- All directors attended the shareholders' meeting together with the Chairman of all Subcommittee, Chief Executive Officer, Executives and Auditor so that shareholders can inquire relevant subjects.
- 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.
- 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.
- 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.
- 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.
- 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 6 May 2021.

## (2) 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. During the year 2021, the Company has treated the shareholders equally as follows:

(2.1) The Company has prepared and disseminated the invitation letter for the 2021 Annual General Meeting of Shareholders both in Thai and English versions to allow all Thai and foreign shareholders to equally access information.

(2.2) 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.

(2.3) 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.

(2.4) The Company's shareholders and institutional investors are provided of opportunities to exercise their rights in appointing directors on an individual basis and the "IR PLUS AGM" application will be used for individual voting for transparency and verifiability.

### **(3) Prevention on Conflict of Interests**

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. In 2021, the Company implemented a conflict-of-interest prevention as follows:

(3.1) At each Board of Directors meeting, the Chairman notified all directors to declare any conflict of interest relevant to the meeting agenda in order to avoid a potential conflict of interest. Any director who has a conflict of interest in any agenda item is not allowed to participate in the consideration and approval of that item.

(3.2) The Company complied with all securities and exchange laws for entering into the connected transaction between the Company or its subsidiaries and connected persons, the related parties transaction were reported in the Form 56-1 One Report.

(3.3) Monitoring the executives to report a conflict of interest of themselves and related person to the Company in accordance with criteria and reporting method specified by the Board of Directors.

### **(4) Prevention for 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 or enter into a derivatives contract related to securities as well as disclose inside information to other persons as prescribed in the Securities and Exchange Act B.E. 2535 (1992) (As amended).

(2) Designated person 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 or possesses the Company's and/or its subsidiaries' inside information (including spouse or cohabiting couple, minor child,

and the juristic person that designated person, spouse or cohabiting couple, and minor child 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) as follows:

- (a) Director
- (b) Executive
- (e) All employees in following department: Project Investment and Quality Assurance Department, Commercial 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) Designed person shall have the duty to report their holding of the Company's securities and derivatives contract related to the Company's securities (including spouse or cohabiting couple, minor child, and the juristic person that designated person, spouse or cohabiting couple, and minor child 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) 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 have the duty to prepare and submit a report on changes of the Company's securities and derivatives contract related to the Company's securities holding (including spouse or cohabiting couple, minor child, and the juristic person that designated person, spouse or cohabiting couple, and minor child 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) to the Office of Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) (As Amended) and related notifications.

(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) (As amended).

As of 31 December 2021, the securities holding of the directors and executives are as follows:

Name of Directors and Executives	Common Share (Share)		
	As of 31 Dec 2020	As of 31 Dec 2021	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 Kuvijitsuwan	-	-	-
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	-	-	-
13. Mr. Pakasit Kamsang	-	-	-
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.



## (5) Employees Care

### 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.

### Training and development

In 2021, 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 120 in house training courses and 47 external training courses. The number of training hours averaged 51.20 hours per person with details as follows:

Year	2021	2020	2019
Training hour/person/year	51.20	35.94	52.80

In this regard, the Company places a strong emphasis on creating a sense of responsibility for communities, society, and the environment among its employees as well as promoting education and training on environmental issues. In 2021, the company's employees attended the seminars (online) on the topic of "Carbon Credit: Business Opportunities in the Green Economy" organized by the Fiscal Policy Research Institute Foundation in order to enhance knowledge and understanding about environmental measures, tax measures, and government mechanisms that can help businesses reduce greenhouse gas emissions including creating a balance between business returns and environmental impact as well as carbon credit trading and the development of the carbon credit market in Thailand.

### 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. Improve the efficiency of accidental loss prevention and using risk management to decrease and avoid loss

5. Continual protect environmental pollution as ballast water management, waste generation and management, greenhouse gas emissions controlling, 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 2021, the Company has specified the target of safety, security, health, and environment at workplace, and it has results as follows:

Safety Statistics	Target	Duration	Result
Number of accidents in office buildings at the level of employees are injured	0 Time	365 days	0 Time
Number of accidents in vessel at the level of employees are injured	0 Time	365 days	1 Time

#### (6) Anti-corruption

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 details of Anti-Corruption Policy shown in Clause 6.1.2 Policy and Guidelines related to Shareholders and Stakeholders.

The Company participated in Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC") Project and declared 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

#### The Implementation of the Anti-Corruption Policy in 2021

- The Company has arranged a training on an anti-corruption and corporate governance course via electronic media from 28 October – 5 November 2021, with a post-test requiring a score of at least 80 percent. Consequently, 90 percent of the Company's employees attended such training, with an average post-test score of 85 percent. This is a continuous anti-corruption training program for the Company's executives and employees to have a better understanding and awareness of anti-corruption in the organization.
- 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 its intention to refrain from accepting gifts during 2021 New Year Festival in order to request for the cooperation of its executives and employees in refraining from accepting gifts from the third parties or the external agencies. The third parties and the external agencies were notified, and they were asked to work together to avoid giving any gifts to the Company's executives and employees.
- The Company has determined that anti-corruption measures must be implemented as part of the annual performance assessment of 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.

#### **(7) Whistleblowing**

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](mailto: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](mailto:AuditCommittee@primamarine.co.th) or [compliance@primamarine.co.th](mailto: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. 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 whistleblowing, 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 2021, None of any complaints or whistleblowing was notified to the Company.

### **(8) Selection of Suppliers**

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.

### **(9) Investor Relations Activities**

In 2021, the Investor Relations Department held the events to meet shareholders and analysts as follows:

Events to meet shareholders and analysts	Times / Year
Analyst Meeting	4
Conference Call with Analysts	12
Interview with mass media	3
Non-Deal Roadshow	3
Opportunity Day	4
Video Conference with Analysts	9
Press Release	12

### **(10) Review of the company's vision, Mission, and Strategy**

The Company's vision and mission were reviewed in 2021, and a new mission was added to the Company's mission: "The Company Group shall explore potential businesses including a related and a non-related to the existing businesses for the purpose of diversification toward sustainable growth". In addition, the operation in accordance with the strategic plan in the past year of 2021 has been considered and reviewed. The internal factors and external factors affecting the organizational success have been thoroughly taken into account to establish 2022 annual strategic plan to be consistent with the Company's business operation guideline and the changing situations to ensure the accurate budgeting.

## 8.2 Annual Audit Committee Report for 2021

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, namely Mr. Chainoi Puankosoom as the Chairman of the Audit Committee, Mr. Somchai Kuvijitsuwan and Mr. Bowon Vongsinudom as members of the Audit Committee. All of them are the persons who have knowledge, skills, expertise, and experiences in transportation business, energy, law, accounting & finance, and management, and full qualification according to the requirements of the Office of the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET). 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 2021, the Audit Committee independently performed its duties according to the Charter of the Audit Committee by holding 6 meetings attended by the Management, the internal auditor and all of three members of the Audit Committee every time.

Name List	Position	Meeting Attended / Total Meetings
1. Mr. Chainoi Puankosoom	Chairman of the Audit Committee	6/6 Times
2. Mr. Somchai Kuvijitsuwan	Member of the Audit Committee	6/6 Times
3. Mr. Bowon Vongsinudom	Member of the Audit Committee	6/6 Times

The Audit Committee’s Meeting in last year covered the issues as per the following summary.

**(1) Review of financial reports:** The Audit Committee mutually convened the meeting with the certified public accountant and the related executives in order to review the key data of the quarterly and yearly financial reports for 2021 of the Company and its subsidiaries, which have been reviewed and audited by the Company’s auditor; and also reviewed the significant accounting policies and changes that affected the business operations, and the significant non-normal transactions occurred in the past fiscal year. In addition, the Audit Committee also convened the meeting with the auditor without the meeting attendance of the Management for one time for reviewing to ensure that the auditor can define the scope and guideline for the independent operation and audit without the Management’s intervention at all; and remarked that the financial reports of the Company and its subsidiaries completely, reliably, and reasonably presents the financial position and overall operation, and they have been prepared according to the Generally Certified Financial Reporting Standards, and the data has been adequately and completely disclosed.

**(2) Review of the adequacy of internal control system and the oversight of internal audit:** The Audit Committee quarterly reviewed the adequacy of internal control system of the Company and its subsidiaries according to the risk assessment guideline for the adequacy of internal control system of the Office of the Securities and Exchange Commission (SEC) and based on the internal control framework of The Committee of Sponsoring Organizations of the Treadway Commission (COSO); and remarked that the internal control system of the Company and its subsidiaries are appropriate and adequately efficient for the circumspect and transparent business operations.

In addition, the Company has determined that Internal Audit Unit shall have the working structure directly subordinate to the Audit Committee in order to ensure that the Internal Audit Unit is independent of its operations and accessibility to the data necessary for the internal audit. The Audit Committee gives



consent on appointment, removal, and manpower of the Company's internal auditors. In part of governing the internal audit, the Audit Committee approved the annual internal audit plan, and remarked the report of internal audit and monitoring on the audit issues significantly affecting the internal control system of the work process, as well as assessed the yearly performance of the Internal Audit Unit and supported the internal auditors to regularly attend the trainings in order to enhance their knowledge relating to the internal audit standards, laws, or other regulations necessary for audit.

**3. The Compliance with Laws, Rules and Regulations:** The Audit Committee reviewed the compliance with the Laws, Rules and Regulations relating to the business operations of the Company and its subsidiaries, including the compliance with the Securities and Exchange Law, and according to the requirements of the SEC and the SET; and remarked that the Company has completely complied with the relevant laws, and the requirements of the SEC and the SET.

**4. Consideration and Appointment of the Auditor for the Year:** The Audit Committee considered selecting and nominating the Auditors of the Company for the accounting year 2021 by considering their past expertise, experience, past performance, and qualification of the auditor in various areas, including independence according to the Code of Conduct of the Auditor, and also considering the work quality and standard of the Auditing Firm and reasonableness of the audit fee and other service fees; and proposed to the Board of Directors to give consent and proposed the Shareholders' Meeting for considering and approving the audit fee, and appointing KPMG Phoomchai Audit Co., Ltd. to be the Company's auditor. Mr. Thanit Osathalert, Certified Public Accountant Registration No. 5155, or Miss Marisa Tharathornbunpakul, Certified Public Accountant Registration No. 5752, or Miss Pornthip Rimdusit, Certified Public Accountant Registration No. 5565, have been determined to be the auditors and certify the financial reports for the year 2021.

**5. Review of the related party transactions with potential conflict of interest:** The Audit Committee regularly reviewed the Company and its subsidiaries' related party transactions with potential conflict of interest by considering the reasonableness of entering into the transactions that shall be in line with the principle of general trade, and the operating procedure where the requirements of the SEC and the SET shall be observed; and reviewed to ensure the complete and adequate disclosure of the transaction data; and remarked that the operating procedure for the related party transactions in 2021 has been circumspect and reasonable according to all prescribed rules and requirements.

Conclusively, in 2021, the Audit Committee independently performed its duties according to the authority to govern the internal audit as aforementioned, and periodically reported the Board of Directors for acknowledgement. In its opinion, the Company and its subsidiaries have properly prepared and disclosed the data in the financial statements according to the Auditing Standards and the relevant laws; have had the work process with the internal control system that is appropriate and adequate for the business operations; have had the independent internal audit system according to the Internal Audit Standards; and have completely complied with the laws, rules, and regulations relating to the Company's business operations. The entry into all related party transactions with potential conflict of interest has been reasonable through the circumspect and prudent operating procedure according to the requirements of the SEC and the SET for the maximum benefits of the Company.



(Mr. Chainoi Puankosoom)  
Chairman of the Audit Committee

## 8.3 Report of Other Subcommittee

### 8.3.1 Annual Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee Report for 2021

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

In 2021, the NRCS Committee convened total of 4 meetings to perform its duty in accordance with the scope and responsibilities pursuant to the NRCS Committee’s Charter. Each member of the NRCS Committee attended the meeting as follows:

Name List	Position	Meeting Attended/Total Meetings
1. Admiral Nibhon Changsudulya	Chairman of the NRCS Committee	4/4 Times
2. Mr. Chainoi Puankosoom	Member of the NRCS Committee	4/4 Times
3. Mr. Somchai Kuvijitsuwan	Member of the NRCS Committee	4/4 Times
4. Mr. Surasak Chaiyen	Member of the NRCS Committee	4/4 Times

The Following is a summary of the NRCS Committee’s responsibilities in 2021.

#### **Nomination Consideration**

- Approving to nominate two directors who retired by rotation consisting of Admiral Nibhon Changsudulya and Mr. Somchai Kuvijitsuwan to the Board of Directors for considering and proposing to the 2021 Annual General Meeting of Shareholders for considering the election of all of two directors to resume the director office for another term. The Committee has considered the ratio, diversity and structure of the Board members, including their knowledge, abilities, experience, and specific expertise in pursuance to the Company’s business strategy as well as dedication their time to fully performing their role on the Board, together with the appropriate qualifications and do not possess disqualifying characteristics as specified by laws and corporate governance principles for listed companies.
- Approving Mr. Virithphol Churaisin (Chief Financial Officer) for a one-year extension after his retirement, beginning January 1, 2022, and proposing to the Board of Directors for approval.

#### **Remuneration Determination**

- Approving the bonus payment for the directors for 2020 in the amount of 8,290,000 Baht, consisting of 2,816,000 Baht for the Chairman of the Board, 2,093,000 Baht for the Vice Chairman of the Board, and 3,381,000 Baht for 2 independent directors (1,690,500 Baht per person), and proposed to the Board of Directors for consideration and approval.
- Approving the determination of the director and the subcommittee member’s remuneration for 2021 in the amount not exceeding 30 million Baht, consisting of monthly remuneration, meeting allowance, annual compensation (bonus), and other benefits, i.e., life and health insurance of directors,

and proposed to the Board of Directors for consideration and proposing to the 2021 Annual General Meeting of Shareholders for consideration and approval. The NRCS 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 2020 and the determination of the rate of bonus for the Chief Executive Officer (CEO), to be proposed to the Board of Directors for considering and approving.
- Approving the criteria and Performance Appraisal Indicator of the Chief Executive Officer (CEO), Vice President, and Chief Financial Officer for 2021, and proposed to the Board of Directors for consideration and approval.

### **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. Furthermore, the NRCS has acknowledge the CGR score for the year 2021 and corporate governance improvement suggestions under the CG Code 2017.
- Reviewing the Nomination, Remuneration, and Corporate Governance Committee's Charter and recommending that sustainable development duties and responsibilities be added to the Charter, as well as proposing to the Board of Directors for approval the committee's name be changed to "Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee."
- Approving an amendment to the Corporate Governance Policy to comply with the Corporate Governance Code 2017 for listed companies (CG Code 2017) and CGR criteria, and proposed to the Board of Directors for consideration and approval.
- Approving an amendment to the Securities Trading of Directors, Executives, and Employees Policy to comply with laws and regulations regarding insider trading protection and reporting on securities and derivatives contract holding, and proposed to the Board of Directors for consideration and approval.
- Acknowledging the annual self-assessment of the Board of Directors and the Subcommittees for 2020.

However, with the commitment of the Company in operating businesses with efficient, transparent, and verifiable management in accordance with the corporate governance, and the NRCS Committee has continuously performed its duties on good corporate governance. This has caused the Company's rank of "excellent" or "5-star" companies in 2021 for three consecutive years (2019-2021) from the Project of Corporate Governance Report of Thai Listed Companies for the year 2021 (CGR 2021) organized by the Thai Institute of Directors (IOD)

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

Admiral



(Nibhon Changsudulya)

Chairman of the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committees

### 8.3.2 Annual Risk Management Committee Report for 2021

To All Shareholders of Prima Marine Public Company Limited

In recognition of the importance of risk management to keep the business steadily running and growing, the Board of Directors has, therefore, appointed the Risk Management Committee to help consider and monitor significant risks, and propose proper solutions, which 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 Chaisrisawatsuk (Director) | Member of the Risk Management Committee   |
| 3. | Admiral Nibhon Changsudulya (Director)  | Member of the Risk Management Committee   |

The Risk Management Committee has realized and prioritized the risk management of the Company Group, especially, under the severe situation of coronavirus (COVID-19) outbreak, the Company has always monitored the situation of the coronavirus vaccination, both domestically and internationally, to ensure that the Company Group's employees and seafarers will be fully vaccinated and ready to work effectively. In addition, the Risk Management Committee has focused and strictly adhered to the measures in preventing the spread of the coronavirus disease (COVID-19), we have realized and focused on the control and monitoring of risks that may affect the business disruption, such as the impact of coronavirus (COVID-19) epidemic situation, which is a major threat to the business of the Company Group. The interrelated working groups in various functions have determined the policies, regulations and announcements of the Company Group in terms of business continuity management (BCM) and business continuity plan (BCP) for both the office and the fleet of the Company Group, covering both the consideration of safety measures for office staff to work from home and work from anywhere in a continuous manner. The information technology is ready to always support operations, the operation of seafarers is planned on their attendance of works on vessels and their leaves, quarantine before boarding, and setting up screening measures for any other relevant persons who have to perform duties on vessel. Various protective equipment including protective equipment, face mask, hand wash alcohol, temperature measuring instrument, Covid-19 test kit (Antigen Test Kit: ATK), etc., have been also managed to be adequate for employees, seafarers and those involved in working in the office area or on vessels. Furthermore, the management and assigned committees will be regularly reported, the responses to the situation will be periodically reviewed and improved, all of them must strictly follow the rules, regulations and policies of the Company Group and regulatory authorities. The quality, standards, safety and occupational health will be taken into consideration to maintain for all stakeholders at all times in order to ensure confidence, reputation, image and smooth business operations of the Company Group.

In addition to the Coronavirus (COVID-19) outbreak, the Risk Management Committee has focused on the increasing attention on the global issue related to the business operations in terms of Environment, Social, Governance (ESG). In risk management, the factors of environment, society, and governance are taken into account in the risk analysis and assessment to create the opportunities for business and potential impact on the operations of the Company Group, covering the analysis of macro factors that rapidly and dramatically change and then may result in opportunity and threat to the business. It requires monitoring, reviewing, and adjusting strategies to catch up with the situation, with an emphasis on flexible management and resilience, efficient business operations by means of speed and agility. The Key Risk Indicator (KRI) is determined to cover and continually track the movement on risks. The risk management will be adhered under 3 principles: supervision and management of risks under good

governance principles, organization-wide risk management policy formulation, and the implementation of risk management to create security for the Company Group's business operations, so that the business can sustainably operate and grow.

The Risk Management Committee has established the risk management policy for the Company Group, the risk management has been conducted into 4 areas including: Governance Risk, Strategy & Planning Risk, Operation & Infrastructure Risk, and Financial Reporting Risk. The Company Group has continued to manage risks in accordance with ISO 9001:2015 and COSO ERM 2017 standards, as well as developed the ISO 31000 system, an international standard for risk management. The application of principles and guidelines covering this standard will help organization with risk analysis and risk assessment in increasing business opportunities. In addition, the Company has also emphasized the Sustainable Development Goals (SDGs) based on the global direction framework set by the United Nations in 2015 (United Nations: UN 2015).

In 2021, under the outbreak of COVID-19, there were five (5) online meetings of the Risk Management Committee have been continuously held via teleconferencing system to match such situation, so that the meeting will smoothly proceed in accordance with the organization's business operations, and the meetings are quick to keep up with changing situations. In all meetings, the Risk Management Committee attended a quorum as follows:

Name List	Position	Meeting Attended/ Total Meetings
1. Mr. Suraphon Meesathien	Chairman of the Risk Management Committee	5/5 Times
2. Mr. Prompong Chairsrisawatsuk	Member of the Risk Management Committee	5/5 Times
3. Admiral Nibhon Changsudulya	Member of the Risk Management Committee	5/5 Times

Its performance of duties can be summarized of key points as follows:

1. To consider and approve the risks of projects, taking into account the Strategy & Planning Risk, and Portfolio Management by expanding its investments with the method of Mergers and Acquisitions (M&A) to continuously expand the shipping business, such as approving the risk of trading shares of Thailo Marine Company Limited, focusing on winning contracts of goods shipping, long-term goods storage to secure the Company Group's revenues and profits, the post-trading process in changing the name of Truth Maritime Co., Ltd., and Truth Maritime Services Co., Ltd., covering the monitoring the progress of investment on ongoing projects, such as the diversification of business growth in the Laem Chabang Port Project, Phase 3, Part 1, Marine construction joining with the potential business partners, and monitoring the business performance of Big Sea Company Limited.
2. To continually consider and monitor the project risks on the investment in purchasing second-hand vessel to replace the very aging and out-of-mission vessel, considering sufficient and comprehensive information to plan vessel sales during high steel prices, in order to maximize the profits for the Company Group. The strategic risks are considered, or the decisions are made to the current situation of the Company Group, taking into account not over-relying on any of business, so that the Company Group will sustainably implement strategies and business plans of the Company Group.

3. To regularly consider and acknowledge the results of the 2021 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, mitigation measures, 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 result of incidents caused by the performance of seafarers which are similar to those happened in the past, provided the recommendations for continued collaborations between the Fleet and the Office to minimize the loss and damages, and managed and solved the problems in a long term basis, as well as defined the control mechanism for good and proper controls and monitoring to all relevant parties, including managed the operational risks of dry docking for maintenance. The Risk Management Committee has acknowledged the results of the control and monitoring on the implementation of risk-based decision-making, the control and monitoring on the risk factors of dry docking working group and the acknowledgement of the results of improvements from planning, vessel inspection, checking the availability of devices and tools including engines, selection of qualified dock for the maintenance of the Company Group's vessels, maintenance duration and the cost control under specified budget, etc.

4. To consider and acknowledge the ways the Company Group handles the COVID-19 situation in 2021, 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, so that the impact on short-term debt repayment or on the financial credibility of the Company Group will be prevented, as well as to cover the reduction in operational and technical risks by determining the Covid-19 preventive measures on the vessel, such as screening those involved in the operations on vessel by Antigen Test Kit (ATK), security measures, social distancing and adequate preventive equipment consisting of protective equipment, face mask, hand wash alcohol, temperature measuring instrument, 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. Furthermore, during the severe of Covid-19 outbreak, the Company Group has assigned employees to take quarantine at the quarantine place designated by the Company Group, to confirm the infection condition with the Real Time Polymerase Chain Reaction (RT-PCR) and to comply with the rules and regulations of the regulatory authorities based on various measures. The Company Group has been also aware of the safety of office employees by allowing them to continuously work from home, and work from anywhere, 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.

5. To consider and acknowledge the training and seminar on Enterprise Risk Management, whereby the Risk Management Committee has emphasized to invite the speakers outsourced from the Sustainable Business Development Institute (SBDi) 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 and understanding on the importance of sustainable organization, accurate social responsibility and sustainability as the Corporate, including the Corporate Sustainability Management in terms of strategy that can respond to the targets and risks related to the corporate sustainability. The Risk Management Committee has also provided the recommendations and supported the risk management activities through the Risk Management Newsletter, the Risk Management Team will consider the case studies about regional and international political and economic situations, and regularly communicate 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, post-Covid19 case studies on actions for economy in countries such as the United States, European countries, UK, Singapore, and China, in terms of finance, investment, labor welfare, insurance, and information technology, which will be changed. Each country has turned to rely more on the use of resources in their own country. Such communication will be focused on easy communication for more understanding of employees and let them catch up with the situations, so that they will be aware of and apply what they know to further plan and perform their duties for the Group Company.

6. To consider and acknowledge the strategic plan of risk management for the year 2022 in compliance with the Company Group 's business development plan to ensure that the Company Group has the management on Strategy & Planning Risk, controlling and monitoring risk factors that may affect the Business Disruption, covering the operational guideline of the Company Group for risk-based decision making, and regulatory risks, for example, the International Maritime Organization (IMO) is strict and focuses on environment, requiring the Company Group to reduce carbon emissions into the atmosphere and treatment of ballast water before releasing into the sea, and in terms of society, the Company Group has paid attention to human rights for all executives, employees, and seafarers, and gives more focus on the management of corporate governance, so that the Company Group will be able to achieve its objectives and target on good growth 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 the above-mentioned operations, the Risk Management Committee has an opinion that the Company Group 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.



(Mr. Suraphon Meesathien)  
Chairman of the Risk Management Committee

## **9. Internal Control and Related Party Transactions**

### **9.1 Internal Control**

#### **9.1.1 Summary of the Opinions from the Board of Directors on the Company's Internal Control**

The Company gives a precedence on the adequate, appropriate, and efficient internal control system in all work processes for contributing to the management and supervision of the corporate activities, ensuring that the Company's management and work process with the good internal control system will efficiently help prevent and manage the risks to be in an acceptable level; and for efficiently preventing the contingent damages to the Company and the stakeholders. The Company has assessed the adequacy of internal control system according to the international standard of the Committee of Sponsoring Organizations of the Tread way Commission (COSO) by dividing into 5 sections. The essence based on the elements of internal control is summarized as follows.

##### **(1) Control Environment**

The Company emphasizes on the control environment, whereas the Board of Directors, executives and employees at all levels give precedence to the integrity and ethics according to the Code of Conduct, prohibition that may cause conflict of interest, and awareness on the corruption that may cause the damage to the organization. The Company imposes the appropriate penalty and communicates to the executives and employees for acknowledgement all over. There are the performance monitoring and assessment process conducted by the Internal Audit Unit and Compliance Unit, the self-assessment, and the assessment conducted by the independent expert from the external organization. The Board of Directors is appropriately independent and has the clear duties separated from the Management according to the requirements and set of regulations relating to the authority. The Board of Directors and the independent directors are the persons who have knowledge in accounting, finance, and law, and understand the Company's business as well as work process of the work units, whereas they can efficiently give advice on the business operations and emphasizes on the internal control including creation of the control environment, risk assessment, control activities, communication, and monitoring.

The Company's organizational structure supports the operations to achieve the corporate objectives through the appropriate determination and delegation of authorities, and segregation of duties in the key sections, causing check and balance among each other. The Internal Audit Unit is directly subordinate to the Audit Committee and independent of the operations. The Company establishes the clear and practical recruitment, development, and performance evaluation, and rewarding process, including succession plan. The operating and communication process for the Board of Directors and the executives is appropriate in order to ensure that every personnel is responsible and aware of the significance of internal control, and the operating process is regularly improved and corrected.

##### **(2) Risk Assessment**

The Company gives precedence to the risk assessment by determining that the Risk Management Committee shall consist of the committee members with the knowledge and competence, understanding on the business, operating procedure of every work unit in order to ensure the efficient risk consideration, analysis, and assessment, and the risk management of the Company. The Company has the operating procedure relating to the identification and analysis of the risks that may affect the business operations whether in organizational, business unit, departmental, and duty and job levels. The executives and

employees are involved in the risk management by considering the contingent opportunities and impacts. In addition, the operating measures and plans are established to manage risks as appropriate. Moreover, the likelihood of corruption inside the Company in various areas, for instance, preparation of the false financial report, loss of properties, corruption, breach of the internal control system, etc. The Board of Directors regularly considers and inquires the executives about the likelihood of the corruption and measures carried out the Company for the appropriate prevention and correction of corruption for the Company's operations. In addition, the Company has assessed the change in the external factors of the organization, business pattern, and corporate leaders that may affect the business operations, internal control, operating process, and achievement of the Company's goals by formulating the operating measures and procedures to support the changes adequately and appropriately in various areas.

### **(3) Control Activities**

The Company has formulated the internal control measures by preparing the policies and operating methods relating to the work process in writing, and having the approval power that is appropriate for the approval hierarchy of management in order to prevent the contingent corruption inside the organization, as well as the collection of data of all major shareholders, directors, executives, related parties, and connected parties as supporting data in reviewing the entry into the related parties transactions or for preventing an occurrence of conflict of interest, ensuring that when entering into the contract with the related party that is binding with the Company in long term, the Company's requirements or consideration process for the said transactions are appropriate, not affecting or causing the Company's loss of interest from entering into the said connected transactions. The maximum interest of the Company is mainly taken into account as if they are the transactions performed with the third parties, covering the operations of the subsidiaries or associates. Moreover, the executives and employees have been reiterated to be strictly aware of the significance and observance. The Company has established the internal control system in all levels of the organization and segregated the duties and responsibilities into 3 areas for reviewing the working power among them, consisting of approval, entry of account and data and information, and maintenance and storage of property.

### **(4) Information & Communication**

The Company has realized on the importance of information and communication system of the data from the internal and external organizations through the execution in order to ensure that the Company's directors acquire the necessary data as the consideration support before attending the meeting; and the suitable collection of inquiry, opinion, and suggestion details in each meeting agenda, whereas the data can be retrieved if requiring the detail to support the meeting, and the complete collection of the important documents in categories. The Company has the efficient internal data communication process and the appropriate communication channels and reports the key data to the Board of Directors on a regular basis. The Board of Directors can access the source of the said data, whereas the contact person can provide the key data to the Board of Directors whether being the executives, Company Secretary, auditor, internal auditor, and employees who are related to the said matters, and appropriately communicate the Company's data to the external stakeholders based on the actual fact. The Company has established the communication channel (Whistle blower hotline) with the insiders so that the insiders can safely and confidentially inform data or clue about the corruption, without impact on the informant's operation.

### **(5) Monitoring Activities**

The Company has the monitoring process on the operations according to the policies, regulations, laws, and requirements stipulated by the Company and in line with the established internal control system

through self-assessment and/or assessment by internal auditors. The assessment results of internal control system are monitored, and the internal audit results are reported to the Audit Committee on regular basis for at least 4 times a year. In addition, the Company has supported the internal auditors to be independent and perform their duties according to the International Standards for the Professional Practice of Internal Auditing (IIA), without intervention of the internal auditors' operations at all. The Company establishes the reporting policy for the doubtful data that the serious corruption may be arisen, whereas the Executive shall report the said data to the Board of Directors once the said data is informed, and prepare a corrective guideline, and continuously report the improvement progress of the material fault to the Board of Directors/the Audit Committee to prevent damage that may affect the Company's operations and reliance.

### **9.1.2 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 2021, the Internal Audit Department has prepared the 2021 Internal Audit Plan and proposed it to the Audit Committee for consideration and approval. The Internal Audit Department has completely audited according to the internal audit plan approved by the Audit Committee, and continuously reported the internal audit result to the Audit Committee for considering, commenting and suggesting on the audited issues of the work units. The executives and the related parties have emphasized on the audited issues and completed the corrective action on the audited issues within the specified period, and also emphasized on the improvement of work process to be efficient by taking into account the good internal control system of all work processes. In addition, the auditor has regularly and independently performed the duty in auditing the financial statements and the internal control system of the Company according to Thai Accounting Standards, Thai Auditing Standards, and requirements of the Stock Exchange of Thailand. The certified public account, and the executive of the Accounting and Finance Department, have proposed the Auditing Report to the Audit Committee for considering, commenting, interrogating the issues, and giving recommendations on the financial statements. None of the auditing issues that significantly affected the internal control system have been detected from the Report of Internal Audit Results and the Auditing Report.

### **9.1.3 Head of Internal Audit**

Pursuant to the Charter of Audit Committee of Prima Marine Public Company Limited, it prescribes that the Audit Committee shall consider selecting the Head of Internal Audit. Miss Sirimapan Phaichalerm has acted as the Internal Audit Manager since 1 November 2016, and in the opinion of the Audit Committee, Miss Sirimapan Phaichalerm is suitable for the position of Head of Internal Audit with her understanding in the Company's business and work process, and ability to give counsels and suggestions for the efficient improvement of work process. However, the Company has supported the internal auditors to regularly attend the trainings on the internal audit standards and other matters relating to the internal audit operations in order to ensure that the internal auditors have adequate knowledge according to the internal audit standards, ordinance, rules, and regulations relating to the audited matters.

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.

## 9.2 Related Transactions

### List of Related Persons

Party that may have conflict of interests	Nature of business	Nature of relationship
1. Nathalin Company Limited (“Nathalin”)	Marine transportation of oil product and holding company business	<p>1.1 It is the major shareholder of the Company that holds the shares in the proportion of 54.20% of the Company.</p> <p>1.2 There are 4 joint directors as follows:</p> <ol style="list-style-type: none"> <li>1) Mr. Prompong Chaisrisawatsuk</li> <li>2) Mr. Suraphon Meesathien</li> <li>3) Mr. Surasak Chaiyen</li> <li>4) Ms. Neeracha Panboonhom</li> </ol>
2. Sea Oil Public Company Limited (“Sea Oil”)	Marine oil trading business	<p>2.1 It is the related company of Nathalin whereas Nathalin holds 45.04% shares in Sea Oil and Nathalin is the major shareholder of the Company.</p> <p>2.2 Mr. Churdchoo Panboonhom, the controlling person of the Company, holds 10.60% shares in Sea Oil.</p> <p>2.3 Ms. Neeracha Panboonhom, a daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholders in Nathalin, is the director in Sea Oil.</p> <p>2.4 There are 3 joint directors who are</p> <ol style="list-style-type: none"> <li>1) Mr. Suraphon Meesathien</li> <li>2) Mr. Prompong Chaisrisawatsuk</li> <li>3) Ms. Neeracha Panboonhom</li> </ol>
3. Sea Oil Petroleum Company Limited (“Sea Oil Petroleum”)	Marine oil trading business	<p>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.</p> <p>3.2 Ms. Neeracha Panboonhom, a daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholder in Nathalin, is the director in Sea Oil Petroleum.</p> <p>3.3 The joint director is Ms. Neeracha Panboonhom</p>
4. Vega Twenty Company Limited (“Vega Twenty”)	Marine oil trading business	<p>4.1 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.</p> <p>4.2 Ms. Neeracha Panboonhom, the daughter of Mr. Churdchoo Panboonhom who is the indirect major shareholders in Nathalin, is the director of Vega Twenty.</p> <p>4.3 The joint director is Ms. Neeracha Panboonhom</p>
5. Speed Production Company Limited (“Speed Production”)	Advertising service, public relations service, and advertising media production business	It is the 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.
6. Prodigy House Company Limited (“Prodigy House”)	Advertising service, public relations service, and advertising media production business	It is the 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 Prodigy House.
7. Kemaman Bitumen Company Sdn Bhd	Manufacture and distribution of asphalt and petroleum product	<p>7.1 It is a subsidiary of Tipco Asphalt Public Company Limited</p> <p>7.2 The joint director is Mr. Chainoi Puankosoom</p> <p>The contract has expired in April 2021.</p>
8. Thai Shipowners’ Association	-	The joint director is Mr. Suraphon Meesathien
9. Mr. Thinnakorn Therdwikanr	-	Mr. Thinnakorn Therdwikanr is a Director of Big Sea. Big Sea is the Company’s Subsidiary. Mr. Thinnakorn Therdwikanr resigned from his position on 1 April 2021.

Related party transactions between the Company and subsidiaries, and the parties that may have conflict of interests in the accounting year ended 31 December 2020 and ended 31 December 2021.

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
1. Nathalin Co., Ltd. ("Nathalin")	1.1 NTL's vessel has been chartered by Nathalin to provide service to its customer. Nathalin is an agent to contact with customer. - Revenue from freight - Account receivable - Long-term loan from related parties (JV-CNNC) - Interest (JV-CNNC)	104,508,472.3 18,043,704.1 - -	100,640,856.0 19,942,088.1 109,802,366.0 931,104.15	- Nathalin is an agent to contact with the customer - Nathalin chartered NTL's vessel to provide service to its customer under the Contract entered by Nathalin with the customer. The freight rate is the amount Nathalin received from the end user after deducting the agent service charge, which was equivalent to the general industrial rate. Commercial terms are comparable to those of similar nature in commercial transactions.	- It was the normal business transaction, and this transaction has caused benefits to the Company Group at a reasonable price.
	1.2 Nathalin provides various services to BSC as follows: - 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 - Staff activities service fee - Car rental fee - Others-accounts payable	180,129.0 372,600.0 103,608.0 421,560.0 52,500.0 8,340.0 93,254.7	94,555.0 309,600.0 87,338.0 391,996.0 12,000.0 - 97,370.0	- BSC uses the fitness center service with Nathalin for its employees at a monthly service fee of 1,085 Baht per person. The service fee is based on the market rate of a fitness center in the neighborhood. The contract period starts from 1 January 2021 - 31 December 2021. - Because the number of restaurants in the area surrounding BSC's office is limited, BSC has hired Nathalin to provide lunch for its employees at a rate of 50 Baht per person per day and to provide additional fruit during the day for employees at a rate of 20 Baht per person per day. The service fee rate is based on the market rate of surrounding restaurants. The contract period starts from 1 January 2021 - 31 December 2021. - The Management Information System has a monthly service fee of 2,580 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021. - The ERP software (Microsoft Dynamic AX) has a monthly service fee of 2,700 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021.	- 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	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
				<ul style="list-style-type: none"> <li>- Human Resource Management services cost 3,322 Baht per month per person, and HRMS system services cost 191 Baht per month per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021.</li> <li>- Organizing activities fee for developing its employee connections and the Nathalin Group's welfare, such as Sport Day activities, New Year's festivities, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service.</li> <li>- To support administrative tasks for executives and employees who must travel by car, Nathalin provides car rental services with drivers at the rental fee of 1,800 Baht per day.</li> </ul>	<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>1.3 NSSG provides consulting services and other services to Nathalin</p> <p>- Other Revenue</p> <p>Nathalin provides various services to NSSG as follows:</p> <p>- Management Information System service fee</p> <p>- ERP software service fee and E-mail system service fee</p> <p>- Human Resource Management service fee</p> <p>- Fitness center service fee and lunch service fee</p> <p>- Trade accounts payable</p>	<p>1,126,638.0</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>1,151,305.2</p> <p>820,782.4</p> <p>5,446,814.0</p> <p>65,064.0</p> <p>542.5</p>	<ul style="list-style-type: none"> <li>- NSSG provides ship management service to Nathalin</li> <li>- The Management Information System has a monthly service fee of 2,580 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021.</li> <li>- The ERP software (Microsoft Dynamic AX) has a monthly service fee of 2,700 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021.</li> <li>- Information systems, E-mail systems, and license including E-mail security protection has a monthly service fee of 5,280 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider. The contract period starts from 1 January 2021 - 31 December 2021.</li> </ul>	<p>- It was the normal business transaction, and this transaction has caused benefits to the Company Group at a reasonable price.</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>

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
				<ul style="list-style-type: none"> <li>- Human Resource Management services cost 700 Baht per month per person at the one-time charge, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021.</li> <li>- Because the number of restaurants in the area surrounding NSSG's office is limited, NSSG has hired Nathalin to provide lunch for its employees at a rate of 50 Baht per person per day and to provide additional fruit during the day for employees at a rate of 20 Baht per person per day. The service fee rate is based on the market rate of surrounding restaurants. The contract period starts from 1 January 2021 - 31 December 2021.</li> </ul>	<ul style="list-style-type: none"> <li>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</li> <li>"</li> </ul>
	<p>1.4 The company rents out a part of the rooftop of the office building to Nathalin.</p> <ul style="list-style-type: none"> <li>- Building roofs rental revenue</li> </ul> <p>Nathalin provides various services to the Company as follows:</p> <ul style="list-style-type: none"> <li>- Office Management service fee</li> <li>- fitness center service fee and lunch service fee</li> <li>- Management Information System service fee</li> <li>- ERP software service fee and E-mail system service fee</li> <li>- Human Resource Management service fee</li> <li>- Legal services fee</li> <li>- Car rental fee</li> <li>- Container rental fee</li> <li>- Meeting room rental fee</li> <li>- Special employment wage</li> <li>- Staff activities service fee</li> </ul>	<p>36,000.0</p> <p>2,071,872.0</p> <p>1,699,730.0</p> <p>3,684,600.0</p> <p>4,132,704.0</p> <p>4,028,539.0</p> <p>840,000.0</p> <p>574,391.0</p> <p>42,000.0</p> <p>13,500.0</p> <p>10,921.2</p> <p>75,060.0</p>	<p>36,000.0</p> <p>2,071,872.0</p> <p>842,830.0</p> <p>2,786,400.0</p> <p>3,067,603.0</p> <p>3,828,022.0</p> <p>850,500.0</p> <p>612,000.0</p> <p>42,000.0</p> <p>16,500.0</p> <p>250,614.0</p> <p>117,600.0</p>	<ul style="list-style-type: none"> <li>- The company rents out a part of the rooftop of the office building 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 those of third-party providers. The rental period starts from 1 January 2021 - 31 December 2023.</li> <li>- Nathalin provides office management services for a monthly price of 172,656 Baht, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service rate is comparable to those of third-party providers. The contract period starts from 1 January 2021 - 31 December 2021.</li> <li>- Nathalin provides fitness center services to the Company's employees for a monthly service fee of 1,085 Baht per person. The service fee is based on the market rate of a fitness center in the neighborhood. The contract period starts from 1 January 2021 - 31 December 2021.</li> </ul>	<ul style="list-style-type: none"> <li>- 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.</li> <li>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</li> <li>"</li> </ul>

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
	<ul style="list-style-type: none"> <li>- Trade accounts payable</li> <li>- Other accounts payable</li> </ul>	<p>-</p> <p>1,490,159.0</p>	<p>-</p> <p>1,657,199.95</p>	<ul style="list-style-type: none"> <li>- Because the number of restaurants in the area surrounding the Company's office is limited, the Company has hired Nathalin to provide lunch for its employees at a rate of 50 Baht per person per day and to provide additional fruit during the day for employees at a rate of 20 Baht per person per day. The service fee rate is based on the market rate of surrounding restaurants. The contract period starts from 1 January 2021 - 31 December 2021.</li> <li>- The Management Information System has a monthly service fee of 2,580 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021.</li> <li>- The ERP software (Microsoft Dynamic AX) has a monthly service fee of 2,700 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021.</li> <li>- Human Resource Management services cost 3,322 Baht per month per person, and HRMS system services cost 191 Baht per month per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021.</li> <li>- The Nathalin Legal Department, which specializes in marine law, charges a fee for contract document services. With a service fee 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 service fee rate was equivalent to the external service provider. The contract period starts from 1 January 2021 - 31 December 2021.</li> <li>- To support administrative tasks for executives and employees who must travel by car, Nathalin provides car rental services with drivers at the rental fee of 51,000 Baht per month.</li> </ul>	<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>

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
				<ul style="list-style-type: none"> <li>- One 2.4 x 6.0 x 2.6-meter container rental fee with a monthly service fee of 3,500 Baht for the storage of the Company's documents. The service fee rate was equivalent to the external service provider. The contract period starts from 1 October 2019 - 30 September 2022.</li> <li>- Fee for renting a meeting room for a training or seminar, with a daily fee of 2,000 baht. The service fee rate was equivalent to the external service provider.</li> <li>- Translation fee of power of attorney document for submitting a vendor list of CARIGALI-PTTEPI Operating Company Sdn. Bhd. (CPOC).</li> <li>- Organizing activities fee for developing its employee connections and the Nathalin Group's welfare, such as Sport Day activities, New Year's festivities, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider.</li> </ul>	<ul style="list-style-type: none"> <li>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</li> <li>- "</li> <li>- "</li> <li>- "</li> </ul>
	<p>1.5 NMC provides document agent service to Nathalin as follow:</p> <ul style="list-style-type: none"> <li>- Other Revenue</li> </ul> <p>Nathalin provides various services to NMC as follows:</p> <ul style="list-style-type: none"> <li>- Fitness center service fee and lunch service fee</li> <li>- Management Information System service fee</li> <li>- ERP software service fee and E-mail system service fee</li> </ul>	<p>58,915.0</p> <p>413,082.0</p> <p>1,585,800.0</p> <p>2,536,096.0</p>	<p>161,257.50</p> <p>1,026,816.0</p> <p>2,090,179.0</p>	<ul style="list-style-type: none"> <li>- Nathalin hired NMC to provide documents agent service 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.</li> <li>- Nathalin has hired NMC to conduct training on the Bass net program with a service fee collected according to the actual amount incurred.</li> <li>- Nathalin provides fitness center services to the Company's employees for a monthly service fee of 1,085 Baht per person. The service fee is based on the market rate of a fitness center in the neighborhood. The contract period starts from 1 January 2021 - 31 December 2021.</li> </ul>	<ul style="list-style-type: none"> <li>- It was the normal business transaction, and this transaction has caused benefits to the Company Group at a reasonable price.</li> <li>- "</li> <li>- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.</li> </ul>

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
	- Human Resource Management service fee	941,484.0	893,618.0	- Because the number of restaurants in the area surrounding NMC's office is limited, NMC has hired Nathalin to provide lunch for its employees at a rate of 50 Baht per person per day and to provide additional fruit during the day for employees at a rate of 20 Baht per person per day. The service fee rate is based on the market rate of surrounding restaurants. The contract period starts from 1 January 2021 - 31 December 2021.	- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.
	- Car rental fee	-	-		
	- Staff activities service fee	18,348.0	27,600.0		
	- Other service fee	2,000.0	-		
	- Other accounts payable	452,119.9	415,463.88	- The Management Information System in office has a monthly service fee of 2,580 Baht per person, whereas in the service recipient's vessel has a monthly service fee of 2,241 Baht per vessel, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021.	"
	- Other non-current assets	1,055,982.0	1,055,982.0		
				- The ERP software (Microsoft Dynamic AX) has a monthly service fee of 2,700 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021.	"
				- Human Resource Management services cost 3,322 Baht per month per person, and HRMS system services cost 191 Baht per month per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The contract period starts from 1 January 2021 - 31 December 2021.	"
				- To support administrative tasks for executives and employees who must travel by car, Nathalin provides car rental services with drivers at the rental fee of 1,800 Baht per day.	"
				- Organizing activities fee for developing its employee connections and the Nathalin Group's welfare, such as Sport Day activities, New Year's festivities, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider.	"
				- Translation fee for Know Your Customer document from Thai language to English language.	"

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
	1.6 Nathalin provides various services to TIM as follows: - 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 - Creditor	- - - - - - -	780,216.0 1,292,777.0 311,220.0 - 20,400.0 1,500.0 228,856.95	- The Management Information System in office has a monthly service fee of 2,241 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider. The contract period starts from 1 May 2021 - 31 December 2021. - The ERP software (Microsoft Dynamic AX) has a monthly service fee of 2,700 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider. The contract period starts from 1 May 2021 - 31 December 2021. - Human Resource Management services cost 1,260 Baht per month per person, and HRMS system services cost 191 Baht per month per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider. The contract period starts from 1 May 2021 - 31 December 2021. - To support administrative tasks for executives and employees who must travel by car, Nathalin provides car rental services with drivers at the rental fee of 1,500 Baht per day.	- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price. ” ” ”
	1.7 TM has received revenue from Nathalin - Revenue from agent service Nathalin provides various services to TM as follows: - ERP software service fee and E-mail system service fee - Human Resource Management service fee - Car rental fee	- - - - -	9,800.0 432,273.0 381,780.0 1,800.0	- Nathalin engaged TM to conduct customs brokerage services for the Tsuruzaki vessel at the service fee of 9,800 Baht, which based on cost plus method. - The ERP software (Microsoft Dynamic AX) has a monthly service fee of 2,700 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider. The contract period starts from 1 May 2021 - 31 December 2021.	- 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	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
	- Other accounts payable	-	112,552.2	- Human Resource Management services cost 1,260 Baht per month per person, and HRMS system services cost 191 Baht per month per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider. The contract period starts from 1 May 2021 - 31 December 2021.	- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price.
	1.8 Nathalin provides various services to TMS as follows: - ERP software service fee and E-mail system service fee - Human Resource Management service fee - Other accounts payable	- - - -	19,673.0 129,780.0 21,735.9	- The ERP software (Microsoft Dynamic AX) has a monthly service fee of 2,700 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider. The contract period starts from 1 May 2021 - 31 December 2021. - Human Resource Management services cost 1,260 Baht per month per person, and HRMS system services cost 191 Baht per month per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider. The contract period starts from 1 May 2021 - 31 December 2021.	- It was the normal business supporting transaction and has caused benefits to the Company at a reasonable price. ”
	1.9 Nathalin provides various services to BIG SEA as follows: - ERP software service fee and E-mail system service fee - Human Resource Management service fee - Disinfection spraying service - Other accounts payable	- - - - -	40,301.0 211,000.0 20,400.0 50,059.9	- The ERP software (Microsoft Dynamic AX) has a monthly service fee of 2,700 Baht per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider. The contract period starts from 1 July 2021 - 31 December 2021. - Human Resource Management services cost 1,000 Baht per month per person, and HRMS system services cost 191 Baht per month per person, which is calculated by the actual cost of Nathalin plus the difference that covers the Nathalin service. The service fee rate was equivalent to the external service provider. The contract period starts from 1 July 2021 - 31 December 2021. - Other service fees (Covid disinfectant injection service fee) will be charge at the rate of 5 baht/square meter/time. The contract period starts from 1 July 2021 - 31 December 2021.	- 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	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
2. Sea Oil Public Company Limited (“Sea Oil”)	2.1 The Company purchases bunker from Sea Oil and received other service from Sea Oil			- The Company purchases bunker and lubricating oil from Sea Oil for use on its vessels. The price is based on market price and under general commercial terms.	- It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
	- Bunker cost	5,417,000.0	27,583,322.6		
	- Catering service charge	24,423,223.7	5,072,286.9	- The Company hired Sea Oil to provide service of catering, cleaning, and laundry service for oil drilling rig staffs on accommodation work barge. In the agreed rate, the service fee is estimated to be per person per day. The service fee rate was equivalent to the external service provider. The contract period of 1 February 2020 - 31 January 2021.	”
	- Trade accounts payable	3,218,446.7	10,628,791.4		
	- Other receivables	-	-	- 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.	”
	2.2 NTL purchases bunker from Sea Oil			NTL purchases bunker and lubricating oil from Sea Oil for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
	- Bunker cost	182,192,750.3	233,290,640.1		
	- Catering services cost	-	6,049,091.1		
	- Trade accounts payable	20,959,016.6	55,923,307.4		
	2.3 TMT purchases bunker from Sea Oil			TMT purchases bunker and lubricating oil from Sea Oil for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
	- Bunker cost	5,033,500.0	-	-	
	- Trade accounts payable	995,100.0	-		
	2.4 BSC providing the air ticket reservation service and crew management service			BSC provides the service of preparing payroll information for the crew at a fee of 350 Baht per person for crews of less than 100 people and 300 Baht per person for crews of more than 100 people. 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 fee rate and general commercial terms.
	- Revenue from service charge	480,200.0	870,900.0		
	- Trade receivables	150,656.0	157,718.0		

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
	2.5 BIG SEA purchases bunker from Sea Oil - Bunker cost - Trade accounts payable	- -	109,949,400.0 32,802,112.6	BIG SEA purchases bunker and lubricating oil from Sea Oil for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
	2.6 TIM purchases bunker from Sea Oil - Bunker cost - Trade accounts payable	- -	7,955,739.7 2,365,641.4	TIM purchases bunker and lubricating oil from Sea Oil for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
	2.7 TM purchases bunker from Sea Oil - Bunker cost - Revenue from agent services - Trade accounts payable - Trade receivables	- - - -	8,849,321.5 316,300.0 3,408,913.1 244,923.0	TM purchases bunker and lubricating oil from Sea Oil for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
	2.8 TMS purchases bunker from Sea Oil - Bunker cost - Trade accounts payable	- -	4,144,005.0 1,028,847.8	TMS purchases bunker and lubricating oil from Sea Oil for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
3. Sea Oil Petroleum Company Limited ("Sea Oil Petroleum")	3.1 TMT purchases bunker from Sea Oil Petroleum - Bunker cost - Trade accounts payable	12,870,944.8 2,348,010	11,160,789.1 -	TMT purchases bunker and lubricating oil from Sea Oil Petroleum for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
	3.2 NTL purchases bunker from Sea Oil Petroleum - Bunker cost - Trade accounts payable	48,220,815.4 9,530,427.8	107,879,506.71 22,955,357.23	NTL purchases bunker and lubricating oil from Sea Oil Petroleum for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
	3.3 The Company purchases bunker from Sea Oil Petroleum - Bunker cost	3,414,593.8	-	The Company purchases bunker and lubricating oil from Sea Oil Petroleum for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
	3.4 NSSG purchases bunker from Sea Oil Petroleum - Bunker cost	9,308,511.6	-	NSSG purchases bunker and lubricating oil from Sea Oil Petroleum for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
	3.5 TM purchases bunker from Sea Oil Petroleum - Bunker cost - Trade accounts payable	-	35,822,351.8 8,365,003.3	TM purchases bunker and lubricating oil from Sea Oil Petroleum for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
	3.6 BIG SEA purchases bunker from Sea Oil Petroleum - Bunker cost	-	7,280,713.8	BIG SEA purchases bunker and lubricating oil from Sea Oil Petroleum for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
4. Vega Twenty Company Limited ("Vega Twenty")	NTL purchases bunker from Vega Twenty - Bunker cost - Trade accounts payable	7,325,250.0 7,838,017.5	-	NTL purchases bunker and lubricating oil from Vega Twenty for use on its vessels. The price is based on market price and under general commercial terms.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.
5. Speed Production Company Limited ("Speed Production")	The Company paid for making AGM video presentation to Speed Production - Other expense	177,000.0	100,000.0	The company needs to create a presentation video for the Annual General Meeting of Shareholders. The service fee rate was equivalent to the external service provider.	It was the transaction which is useful for the Company under reasonable service fee rate and general commercial terms.
6. Prodigy House Company Limited ("Prodigy House")	The Company paid for making VTR of corporate presentation to Prodigy House - Other expense	875,000.0	-	The company needs to create a corporate presentation video for the Company's public relations. The service fee rate was equivalent to the external service provider.	It was the transaction which is useful for the Company under reasonable service fee rate and general commercial terms.
7. Kemaman Bitumen Company Sdn Bhd	NSSG provides transportation service in Time Charter Contract to Kemaman Bitumen Company Sdn Bhd - Freight income	300,746,352.2	107,137,842.7	NSSG provides transportation service with a 1-year contract. The rate of service fee at USD 750,000 per month.	It was the normal business transaction of the Company under reasonable service fee rate and general commercial terms.

Person/juristic person that may have conflict of interests	Nature of related party transaction	Transaction value (Baht)		Necessity / reasonability of transaction	Opinion of the Audit Committee
		Accounting year ended 31 Dec 2020	Accounting year ended 31 Dec 2021		
8. Thai Shipowners' Association	8.1 The Company paid membership fee to Thai Shipowners' Association - Other Expense	118,691.5	80,000.0	The Company paid the Thai Shipowners' Association membership fee at the normal rate for general members.	It was a normal membership fee transaction for general members.
	8.2 NTL paid membership fee to Thai Shipowners' Association - Other expense	44,264.0	45,000.0	NTL paid the Thai Shipowners' Association membership fee at the normal rate for general members.	It was a normal membership fee transaction for general members.
	8.3 TMT paid membership fee to Thai Shipowners' Association - Other expense	34,427.5	34,999.98	TMT paid the Thai Shipowners' Association membership fee at the normal rate for general members.	It was a normal membership fee transaction for general members.
9. Mr. Thinnakorn Therdwikrant	Big Sea paid a rental fee for office building to Mr. Thinnakorn Therdwikrant who is a director of Big Sea. - Office building rental fee	1,200,000.0	300,000.0	Director of Big Sea granted office building for rent with the contract period of 3 years ended on 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 service fee rate was equivalent to the external service provider.	It was a transaction for the rental of a property to support Big Sea's business operations. The rental fee rate and conditions are reasonable.

### Necessity and reasonability of the related party transactions

The Meeting of the Audit Committee No. 1/2022 held on 23 February 2022 considered the information of the related party transaction of the Company in the accounting year ended 31 December 2021 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 2021 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.





# Part 3

## Financial Statements

## Report of the Board of Directors' Responsibility for Financial Reporting

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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 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 adequacy of information disclosure, including reviewing the appropriateness 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 Registration Statement/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 this Annual Registration Statement/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 2021 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 2021  
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 2021, 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 2021 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 my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Impairment of goodwill, investment in subsidiaries and vessels	
Refer to Note 3(b), 3(i), 3(l), 11, 13 and 15 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2021, the Group had a carrying amounts of goodwill of Baht 1,467 million. The Company's carrying amount of investment in subsidiaries is Baht 5,205 million.</p> <p>The principal businesses of the subsidiaries are marine transportation of petroleum products and supporting exploration and production of offshore petroleum products and ship management. 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 subsidiaries may be impaired.</p> <p>As at 31 December 2021, the Group had a carrying amount of vessels of Baht 9,499 million. During 2021, 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 subsidiaries 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"> <li>- Making inquiries of the management and checking related documents to understand the process of identification of cash-generating units, assessment of impairment indicators, and preparation of discounted cash flow projection;</li> <li>- Evaluating the key management assumptions used in the calculation of value in use of goodwill, investment in subsidiaries and vessels that have impairment indicators and assessed those key assumptions against actual operating results and operation plans;</li> <li>- Evaluating the key management assumptions for the residual value of vessels;</li> <li>- Performing sensitivity test by varying key assumptions; and</li> <li>- Considering the adequacy of the Group's and the Company's disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

### *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  
24 February 2022

# Prima Marine Public Company Limited and its Subsidiaries

## Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets		2021	2020	2021	2020
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	6	2,611,581	2,218,798	624,972	832,997
Trade and other current receivable	5, 7	740,960	364,464	162,150	338,476
Inventories	8	166,212	163,151	2,625	2,659
Other current assets		96,218	7,213	193	2,862
<b>Total current assets</b>		<b>3,614,971</b>	<b>2,753,626</b>	<b>789,940</b>	<b>1,176,994</b>
<b>Non-current assets</b>					
Restricted deposits at financial institution	17	266,733	392	487	219
Long-term loans to related parties	5	-	-	2,345,598	-
Investments in associates and joint ventures	9	457,940	672,902	251,909	351,908
Investments in subsidiaries	11	-	-	5,205,249	4,494,950
Property, plant, equipment and vessels	13	9,605,654	8,852,611	2,616,559	3,096,211
Right-of-use assets	14	1,735,845	147,202	12,553	8,129
Goodwill	15	1,467,784	1,022,246	-	-
Other intangible assets	16	95,347	103,216	446	495
Deferred tax assets	5, 23	41,967	46,948	12,602	19,292
Other non-current assets		62,731	43,744	41,533	27,696
<b>Total non-current assets</b>		<b>13,734,001</b>	<b>10,889,261</b>	<b>10,486,936</b>	<b>7,998,900</b>
<b>Total assets</b>		<b>17,348,972</b>	<b>13,642,887</b>	<b>11,276,876</b>	<b>9,175,894</b>

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

Prima Marine Public Company Limited and its Subsidiaries  
Statement of financial position

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December		31 December	
<b>Liabilities and equity</b>		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
<b><i>Current liabilities</i></b>					
Trade and other current payables	5	890,444	660,821	115,718	162,741
Current portion of long-term loans					
from financial institutions	17	1,384,553	1,171,937	808,413	513,292
Current portion of lease liabilities	17	202,178	41,356	2,481	1,622
Current income tax payable		80,758	197,005	-	-
Other current liabilities		36,603	21,688	12,098	5,694
<b>Total current liabilities</b>		<b>2,594,536</b>	<b>2,092,807</b>	<b>938,710</b>	<b>683,349</b>
<b><i>Non-current liabilities</i></b>					
Long-term loans from financial					
institutions	17	3,858,531	2,997,697	3,035,789	1,706,504
Long-term loan from related party	5, 17	109,802	-	-	-
Lease liabilities	17	1,496,582	64,682	10,431	6,578
Deferred tax liabilities	23	94,277	60,648	-	-
Non-current provisions for employee benefit	18	70,021	61,933	17,404	15,950
Derivative liabilities	26	15,201	36,456	13,334	28,194
Other non-current liabilities		-	4,785	-	-
<b>Total non-current liabilities</b>		<b>5,644,414</b>	<b>3,226,201</b>	<b>3,076,958</b>	<b>1,757,226</b>
<b>Total liabilities</b>		<b>8,238,950</b>	<b>5,319,008</b>	<b>4,015,668</b>	<b>2,440,575</b>

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

# Prima Marine Public Company Limited and its Subsidiaries

## Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2021	2020	2021	2020
<i>(in thousand Baht)</i>					
<b>Equity</b>					
Share capital:					
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		(65,437)	(316,135)	-	(250,698)
Change in parent's ownership interests in subsidiary		(186,755)	(124,091)	-	-
Retained earnings					
Appropriated					
Legal reserve	19	250,000	211,400	250,000	211,400
Unappropriated		2,858,684	2,388,484	1,114,386	889,683
Other components of equity		19,089	(210,843)	(10,667)	(22,555)
<b>Equity attributable to owners of the parent</b>		<b>8,783,070</b>	<b>7,856,304</b>	<b>7,261,208</b>	<b>6,735,319</b>
Non-controlling interests	12	326,952	467,575	-	-
<b>Total equity</b>		<b>9,110,022</b>	<b>8,323,879</b>	<b>7,261,208</b>	<b>6,735,319</b>
<b>Total liabilities and equity</b>		<b>17,348,972</b>	<b>13,642,887</b>	<b>11,276,876</b>	<b>9,175,894</b>

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

Prima Marine Public Company Limited and its Subsidiaries  
Statement of income

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Year ended		Year ended	
		31 December		31 December	
<i>Note</i>		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Revenue from rendering of services	20	5,879,981	5,925,752	1,336,146	1,854,424
Cost of rendering of services		<u>(4,066,557)</u>	<u>(3,467,366)</u>	<u>(1,115,501)</u>	<u>(1,417,256)</u>
<b>Gross profit</b>		<b>1,813,424</b>	<b>2,458,386</b>	<b>220,645</b>	<b>437,168</b>
Dividend income	9, 11	-	-	980,392	1,057,612
Gain on measuring the previously held interests before business combination	4	5,344	-	-	-
Other income		<u>591,630</u>	<u>55,532</u>	<u>328,901</u>	<u>22,159</u>
<b>Profit before expenses</b>		<b>2,410,398</b>	<b>2,513,918</b>	<b>1,529,938</b>	<b>1,516,939</b>
Administrative expenses		<u>(498,102)</u>	<u>(485,525)</u>	<u>(211,317)</u>	<u>(280,791)</u>
Net loss on foreign exchange		<u>(30,016)</u>	<u>(11,235)</u>	<u>(25,508)</u>	<u>(31,201)</u>
<b>Profit from operating activities</b>		<b>1,882,280</b>	<b>2,017,158</b>	<b>1,293,113</b>	<b>1,204,947</b>
Finance costs		<u>(248,812)</u>	<u>(214,141)</u>	<u>(125,394)</u>	<u>(113,861)</u>
Share of profit of associates and joint ventures accounted for using equity method	9	<u>26,883</u>	<u>90,089</u>	<u>-</u>	<u>-</u>
<b>Profit before income tax expense</b>		<b>1,660,351</b>	<b>1,893,106</b>	<b>1,167,719</b>	<b>1,091,086</b>
Tax (expense) benefit	23	<u>(133,811)</u>	<u>(191,460)</u>	<u>(3,718)</u>	<u>31,418</u>
<b>Profit for the year</b>		<b><u>1,526,540</u></b>	<b><u>1,701,646</u></b>	<b><u>1,164,001</u></b>	<b><u>1,122,504</u></b>

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

# Prima Marine Public Company Limited and its Subsidiaries

## Statement of comprehensive income

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Year ended		Year ended	
		31 December		31 December	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
<b>Profit for the year</b>		<b>1,526,540</b>	<b>1,701,646</b>	<b>1,164,001</b>	<b>1,122,504</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified</i>					
<i>subsequently to profit or loss</i>					
Exchange differences on translating					
financial statements		222,675	(33,313)	-	-
Gains (losses) on cash flow hedges , net of tax		17,004	(20,624)	11,888	(12,473)
Share of other comprehensive income of associates					
and joint ventures accounted for using equity method	9	6,800	(910)	-	-
<b>Total items that will be reclassified</b>		<b>246,479</b>	<b>(54,847)</b>	<b>11,888</b>	<b>(12,473)</b>
<i>Items that will not be reclassified to profit or loss</i>					
Gain (losses) on remeasurements of					
defined benefit plans, net of tax	18, 23	6,655	(2,107)	-	(307)
<b>Total items that will not be reclassified to</b>		<b>6,655</b>	<b>(2,107)</b>	<b>-</b>	<b>(307)</b>
<b>Other comprehensive income</b>					
<b>Other comprehensive income for the year, net of tax</b>		<b>253,134</b>	<b>(56,954)</b>	<b>11,888</b>	<b>(12,780)</b>
<b>Total comprehensive income for the year</b>		<b>1,779,674</b>	<b>1,644,692</b>	<b>1,175,889</b>	<b>1,109,724</b>
<b>Profit attributable to:</b>					
Owners of parent		1,402,844	1,533,057	1,164,001	1,122,504
Non-controlling interests	12	123,696	168,589	-	-
		<b>1,526,540</b>	<b>1,701,646</b>	<b>1,164,001</b>	<b>1,122,504</b>
<b>Total comprehensive income attributable to:</b>					
Owners of parent		1,639,430	1,480,335	1,175,889	1,109,724
Non-controlling interests	12	140,244	164,357	-	-
		<b>1,779,674</b>	<b>1,644,692</b>	<b>1,175,889</b>	<b>1,109,724</b>
<b>Earnings per share (in Baht)</b>	24	<b>0.56</b>	<b>0.61</b>	<b>0.47</b>	<b>0.45</b>

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



Prima Marine Public Company Limited and its Subsidiaries  
Statement of changes in equity

Consolidated financial statements													
Note	Retained earnings		Other components of equity										
	Issued and paid-up share capital	Share premium on ordinary shares	Difference arising from common control transactions	Change in parent's ownership interests in subsidiary	Legal reserve	Unappropriated reserve	Translation reserve	joint ventures using equity method	Cash flow hedge reserve	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
(in thousand Baht)													
Year ended 31 December 2020													
Balance at 1 January 2020													
	2,500,000	3,407,489	(417,157)	(124,091)	155,200	1,539,188	(145,134)	(5,890)	(8,636)	(159,660)	6,900,969	364,599	7,265,568
Transactions with owners, recorded directly in equity													
Contribution by and distributions to owners of the parent													
Issue of ordinary shares of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	39,586	39,586
Dividends	-	-	-	-	-	(525,000)	-	-	-	-	(525,000)	(100,967)	(625,967)
12, 25	-	-	-	-	-	(525,000)	-	-	-	-	(525,000)	(61,381)	(586,381)
Total transactions with owners, recorded directly in equity													
	-	-	-	-	-	(525,000)	-	-	-	-	(525,000)	(61,381)	(586,381)
Comprehensive income for the year													
Profit	-	-	-	-	-	1,533,057	-	-	-	-	1,533,057	168,589	1,701,646
Other comprehensive income	-	-	-	-	-	(1,539)	(30,149)	(910)	(20,124)	(51,183)	(52,722)	(4,232)	(56,954)
Total comprehensive income for the year	-	-	-	-	-	1,531,518	(30,149)	(910)	(20,124)	(51,183)	1,480,335	164,357	1,644,692
Transfer to retained earnings													
Transfer to legal reserve	-	-	101,022	-	-	(101,022)	-	-	-	-	-	-	-
Balance at 31 December 2020	2,500,000	3,407,489	(316,135)	(124,091)	211,400	2,388,484	(175,283)	(6,800)	(28,760)	(210,843)	7,856,304	467,575	8,323,879

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

Prima Marine Public Company Limited and its Subsidiaries  
Statement of changes in equity

Consolidated financial statements												
		Retained earnings			Other components of equity							
					Share of other comprehensive income of							
					associates and joint ventures		Cash flow hedge reserve		Total other components of equity		Equity attributable to owners of the parent	
					Translation reserve		using equity method		of equity		Non-controlling interests	
					(in thousand Baht)							
Note	Issued and paid-up share capital	Share premium on ordinary shares	Difference arising from common control transactions	Change in parent's ownership interests in subsidiary	Legal reserve	Unappropriated reserve	Translation reserve	using equity method	Cash flow hedge reserve	Total other components of equity	Equity attributable to owners of the parent	Total equity
	2,500,000	3,407,489	(316,135)	(124,091)	211,400	2,388,484	(175,283)	(6,800)	(28,760)	(210,843)	7,856,304	467,575
												8,323,879
Year ended 31 December 2021												
Balance at 1 January 2021												
Transactions with owners, recorded directly in equity												
Distributions to owners of the parent												
12, 25	-	-	-	-	-	(650,000)	-	-	-	-	(650,000)	(83,327)
	-	-	-	-	-	(650,000)	-	-	-	-	(650,000)	(83,327)
Total distributions to owners of the parent												
Changes in ownership interests in subsidiaries												
4 (a)	-	-	-	-	-	-	-	-	-	-	-	6,607
Business combination												
4 (b)	-	-	-	(64,489)	-	-	-	-	-	-	(64,489)	(195,511)
Acquisition of non-controlling interests without a change in control												
4 (c)	-	-	-	1,825	-	-	-	-	-	-	1,825	(8,636)
	-	-	-	(62,664)	-	-	-	-	-	-	(62,664)	(197,540)
Total changes in ownership interests in subsidiaries												
	-	-	-	(62,664)	-	(650,000)	-	-	-	-	(712,664)	(280,867)
Total transactions with owners, recorded directly in equity												
Comprehensive income for the year												
Profit	-	-	-	-	-	1,402,844	-	-	-	-	1,402,844	123,696
Other comprehensive income	-	-	-	-	-	6,654	206,441	6,800	16,691	229,932	236,586	16,548
	-	-	-	-	-	1,409,498	206,441	6,800	16,691	229,932	1,639,430	140,244
Total comprehensive income for the year												
	-	-	-	-	-	-	-	-	-	-	-	1,779,674
Transfer to retained earnings												
13	-	-	250,698	-	-	(250,698)	-	-	-	-	-	-
Transfer to legal reserve												
	-	-	-	-	38,600	(38,600)	-	-	-	-	-	-
Balance at 31 December 2021												
	2,500,000	3,407,489	(65,437)	(186,755)	250,000	2,858,684	31,158	-	(12,069)	19,089	8,783,070	326,952
												9,110,022

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

Prima Marine Public Company Limited and its Subsidiaries  
Statement of changes in equity

		Separate financial statements						
		Retained earnings			Other components of equity			
		Issued and paid-up share capital	Share premium on ordinary shares	Difference arising from common control transactions	Legal reserve	Unappropriated	Cash flow hedge reserve	Total equity
Note								
	Year ended 31 December 2020							
	Balance at 1 January 2020	2,500,000	3,407,489	(351,494)	155,200	449,482	(10,082)	6,150,595
	Transactions with owners, recorded directly in equity							
	Distributions to owners of the parent							
	Dividends	-	-	-	-	(525,000)	-	(525,000)
25	Transactions with owners, recorded directly in equity	-	-	-	-	(525,000)	-	(525,000)
	Comprehensive income for the year							
	Profit	-	-	-	-	1,122,504	-	1,122,504
	Other comprehensive income	-	-	-	-	(307)	(12,473)	(12,780)
	Total comprehensive income for the year	-	-	-	-	1,122,197	(12,473)	1,109,724
	Transfer to retained earnings	-	-	100,796	-	(100,796)	-	-
	Transfer to legal reserve	-	-	-	56,200	(56,200)	-	-
	Balance at 31 December 2020	2,500,000	3,407,489	(250,698)	211,400	889,683	(22,555)	6,735,319

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

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

## Prima Marine Public Company Limited and its Subsidiaries

### Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
<b>Cash flows from operating activities</b>					
Profit for the year		1,526,540	1,701,646	1,164,001	1,122,504
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Taxes expense (benefit)		133,811	191,460	3,718	(31,418)
Finance costs		248,812	214,141	125,394	113,861
Depreciation and amortisation	22	952,872	734,967	226,839	271,587
(Gain) loss on sales of equipment and vessels		(462,486)	9,781	(189,083)	(7,030)
Reversal of contingent consideration paid		(63,041)	-	(63,041)	-
Gain on measuring the previously held interests before business combination	4	(5,344)	-	-	-
Impairment loss recognised in profit or loss		12,500	49,454	-	49,454
Share of profit of associates and joint ventures accounted for using equity method, (net of tax)		(26,883)	(90,089)	-	-
Employee benefit obligations expense	18	10,457	7,774	2,269	3,852
Unrealised loss on exchange rate		105,452	1,974	114,393	20,169
Interest income		(3,401)	(4,405)	(58,550)	(2,806)
Dividend income	5	-	-	(980,392)	(1,057,612)
		2,429,289	2,816,703	345,548	482,561
<i>Changes in operating assets and liabilities:</i>					
Trade and other current receivables		(484,600)	131,572	(62,211)	42,220
Inventories		20,515	(17,133)	35	(957)
Other current assets		(84,488)	(3,283)	2,668	586
Other non-current assets		19,710	5,528	13,003	(290)
Trade and other current payables		350,440	186,521	(1,210)	(27,901)
Other current liabilities		11,221	(3,002)	6,403	2,259
Other non-current liabilities		(73)	(403)	-	(222)
Payment of employee benefit		(12,197)	(1,127)	(815)	-
Net cash generated from operating activities		2,249,817	3,115,376	303,421	498,256
Taxes paid		(260,874)	(94,700)	(7,427)	(11,871)
<b>Net cash from operating activities</b>		<b>1,988,943</b>	<b>3,020,676</b>	<b>295,994</b>	<b>486,385</b>

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

## Prima Marine Public Company Limited and its Subsidiaries

### Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>					
Net (increase) decrease in restricted deposits at banks		(266,313)	567	(268)	(53)
Proceeds from change in interest in joint ventures	9	-	50,999	-	50,999
Acquisition of joint venture	9	-	(49)	-	-
Acquisition of subsidiaries, net of cash acquired	3	(153,784)	-	-	-
Payment for investment in subsidiaries	11	-	-	(610,300)	(546,484)
Proceeds from sale of equipment and vessels		2,007,401	145,674	1,477,362	392,676
Acquisition of dry-docking, vessels, equipment and building improvements		(896,631)	(387,238)	(756,450)	(58,724)
Acquisition of intangible assets		(1,094)	-	(37)	-
Proceeds from repayment of long-term loan to related party	5	-	87,878	67,500	-
Long-term loan to related parties	5	-	-	(2,413,098)	-
Interest received		2,673	4,405	5,175	2,806
Dividend received		39,135	26,250	994,385	1,022,627
<b>Net cash from (used in) investing activities</b>		<b>731,387</b>	<b>(71,514)</b>	<b>(1,235,731)</b>	<b>863,847</b>
<b><i>Cash flows from financing activities</i></b>					
Payment of change in ownership interest in subsidiaries without a change in control	3(b), 3(c)	(266,812)	-	-	-
Proceeds from short-term loans from financial institutions		770,000	110,000	770,000	-
Repayment of short-term loans from financial institutions		(932,500)	(110,000)	(770,000)	-
Proceeds from long-term loans from related party	5, 17	109,802	-	-	-
Proceeds from long-term loans from financial institutions		2,972,242	582,469	2,922,242	437,000
Repayment of long-term loans from financial institutions		(3,279,424)	(1,198,360)	(1,406,222)	(524,018)
Repayment of other long-term loans		(700,000)	-	-	-
Payment of lease liabilities	14, 17	(139,576)	(226,443)	(2,287)	(187,743)
Proceeds from issue of subsidiaries's shares from non-controlling interests		-	39,586	-	-
Dividends paid to owners of the Company	25	(650,000)	(525,000)	(650,000)	(525,000)
Dividends paid to non-controlling interests	12	(83,327)	(100,967)	-	-
Interest paid		(253,820)	(211,140)	(126,865)	(115,175)
<b>Net cash from (used in) financing activities</b>		<b>(2,453,415)</b>	<b>(1,639,855)</b>	<b>736,868</b>	<b>(914,936)</b>

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

Prima Marine Public Company Limited and its Subsidiaries  
Statement of cash flows

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Year ended		Year ended	
		31 December		31 December	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		266,915	1,309,307	(202,869)	435,296
Effect of exchange rate on changes on cash and cash equivalents		125,868	(32,155)	(5,156)	(5,834)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>392,783</b>	<b>1,277,152</b>	<b>(208,025)</b>	<b>429,462</b>
Cash and cash equivalents at 1 January		2,218,798	941,646	832,997	403,535
<b>Cash and cash equivalents at 31 December</b>		<b>2,611,581</b>	<b>2,218,798</b>	<b>624,972</b>	<b>832,997</b>
<b><i>Non-cash transactions</i></b>					
Outstanding payables for purchase of equipment and vessels which payments have not yet been made		23,358	2,195	18,115	69
Recognition of right-of-use assets	14	1,654,990	32,003	6,999	5,748
Dividend receivable		20,997	34,995	20,991	34,984

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



## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

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These notes form an integral part of the financial statements.

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 24 February 2022.

## **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 2021 and 2020 are given in notes 11.

## **2 Basis of preparation of the financial statements**

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. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described in note 3 have been applied consistently to all periods presented in these financial statements.

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 that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

## **3 Significant accounting policies**

### **(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries and joint operation (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

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.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders' equity.

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.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements in which the equity method is applied. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements in which the equity method is applied include the Group's dividend income and 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.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures 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.

#### *Business combinations*

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

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.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates 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 recognised, 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.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off 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

**(b) *Investments in subsidiaries, associates and joint ventures***

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

**(c) *Foreign currencies***

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss.

***Foreign operations***

The assets and liabilities of foreign operations 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 until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control and significant influence 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 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 translation reserve in equity until disposal of the investment.

**(d) Financial instruments**

**(d.1) Classification and measurement**

Financial assets and financial liabilities (except trade accounts receivables (see note 4(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through 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.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

**(d.2) Derecognition and offset**

The Group derecognises a financial asset when the contractual rights to receive 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 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.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

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 the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*(d.3) Derivatives*

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. 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 4(d.4)).

*(d.4) Hedging*

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

*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. 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 recognised in a cash flow 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 cash flow 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 cash flow 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 cash flow 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 cash flow hedging reserve are immediately reclassified to profit or loss.

*(d.5) Impairment of financial assets other than trade accounts receivables*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, and loan commitments issued which are not measured at FVTPL.

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.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

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 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.

*(d.6) Write offs*

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.

*(d.7) Interest*

Interest income and expense is recognised in profit or loss using the effective interest method. 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.

***(e) Cash and cash equivalents***

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

***(f) Trade and other accounts receivable***

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

***(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.



**(h) Property, plant, equipment and vessels**

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, direct labour, and 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. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant, equipment and vessels are recognised in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when 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 and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated on straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Buildings	3 - 20 years
Building improvements	3 - 5 years
Vessels	20 - 30 years
Dry docking	2.5 years
Vessel equipment	3 - 5 years
Furniture and office equipment	3 - 5 years
Vehicles	5 years

**(i) Goodwill**

Goodwill is measured at cost less accumulated impairment losses.

**(j) Other intangible assets**

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	10 years
Customer relationships	2 - 5 years
Long-term service agreements	2 - 28 years

**(k) Leases**

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

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each 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 prepaid lease payments, 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 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 all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. 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.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. 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.

**(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, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount 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.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. 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.

**(m) Employee benefits**

*Defined contribution plan*

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised 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 recognised 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.

**(n) 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.

**(o) 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.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. 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.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability 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.

**(p) Revenue from contracts with customers**

*Revenue recognition*

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*

Revenue for rendering of services is recognised over time based on stage of completion. 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.

**(q) Income tax**

Income tax expense for the year comprises current and deferred tax, which is 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 recognised in respect of 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.

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 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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

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. 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.

**(r) Earnings per share**

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.

**4 Acquisition of subsidiary and non-controlling interests**

**(a) Truth Maritime Company Limited (formerly “Thaioil Marine Co., Ltd.”) and its subsidiary**

On 30 April 2021, Phurich Marine Company Limited, direct subsidiary of the Company, obtained control of Truth Maritime Company Limited (formerly “Thaioil Marine Co., Ltd.”) (“TM”) and its subsidiary (“TM Group”) which provide marine transportation services for petroleum and liquid chemical products, agent services and passenger ships by acquiring 100% share of the company. The purchase price is Baht 860.49 million. The transaction is accounted for as a business combination. Subsequently to completion of acquisition, TM Group became an indirect subsidiary of the Company.

**Identifiable assets acquired and liabilities assumed**

**Fair Value**  
(in thousand Baht)

Cash and cash equivalents	706,703
Trade receivables and other current receivables	81,090
Inventories	12,120
Other current assets	1,681
Property, plant, equipment and vessels	1,995,557
Right-of-use assets	13,871
Customer contracts and customer relationship	12,112
Other intangible assets	841
Deferred tax assets	3,236
Other non-current assets	17,410
Short-term loans from financial institutions	(162,500)
Trade and other current payables	(69,474)
Other current liabilities	(8,022)
Long-term loans from financial institutions	(1,222,500)
Other long-term loans	(700,000)
Lease liabilities	(14,939)
Deferred tax liabilities	(2,597)
Non-current provisions for employee benefit	(17,989)
<b>Total identifiable net assets</b>	<b>646,600</b>
Less Non-controlling interests (33.33%)	(6,607)
Less Fair value of previously held equity interest	(225,044)
<b>Total consideration transferred</b>	<b>414,949</b>
Goodwill arising from the acquisition	445,538
<b>Purchase consideration transferred</b>	<b>860,487</b>
Net cash acquired with the subsidiary	706,703
Cash paid	(860,487)
Net cash outflows	<b>(153,784)</b>

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

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The remeasurement to fair value of the Group's existing investment in associates and joint ventures (as disclosed in note 9 investment in associates and joint ventures) resulted in a gain of Baht 5.34 million (Baht 225.04 million less Baht 219.70 million carrying value (see note 9) of equity-accounted investee at acquisition date), which has been recognised in "gain on measuring the previously held interests before business combination" in the consolidated statement of income and comprehensive income.

#### *Goodwill*

Management believes that the acquisition will expand the fleet of vessels, improve standard of domestic petroleum transportation and strengthen oversea marine transportation. Furthermore, Truth Maritime Company Limited and its subsidiary would generate the business collaboration and synergy within the Prima Marine Group which firmly increases the efficiency in operation and decreases administrative expenses. These are the main factors that cause goodwill arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

During the period from acquisition date to 31 December 2021, TM Group contributed revenue of Baht 598.55 million and net profit of Baht 49.13 million to the Group's results. If the acquisition had occurred on 1 January 2021, management estimates that consolidated revenue would have increased by Baht 846.49 million and consolidated profit for the year would have increased by Baht 28.92 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2021.

#### **(b) Big Sea Co., Ltd.**

##### *Changes in ownership interests in a subsidiary without a change in control*

On 14 January 2021, the Company acquired 55,368 ordinary shares from shareholders of Big Sea Co., Ltd., totaling Baht 200 million in cash, resulting in an increase of its ownership interest from 80% to 95.38%. The Group recognised a decrease in non-controlling interests of Baht 149.68 million and a reduction in other components of equity as a result of changes in ownership interest in subsidiary of Baht 50.32 million.

On 1 April 2021, the Company acquired 16,632 ordinary shares from shareholders of Big Sea Co., Ltd., totaling Baht 60 million in cash, resulting in an increase of its ownership interest from 95.38% to 99.99%. The Group recognised a decrease in non-controlling interests of Baht 45.83 million and a reduction in other components of equity as a result of changes in ownership interest in subsidiary of Baht 14.17 million.

#### **(c) T.I.M. Ship Management Co., Ltd**

On 1 October 2021, N.T.L. Marine Co., Ltd, a subsidiary of the Company, acquired 10,002 ordinary shares from shareholders of T.I.M. Ship Management Co., Ltd., totaling Baht 6.81 million in cash, resulting in increasing its ownership interest from 66.66% to 100%. The Group recognised a decrease in non-controlling interests of Baht 8.64 million and a reduction in other components of equity as a result of changes in ownership interest in subsidiary of Baht 1.83 million

## 5 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.

Relationships with subsidiaries, joint operation, associates and joint ventures are described in notes 9, 10 and 11. Other related parties that the Group had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>			
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			
Kemaman Bitumen Company Sdn Bhd	Malaysia	Common directors			

<b>Significant transactions with related parties</b> <i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Parent</b>				
Revenue from rendering of services	100,651	104,567	-	-
Other income	1,187	1,163	36	36
Office rental and service expense	2,072	2,072	2,072	2,072
Other service expense	27,485	29,443	12,414	15,101
Interest expense	931	-	-	-
<b>Subsidiaries</b>				
Revenue from rendering of services	-	-	736,595	1,210,304
Interest income	-	-	56,952	-
Other income	-	-	1,443	6,926
Purchases of goods and receiving of services	-	-	341,317	302,803
Management expense	-	-	369,958	588,277
Other service expense	-	-	1,763	952
<b>Joint ventures</b>				
Revenue from rendering of services	138,426	140,366	-	-
Interest income	-	150	-	-
Other income	15,656	18,097	13,708	13,926
Purchases of goods and receiving of services	4,885	83,628	-	83,628
Dividend income	20,997	61,245	20,991	61,234



# Prima Marine Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2021

<b>Significant transactions with related parties</b> <b>Year ended 31 December</b>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
Revenue from rendering of services	4,297	4,380	-	-
Other income	579	1,715	572	1,715
Purchases of goods and receiving of services	22,452	74,290	-	19,208
Management expense	4,248	13,892	-	3,449
Dividend income	4,141	-	2,115	-
<b>Key management personnel</b>				
Short-term employee benefit	69,937	80,815	45,796	45,131
Post-employment benefits	3,672	501	834	501
<b>Other related parties</b>				
Revenue from rendering of services	108,325	301,227	-	-
Purchases of goods and receiving of services	587,487	298,207	32,656	33,255
Other service expense	260	1,249	180	1,171
Office rental and service expense	300	1,200	-	-

Balances as at 31 December with related parties were as follows:

	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Trade accounts receivable</b>				
Parent	19,942	18,044	-	-
Subsidiaries	-	-	-	1,387
Joint ventures	94	82	-	-
Associates	54	515	-	-
Other related parties	403	151	-	-
<b>Total</b>	<b>20,493</b>	<b>18,792</b>	<b>-</b>	<b>1,387</b>
Less allowance for expected credit loss	-	-	-	-
<b>Net</b>	<b>20,493</b>	<b>18,792</b>	<b>-</b>	<b>1,387</b>
<b>Other current receivables</b>				
Subsidiaries	-	-	53,610	243,979
Joint ventures	22,234	43,940	22,228	36,291
Associates	-	153	-	153
<b>Total</b>	<b>22,234</b>	<b>44,093</b>	<b>75,838</b>	<b>280,423</b>
<b>Long-term loans to related parties</b>				
Subsidiaries	-	-	2,345,598	-

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

	Interest rate		Separate financial statements			
	31 December 2020	31 December 2021	At 31 December 2020	Increase	Decrease	At 31 December 2021
	( % per annum)			(in thousand Baht)		
Subsidiaries	-	3.6 - 5.0	-	2,413,098	(67,500)	2,345,598
			Consolidated financial statements	Separate financial statements		
			2021	2020	2021	2020
			(in thousand Baht)			
<b>Other non-current assets</b>						
Parent			1,056	1,056	-	-
<b>Trade accounts payable</b>						
Parent			229	-	-	-
Subsidiaries			-	-	36,304	36,118
Associates			351	-	-	-
Other related parties			137,477	44,889	10,629	3,218
<b>Total</b>			<b>138,057</b>	<b>44,889</b>	<b>46,933</b>	<b>39,336</b>
<b>Other current payables</b>						
Parent			2,354	2,054	1,657	1,490
Subsidiaries			-	-	18,386	-
Associates			48	1,175	-	-
Other related parties			-	5	-	-
<b>Total</b>			<b>2,402</b>	<b>3,234</b>	<b>20,043</b>	<b>1,490</b>
<b>Long-term loan from related party</b>						
Parent			109,802	-	-	-
	Interest rate		Consolidated financial statements			
	31 December 2020	31 December 2021	At 31 December 2020	Increase	Decrease	At 31 December 2021
	( % per annum)			(in thousand Baht)		
Parent	-	4.57	-	109,802	-	109,802

### Significant agreements with related parties

#### Loans to subsidiaries

As at 31 December 2021, the Company entered into unsecured loan agreements with subsidiaries, bearing interest at fixed interest rate as stipulated in the agreement and repayable at call or within 5 years and 10 years from agreement date. The Company has no intention to call repayments of loans from subsidiaries within 12 months from 31 December 2021.

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

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#### *Loan from parent*

On 8 July 2021, Joint Venture CNNC entered into a long-term loan agreement with Nathalin Co.,Ltd., the parent of the Company, in total amount of Baht 2,000 million for the purpose of the construction work for Leam Chabang port development project phase 3 (Part 1), off-shore construction. The loan bears fixed interest rate as stipulated in the agreement and repayable within 3 years and 6 months from agreement date. The Subsidiary will have contractual liability at 10 percent of total loan amount under the agreement.

#### *Transportation 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.

#### *Ship management 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 is issued by either party to the other party.

#### *Transportation service provider agreements*

The Company had entered into transportation service provider 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 is issued by either party to the other party.

#### *Ship management 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 is issued by either party to the other party.

#### *Transportation service provider agreements*

Subsidiaries had entered into transportation service provider 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 is issued by either party to the other party.

#### *Transportation service provider agreements*

Subsidiaries had entered into transportation service provider 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 is issued by either party to the other party.

#### *Bank Guarantees*

The Company has guarantees credit facilities of subsidiaries and a joint venture with several financial institutions. The purposed is liquidity for operation.

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

#### 6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	4,227	3,592	-	-
Cash at banks	2,606,854	2,214,598	624,972	832,389
Highly liquid short-term investments	500	608	-	608
<b>Cash and cash equivalents in the statement of financial position</b>	<b>2,611,581</b>	<b>2,218,798</b>	<b>624,972</b>	<b>832,997</b>

#### 7 Trade and other current receivables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>At 31 December</i>				
Within credit terms	490,337	249,121	75,449	42,345
Overdue:				
1-30 days	63,466	27,529	1,970	4,399
31-60 days	1,750	1,456	-	-
61-90 days	4,100	-	-	-
More than 90 days	8,628	-	-	-
<b>Total</b>	<b>568,281</b>	<b>278,106</b>	<b>77,419</b>	<b>46,744</b>
Less allowance for expected credit loss	-	-	-	-
Net trade accounts receivable	568,281	278,106	77,419	46,744
Other current receivables	172,679	86,358	84,731	291,732
<b>Total trade and other current receivables</b>	<b>740,960</b>	<b>364,464</b>	<b>162,150</b>	<b>338,476</b>

The normal credit term granted by the Group ranges from 30 days to 60 days.

Information of credit risk is disclosed in note 26 (b.1.1).

#### 8 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Bunker	163,853	161,456	2,529	2,602
Supplies	2,359	1,695	96	57
<b>Total</b>	<b>166,212</b>	<b>163,151</b>	<b>2,625</b>	<b>2,659</b>

## Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

### 9 Investments in associates and joint ventures

	Type of business	Country of incorporated/operation	Ownership interest (%)		Consolidated financial statements			Separate financial statements	
					Equity		Cost-Net		
			2021	2020	2021	2020		2021	2020
(in thousand Baht)									
<i>Associates</i>									
	T.I.M. Ship Management Co., Ltd.	Ship management services	Thailand	-	33.33	-	5,719	-	1,000
	TMN Co., Ltd.*	Marine transportation of petroleum products	Thailand	24.87	24.87	131,817	178,520	83,981	83,981
						<b>131,817</b>	<b>184,239</b>	<b>83,981</b>	<b>84,981</b>
<i>Joint ventures</i>									
	TOP-NTL Pte. Ltd.	Ship management services	Singapore	-	50.00	-	20,733	-	7,824
	TOP-NTL Shipping Trust	Funds for domestic and international transportation	Singapore	-	50.00	-	93,936	-	38,675
	TOP Nautical Star Co., Ltd. **	Marine transportation of petroleum products	Thailand	-	50.00	-	91,039	-	52,500
	Bongkot Marine Services Company Limited	Marine transportation of petroleum products	Thailand	70.00	70.00	326,123	282,955	167,928	167,928
						<b>326,123</b>	<b>488,663</b>	<b>167,928</b>	<b>266,927</b>
<b>Total</b>						<b>457,940</b>	<b>672,902</b>	<b>251,909</b>	<b>351,908</b>

\* 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%.

\*\* Direct holding 35.00% and indirect holding by TOP-NTL Shipping Trust 15.00%.

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

<b>Material movements for the year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
Transfer to investment in subsidiaries	(6,493)	-	(1,000)	-
<b>Joint ventures</b>				
Transfer to investment in subsidiaries	(213,207)	-	(98,999)	-
Acquire investment in Bongkot Marine Services Company Limited	-	49	-	-

On 30 April 2021, Phurich Marine Company Limited, a subsidiary of the Company, completed the acquisition 100% of the ordinary shares in Truth Maritime Company Limited (formerly “Thaioil Marine Co., Ltd.”) which has interest in the Group’s associates and joint ventures as follows:

- (a) 33.33% ownership interest in T.I.M. Ship Management Co., Ltd.
- (b) 50.00% ownership interest in TOP-NTL Pte. Ltd.
- (c) 50.00% ownership interest in TOP-NTL Shipping Trust
- (d) 35.00% ownership interest in TOP Nautical Star Co., Ltd.

Subsequently, the Group’s associates and joint ventures became subsidiaries of the Group.

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

#### Material associates and joint ventures

The following table summarises the financial information of the material associate and 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 summarized financial information to the carrying amount of the Group's interest in these companies.

		Bongkot Marine Services Company Limited		TOP Nautical Star Co., Ltd.		TOP-NTL Shipping Trust		TMN Co., Ltd.	
	Note	2021	2020	2021*	2020	2021*	2020	2021	2020
Revenue		408,266	403,374	-	86,663	8,395	21,981	274,802	257,725
Profit (loss)	a	91,664	100,040	6,477	(7,519)	(437)	2,529	(171,141)	59,759
Other comprehensive income		-	-	-	-	-	(1,416)	-	-
Total comprehensive income (100%)		91,664	100,040	6,477	(7,519)	(437)	1,113	(171,141)	59,759
<b>Group's share of total comprehensive income</b>		<b>64,165</b>	<b>70,028</b>	<b>2,267</b>	<b>(2,642)</b>	<b>2,896</b>	<b>556</b>	<b>(42,563)</b>	<b>14,862</b>
Dividend income from associate and joint ventures for the year/period		20,997	34,995	-	26,250	-	-	4,141	-

Remark:

a. Includes:

- depreciation and amortisation	122,121	110,923	-	21,921	-	-	-	93,216	81,939
- interest expense	9,661	16,770	-	220	-	-	-	10,934	13
- income tax expense (benefit)	3,322	3,267	-	-	-	3,578	201	3,970	(1,511)

\* For the period from 1 January 2021 to 30 April 2021 (date of transfer to investment in subsidiaries).



## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

Note	Bongkot Marine Services Company Limited		TOP Nautical Star Co., Ltd.		TOP-NTL Shipping Trust		TMN Co., Ltd.	
	2021	2020	2021	2020	2021	2020	2021	2020
				<i>(in thousand Baht)</i>				
Current assets	102,616	107,570	-	263,645	-	131,642	238,075	150,627
Non-current assets	555,941	681,692	-	-	-	120,405	897,491	615,813
Current liabilities	(179,481)	(250,277)	-	(3,533)	-	(64,176)	(349,827)	(4,427)
Non-current liabilities	(13,234)	(134,807)	-	-	-	-	(255,716)	(44,199)
Net assets (100%)	465,842	404,178	-	260,112	-	187,871	530,023	717,814
Group's share of net assets	326,123	282,955	-	130,056	-	93,936	131,817	178,520
<b>Carrying amount of interest in associate and joint ventures</b>	<b>326,123</b>	<b>282,955</b>	-	<b>91,039</b>	-	<b>93,936</b>	<b>131,817</b>	<b>178,520</b>
Remark:								
b. Includes cash and cash equivalents	87,443	93,192	-	260,837	-	131,642	214,161	137,446
c. Includes current financial liabilities (excluding trade and other payables and provisions)	124,895	167,389	-	-	-	-	331,898	-
d. Includes non-current financial liabilities (excluding trade and other payables and provisions)	-	124,895	-	-	-	-	250,603	-

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

#### *Immaterial associate and joint venture*

The following is summarised financial information for the Group's interest in immaterial associate and joint venture based on the amounts reported in the Group's consolidated financial statements:

	Immaterial associate		Immaterial joint venture	
	2021*	2020	2021*	2020
	<i>(in thousand Baht)</i>			
Carrying amount of interests in immaterial associate and joint venture	-	5,719	-	20,733
Group's share of:				
- Profit	774	3,173	1,486	3,404
- Other comprehensive income	-	-	850	(202)
- Total comprehensive income	<u>774</u>	<u>3,173</u>	<u>2,336</u>	<u>3,202</u>

\* For the period from 1 January 2021 to 30 April 2021 (date of transfer to investment in subsidiaries).

## 10 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.

Assets and liabilities of the joint operation which are included in consolidated financial position as at 31 December are as follows:

	<b>Consolidated financial statements</b>	
	2021	2020
	<i>(in thousand Baht)</i>	
Current assets	299,353	197,179
Non-current assets	7,370	2,064
Current liabilities	(203,111)	(199,301)
Non-current liabilities	(109,802)	-
<b>Net liabilities</b>	<b><u>(6,190)</u></b>	<b><u>(58)</u></b>

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

## 11 Investments in subsidiaries

Country of registration/ operation		Type of business	Ownership interest (%)	Separate financial statements					
				Paid-up capital		At cost - net		Dividend income for the year	
				2021	2020	2021	2020		
				(in thousand Baht)					
<b>Direct subsidiaries</b>									
Singha Tankers Co., Ltd. <sup>(1)</sup>	Marine transportation of petroleum products	Thailand*	51.00	1,200,000	1,200,000	612,001	612,001	204,000	81,600
Nathalin Shipping Pte. Ltd.	Ship management services	Singapore	87.50	651,902	735,478	651,902	651,902	583,286	704,778
N.T.L. Marine Co., Ltd.	Marine transportation of petroleum products	Thailand	99.99	1,614,705	1,200,000	1,614,705	1,264,705	150,000	180,000
Thaimarine Tanker Co., Ltd.	Marine transportation of petroleum products	Thailand	99.99	180,000	180,000	180,000	180,000	-	-
Nathalin Management Co., Ltd.	Ship management services	Thailand	99.99	9,691	8,500	9,691	9,691	-	30,000
BSC Management Seafarer Recruitment Co., Ltd.	Manning agency and ticket agency	Thailand	99.99	7,159	5,500	7,159	7,159	-	-
Big Sea Co., Ltd.	Marine transportation of petroleum products	Thailand	99.99	2,028,490	360,000	2,028,490	1,768,492	20,000	-
Phurich Marine Co., Ltd	Investment holding	Thailand	99.99	1,000	1,000	1,000	1,000	-	-
Protea Investments Group Limited	Marine transportation of petroleum products	British Virgin Islands	100.00	302	-	302	-	-	-
T.I.M. Ship Management Co., Ltd. <sup>(2)</sup>	Ship management services	Thailand	33.33	1,000	-	1,000	-	-	-
TOP-NTL Pte. Ltd. <sup>(3)</sup>	Ship management services	Singapore	50.00	7,824	-	7,824	-	-	-
TOP-NTL Shipping Trust <sup>(3)</sup>	Fund for domestic and international transportation	Singapore	50.00	38,675	-	38,675	-	-	-
TOP Nautical Star Co., Ltd. <sup>(4)</sup>	Marine transportation of petroleum products	Thailand	35.00	52,500	-	52,500	-	-	-
<b>Total</b>				<b>5,205,249</b>		<b>4,494,950</b>	<b>957,286</b>	<b>996,378</b>	

<sup>(1)</sup> Direct holding 51.00% by the Company and indirect holding by Nathalin Shipping Pte. Ltd. 49.00%

<sup>(2)</sup> Direct holding 33.33% by the Company and indirect holding by Truth Maritime Co., Ltd. formerly "Thaioil Marine Co., Ltd." 33.33% and N.T.L. Marine Co., Ltd. 33.33%

<sup>(3)</sup> Direct holding 50.00% by the Company and indirect holding by Truth Maritime Co., Ltd. formerly "Thaioil Marine Co., Ltd." 50.00%

<sup>(4)</sup> Direct holding 35.00% by the Company and indirect holding by Truth Maritime Co., Ltd. formerly "Thaioil Marine Co., Ltd." 35.00% and TOP-NTL Shipping Trust 30.00%

\*Mainly operating in Singapore.

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

	Type of business	Country of incorporation/ operation	Ownership interest 2021 2020 (%)	
<b>Indirect subsidiaries</b>				
Amity Asset Management Inc.	Marine transportation of petroleum products	Panama*	87.50	87.50
Truth Maritime Co., Ltd (formerly Thailoil Marine Co., Ltd.)	Marine transportation of petroleum and petrochemical products	Thailand	100.00	-
Truth Maritime Services Co., Ltd. (formerly TOP Maritime Service Co., Ltd)	Marine transportation services for crew and supplies	Thailand	100.00	-
T.I.M. Ship Management Co., Ltd	Ship management services	Thailand	100.00	-
TOP-NTL Pte. Ltd.	Ship management services	Singapore	100.00	-
TOP-NTL Shipping Trust	Fund for domestic and international transportation	Singapore	100.00	-
TOP Nautical Star Co., Ltd.	Marine transportation of petroleum products	Thailand	100.00	-

\*Mainly operating in Singapore.

<i><b>Material movements for the year ended 31 December</b></i>	<i><b>Note</b></i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Transferred from investment in associates	9	6,493	-	1,000	-
Transferred from investment in joint ventures	9	213,207	-	98,999	-

#### For the year ended 31 December 2021

- (a) On 22 January 2021, the Board of Directors approved to set up a direct foreign subsidiary in British Virgin Islands, Protea Investments Group Limited, which is fully owned by the Company. The main business of the subsidiary is to provide international marine transportation of petroleum products services and investment. The subsidiary was incorporated on 8 February 2021 with USD 10,000 or equivalent to Baht 0.3 million authorized share capital.
- (b) On 29 September 2021, the Company additionally invested in share capital of N.T.L Marine Co., Ltd., a subsidiary of the Company, totaling Baht 350 million. The percentage of holding interest of the Company remains unchanged.

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

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*For the year ended 31 December 2020*

*(a) Acquisitions*

- (a.1) 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.
- (a.2) 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.
- (a.3) 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.

*(b) Incorporation of a subsidiary*

- (b.1) 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 and storage of petroleum products services. The subsidiary was incorporated on 29 October 2020 with USD 10,000 authorized share capital.
- (b.2) 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.

**12 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 2021			
	Nathalin Shipping Pte. Ltd.	Singha Tankers Co., Ltd.	Amity Asset Management Inc. <i>(in thousand Baht)</i>	Intra-group eliminations
	12.50	6.12	12.50	
Non-controlling interest percentage				<b>Total</b>
Current assets	721,103	493,112	9,235	
Non-current assets	1,040,390	1,371,971	440,166	
Current liabilities	(271,442)	(107,119)	(14,492)	
Non-current liabilities	(2,280)	(133,532)	(283,755)	
<b>Net assets</b>	<b>1,487,771</b>	<b>1,624,432</b>	<b>151,154</b>	<b>22,671</b>
Carrying amount of non-controlling interest	<b>185,972</b>	<b>99,415</b>	<b>18,894</b>	<b>326,952</b>
Revenue	3,416,326	678,206	219,452	
Profit	560,611	466,261	127,574	
Other comprehensive income	90,968	168,428	(43,625)	
<b>Total comprehensive income</b>	<b>651,579</b>	<b>634,689</b>	<b>83,949</b>	<b>9,138</b>
Profit allocated to non-controlling interest	<b>70,076</b>	<b>28,535</b>	<b>15,947</b>	<b>123,696</b>
Other comprehensive income allocated to non-controlling interest	<b>11,371</b>	<b>10,308</b>	<b>(5,453)</b>	<b>322</b>
Dividends to non-controlling interest	83,327	-	-	<b>16,548</b>
Cash flows from operating activities	201,967	342,982	231,809	
Cash flows from investing activities	186,516	742,057	(258,307)	
Cash flows from financing activities	(744,613)	(709,094)	(2,212)	

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

	Nathalin Shipping Pte. Ltd.	Singha Tankers Co., Ltd.	31 December 2020 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)	-	
<b>Net assets</b>	<b>1,501,707</b>	<b>1,315,720</b>	<b>971,401</b>	<b>16,171</b>	<b>466,576</b>
Carrying amount of non-controlling interest	<b>191,187</b>	<b>79,126</b>	<b>194,242</b>	<b>2,021</b>	<b>999</b>
Intra-group eliminations					<b>467,575</b>
<b>Total</b>					
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)	
<b>Total comprehensive income</b>	<b>1,055,504</b>	<b>201,517</b>	<b>84,832</b>	<b>15,869</b>	<b>167,463</b>
Profit allocated to non-controlling interest	<b>134,058</b>	<b>13,802</b>	<b>17,534</b>	<b>2,069</b>	<b>1,126</b>
Intra-group eliminations					<b>168,589</b>
<b>Total</b>					<b>(4,232)</b>
Other comprehensive income allocated to non-controlling interest	<b>(2,120)</b>	<b>(1,459)</b>	<b>(568)</b>	<b>(85)</b>	
Dividends to non-controlling interest	100,967	-	-	-	
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	



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Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Consolidated financial statements										
	Land	Building and building improvements	Vessels	Dry docking	Vessel equipment	Furniture and office equipment	Vehicles	Vessel under construction	Dry docking under construction	Total
						(in thousand Baht)				
<b>Depreciation</b>										
At 1 January 2020 – reclassified (see note 30)	-	41,343	2,917,178	133,069	42,395	23,139	1,362	-	-	3,158,486
Depreciation charge for the year	-	9,678	565,318	106,113	15,228	2,679	-	-	-	699,016
Transfer to asset held for sale	-	-	-	-	(1,209)	-	-	-	-	(1,209)
Disposals	-	-	(21,739)	(62,615)	(1,914)	(2,606)	-	-	-	(88,874)
Effect of movements in exchange rates	-	(80)	(81,871)	(991)	(812)	167	-	-	-	(83,587)
<b>At 31 December 2020 and 1 January 2021</b>	-	<b>50,941</b>	<b>3,378,886</b>	<b>175,576</b>	<b>53,688</b>	<b>23,379</b>	<b>1,362</b>	-	-	<b>3,683,832</b>
Depreciation charge for the year	-	4,209	641,019	118,110	17,211	3,076	-	-	-	783,625
Disposals	-	-	(758,932)	(55,813)	(12,296)	(254)	(660)	-	-	(827,955)
Effect of movements in exchange rates	-	750	54,789	24,187	1,193	241	-	-	-	81,160
<b>At 31 December 2021</b>	-	<b>55,900</b>	<b>3,315,762</b>	<b>262,060</b>	<b>59,796</b>	<b>26,442</b>	<b>702</b>	-	-	<b>3,720,662</b>
<b>Impairment</b>										
At 1 January 2021	-	-	-	-	-	-	-	-	-	-
Impairment losses	-	-	13,169	-	-	-	-	-	-	13,169
<b>At 31 December 2021</b>	-	-	<b>13,169</b>	-	-	-	-	-	-	<b>13,169</b>
<b>Net book value</b>										
At 1 January 2020 – reclassified (see note 30)	15,840	41,530	8,549,753	179,463	49,092	5,316	481	5,329	5,807	8,852,611
<b>At 31 December 2021</b>	<b>15,840</b>	<b>43,502</b>	<b>9,251,758</b>	<b>178,481</b>	<b>68,535</b>	<b>8,194</b>	<b>481</b>	<b>5,329</b>	<b>33,534</b>	<b>9,605,654</b>

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

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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 2021 amounted to Baht 497.10 million (2020: Baht 198.07 million).

#### *Sale of vessels*

On 9 September 2021, a subsidiary sold and delivered a vessel at the price of Baht 5.61 million. The vessel has carrying amount of Baht 16.29 million and a subsidiary recognised loss on sales of vessel of Baht 10.68 million in the consolidated statement of income.

On 30 September 2021, a subsidiary sold and delivered a vessel at the price of USD 24.20 million or equivalent to Baht 732.08 million. The vessel has carrying amount of Baht 473.04 million and a subsidiary recognised gain on sales of vessel of Baht 259.04 million in the consolidated statement of income.

#### *Guarantees*

At 31 December 2021, the Group's property, plant, equipment and vessels with a net book value of Baht 7,919.61 million were secured for long-term loans from financial institutions (2020: Baht 6,895.70 million).

Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Separate financial statements									
	Land	Building and building improvements	Vessels	Dry docking	Vessel equipment	Furniture	Vehicles	Vessel under construction	Dry docking under construction	Total
						and office equipment				
<i>(in thousand Baht)</i>										
<b>Cost</b>										
At 1 January 2020 – reclassified										
(see note 30)										
Additions	15,840	83,767	5,210,360	33,633	48,765	18,902	481	-	26,286	5,438,034
Transfers	-	-	-	-	10,091	338	-	5,328	27,392	43,149
Transfers to asset held for sale	-	-	-	53,678	-	-	-	-	(53,678)	-
Disposals	-	-	(358,776)	-	(1,726)	-	-	-	-	(360,502)
	-	-	(830,975)	(59,127)	(1,904)	(937)	-	-	-	(892,943)
At 31 December 2020 and 1 January 2021	15,840	83,767	4,020,609	28,184	55,226	18,303	481	5,328	-	4,227,738
Additions	-	-	735,807	-	2,871	617	-	-	35,200	774,495
Transfers	-	-	-	6,397	-	-	-	-	(6,397)	-
Disposals	-	-	(1,370,494)	(26,945)	(7,739)	-	-	-	-	(1,405,178)
At 31 December 2021	15,840	83,767	3,385,922	7,636	50,358	18,920	481	5,328	28,803	3,597,055

Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Separate financial statements

	Land	Building and building improvements	Vessels	Dry docking	Vessel equipment (in thousand Baht)	Furniture and office equipment	Vehicles	Vessel under construction	Dry docking under construction	Total
<b>Depreciation</b>										
At 1 January 2020 – reclassified (see note 30)	-	35,033	1,328,018	25,558	22,306	14,693	-	-	-	1,425,608
Depreciation charge for the year	-	8,167	233,184	19,180	8,371	1,456	-	-	-	270,358
Transfer to asset held for sale	-	-	(171,279)	-	(1,209)	-	-	-	-	(172,488)
Disposals	-	-	(353,423)	(36,151)	(1,440)	(937)	-	-	-	(391,951)
<b>At 31 December 2020 and 1 January 2021</b>	-	<b>43,200</b>	<b>1,036,500</b>	<b>8,587</b>	<b>28,028</b>	<b>15,212</b>	-	-	-	<b>1,131,527</b>
Depreciation charge for the year	-	2,772	205,412	8,072	6,692	1,229	-	-	-	224,177
Disposals	-	-	(361,873)	(10,933)	(2,402)	-	-	-	-	(375,208)
<b>At 31 December 2021</b>	-	<b>45,972</b>	<b>880,039</b>	<b>5,726</b>	<b>32,318</b>	<b>16,441</b>	-	-	-	<b>980,496</b>
<b>Net book value</b>										
At 1 January 2020 – reclassified (see note 30)	15,840	40,567	2,984,109	19,597	27,198	3,091	481	5,328	-	3,096,211
<b>At 31 December 2021</b>	<b>15,840</b>	<b>37,795</b>	<b>2,505,883</b>	<b>1,910</b>	<b>18,040</b>	<b>2,479</b>	<b>481</b>	<b>5,328</b>	<b>28,803</b>	<b>2,616,559</b>

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

The gross amount of the Company's fully depreciated property, equipment and vessels that was still in use as at 31 December 2021 amounted to Baht 62.84 million (2020: Baht 60.28 million).

#### *Addition of vessel*

On 5 July 2021, the Company entered into a purchase agreement to acquire a vessel at the purchase price of USD 21.50 million or equivalent to Baht 720.62 million. The vessel was delivered to the Company on 16 August 2021.

#### *Sale of vessels*

On 20 April 2021, the Company sold and delivered a vessel at the price of USD 18.35 million or equivalent to Baht 543.70 million. The vessel has carrying amount of Baht 506.11 million and the Company recognised gain on sales of vessel of Baht 37.59 million in the consolidated statement of income and separate statement of income.

On 23 June 2021, the Company sold and delivered a vessel at the price of USD 22.39 million or equivalent to Baht 675.32 million. The vessel has carrying amount of Baht 523.83 million and the Company recognised gain on sales of vessel of Baht 151.49 million in the consolidated statement of income and separate statement of income. The sale of vessel acquired under acquisition of business under common control resulted in the difference arising from common control transaction of Baht 250.70 million being transferred to consolidated retained earnings and separate retained earnings.

#### *Guarantees*

At 31 December 2021, the Company's property, plant, equipment and vessels with a net book value of Baht 2,558.50 million, were secured for long-term loans from financial institutions (2020: Baht 2,657.54 million).

## 14 Leases

<i>Right-of-use assets</i>	Consolidated financial statements				
	Building	Vessels	Furniture and office equipment (in thousand Baht)	Vehicles	Total
At 1 January 2020	10,525	314,618	-	9,715	334,858
Additions	26,255	-	-	5,748	32,003
Transfers to asset held for sale	-	(187,497)	-	-	(187,497)
Depreciation charge for the year	(13,867)	(15,774)	-	(1,950)	(31,591)
Effect of movements in exchange rates	(582)	-	-	11	(571)
<b>At 31 December 2020 and 1 January 2021</b>	<b>22,331</b>	<b>111,347</b>	<b>-</b>	<b>13,524</b>	<b>147,202</b>
Additions	3,815	1,643,561	-	7,614	1,654,990
Acquisitions through business Combination (see note 4)	9,273	-	292	4,306	13,871
Disposals	-	-	-	(2,746)	(2,746)
Depreciation charge for the year	(19,252)	(123,325)	(78)	(4,004)	(146,659)
Effect of movements in exchange rates	1,573	67,046	-	568	69,187
<b>At 31 December 2021</b>	<b>17,740</b>	<b>1,698,629</b>	<b>214</b>	<b>19,262</b>	<b>1,735,845</b>

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

<i>Right-of-use assets</i>	<b>Separate financial statements</b>		
	Vessels	Vehicles	Total
	<i>(in thousand Baht)</i>		
At 1 January 2020	194,415	3,522	197,937
Additions	-	5,748	5,748
Transfers to asset held for sale	(187,497)	-	(187,497)
Depreciation charge for the year	(6,918)	(1,141)	(8,059)
<b>At 31 December 2020 and</b>			
<b>1 January 2021</b>	-	<b>8,129</b>	<b>8,129</b>
Additions	-	6,999	6,999
Depreciation charge for the year	-	(2,575)	(2,575)
<b>At 31 December 2021</b>	<b>-</b>	<b>12,553</b>	<b>12,553</b>

#### *Addition of right-of-use asset*

On 30 April 2021, Protea Investments Group Limited ("Protea"), a subsidiary, entered into a lease agreement for a crude oil carrier vessel with a foreign lessor for 10 years. The total value of right-of-use asset is USD 51.39 million or equivalent to Baht 1,643.56 million.

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b><i>Amounts recognised in profit or loss</i></b>				
Depreciation of right-of-use assets	146,659	31,591	2,575	8,059
Interest on lease liabilities	40,194	18,147	966	12,274
Expenses relating to leases of low-value assets: Furniture and office equipment	688	456	199	156

In 2021, total cash outflow for leases of the Group and the Company were Baht 179.77 million and Baht 3.25 million, respectively. (2020: Baht 244.59 million and Baht 200.02 million, respectively).

## 15 Goodwill

	<i>Note</i>	<b>Consolidated financial statements</b>	
		2021	2020
		<i>(in thousand Baht)</i>	
<b><i>Cost /Net book value</i></b>			
At 1 January		1,022,246	1,022,246
Addition from business combination	4 (a)	445,538	-
<b>At 31 December</b>		<b>1,467,784</b>	<b>1,022,246</b>



## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

#### *Impairment testing for CGUs containing goodwill*

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs follows.

	<b>Consolidated financial statements</b>	
	2021	2020
	<i>(in thousand Baht)</i>	
Business of marine transportation of petroleum and chemical products.		
- Big Sea Co., Ltd.	1,022,246	1,022,246
- Truth Maritime Co., Ltd.	384,913	-
Business of service provision for supporting exploration and production of offshore petroleum products		
- Truth Maritime Services Co., Ltd.	52,377	-
Business of ship management, recruitment and transportation services for crews.		
- T.I.M. Ship Management Co., Ltd.	8,248	-
<b>Total</b>	<b>1,467,784</b>	<b>1,022,246</b>

In 2021, the Group reviewed the recoverable amount of goodwill and found that its recoverable amount of each CGU was determined to be higher than the carrying amount. As a result, goodwill was not impaired.

The recoverable amount of each CGU was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations using cash flow projections based on financial budgets and forecasts approved by management covering 5 years period. Cash flow beyond these periods are extrapolated using the estimated growth rates of 0% (2020: 0%). The terminal growth rate used does not exceed the long term average growth rate of the respective industry of the CGU. The discount rate of 6.11% (2020: 5.68%) applied to the cash flow projections reflect management's estimates of the risks specific to the respective cash generating units at the date of the assessment. 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.

**16 Other intangible assets**

	Consolidated financial statements			Total
	Software licences	Customer relationships (in thousand Baht)	Long-term service agreements	
<b>Cost</b>				
At 1 January 2020	1,915	63	114,405	116,383
Disposal	(267)	-	(1,821)	(2,088)
<b>At 31 December 2020 and 1 January 2021</b>	<b>1,648</b>	<b>63</b>	<b>112,584</b>	<b>114,295</b>
Additions	1,094	-	-	1,094
Acquisitions through business combination (see note 4)	841	11,383	729	12,953
Disposal	-	(63)	(14,349)	(14,412)
Effect of movements in exchange rate	4	-	-	4
<b>At 31 December 2021</b>	<b>3,587</b>	<b>11,383</b>	<b>98,964</b>	<b>113,934</b>
<b>Amortisation</b>				
At 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)
<b>At 31 December 2020 and 1 January 2021</b>	<b>869</b>	<b>27</b>	<b>10,183</b>	<b>11,079</b>
Amortisation for the year	365	5,126	16,429	21,920
Disposal	-	(63)	(14,349)	(14,412)
<b>At 31 December 2021</b>	<b>1,234</b>	<b>5,090</b>	<b>12,263</b>	<b>18,587</b>
<b>Net book value</b>				
<b>At 31 December 2020</b>	<b>779</b>	<b>36</b>	<b>102,401</b>	<b>103,216</b>
<b>At 31 December 2021</b>	<b>2,353</b>	<b>6,293</b>	<b>86,701</b>	<b>95,347</b>

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.

Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	<b>Separate financial statements</b> Software licences (in thousand Baht)
<b>Cost</b>	
At 1 January 2020	895
<b>At 31 December 2020 and 1 January 2021</b>	<b>895</b>
Addition	38
<b>At 31 December 2021</b>	<b>933</b>
<b>Amortisation</b>	
At 1 January 2020	313
Amortisation for the year	87
<b>At 31 December 2020 and 1 January 2021</b>	<b>400</b>
Amortisation for the year	87
<b>At 31 December 2021</b>	<b>487</b>
<b>Net book value</b>	
<b>At 31 December 2020</b>	<b>495</b>
<b>At 31 December 2021</b>	<b>446</b>

**17 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>					
	2021			2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Long-term loans from related party	-	109,802	109,802	-	-	-
Long-term loans from financial institutions	5,243,084	-	5,243,084	4,169,634	-	4,169,634
Lease liabilities	1,698,760	-	1,698,760	106,038	-	106,038
<b>Total interest-bearing liabilities</b>	<b>6,941,844</b>	<b>109,802</b>	<b>7,051,646</b>	<b>4,275,672</b>	<b>-</b>	<b>4,275,672</b>
	<b>Separate financial statements</b>					
	2021			2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Long-term loans from financial institutions	3,844,202	-	3,844,202	2,219,796	-	2,219,796
Lease liabilities	12,912	-	12,912	8,200	-	8,200
<b>Total interest-bearing liabilities</b>	<b>3,857,114</b>	<b>-</b>	<b>3,857,114</b>	<b>2,227,996</b>	<b>-</b>	<b>2,227,996</b>

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

<b>Assets pledged as security for liabilities as at 31 December</b>	<b>Note</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Cash at financial institutions		266,733	392	487	219
Property, plant, equipment and vessels	13	7,919,606	6,895,696	2,558,503	2,657,535
<b>Total</b>		<b>8,186,339</b>	<b>6,896,088</b>	<b>2,558,990</b>	<b>2,657,754</b>

As at 31 December 2021, the Group and the Company had unutilised credit facilities totalling Baht 1,120 million and Baht 750 million, respectively (2020: Baht 910 million and Baht 580 million, respectively).

#### **Changes in liabilities arising from financing activities**

	<b>Consolidated financial statements</b>			
	Long-term loans from related party	Long-term loans from financial institutions <i>(in thousand Baht)</i>	Lease liabilities	Total
<b>2021</b>				
At 1 January 2021	-	4,169,634	106,038	4,275,672
Acquisitions through business combination (see note 4)	-	1,222,500	14,939	1,237,439
Changes from financing cash flows	109,802	(307,182)	(139,576)	(336,956)
The effect of changes in foreign exchange rates	-	158,708	65,115	223,823
Other changes				
- Lease liabilities recognition (see note 14)	-	-	1,654,990	1,654,990
- Disposals of lease liabilities	-	-	(2,746)	(2,746)
- Others	-	(576)	-	(576)
<b>At 31 December 2021</b>	<b>109,802</b>	<b>5,243,084</b>	<b>1,698,760</b>	<b>7,051,646</b>
<b>2020</b>				
At 1 January 2020	-	4,765,549	288,775	5,054,324
Changes from financing cash flows	-	(615,891)	(226,443)	(842,334)
The effect of changes in foreign exchange rates	-	18,461	13,865	32,326
Other changes	-	1,515	29,841	31,356
<b>At 31 December 2020</b>	<b>-</b>	<b>4,169,634</b>	<b>106,038</b>	<b>4,275,672</b>

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

	Separate financial statements		
	Long-term loans from financial institutions	Lease liabilities <i>(in thousand Baht)</i>	Total
<b>2021</b>			
At 1 January 2021	2,219,796	8,200	2,227,996
Changes from financing cash flows	1,516,020	(2,287)	1,513,733
The effect of changes in foreign exchange rates	108,982	-	108,982
Other changes			
- Lease liabilities recognition <i>(see note 14)</i>	-	6,999	6,999
- Others	(596)	-	(596)
<b>At 31 December 2021</b>	<b>3,844,202</b>	<b>12,912</b>	<b>3,857,114</b>
<b>2020</b>			
At 1 January 2020	2,300,479	188,434	2,488,913
Changes from financing cash flows	(87,018)	(187,743)	(274,761)
The effect of changes in foreign exchange rates	4,653	-	4,653
Other changes	1,682	7,509	9,191
<b>At 31 December 2020</b>	<b>2,219,796</b>	<b>8,200</b>	<b>2,227,996</b>

#### *Long-term loans from financial institutions*

As at 31 December 2021, the Group has long-term loans from local financial institutions denominated in Baht and US dollars as follows:

- (a) 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 54.14 million as at 31 December 2021 *(31 December 2020: US dollars 51.75 million)* with repayment terms within 1 - 4 years. The principal is repayable every 3 months. The interest rates are fixed interest rate, 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.
- (b) 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 871.03 million as at 31 December 2021 *(31 December 2020: Baht 1,833.46 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 and guaranteed by directors of a subsidiary.
- (c) Loans for shares purchasing of a subsidiary are granted by local financial institutions denominated in Baht with a total outstanding balance of Baht 1,540.83 million as at 31 December 2021 *(31 December 2020: Baht 777.21 million)* with repayment terms within 2 years and 4 months to 4 years. The principal is repayable every 3 months. The interest is 3.5% per annum. These loans are currently secured by the Company's land and buildings, the Group's vessels and a subsidiary's bank account, shares of a subsidiary and guarantee by certain subsidiaries.

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

- (d) Loan for using as working capital is granted by a local financial institution denominated in Baht with a total outstanding balance of Baht 728 million as at 31 December 2021 (*31 December 2020: nil*) with repayment terms within 7 years. The principal is repayable every month. The interest is 3.4% per annum. These loans are currently secured by the Group's vessels.

The Company must comply with the conditions and requirements as stipulated in the loan agreement i.e. maintain the interest-bearing debt to the equity and maintain debt coverage ratio ("DSCR").

## 18 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
<i>At 31 December</i>	2021	2020	2021	2020
		(in thousand Baht)		
Defined benefit plan	<b>70,021</b>	<b>61,933</b>	<b>17,404</b>	<b>15,950</b>

### *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.

	Consolidated financial statements		Separate financial statements	
<i>Present value of the defined benefit obligations</i>	2021	2020	2021	2020
		(in thousand Baht)		
At 1 January	61,933	52,669	15,950	11,713
<b>Recognised in profit or loss:</b>				
Current service cost	9,315	5,411	2,085	1,335
Past service cost	-	1,206	-	2,221
Interest on obligation	1,142	1,157	184	296
	<b>10,457</b>	<b>7,774</b>	<b>2,269</b>	<b>3,852</b>
<b>Recognised in other comprehensive income:</b>				
Actuarial (gain) losses				
- Demographic assumptions	(13,696)	-	-	-
- Financial assumptions	(1,771)	5,929	-	1,746
- Experience adjustment	7,306	(3,312)	-	(1,361)
	<b>(8,161)</b>	<b>2,617</b>	<b>-</b>	<b>385</b>
Benefit paid	(12,197)	(1,127)	(815)	-
Acquisitions through business combination ( <i>see note 4</i> )	17,989	-	-	-
<b>At 31 December</b>	<b>70,021</b>	<b>61,933</b>	<b>17,404</b>	<b>15,950</b>

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

<i>Principal actuarial assumptions</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
				(%)
Discount rate	0.36 - 3.59	0.36 - 2.82	0.36 - 2.82	0.36 - 2.82
Future salary growth	3.5 - 8.5	3.5 - 8.5	3.5 - 8.5	3.5 - 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 2021, the weighted-average duration of the defined benefit obligation was 14.25 years (2020: 13.9 years).

#### *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>	<b>Consolidated financial statements</b>			
	Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020
				(in thousand Baht)
Discount rate (1% change in assumption)	(6,132)	(5,488)	6,915	6,255
Future salary growth (1% change in assumption)	6,860	6,499	(6,031)	(5,607)
Employee turnover (20% change in assumption)	(6,413)	(4,596)	8,158	5,785

<i>Effect to the defined benefit obligation At 31 December</i>	<b>Separate financial statements</b>			
	Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020
				(in thousand Baht)
Discount rate (1% change in assumption)	(2,843)	(1,456)	3,148	1,586
Future salary growth (1% change in assumption)	3,159	1,459	(2,777)	(1,284)
Employee turnover (20% change in assumption)	(3,410)	(1,583)	4,518	2,088

## 19 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 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.



## 20 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* Business of marine transportation of petroleum and chemical products.
- *Segment 2* Business of storage of petroleum products.
- *Segment 3* Business of service provision for 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* Business of ship management, ship agent, 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. Inter-segment pricing is determined on an arm's length basis.

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

Consolidated financial statements											
For the year ended 31 December	Segment 1		Segment 2		Segment 3		Segment 4		Eliminate		Net
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
(in thousand Baht)											
Information about reportable segments											
External revenue	2,888,416	2,203,257	2,359,017	3,248,644	307,266	225,474	325,282	248,377	-	-	5,879,981
Inter-segment revenue	674,489	523,154	1,456,088	1,838,851	-	-	1,032,540	1,170,504	(3,163,117)	(3,532,509)	-
Total revenue	3,562,905	2,726,411	3,815,105	5,087,495	307,266	225,474	1,357,822	1,418,881	(3,163,117)	(3,532,509)	5,925,752
Disaggregation of revenue											
Thailand	2,922,614	2,394,938	-	-	307,266	225,474	431,941	264,986	(850,297)	(617,509)	2,267,889
Singapore	640,291	331,473	3,815,105	5,087,495	-	-	925,881	1,153,895	(2,312,820)	(2,915,000)	3,657,863
Total revenue	3,562,905	2,726,411	3,815,105	5,087,495	307,266	225,474	1,357,822	1,418,881	(3,163,117)	(3,532,509)	5,925,752
Segment profit before income tax	412,857	359,150	1,288,024	1,680,816	93,471	21,218	73,522	105,904	-	-	2,167,088
Gains (losses) on sale of vessels and vessel equipment	(10,683)	-	448,409	6,934	-	420	-	-	-	(6,934)	420
Interest expense	104,905	82,999	58,829	81,695	17,101	2,643	1,011	682	(14,246)	-	168,019
Depreciation and amortization	541,924	324,708	313,788	343,530	61,687	30,721	22,329	15,924	(1,301)	(1,428)	713,455
Impairment losses	13,169	-	-	-	-	49,454	-	-	-	-	49,454
Segment assets											
Vessels	4,374,765	4,046,501	3,362,268	4,259,799	1,519,900	363,841	-	-	(5,175)	(9,042)	8,661,099
Vessels under construction	-	-	5,328	5,328	-	-	-	-	-	-	5,328
Right-of-use assets	1,698,630	111,347	-	-	-	-	-	-	-	-	111,347
Goodwill	1,407,159	1,022,246	-	-	52,377	-	8,248	-	-	-	1,022,246
Total	7,480,554	5,180,094	3,367,596	4,265,127	1,572,277	363,841	8,248	-	(5,175)	(9,042)	9,800,020
Segment liabilities											
Long-term loans from financial institutions	1,016,383	1,701,579	1,575,375	1,615,843	-	-	-	-	-	-	2,591,758
Lease liabilities	1,662,556	72,052	-	-	-	-	-	-	-	-	1,662,556
Total	2,678,939	1,773,631	1,575,375	1,615,843	-	-	-	-	-	-	4,254,314
											3,389,474

# Prima Marine Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2021

	Separate financial statements									
	Segment 1		Segment 2		Segment 3		Segment 4		Eliminate	
For the year ended 31 December	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<i>(in thousand Baht)</i>										
<b>Information about reportable segments</b>										
External revenue	467,463	418,646	-	-	132,088	225,474	-	-	-	599,551
Inter-segment revenue	-	-	736,595	1,210,304	-	-	-	-	-	1,210,304
<b>Total revenue</b>	<b>467,463</b>	<b>418,646</b>	<b>736,595</b>	<b>1,210,304</b>	<b>132,088</b>	<b>225,474</b>	<b>-</b>	<b>-</b>	<b>736,595</b>	<b>1,854,424</b>
<b>Disaggregation of revenue</b>										
Thailand	467,463	418,646	-	-	132,088	225,474	-	-	-	599,551
Singapore	-	-	736,595	1,210,304	-	-	-	-	-	1,210,304
<b>Total revenue</b>	<b>467,463</b>	<b>418,646</b>	<b>736,595</b>	<b>1,210,304</b>	<b>132,088</b>	<b>225,474</b>	<b>-</b>	<b>-</b>	<b>1,336,146</b>	<b>1,854,424</b>

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

#### Reconciliations of reportable segment profit, assets and liabilities and other material items

	<b>Consolidated financial statements</b>	
	2021	2020
	<i>(in thousand Baht)</i>	
<b>Profit</b>		
Total profit before income tax for reportable segments	1,867,874	2,167,088
Unallocated amounts:		
- Other income	92,216	14,016
- Other corporate expenses	(326,622)	(378,087)
- Share of profit of investments in an associates and joint ventures	26,883	90,089
<b>Total</b>	<b>1,660,351</b>	<b>1,893,106</b>

	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Reportable segments	12,423,500	9,800,020	4,254,314	3,389,474
Investments in associates and joint ventures	475,940	672,902	-	-
Other unallocated amounts	4,449,532	3,169,965	3,984,636	1,929,534
<b>Total</b>	<b>17,348,972</b>	<b>13,642,887</b>	<b>8,238,950</b>	<b>5,319,008</b>

#### Major customers

Revenues from six customers of the Group's segment 1, 2 and 3 represents approximately Baht 4,013.04 million (2020: Baht 3,945.60 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.

<b>Year ended</b> <b>31 December</b>	<b>Consolidated financial statements</b>					
	2021	2020		2021	2020	
	Promoted	Non-	Total	Promoted	Non-	Total
	businesses	promoted		businesses	promoted	
		businesses			businesses	
	<i>(in thousand Baht)</i>					
Oversea revenue	1,414,801	3,966,476	5,381,277	1,974,010	4,598,853	6,572,863
Local revenue	1,570,463	2,091,358	3,661,821	1,288,806	1,596,592	2,885,398
Eliminations	(1,717,225)	(1,445,892)	(3,163,117)	(2,213,805)	(1,318,704)	(3,532,509)
<b>Total</b>	<b>1,268,039</b>	<b>4,611,942</b>	<b>5,879,981</b>	<b>1,049,011</b>	<b>4,876,741</b>	<b>5,925,752</b>

<b>Year ended</b> <b>31 December</b>	<b>Separate financial statements</b>					
	2021	2020		2021	2020	
	Promoted	Non-	Total	Promoted	Non-	Total
	businesses	promoted		businesses	promoted	
		businesses			businesses	
	<i>(in thousand Baht)</i>					
Oversea revenue	736,595	-	736,595	1,210,304	-	1,210,304
Local revenue	-	599,551	599,551	13,429	630,691	644,120
<b>Total</b>	<b>736,595</b>	<b>599,551</b>	<b>1,336,146</b>	<b>1,223,733</b>	<b>630,691</b>	<b>1,854,424</b>

**21 Employee benefit expenses**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Wages, salaries and bonus		1,130,451	1,017,327	173,601	188,400
Defined contribution plans		26,248	23,381	4,717	5,805
Defined benefit plans	18	10,457	7,774	2,269	3,852
Others		29,168	21,574	8,903	13,343
<b>Total</b>		<b>1,196,324</b>	<b>1,070,056</b>	<b>189,490</b>	<b>211,400</b>

*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.

**22 Expenses by nature**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Employee benefit expenses	21	1,196,324	1,070,056	189,490	211,400
Bunker consumption		1,067,452	797,374	8,797	8,091
Depreciation and amortisation		952,204	734,967	226,839	271,587
Charter hire		599,498	628,567	471,436	504,227
Management fees		415,533	366,726	411,111	630,111
Maintenance fees		194,264	191,542	13,161	12,649
Insurance of fixed assets		104,737	97,747	4,253	8,224
Impairment losses		13,169	49,454	-	49,454
Lease related expenses		6,981	4,663	1,045	1,867
Other expenses		14,497	11,795	686	437
<b>Total cost of service and administrative expenses</b>		<b>4,564,659</b>	<b>3,952,891</b>	<b>1,326,818</b>	<b>1,698,047</b>

**23 Income tax**

	Consolidated financial statements		Separate financial statements	
<i>Income tax recognised in profit or loss</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	99,094	200,010	-	-
Adjustment for prior years	1,225	11,406	-	23
	<u>100,319</u>	<u>211,416</u>	<u>-</u>	<u>23</u>
<b>Deferred tax expense</b>				
Movements in temporary differences	33,492	(19,956)	3,718	(31,441)
<b>Total</b>	<u>33,492</u>	<u>(19,956)</u>	<u>3,718</u>	<u>(31,441)</u>
<b>Total income tax expense (income)</b>	<b>133,811</b>	<b>191,460</b>	<b>3,718</b>	<b>(31,418)</b>

Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Consolidated financial statements						
	Before tax	2021 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2020 Tax (expense) benefit	Net of tax
<b>Income tax</b>						
<b>Recognised in other comprehensive income</b>						
Defined benefit plan						
actuarial gain (loss)	8,161	(1,506)	6,655	(2,617)	510	(2,107)
Cash flow hedge reserve	21,255	(4,251)	17,004	(25,780)	5,156	(20,624)
<b>Total</b>	<b>29,416</b>	<b>(5,757)</b>	<b>23,659</b>	<b>(28,397)</b>	<b>5,666</b>	<b>(22,731)</b>

Separate financial statements						
	Before tax	2021 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2020 Tax (expense) benefit	Net of tax
<b>Income tax</b>						
<b>Recognised in other comprehensive income</b>						
Defined benefit plan						
actuarial loss	-	-	-	(384)	77	(307)
Cash flow hedge reserve	14,860	(2,972)	11,888	(15,591)	3,118	(12,473)
<b>Total</b>	<b>14,860</b>	<b>(2,972)</b>	<b>11,888</b>	<b>(15,975)</b>	<b>3,195</b>	<b>(12,780)</b>

Reconciliation of effective tax rate					Consolidated financial statements			
		2021		2020				
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)				
Profit before income tax expense		1,660,351		1,893,106				
Income tax using the Thai corporation tax rate	20.00	332,070	20.00	378,621				
Effect of different tax rates in foreign jurisdictions		(11,187)		(30,573)				
Difference in effective tax rate of investments in associates and joint ventures		(5,377)		(18,171)				
Income not subject to tax		(176,774)		(134,414)				
Taxable income		-		6,146				
Expenses not deductible for tax purposes		7,383		1,570				
Expenses with additional deduction for tax purpose		(7,206)		(5,431)				
Recognition of previously unrecognised tax losses		(11,471)		(17,713)				
Current year losses for which no deferred tax asset was recognized		5,148		19				
Under provided in prior years		1,225		11,406				
<b>Total</b>	<b>8.06</b>	<b>133,811</b>	<b>10.11</b>	<b>191,460</b>				

Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

**Reconciliation of effective tax rate**

	Separate financial statements			
	Rate (%)	2021 (in thousand Baht)	Rate (%)	2020 (in thousand Baht)
Profit before income tax expense		1,167,719		1,091,086
Income tax using the Thai corporation tax rate	20.00	233,544	20.00	218,217
Income not subject to tax		(216,999)		(238,465)
Taxable income		-		6,146
Expenses not deductible for tax purposes		257		374
Expenses with additional deduction for tax purpose		(4,630)		-
Recognition of previously unrecognised tax losses		(8,454)		(17,713)
Under provided in prior years		-		23
<b>Total</b>	<b>0.32</b>	<b>3,718</b>	<b>2.88</b>	<b>(31,418)</b>

<b>Deferred tax</b> <b>At 31 December</b>	Consolidated financial statements			
	Assets		Liabilities	
	2021	2020 (in thousand Baht)	2021	2020
Total	58,217	68,182	(110,527)	(81,882)
Set off of tax	(16,250)	(21,234)	16,250	21,234
<b>Net deferred tax assets (liabilities)</b>	<b>41,967</b>	<b>46,948</b>	<b>(94,277)</b>	<b>(60,648)</b>

<b>Deferred tax</b> <b>At 31 December</b>	Separate financial statements			
	Assets		Liabilities	
	2021	2020 (in thousand Baht)	2021	2020
Total	12,602	19,292	-	-
Set off of tax	-	-	-	-
<b>Net deferred tax assets</b>	<b>12,602</b>	<b>19,292</b>	<b>-</b>	<b>-</b>

		Consolidated financial statements				
		(Charged) / credited to			Acquired in business combination	
<i>Deferred tax</i>	At 1 January	Profit or loss	Other comprehensive income (in thousand Baht)	Equity	(Note 4)	At 31 December
<i>2021</i>						
<i>Deferred tax assets</i>						
Property, plant, equipment and vessels	42,151	(3,350)	-	-	-	38,801
Other long-term investments	4,855	(4,855)	-	-	-	-
Derivatives	7,292	-	(4,252)	-	-	3,040
Tax losses carry forward	1,548	1,674	-	-	-	3,222
Non-current provisions for employee benefits	12,336	(912)	(1,506)	-	3,236	13,154
<b>Total</b>	<b>68,182</b>	<b>(7,443)</b>	<b>(5,758)</b>	<b>-</b>	<b>3,236</b>	<b>58,217</b>



Prima Marine Public Company Limited and its Subsidiaries

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<b>Consolidated financial statements</b>						
<b>(Charged) / credited to</b>						
<b>Deferred tax</b>	<b>At 1 January</b>	<b>Profit or loss</b>	<b>Other comprehensive income (in thousand Baht)</b>	<b>Equity</b>	<b>Acquired in business combination (Note 4)</b>	<b>At 31 December</b>
<b>Deferred tax liabilities</b>						
Property, plant, equipment and vessels	(56,550)	(29,751)	-	-	(516)	(86,817)
Right-of-use assets	(7,859)	(3,444)	-	-	-	(11,303)
Other intangible assets	(17,473)	7,147	-	-	(2,081)	(12,407)
	<b>(81,882)</b>	<b>(26,048)</b>	<b>-</b>	<b>-</b>	<b>(2,597)</b>	<b>(110,527)</b>
<b>2020</b>						
<b>Deferred tax assets</b>						
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
<b>Total</b>	<b>60,941</b>	<b>(813)</b>	<b>5,666</b>	<b>2,388</b>	<b>-</b>	<b>68,182</b>
<b>Deferred tax liabilities</b>						
Property, plant, equipment and vessels	(77,281)	17,595	-	(4,723)	-	(64,409)
Other intangible assets	(20,647)	3,174	-	-	-	(17,473)
<b>Total</b>	<b>(97,928)</b>	<b>20,769</b>	<b>-</b>	<b>(4,723)</b>	<b>-</b>	<b>(81,882)</b>

<b>Separate financial statements</b>					
<b>(Charged) / credited to</b>					
<b>Deferred tax</b>	<b>At 1 January</b>	<b>Profit or loss</b>	<b>Other comprehensive income (in thousand Baht)</b>	<b>Equity</b>	<b>At 31 December</b>
<b>2021</b>					
<b>Deferred tax assets</b>					
Property, plant, equipment and vessels	10,463	(3,993)	-	-	6,470
Derivatives	5,639	-	(2,972)	-	2,667
Non-current provisions for employee benefits	3,190	275	-	-	3,465
<b>Total</b>	<b>19,292</b>	<b>(3,718)</b>	<b>(2,972)</b>	<b>-</b>	<b>12,602</b>

Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	At 1 January	Separate financial statements (Charged) / credited to			At 31 December
		Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
<b>Deferred tax</b>					
<b>2020</b>					
<b>Deferred tax assets</b>					
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
<b>Total</b>	<b>17,416</b>	<b>(3,840)</b>	<b>3,195</b>	<b>2,521</b>	<b>19,292</b>
<b>Deferred tax liabilities</b>					
Property, plant, equipment and vessels	(35,281)	35,281	-	-	-
<b>Total</b>	<b>(35,281)</b>	<b>35,281</b>	<b>-</b>	<b>-</b>	<b>-</b>

**24 Earnings per share**

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht / thousand shares)			
<b>Profit attributable to ordinary shareholders of the Company</b>	<b>1,402,844</b>	<b>1,533,057</b>	<b>1,164,001</b>	<b>1,122,504</b>
Number of ordinary shares outstanding during the year	2,500,000	2,500,000	2,500,000	2,500,000
<b>Earnings per share (in Baht)</b>	<b>0.56</b>	<b>0.61</b>	<b>0.47</b>	<b>0.45</b>

**25 Dividends**

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<b>2021</b>				
Annual dividend	23 April 2021	May 2021	0.18	450
Interim dividend	12 November 2021	December 2021	0.08	200
<b>2020</b>				
Annual dividend	23 April 2020	May 2020	0.14	350
Interim dividend	12 November 2020	December 2020	0.07	175

**26 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**

Notes to the financial statements

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<i>At 31 December</i>	Consolidated financial statements				
	Carrying amount			Fair value	
	Hedging instrument	Financial instrument measured at FVTPL	Financial instrument measured at amortised cost	Total (in thousand Baht)	
				Level 2	Level 3
					Total
<b>2021</b>					
<b>Financial liabilities</b>					
Long-term loans from financial institutions	-	-	(5,243,084)	(5,196,946)	(5,196,946)
Long-term loan from related party	-	-	(109,802)	-	(115,044)
Interest rate swaps used for hedging	(15,201)	-	-	(15,201)	(15,201)
Lease liabilities	-	-	(1,698,760)	-	(1,698,760)
<b>Total financial liabilities</b>	<b>(15,201)</b>	<b>-</b>	<b>(7,015,646)</b>	<b>(7,066,847)</b>	<b>(7,066,847)</b>
<b>2020</b>					
<b>Financial liabilities</b>					
Long-term loans from financial institutions	-	-	(4,169,634)	(4,166,799)	(4,166,799)
Interest rate swaps used for hedging	(36,456)	-	-	(36,456)	(36,456)
Contingent consideration	-	(63,041)	-	(63,041)	(63,041)
Lease liabilities	-	-	(106,038)	-	(106,038)
<b>Total financial liabilities</b>	<b>(36,456)</b>	<b>(63,041)</b>	<b>(4,275,672)</b>	<b>(4,375,169)</b>	<b>(4,375,169)</b>

Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Separate financial statements				Fair value	
	Carrying amount		Total (in thousand Baht)	Level 2		
	Hedging instrument	Financial instrument measured at FVTPL			Financial instrument measured at amortised cost	Total
<i>At 31 December</i>						
<i>2021</i>						
<i>Financial assets</i>						
Long-term loan to related parties	-	-	2,345,598	2,345,598	-	2,362,583
<i>Financial liabilities</i>						
Long-term loans from financial institutions	-	-	(3,844,202)	(3,844,202)	(3,808,486)	(3,808,486)
Interest rate swaps used for hedging	(13,334)	-	-	(13,334)	(13,334)	(13,334)
Lease liabilities	-	-	(12,912)	(12,912)	-	(12,912)
<b>Total financial liabilities</b>	<b>(13,334)</b>	<b>-</b>	<b>(3,857,114)</b>	<b>(3,870,448)</b>		
<i>2020</i>						
<i>Financial liabilities</i>						
Long-term loans from financial institutions	-	-	(2,219,796)	(2,219,796)	(2,224,529)	(2,224,529)
Interest rate swaps used for hedging	(28,194)	-	-	(28,194)	(28,194)	(28,194)
Contingent consideration	-	(63,041)	-	(63,041)	-	(63,041)
Lease liabilities	-	-	(8,200)	(8,200)	-	(8,200)
<b>Total financial liabilities</b>	<b>(28,194)</b>	<b>(63,041)</b>	<b>(2,227,996)</b>	<b>(2,319,231)</b>		

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Interest rate swaps used for hedging	<i>Swap models:</i> The present value of estimated future cash flows, using an observable yield curve.	-	-
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).

The fair value of financial assets and liabilities measured at amortised costs are calculated by discounted cash flows technique.

<i>Reconciliation of Level 3 fair values</i> Contingent consideration	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	63,041	63,041	63,041	63,041
Reversal	(63,041)	-	(63,041)	-
At 31 December	<u>-</u>	<u>63,041</u>	<u>-</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.

<i>Contingent consideration</i> <i>Effect to profit or loss</i>	Consolidated financial statements		Separate financial statements	
	1% increase in assumption	1% decrease in assumption	1% increase in assumption	1% decrease in assumption
	<i>(in thousand Baht)</i>			
31 December 2020				
EBITDA growth rate	(10,500)	10,500	(10,500)	10,500

(b) *Financial risk management policies*

*Risk management framework*

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.

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*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) *Trade accounts receivables*

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.

Information relevant to trade accounts receivables is disclosed in note 7.

(b.1.2) *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 and financial institutions which the Group considers to have low credit risk.

(b.1.3) *Guarantees*

The Company's policy is to provide financial guarantees only for subsidiaries and a joint venture' liabilities. At 31 December 2021, the Company has issued a guarantee to certain banks in respect of loans from financial institutions granted to subsidiaries and a joint venture (see note 5).

## Prima Marine Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2021

#### (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.

<i>At 31 December</i>	Carrying amount	<b>Consolidated financial statements</b> Contractual cash flows			Total
		1 year or less	More than 1 years but less than 5 years (in thousand Baht)	More than 5 years	
<b>2021</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Trade and other payable	890,444	890,444	-	-	890,444
Long-term loans from financial institutions	5,243,084	1,574,523	4,039,938	56,250	5,670,711
Long-term loans from related party	109,802	-	127,358	-	127,358
Lease liabilities	1,698,760	251,559	1,022,899	677,149	1,951,607
	<u>7,942,090</u>	<u>2,716,526</u>	<u>5,190,195</u>	<u>733,399</u>	<u>8,640,120</u>
<b><i>Derivative financial liabilities</i></b>					
Interest rate swaps used for hedging					
- Cash outflow	<u>15,201</u>	<u>(29,215)</u>	<u>(26,423)</u>	<u>-</u>	<u>(55,638)</u>
<b>2020</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Trade and other payable	597,780	597,780	-	-	597,780
Contingent consideration	63,041	63,041	-	-	63,041
Long-term loans from financial institutions	4,169,634	1,320,916	3,200,397	32,168	4,553,481
Lease liabilities	106,038	46,014	67,066	-	113,080
	<u>4,936,493</u>	<u>2,027,751</u>	<u>3,267,643</u>	<u>32,168</u>	<u>5,327,382</u>
<b><i>Derivative financial liabilities</i></b>					
Interest rate swaps used for hedging					
- Cash outflow	<u>36,456</u>	<u>-</u>	<u>(16,592)</u>	<u>(20,030)</u>	<u>(36,622)</u>



Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Separate financial statements					
			Contractual cash flows		
			More than		
			1 years but		
			less than		
			5 years	More than	
<i>At 31 December</i>	Carrying amount	1 year or less		5 years	Total
			<i>(in thousand Baht)</i>		
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payable	115,718	115,718	-	-	115,718
Long-term loans from financial institutions	3,844,202	930,273	3,188,375	56,250	4,174,898
Lease liabilities	12,912	3,435	12,332	-	15,767
	<u>3,972,832</u>	<u>1,049,426</u>	<u>3,200,707</u>	<u>56,250</u>	<u>4,306,383</u>
<b>Derivative financial liabilities</b>					
Interest rate swaps used for hedging					
- Cash outflow	<u>13,334</u>	<u>(20,234)</u>	<u>(21,942)</u>	<u>-</u>	<u>(42,176)</u>
<b>2020</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payable	99,700	99,700	-	-	99,700
Contingent consideration	63,041	63,041	-	-	63,041
Long-term loans from financial institutions	2,219,796	588,326	1,833,822	-	2,422,148
Lease liabilities	8,200	2,087	7,720	-	9,807
	<u>2,390,737</u>	<u>753,154</u>	<u>1,841,542</u>	<u>-</u>	<u>2,594,696</u>
<b>Derivative financial liabilities</b>					
Interest rate swaps used for hedging					
- Cash outflow	<u>28,194</u>	-	<u>(10,951)</u>	<u>(17,653)</u>	<u>(28,604)</u>

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 the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(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.

Prima Marine Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

<i>Exposure to foreign currency at 31 December</i>	<b>Consolidated financial statements</b>				
	SGD	USD	MYR	JPY	Total
	<i>(in thousand Baht)</i>				
<b>2021</b>					
Financial assets	-	576,115	-	-	576,115
Financial liabilities	(4,299)	(1,611,903)	(5,311)	(484)	(1,621,997)
<b>Net statement of financial position exposure</b>	<b>(4,299)</b>	<b>(1,035,788)</b>	<b>(5,311)</b>	<b>(484)</b>	<b>(1,045,882)</b>
<b>2020</b>					
Financial assets	-	761,316	-	-	761,316
Financial liabilities	(14,222)	(1,094,227)	(12,919)	(947)	(1,122,135)
<b>Net statement of financial position exposure</b>	<b>(14,222)</b>	<b>(332,991)</b>	<b>(12,919)</b>	<b>(947)</b>	<b>(360,999)</b>

<i>Exposure to foreign currency at 31 December</i>	<b>Separate financial statements</b>		
	USD	SGD	Total
	<i>(in thousand Baht)</i>		
<b>2021</b>			
Financial assets	539,810	-	539,810
Financial liabilities	(1,580,307)	(1,529)	(1,581,836)
<b>Net statement of financial position exposure</b>	<b>(1,040,497)</b>	<b>(1,529)</b>	<b>(1,042,026)</b>
<b>2020</b>			
Financial assets	842,244	-	842,244
Financial liabilities	(1,080,188)	(82)	(1,080,270)
<b>Net statement of financial position exposure</b>	<b>(237,944)</b>	<b>(82)</b>	<b>(238,026)</b>

*Sensitivity analysis*

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	<i>Movement (%)</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		Strengthening	Weakening	Strengthening	Weakening
		<i>(in thousand Baht)</i>			
<b>At 31 December 2021</b>					
USD	6.27	(1,133,890)	1,133,890	(1,139,045)	1,139,045
SGD	5.38	(1,422)	1,422	(506)	506
MYR	4.05	(1,722)	1,722	-	-
JPY	0.43	(61)	61	-	-
<b>At 31 December 2020</b>					
USD	3.55	(22,014)	22,014	(15,734)	15,734
SGD	1.88	(6,050)	6,050	(35)	35
MYR	2.22	(2,128)	2,128	-	-
JPY	5.97	(697)	697	-	-

# Prima Marine Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2021

### (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 17). 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.

<i>Exposure to interest rate risk at 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b><i>Financial instruments with fixed interest rates</i></b>				
Financial assets	500	608	2,345,598	608
Financial liabilities	(4,358,163)	(3,037,990)	(1,042,170)	(1,645,897)
	<b><u>(4,357,663)</u></b>	<b><u>(3,037,382)</u></b>	<b><u>1,303,428</u></b>	<b><u>(1,645,289)</u></b>
<b><i>Financial instruments with variable interest rates</i></b>				
Financial liabilities	(775,119)	(1,131,644)	(479,941)	(573,900)
<b>Net statement of financial position exposure</b>	<b>(775,119)</b>	<b>(1,131,644)</b>	<b>(479,941)</b>	<b>(573,900)</b>
Interest rate swaps	720,299	1,059,304	479,941	573,900
<b>Net exposure</b>	<b><u>(54,820)</u></b>	<b><u>(72,340)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

### *Interest rate swap contract*

As at 31 December 2021, the Group has interest rate swap agreements for long-term loans amounted of USD 47.20 million swapping a floating interest rate of LIBOR+2.125% to LIBOR+3.25% per annum, to a fixed interest rate of 4.40% to 4.50% per annum, with settlement monthly and quarterly starting in 2016 to 2024.

### *Cash flow sensitivity analysis for variable-rate instruments*

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<i>Impact to profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>			
<b>2021</b>				
Financial instruments with variable interest rate	(548)	548	-	-
<b>2020</b>				
Financial instruments with variable interest rate	(723)	723	-	-

## 27 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 regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

## 28 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Other commitments</b>				
Short-term lease commitments and leases of low-value assets	2,740	818	645	423
Bank guarantees	3,269,058	3,262,070	10,390	35,190
<b>Total</b>	<b>3,271,798</b>	<b>3,262,888</b>	<b>11,035</b>	<b>35,613</b>

### 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 million as collaterals for construction contract and advance payment to the Port Authority of Thailand for the construction project described in note 10.

As at 31 December 2021, commercial banks issued letters of guarantee to the Group totalling Baht 71 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.

## 29 Events after the reporting period

At the Board of Director's meeting of the Company held on 24 February 2022, the directors approved to propose the appropriation of dividends from annual net profit for the year 2021 of Baht 0.26 per share, amounting to Baht 650 million. The interim dividend of Baht 200 million was paid to the shareholders on December 2021. The remaining dividend of Baht 450 million will be paid to the shareholders on May 2022. The dividend payment is subject to the shareholders' meeting for approval.

At the Board of Director's meeting of the Company held on 24 February 2022, the Board of Directors approved to set up a new subsidiary. The subsidiary has initial authorised share of 10,000 shares with a par value of USD 1 per share or Baht 32.50, totalling USD 10,000 or Baht 325,000.

**30 Reclassification of accounts**

Certain accounts in the 2020 financial statements have been reclassified to conform to the presentation in the 2021 financial statements as follows:

<b>Consolidated financial statements</b>			
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
<i>Notes to financial statements</i>			
<i>At 31 December 2020</i>			
Property, plant, equipment and vessels	8,999,813	(147,202)	8,852,611
Right of use assets	-	147,202	147,202
<b>Separate financial statements</b>			
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
<i>Notes to financial statements</i>			
<i>At 31 December 2020</i>			
Property, plant, equipment and vessels	3,104,340	(8,129)	3,096,211
Right of use assets	-	8,129	8,129

**31 Thai Financial Reporting Standards (TFRS) not yet adopted**

Revised TFRS due to Interbank Offer Rate (IBOR) reform - Phase 2, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2022, are as follows:

<b>TFRS</b>	<b>Topic</b>
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRS 16	Leases

The amendments are applicable when an existing interest rate benchmark is replaced by another interest rate benchmark. The amendments provide a practical expedient that modifications to asset and liability values as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change), can be accounted for by only updating the effective interest rate.

Additionally, hedge accounting is not discontinued solely because of the replacement of another interest rate benchmark. Hedging relationships (and related documentation) must instead be amended to reflect modifications to the hedged item, hedging instrument and hedged risk.

The amendments to these standards are effective for the financial statements in annual reporting periods beginning on or after 1 January 2022. Management is currently considering the potential impact from these amendment in the initial period adopted.









**Attachment 1** Details of Directors, Executives, Controlling Persons, the Person Assigned to Take Direct Responsibility in Accounting and Finance, the Person Assigned to Take Direct Responsibility for Accounting Supervision, and the Company Secretary.

- 1. Details of Directors, Executives, Controlling Persons, the Person Assigned to Take the Highest Responsibility in Accounting and Finance, the Person Assigned to Take Direct Responsibility for Accounting Supervision, and the Company Secretary**





## Mr. Bowon Vongsinudom

Chairman and Independent Director / Member of the Audit Committee

Age	: 67 Years old
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

2021 - Present	Director Peerapat Technology Public Company Limited
2015 - Present	Director / Member of the Executive Committee WP Energy Public Company Limited

### Position in other non-listed companies or organizations

2016 - Present	Director Bangkok Industrial Gas Company Limited
2015 - Present	Chairman UAC Advance Polymer & Chemicals Company Limited
2015 - Present	Director ASEAN Potash Chaityaphum Public Company Limited
2015 - Present	Member of PTIT Council Petroleum Institute of Thailand

### Working Experiences in the Last 5 Years

2020 - 2021	Advisor to the Board of Directors The Institute of Industrial Energy
2012 - 2021	Chairman PTT Phenol Company Limited
2018 - 2020	Vice Chairman of the Federation of Thai Industries / Chairman of the Institute of Industrial Energy
2018 - 2020	The Federation of Thai Industries 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 / 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 / Member of the Audit Committee Suthakan Public Company Limited



## Admiral Nibhon Chagsudulya

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

Age	: 70 Years old
Date of first appointment as director	: 22 January 2016
Proportion of shareholding in the Company	:
• Owned share	: Owned 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 / Chairman of the Nomination, Remuneration, Corporate Governance, and Sustainable Development 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

-None-



## Mr. Chainoi Puankosoom

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

Age	: 71 Years old
Date of first appointment as director	: 22 January 2016
สัดส่วนการถือหุ้นในบริษัท	
• Proportion of shareholding in the Company	: Owned 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 / Member of Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee  
Prima Marine Public Company Limited

### Position in other listed companies

2017 - Present Chairman / Independent Director / Member of the Audit Committee / Chairman of the Compensation and Nomination Committee / Chairman of the Corporate Governance and Sustainable Development Committee  
Fraser 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 / Chairman of the Audit Committee  
Sapthip Company Limited

2017 - Present Chairman  
TRA Land Development Company Limited

2010 - Present Director/ Member of the Executive Committee / Member of the Risk Management Committee / 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 / 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 / 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



## Mr. Somchai Kuvijitsuwan

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

Age	: 71 Years old
Date of first appointment as director	: 22 January 2016
Proportion of shareholding in the Company	:
• Owned 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 in Laws Program, Ramkhamhaeng University

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

- The Role of Chairman Program (RCP), Class 28/2012
- Training for the Role of the Nomination and Governance Committee, 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 / Member of Nomination, Remuneration, Corporate Governance, and Sustainable Development 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 / Member of the Risk Management Committee  
WP Energy Public Company Limited

### Position in other non-listed companies or organizations

2020 - Present Advisor  
Precise Corporation 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

2017 - 2021 Independent Director / Chairman of the Audit Committee  
Kingsford Holdings Public Company Limited

2018 - 2020 Chairman  
Eastern Power Group Public Company Limited

2016 - 2018 Independent Director / Chairman of the Audit Committee  
Eastern Power Group Public Company Limited

2016 - 2018 Chairman  
AQ Estate Public Company Limited

2015 - 2018 Independent Director / Chairman of the Audit Committee  
Thonburi Healthcare Hospital Public Company Limited

2015 - 2018 Advisor  
KT Zmico Public Company Limited

2011 - 2018 Independent Director / Chairman of the Audit Committee  
PTT Global Chemical Public Company Limited



## Mr. Suraphon Meesathien

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

Age	: 68 Years old
Date of first appointment as director	: 22 January 2016
Proportion of shareholding in the Company	:
• Owned 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 / Member of the Risk Management Committee Prima Marine Public Company Limited

### Position in other listed companies

2013 - Present	Director / Member of Nomination, Remuneration, and Corporate Governance Committee Sea Oil Public Company Limited
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### Position in other non-listed companies or organizations

2020 - Present	Chairman Thai Shipowners' Association
2007 - Present	Chief Executive Officer Nathalin Company Limited
Present	Director Nathalin Company Limited

### Working Experiences in the Last 5 Years

2018 - 2021	Director Big Sea Company Limited
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





## Mr. Prompong Chaisrisawatsuk

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

Age	: 55 Years old
Date of first appointment as director	: 22 January 2016
Date of first appointment as executive	: 1 January 2020
Proportion of shareholding in the Company	:
• 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 / Chairman of the Board of Executives  
Prima Marine Public Company Limited
- 2016 - Present Director / Member of the Board of Executives / Member of the Risk Management Committee  
Prima Marine Public Company Limited

### Position in other listed companies

- 2013 - Present Director  
Sea Oil Public Company Limited

### Position in other non-listed companies or organizations

- 2020 - Present Director  
Singha Tankers 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

- 2016 - 2021 Director  
Winchai Company Limited
- 2005 - 2020 Member of the Executive Committee  
Sea Oil Public Company Limited
- 2013 - 2019 Chief Investment Officer  
Nathalin Company Limited



## Mr. Surasak Chaiyen

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

Age	: 51 Years old
Date of first appointment as director	: 22 January 2016
Proportion of shareholding in the Company	:
• Owned 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

- Advanced Master of Management (AMM), Class 7/2021, Graduate School of Public Administration, National Institute of Development Administration (NIDA)
- Assessment Center Certificate/ 7 Habits/ Global Organization Leadership Development (GOLD)

### Working Experiences

2019 - Present Member of the Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee  
Prima Marine Public Company Limited

2016 - Present Director / 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

2020 - Present Chief Executive Officer  
Savan Power Development Company Limited

2020 - Present Chief Executive Officer  
Muang Khong Clean Energy Company Limited

2014 - Present Director / Chief Corporate Planning Officer  
Nathalin Company Limited

Present Director  
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

2021 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





## Ms. Neeracha Panboonhom

Director (Authorized Director)

Age	: 40 Years old
Date of first appointment as director	: 1 February 2020
Proportion of shareholding in the Company	:
• Owned 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
- Financial reporting Standards that effective in 2020
- Corporate Sustainability and Sustainability Risks

### Working Experiences

2020 - Present Director  
Prima Marine Public Company Limited

### Position in other listed companies

2013 - Present Director / Chairman of the Executive Committee / President & Chief Executive Officer  
Sea Oil Public Company Limited

### Position in other non-listed companies or organizations

2020 - Present Director  
Sea Oil Petroleum AS

2020 - Present Director  
Orion Twenty Company Limited

2020 - Present Director  
Vega Twenty Company Limited

2020 - Present Director  
Titan Twenty Company Limited

2019 - Present Director / Secretary  
Oab-Boon Foundation

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	: 38 Years old
Date of appointment as executive	: 1 January 2021
Proportion of shareholding in the Company	:
• Owned 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 (1<sup>st</sup> Class Honor), Kasetsart University

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

-None-

### Other Training / Seminars

- Corporate Sustainability Strategy, Class 4 by Sustainable Business Development Institute developed in collaboration with the Stock Exchange of Thailand
- 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 / Acting Managing Director Truth Maritime Company Limited
2021 - Present	Director Truth Maritime Services Company Limited
2021 - Present	Director TOP NTL PTE.LTD.
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

2018 - 2020	Project Investment and Quality Assurance Director Prima Marine Public Company Limited
2013 - 2018	Manager of Commercial Department TOP-NTL Pte. Ltd.



## Ms. Nipat Eamsiriwat

Commercial Director

Age : 45 Years old  
 Date of appointment as executive : 1 September 2015  
 Proportion of shareholding in the Company :  
 • Owned 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  
 Prima Marine Public Company Limited

### Position in other listed companies

-None-

### Position in other non-listed companies or organizations

2021 - Present Director  
 Truth Maritime Company Limited  
 2021 - Present Director  
 Protea Investments Group Limited  
 2021 - Present 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  
 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

2018 - 2021 Director  
 BSC Management Recruitment  
 Company Limited



## Mr. Anantachai Auttama

Ship Management Business Director

Age	: 54 Years old
Date of appointment as executive	: 3 August 2020
Proportion of shareholding in the Company	:
• Owned 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

- Finance for Non-Finance Managers and all Concerned, The Thai Institute of Banking and Finance Association
- Carbon Credit, Fiscal Policy Research Institute Foundation
- Crucial Conversations by PacRim Group Thailand
- 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) at Pattaya, Thailand
- 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

2021 - Present Director  
Big Sea Company Limited

2021 - Present Director  
Thaimarine Tanker Company Limited

2021 - Present Director  
N.T.L. Marine Company Limited

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. Pakasit Kamsang

Technical Director

Age	: 41 Years old
Date of appointment as executive	: 1 January 2022
Proportion of shareholding in the Company	:
• Owned share	: None
• Relationship Persons*	: None
Family relationship between director and executive	: None

### Educations

- Bachelor's degree of Engineering Program in Mechanical Engineering, Merchant Marine Training Center

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

-None-

### Other Training / Seminars

- Corporate Sustainability Strategy, Class 4 by Sustainable Business Development Institute developed in collaboration with the Stock Exchange of Thailand
- Maritime Management Course by University of the Thai Chamber of Commerce
- Maritime Resource Management by All Academy.
- ME-B Control System standard operation Course by MAN Energy Solutions at Shanghai, China.
- Vetting Inspections by DNVGL Maritime Academy.
- Fuel Management Course by Veritas Petroleum Services (VPS) at Hong Kong.
- The Program on Occupational Safety and Health Management and Work Environment Improvement (ERWM) by The Overseas Human resources and industry development Association (HIDA) at Tokyo, Japan.
- Periodical Survey Refresher Course by Lloyd's Register at Kuala Lumpur, Malaysia.
- Marine Auditor Course by Lloyd's Register at Singapore.
- Maritime Labor Convention, 2006 Inspector Training Course by Lloyd's Register at Singapore.
- Materials & NDE Foundation Programme by Lloyd's Register at Shanghai, China.

- Fleet Quality Management Course by Lloyd's Register at Singapore.
- Hull Inspection - Damage & Repairs by Lloyd's register at Shanghai, China
- Classification and Statutory Surveys for Superintendent, ABS Academy, Singapore

### Working Experiences

2022 - Present Technical Director  
Prima Marine Public Company Limited

### Position in other listed companies

-None-

### Position in other non-listed companies or organizations

2021 - Present Director  
T.I.M. Ship Management Company Limited

### Working Experiences in the Last 5 Years

2021 - 2021 Head of Ship Owner Technic  
Prima Marine Public Company Limited

2020 - 2021 Assistant Head of Ship Owner Technic  
Prima Marine Public Company Limited

2015 - 2020 Technical Manager  
Tipco Maritime Company Limited





## Mr. Viritphol Churaisin

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

Age	: 60 Years old
Date of appointment as executive	: 1 January 2017
Proportion of shareholding in the Company	:
• Owned 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

- CFO Refresher
- 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 / 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  
Bongkot Marine Company Limited

2021 - Present Director  
Truth Maritime Company Limited

2021 - Present Director  
Truth Maritime Services Company Limited

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

## Ms. Supattra Sertkratok

Accounting Manager (The person assigned to take direct responsibility for accounting supervision)

Age	: 39 Years old
Date of appointment as the person supervising accounting	: 1 May 2021
Proportion of shareholding in the Company	:
• Owned share	: None
• Relationship Persons*	: None
Family relationship between director and executive	: None

### Educations

- Master of Accountancy Program, Kasetsart University
- Bachelor of Accountancy, Bangkok University

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

-None-

### Other Training / Seminars

- Accounting problem-solving techniques in accordance with accounting standards (6 Hours)
- Insights into international withholding tax and VAT payments. (P.N.D. 53 and P.P. 36) (6.30 Hours)
- Seminar on Financial Reporting for the Year 2015 (Class 1) (6.30 Hours)
- Issues and exercises Deferred Income tax is recorded (6 Hours)
- Criteria and methods of withholding tax under business agreement and contract (6 Hours)
- Financial statements filing for accountants via DBD e-Filing (6 Hours)
- What should to know about the new financial reporting standards in the future (6 Hours)
- Update the financial reporting standards that will take effect in 2017 as well as the direction of future financial reporting standards (6 Hours)
- MS PowerPoint & Excel for presentation of accounting and financial information (6 Hours)
- Keeping up with upcoming new financial reporting standards that will be implemented in 2019 and 2020, Class 2/2017 (6 Hours)
- Effective Accounting & Financial Reporting and Presentation Technique) (6 Hours)

- How to pay in a foreign currency for maximum tax saving? (7 Hours)
- Tax planning techniques for the maximum benefit of the BOI business (7 Hours)
- (Draft) TERS 16 Lease Agreement (7 Hours)
- Discussion on the direction of Thai financial reporting standards (TFRSs / TFRS for NPAs) (7 Hours)
- What impact does the new TFRS have on financial statements? (Analysis perspective) (7 Hours)
- Basic Deferred Tax (6 Hours)

### Continuing Professional Development in 2021

- Tax Mapping (6 Hours)
- Transformative Accounting (6 Hours)
- Transfer Pricing (6 Hours)

### Working Experiences

2021 - 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

2018 - 2021 Assistant Accounting Manager  
Primam Marine Public Company Limited



## Ms. Udornrat Sitthikorn

Company Secretary and Compliance Manager / Company Secretary

Age : 46 Years old  
Date of appointment as company secretary : 2 July 2018  
Proportion of shareholding in the Company :  
• Owned 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 and Compliance Manager / 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 share holding is the largest proportion thereof.

## Role and Responsibility of Company Secretary

Role and responsibilities of the Company Secretary are 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.

## 2. Position in Subsidiaries and Associates of Directors and Executives

Name of Directors and Executives	NAT	PRM	Subsidiaries and Associates																	
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
			AAM	BGS	BMS	BSC	NMC	NSSG	NTL	PM	PRO	SHT	TIM	TM	TMN	TMS	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 Chairsirawatsuk	/	/, E					/				/									
7. Mr. Surasak Chaiyen	/, E	/																		
8. Ms. Neeracha Panboonhom	/	/	/																	
9. Ms. Suthasinee Muenlamay		E	/		/		/	/	/	/	/		/		/	/	/	/	/	
10. Ms. Nipat Eamsiriwat		E		/			/		/	/	/		/			/				
11. Mr. Anantachai Auttama		E		/		/	/		/				/			/				
12. Mr. Pakasit Kamsang		E											/							
13. Mr. Viritphol Churaisin		E			/		/		/	/	/			/		/	/			

C = Chairman

VC = Vice Chairman

/ = Director

E = Executive

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

## 3. Disciplinary Records of Directors, Executives and Controlling Persons

During the past five years, no director, executive, or controlling person has been penalized for an wrongful act under the SEA B.E. 2535 (1992) or the Derivatives Act B.E. 2546 (2003).

## Attachment 2 Details of the Directors of Subsidiaries

Details of the directors of subsidiaries (Direct and Indirect) and associates as of 31 December 2021 are as follows:

Name of Directors	Subsidiaries and Associates																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	AAM	BGS	BMS	BSC	NMC	NSSG	NTL	PM	PRO	SHT	TIM	TM	TMN	TMS	TMT	TNS	TNTL	TST
1. Admiral Nibhon Chagsudulya													C					
2. Mr. Suraphon Meesathien																		
3. Mr. Prompong Chairisawatsuk						/				/								
4. Ms. Neeracha Panboonhom	/																	
5. Ms. Suthasinee Muenlamay	/		/			/	/	/	/	/		/		/	/	/	/	
6. Ms. Nipat Eamsirawat		/			/		/	/	/			/			/			
7. Mr. Anantachai Auttama		/		/	/		/				/				/			
8. Mr. Pakasit Kamsang											/							
9. Mr. Virithol Churaisin			/		/		/	/	/			/		/	/			
10. Mok Soo Keow Irene	/					/				/								
11. Mr. Mohamad Emdad Hossain	/																	
12. Mr. Chumpol Promprasit		/															/	
13. Mr. Pochara Senavinin		/									/							
14. Ms. Nadee Meesathien			/										/					
15. Mr. Bundit Hansapaiboon			/															
16. Mr. Pativat Tivasatit			/															
17. Ms. Ruengrat Thongdeenok				/														
18. Mr. Seksit Pratoomsri				/														
19. Mr. Santi Tokhem					/													
20. Mr. Wang Wei						/				/								
21. Mr. Bowonsak Somchitskul											/							
22. Mr. Thanin Pa-Em													/					
23. Mr. Prateep Tiewtranon													/					
24. Mr. Bhumindr Harinsuit													/					
25. Mr. Voravit Visitkijjarn													/					
26. Mr. Chaiya Phaisuwat													/					
27. Mr. Praphan Lohaviriyasiri													/					
28. Mr. Chula Sukmanop													/					
29. Mr. Boonrux Leeprakobboon														/				
30. Mr. Sompot Khongsamran																/	/	
31. Mr. Li Ke																	/	
32. Mr. Kampant Vinitumkul																	/	

C = Chairman / = Director

### Company's Name

AAM	Amity Asset Management Inc.	NTL	N.T.L. Marine Company Limited	TMN	TMN Company Limited
BGS	Big Sea Company Limited	PM	Phurich Marine Company Limited	TMS	Truth Maritime Services Company Limited
BMS	Bongkot Marine Services Company Limited	PRO	Protea Investments Group Limited	TMT	Thaimarine Tanker Company Limited
BSC	BSC Management Seafarer Recruitment Company Limited	SHT	Singha Tankers Company Limited	TNS	TOP Nautical Star Company Limited
NMC	Nathalin Management Company Limited	TIM	T.I.M. Ship Management Company Limited	TNTL	TOP-NTL Pte. Ltd.
NSSG	Nathalin Shipping Pte. Ltd.	TM	Truth Maritime Company Limited	TST	TOP-NTL Shipping Trust

## Attachment 3 Details of the Heads of Internal Audit and Compliance Units

### 1. Details of the Heads of Internal Audit

**Name - Surname:** Ms. Sirimapan Phaichalerm  
**Position:** Internal Audit Manager  
**Educations:** Bachelor of Accountancy, Burapha University  
Master of Accountancy Program, Kasetsart University  
Master of Finance, Goldey Beacom College

#### Training / Seminars:

- ▶ Reviewing the process of preparing and monitoring the strategic plan's implementation
- ▶ Comprehensive internal audit
- ▶ Anti-corruption: The practical guide
- ▶ IT security awareness
- ▶ Internal control fundamentals
- ▶ Internal control measures for risk management
- ▶ Accounting and Finance policy & regulation
- ▶ Anti-Corruption Working Paper Course
- ▶ CIA review Part 2
- ▶ Anti - Corruption: The Practical Guide (ACPG)
- ▶ Fraud risk management
- ▶ CIA review Part 1
- ▶ Chief Audit Executive Professional Leadership Program
- ▶ Capacity developing for modern organization's internal auditor
- ▶ Risk assessment for audit planning
- ▶ Enhancing efficient internal audit procedure
- ▶ Forensic Accounting
- ▶ Advance Risk Management - COSO ERM2017

#### Working Experiences:

- ▶ Tax Inspector, Revenue Department
- ▶ Internal Audit Officer, Department of Local Administration
- ▶ Senior Assistant Manager. PTG Energy Public Company Limited
- ▶ Manager, Bangkok Union Insurance Public Company Limited
- ▶ Assistant Manager, Minor International Public Company Limited
- ▶ Manager, Prima Marine Public Company Limited

#### **Duties and Responsibilities of the Company's Head of Internal Audit:**

1. Being independent in operating, commenting on audit, directly accessible to the top executives and the Board of Directors without any intervention in operation and communication of the operating results, whereas the chain of command is directly subordinate to the Company's Audit Committee.
2. Neither been involved in the corporate operations in the activities of which the audit or assessment of the internal auditor is required, whereas the assessment on his/her previous responsibilities is omitted, but he/she can provide the counselling services in the works used to be responsible by him/her.
3. Assess the risks, and review the adequacy and efficiency of the internal control system and the governance on the operations of the Company that makes the Company achieve the setting corporate objectives through its operations.
4. Review the accuracy of the operating procedure according to the Operating Manual, policies, ordinance, rules, and regulations of the Company in order to ensure that the work process has the adequate and efficient internal control system by helping and supporting the improvement of work process to be efficient.
5. Review the information technology system relating to the operations, and assess the reliability of the data acquired from the information system, data backup, prevention of leakage of the Company's key data to the third party, in order to ensure that the information technology system has the internal control system that is adequate and can rapidly manage the risks arisen with the information technology system, without a significant operating impact or creation of loss to the Company.
6. Review the accuracy of data and figures of the financial reports that the transactions are correctly, completely, appropriately, and reliably presented according to Thai Accounting and Auditing Standards; as well as assess the internal control system of the accounting and finance system that it is adequate and efficient not to cause corruption and creative accounting that may cause damage to the Company.
7. Give advices on the internal control system so that all work units shall have the efficient operating procedure under the requirement of concern on the need and expectation of the advisee, the scope of the necessary works and worthiness of the counselling tasks, except the counselling or advice and assistance requesting tasks in case where the internal auditor is lack of other knowledge, skills and competences required for the said services.
8. Review the entry into the related parties transactions in order to ensure that the said transactions are executed according to the Securities and Exchange Law, regulations, notifications, orders or requirements of the SET and the Capital Market Supervisory Board, and according to the Thai Accounting Standards and Auditing Standards.
9. Hold the Audit Committee's Meeting for at least 4 times a year, with the meeting agenda according to the Securities and Exchange Law, regulations, notifications, orders, or requirements of the SET and the Capital Market Supervisory Board.
10. The internal auditor shall have knowledge, skill, and other competences necessary for the performance of the entrusted duty in auditing, and request for advices and assistances from the related parties if the internal auditor has none of knowledge and understanding on the audited matters.
11. Operate other works as entrusted by the executives and the Audit Committee.

## 2. Details of the Head of Compliances

**Name – Surname:** Ms. Udomrat Sitthikorn

**Position:** Company Secretary and Compliance Manager / Company Secretary

**Educations:** Master of Business Systems, Monash University  
Bachelor of Accountancy, Chulalongkorn University

### **Working Experiences:**

2018 - Present	Company Secretary and Compliance Manager / Company Secretary Prima Marine Public Company Limited
2017 - 2018	Senior Manager Investor Relations and Company Secretary Origin Property Public Company Limited
2014 - 2015	Senior Company Secretary Kiatnakin Bank Public Company Limited
2004 - 2014	Senior Manager Executive Office Eastern Water Resources Development and Management Public Company Limited

### **Training / Seminars:**

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

### **Duties and Responsibilities of the Head of Compliance:**

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.



## Attachment 4 Assets for Business Operations and Details of Asset Appraisal

### 1. Assets for Business Operations

#### 1.1 Permanent Core Assets used for Business Operations

As of 31 December 2021, the Company Group has the permanent core assets used for business operations after deducting accumulated depreciation as shown in the Company's statement of financial position in the amount of 9,605.6 million baht with details as follows:

Type/Nature of Assets	Net Book Value as of 31 December 2021 (million baht)	Nature of Proprietary	Obligation
Land	15.8	Owned	Please refer to Clause 1.1.1.1 for further information
Buildings and Improvements	43.5	Owned	Please refer to Clause 1.1.1.2 for further information
Vessels and Dry-Docking Cost	9,463.8	Owned	Please refer to Clause 1.1.1.3 for further information
Vessel during the Ship-building	5.3	Owned	Please refer to Clause 1.1.1.4 for further information
Vessel Equipment	68.5	Owned	Please refer to Clause 1.1.1.5 for further information
Furniture and Office Equipment	8.2	Owned	Please refer to Clause 1.1.1.6 for further information
Vehicles	0.5	Owned	Please refer to Clause 1.1.1.7 for further information
<b>Total</b>	<b>9,605.6</b>		

The following are the details of the Company Group's permanent core assets break down by assets category and company:

#### 1.1.1 Permanent Core Assets owned by the Company Group

##### 1.1.1.1 Land and Improvements

Owner	Location and Area Size (Rai-Ngan-Square Wa)	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation
The Company	Land No. (566/567) Title Deed No. 108761, 108762 Bangna Tai Sub-district, Bangna District, Bangkok Total area 1 Ngan 98 Square Wa	Location of the Company Group's head office	Owned	15.8	Mortgages as collateral with financial institutions
	<b>Total</b>			<b>15.8</b>	

### 1.1.1.2 Buildings and Improvements

Owner	Nature and Location	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation
The Company	Varin Building, Bangna Tai Sub-district, Bangna District, Bangkok	The Company Group's head office and used as a commercial building	Owned	37.8	Mortgages as collateral with financial institutions
TM	Improvements to the rented office building	To support the business operations	Owned	5.2	None
TMS	Improvements to the rented office building	To support the business operations	Owned	0.5	None
Total				43.5	

### 1.1.1.3 Vessels and Dry-Docking Cost

Owner	Assets Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation	Vessel Age <sup>1</sup>
The Company	Navathanee Accommodation Barge Capacity 300 persons 13,207 DWT	Accommodation Barge services	Owned	342.4	Mortgages as collateral with financial institutions	11
The Company	Aquarius Star FSU Vessel Capacity 298,641 DWT	Marine transportation and storage services	Owned	727.1	Mortgages as collateral with financial institutions	20
The Company	Crystal Star FSU Vessel Capacity 298,570 DWT	Marine transportation and storage services	Owned	721.8	Mortgages as collateral with financial institutions	21

Owner	Assets Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation	Vessel Age <sup>1</sup>
The Company	Phoenix Star FSU Vessel Capacity 307,151 DWT	Marine transportation and storage services	Owned	709.3	Mortgages as collateral with financial institutions	22
NTL	Sri Nara Tanker Capacity 4,999 DWT	Marine transportation services	Owned	21.4	None	29
NTL	Siri Thana Tanker Capacity 4,999.42 DWT	Marine transportation services	Owned	20.4	None	36 <sup>2</sup>
NTL	Sri Tapee Tanker Capacity 3,022 DWT	Marine transportation services	Owned	161.7	Mortgages as collateral with financial institutions	5
NTL	Sri Tah Chana Tanker Capacity 2,975 DWT	Marine transportation services	Owned	106.6	None	9
NTL	Sri Phuket Tanker Capacity 4,999 DWT	Marine transportation services	Owned	21.1	None	29

<sup>1</sup> In general, a ship's life span is between 25 and 30 years. However, replacement of an older vessel is subject to rules, regulations, and future customer requirements. The CompanyGroup will operate the vessel till it is worn out.for the highest value and benefit.

<sup>2</sup> According to the Company Group's inspection, the vessel is in good working order and may be used. In the future, the Company Group will seek for a replacement ship.

Owner	Assets Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation	Vessel Age <sup>1</sup>
NTL	Sri Bandon Tanker Capacity 3,138.83 DWT	Marine transporta- tion services	Owned	104.5	None	9
NTL	Sri Khiri Chad Tanker Capacity 4,988 DWT	Marine transporta- tion services	Owned	263.5	Mortgages as collateral with financial institutions	4
NTL	Sri Don Sak Tanker Capacity 3,020.76 DWT	Marine transporta- tion services	Owned	184.3	Mortgages as collateral with financial institutions	4
NTL	Sri Kanchanadit Tanker Capacity 2,911 DWT	Marine transporta- tion services	Owned	189.8	Mortgages as collateral with financial institutions	4
NTL	Siri Pipat Tanker Capacity 3,497.15 DWT	Marine transporta- tion services	Owned	84.8	Mortgages as collateral with financial institutions	21
NTL	Sri Surat Tanker Capacity 3,000 DWT	Marine transporta- tion services	Owned	205.6	Mortgages as collateral with financial institutions	3
NTL	Sri Chaiya Tanker Capacity 3,066 DWT	Marine transporta- tion services	Owned	161.3	None	3
NTL	Sri Tahphet Tanker Capacity 2,998.20 DWT	Marine transporta- tion services	Owned	160.8	Mortgages as collateral with financial institutions	3
NTL	Sri Phumriang Tanker Capacity 2,998.80 DWT	Marine transporta- tion services	Owned	157.2	None	3
NTL	Sri Phunpin Tanker Capacity 2,998.90 DWT	Marine transporta- tion services	Owned	159.8	Mortgages as collateral with financial institutions	3

Owner	Assets Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation	Vessel Age <sup>1</sup>
NTL	Sri Lamphu Tanker Capacity 2,998.90 DWT	Marine transporta- tion services	Owned	174.3	Mortgages as collateral with financial institutions	2
SHT	Radiant Star Tanker Capacity 105,996 DWT	Marine transporta- tion services	Owned	579.7	Mortgages as collateral with financial institutions	16
SHT	Grace Star FSU Vessel Capacity 312,638 DWT	Marine transporta- tion and storage services	Owned	727.6	Mortgages as collateral with financial institutions	20
BIG SEA	Big Sae 9 Tanker Capacity 1,929 DWT	Marine transporta- tion services	Owned	10.0	None	33
BIG SEA	Big Sea 10 Tanker Capacity 1,830 DWT	Marine transporta- tion services	Owned	14.3	None	33
BIG SEA	Big Sae 14 Tanker Capacity 2,473 DWT	Marine transporta- tion services	Owned	13.0	Mortgages as collateral with financial institutions	30
BIG SEA	Big Sea 17 Tanker Capacity 2,412 DWT	Marine transporta- tion services	Owned	25.0	Mortgages as collateral with financial institutions	27
BIG SEA	Big Sea 20 Tanker Capacity 1,907 DWT	Marine transporta- tion services	Owned	23.8	None	27
BIG SEA	Big Sea 21 Tanker Capacity 1,940 DWT	Marine transporta- tion services	Owned	24.0	None	26
BIG SEA	Big Sea 101 Tanker Capacity 3,200 DWT	Marine transporta- tion services	Owned	89.1	Mortgages as collateral with financial institutions	11

Owner	Assets Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation	Vessel Age <sup>1</sup>
BIG SEA	Big Sea 102 Tanker Capacity 2,300 DWT	Marine transporta- tion services	Owned	121.4	None	7
BIG SEA	Big Sea 103 Tanker Capacity 2,300 DWT	Marine transporta- tion services	Owned	123.3	None	7
BIG SEA	Big Sae 104 Tanker Capacity 6,400 DWT	Marine transporta- tion and storage services	Owned	171.4	Mortgages as collateral with financial institutions	9
BIG SEA	Big Sea 105 Tanker Capacity 3,187 DWT	Marine transporta- tion services	Owned	123.8	Mortgages as collateral with financial institutions	4
BIG SEA	Big Sea 106 Tanker Capacity 4,999 DWT	Marine transporta- tion services	Owned	211.0	Mortgages as collateral with financial institutions	3
AAM	Fortune Star FSU Vessel Capacity 298,023 DWT	Marine transporta- tion and storage services	Owned	471.4	None	22
TM	Phubai Pattra 1 Tanker Capacity 7,177 DWT	Marine transporta- tion services	Owned	227.6	Mortgages as collateral with financial institutions	14
TM	Phubai Pattra 2 Tanker Capacity 7,156 DWT	Marine transporta- tion services	Owned	237.5	Mortgages as collateral with financial institutions	12
TM	Phubai Pattra 4 Tanker Capacity 2,584 DWT	Marine transporta- tion services	Owned	30.6	Mortgages as collateral with financial institutions	26
TM	Phubai Pattra 5 Tanker Capacity 3,526.32 DWT	Marine transporta- tion services	Owned	67.2	Mortgages as collateral with financial institutions	23

Owner	Assets Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation	Vessel Age <sup>1</sup>
TM	Phubai Nadda 1 Tanker Capacity 2,677 DWT	Marine transporta- tion services	Owned	104.8	Mortgages as collateral with financial institutions	13
TMS	TMS 1 Crew Boat Capacity 90 persons 120 DWT	Passengers and luggage transporta- tion services	Owned	73.5	Mortgages as collateral with financial institutions	10
TMS	TMS 2 Crew Boat Capacity 90 persons 120 DWT	Passengers and luggage transporta- tion services	Owned	73.5	Mortgages as collateral with financial institutions	9
TMS	TMS 4 Crew Boat Capacity 90 persons 120 DWT	Passengers and luggage transporta- tion services	Owned	83.0	Mortgages as collateral with financial institutions	9
TMS	TMS 5 Crew Boat Capacity 90 persons 120 DWT	Passengers and luggage transporta- tion services	Owned	83.0	Mortgages as collateral with financial institutions	9
TMS	TMS Andaman Crew Boat Capacity 90 persons 120 DWT	Passengers and luggage transporta- tion services	Owned	90.5	Mortgages as collateral with financial institutions	7
TMS	TMS 7 Crew Boat Capacity 90 persons 120.40 DWT	Passengers and luggage transporta- tion services	Owned	92.6	Mortgages as collateral with financial institutions	8
TMS	TMS 8 Crew Boat Capacity 90 persons 121 DWT	Passengers and luggage transporta- tion services	Owned	92.6	Mortgages as collateral with financial institutions	8



Owner	Assets Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation	Vessel Age <sup>1</sup>
TMS	TMS 9 Crew Boat Capacity 90 persons 120.35 DWT	Passengers and luggage transporta- tion services	Owned	92.7	Mortgages as collateral with financial institutions	7
TMS	TMS 10 Crew Boat Capacity 90 persons 120.35 DWT	Passengers and luggage transporta- tion services	Owned	92.7	Mortgages as collateral with financial institutions	7
TMS	TMS 11 Crew Boat Capacity 90 persons 120.35 DWT	Passengers and luggage transporta- tion services	Owned	92.7	Mortgages as collateral with financial institutions	7
TMS	TMS 12 Crew Boat Capacity 90 persons 120.56 DWT	Passengers and luggage transporta- tion services	Owned	102.6	Mortgages as collateral with financial institutions	6
TMS	TMS 14 Crew Boat Capacity 90 persons 118.76 DWT	Passengers and luggage transporta- tion services	Owned	102.6	Mortgages as collateral with financial institutions	6
TMS	TMS 111 Crew Boat Capacity 90 persons 119.97 DWT	Passengers and luggage transporta- tion services	Owned	105.6	Mortgages as collateral with financial institutions	6
The Company and its subsidiaries	Dry-Docking Cost			212.0		
<b>Total</b>				<b>9,463.8</b>		

#### 1.1.1.4 Vessel during the Ship-building

Owner	Asset Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation
The Company	FSU vessel	Marine trans- portation and storage services	Owned	5.3	None
	<b>รวม</b>			<b>5.3</b>	

#### 1.1.1.5 Vessel Equipment

Owner	Asset Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation
The Company	Vessel Equipment	Used in vessel	Owned	18.0	None
NTL	Vessel Equipment	Used in vessel	Owned	7.1	None
SHT	Vessel Equipment	Used in vessel	Owned	3.7	None
TMT	Vessel Equipment	Used in vessel	Owned	1.4	None
BIG SEA	Vessel Equipment	Used in vessel	Owned	12.5	None
AAM	Vessel Equipment	Used in vessel	Owned	0.4	None
TM	Vessel Equipment	Used in vessel	Owned	4.6	None
TMS	Vessel Equipment	Used in vessel	Owned	20.8	None
	<b>Total</b>			<b>68.5</b>	

#### 1.1.1.6 Furniture and Office Equipment

Owner	Asset Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation
The Company	Furniture and Office Equipment	Used in office	Owned	2.5	None
NMC	Furniture and Office Equipment	Used in office	Owned	0.2	None
BSC	Furniture and Office Equipment	Used in office	Owned	0.1	None
BIGSEA	Furniture and Office Equipment	Used in office	Owned	0.5	None
NSSG	Furniture and Office Equipment	Used in office	Owned	0.5	None
TIM	Furniture and Office Equipment	Used in office	Owned	0.5	None
TM	Furniture and Office Equipment	Used in office	Owned	1.7	None
TMS	Furniture and Office Equipment	Used in office	Owned	2.2	None
	<b>Total</b>			<b>8.2</b>	

#### 1.1.1.7 Vehicles

Owner	Asset Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation
The Company	Vehicle	To support the business operations	Owned	0.5	None
Total				0.5	

## 1.2 Lease Agreement

As of 31 December 2021, the Company Group has the lease agreement used for business operations after deducting accumulated depreciation as shown in the Company's statement of financial position in the amount of 1,735.8 million baht with details as follows:

Type/Nature of Assets	Net Book Value as of 31 December 2021 (million baht)	Nature of Proprietary	Obligation
Buildings and Improvements	17.7	Hire	Please refer to Clause 1.2.1.1 for further information
Vessels	1,698.6	Hire and Hire-purchase	Please refer to Clause 1.2.1.2 for further information
Furniture and Office Equipment	0.2	Hire	Please refer to Clause 1.2.1.3 for further information
Vehicles	19.3	Hired and Hire-purchase	Please refer to Clause 1.2.1.4 for further information
Total	1,735.8		

The following are the details of the Company Group's lease agreement break down by assets category and company:

### 1.2.1 Lease Agreement of the Company Group

#### 1.2.1.1 Buildings and Improvements

Owner	Characteristic and Location	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation
NSSG	The rented office building	To support the business operations	Hire	8.7	None
BIG SEA	The rented office building	To support the business operations	Hire	2.8	None
TIM	The rented office building	To support the business operations	Hire	2.0	None

Owner	Characteristic and Location	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation
TM	The rented office building	To support the business operations	Hire	2.2	None
TMS	The rented office building	To support the business operations	Hire	2.0	None
Total				17.7	

#### 1.2.1.2 Vessels

Owner	Assets Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation	Vessel Age
TMT	Bhureemas Tanker Capacity 7,099 DWT	Marine transportation services	Hire-purchase	102.5	-	12
PRO	TENKI Tanker Capacity 313,987 DWT	Marine transportation services	Hire	1,596.1	-	14
				1,698.6		

#### 1.2.1.3 Furniture and Office Equipment

Owner	Asset Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation
TM	Furniture and Office Equipment	Used in office	Hire	0.2	None
Total				0.2	

#### 1.2.1.4 Vehicles

Owner	Asset Name/ Vessel Type/Capacity	Objective of Possession	Nature of Proprietary	Net Book Value as of 31 December 2021 (million baht)	Obligation
The Company	Vehicle	To support the business operations	Hire-purchase	12.6	None
NSSG	Vehicle	To support the business operations	Hire-purchase	5.1	None
TM	Vehicle	To support the business operations	Hire	1.3	None
TMS	Vehicle	To support the business operations	Hire	0.3	None
Total				19.3	

### 1.3 Intangible Assets

Assets	Objective of Possession	Net Book Value as of 31 December 2021 (million baht)
Software License	Software licensing rights for use in the Company Group's general business operations, such as accounting software, executive reporting software, inventory management software, and general operating software.	2.3
Customer Relationships	Result from the acquisition of a subsidiary	6.3
Long- term service agreements	Result from the acquisition of a subsidiary	86.7

### 1.4 Rights and Privileges from Investment Promotion

As of 31 December 2021, the Company Group has been granted the investment promotion by the Board of Investment pursuant to the Investment Promotion Act, B.E. 2520 (As amended) with the following significant main privileges:

	Promotion Certificate No.	Issuance Date	Full Operation Start Up Date	Period of Promotion from Full Operation Start Up Date	Significant Conditions and Privileges	Remarks
1	62-0209-1-00-1-0 Aquarius Star	28 February 2019	1 May 2019	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 891,000,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	The Company has received this Promotion Certificate.
2	62-0547-1-00-1-0 Crystal Star	30 May 2019	6 July 2019	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 891,000,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	The Company has received this Promotion Certificate.

	Promotion Certificate No.	Issuance Date	Full Operation Start Up Date	Period of Promotion from Full Operation Start Up Date	Significant Conditions and Privileges	Remarks
3	64-0752-1-00-1-0 Phoenix Star	29 July 2021	15 September 2021	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 792,000,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	The Company has received this Promotion Certificate.
4	59-1108-0-00-1-2 Energy Star	26 August 2016	31 July 2013	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 909,400,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	The Company has received this Promotion Certificate which transfer from NAT under the promotion certificate no. 1686(2)/2556
5	2139(2)/2556 Sri Nara	14 August 2013	9 October 2016	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 102,868,185.02 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.
6	1264(2)/2558 Sri Tapee	10 March 2015	25 March 2016	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 228,127,543.63 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.
7	1966(2)/2557 Sri Phuket	8 August 2014	1 October 2014	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 104,781,814.12 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.

	Promotion Certificate No.	Issuance Date	Full Operation Start Up Date	Period of Promotion from Full Operation Start Up Date	Significant Conditions and Privileges	Remarks
8	1267(2)/2558 Sri Don Sak	10 March 2015	9 September 2017	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 230,682,342.24 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.
9	60-0241-1-00-1-0 Sri Khiri Chad	23 February 2017	21 June 2017	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 333,156,473.80 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.
10	1265(2)/2558 Sri Kanchanadit	10 March 2015	1 March 2018	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 230,848,150.48 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.
11	61-0952-1-00-1-0 Siri Pipat	8 August 2018	1 September 2018	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 161,790,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.
12	1266(2)/2558 Sri Surat	10 March 2015	5 March 2019	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 236,808,806.04 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.



	Promotion Certificate No.	Issuance Date	Full Operation Start Up Date	Period of Promotion from Full Operation Start Up Date	Significant Conditions and Privileges	Remarks
13	62-0104-1-00-1-0 Sri Chaiya	4 February 2019	21 May 2019	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 199,070,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.
14	62-0170-1-00-1-0 Sri Tahphet	15 February 2019	30 May 2019	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 199,070,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.
15	62-0521-1-00-1-0 Sri Phumriang	23 May 2019	8 August 2019	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 199,070,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.
16	62-0522-1-00-1-0 Sri Phunpin	23 May 2019	1 September 2019	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 199,070,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.
17	63-0595-1-00-1-0 Sri Lumphu	5 June 2020	15 November 2020	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 176,230,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	NTL has received this Promotion Certificate.

	Promotion Certificate No.	Issuance Date	Full Operation Start Up Date	Period of Promotion from Full Operation Start Up Date	Significant Conditions and Privileges	Remarks
18	59-0519-1-00-1-0 Radiant Star	19 April 2016	13 April 2016	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 932,818,411.83 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	SHT has received this Promotion Certificate.
19	59-1463-1-00-1-0 Grace Star	9 November 2016	1 November 2016	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 1,090,483,897.42 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	SHT has received this Promotion Certificate.
20	1151(2)/2558 Jubilee Star	3 February 2015	9 February 2015	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 833,597,349.08 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	SHT has received this Promotion Certificate.
21	2279(2)/2556 Big Sea 20	13 September 2013	4 June 2014	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 71,226,409.65 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	Big Sea has received this Promotion Certificate.

	Promotion Certificate No.	Issuance Date	Full Operation Start Up Date	Period of Promotion from Full Operation Start Up Date	Significant Conditions and Privileges	Remarks
22	59-0380-1-00-1-0 Big Sea 21	16 March 2016	19 September 2016	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 40,786,424.78 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	Big Sea has received this Promotion Certificate.
23	1504(2)/2557 Big Sea 102 and Big Sea 103	17 April 2014	28 January 2015	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 347,913,026.82 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	Big Sea has received this Promotion Certificate.
24	1012(2)/2558 Big Sea 104	6 January 2015	28 December 2015	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 241,926,272.59 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	Big Sea has received this Promotion Certificate.
25	1011(2)/2558 Big Sea 105	6 January 2015	21 April 2017	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 173,734,526.59 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	Big Sea has received this Promotion Certificate.

	Promotion Certificate No.	Issuance Date	Full Operation Start Up Date	Period of Promotion from Full Operation Start Up Date	Significant Conditions and Privileges	Remarks
26	59-0379-1-00-1-0 Big Sea 106	16 March 2016	10 May 2019	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 230,076,929.94 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	Big Sea has received this Promotion Certificate.
27	1230(2)/2558 Phubai Pattra 4	25 February 2015	9 February 2015	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 131,222,199.19 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	TM has received this Promotion Certificate.
28	59-0670-1-00-1-0 Phubai Pattra 5	23 May 2016	10 May 2016	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 174,394,621.84 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	TM has received this Promotion Certificate.
29	61-1501-1-00-0 Phubai Nadda 1	21 December 2018	11 December 2018	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 148,500,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	TM has received this Promotion Certificate.

	Promotion Certificate No.	Issuance Date	Full Operation Start Up Date	Period of Promotion from Full Operation Start Up Date	Significant Conditions and Privileges	Remarks
30	1318(2)/2557 TMS Andaman and TMS 7	14 March 2014	29 October 2013	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 285,000,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	TMS has received this Promotion Certificate.
31	1319(2)/2557 TMS 8 and TMS 9	14 March 2014	29 October 2013	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 285,000,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	TMS has received this Promotion Certificate.
32	2299(2)/2557 TMS 10 and TMS 11	14 October 2014	5 September 2014	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 285,000,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	TMS has received this Promotion Certificate.
33	58-2122-1-00-1-0 TMS 12, TMS 14 and TMS 111	2 September 2015	21 July 2015	8 years	<ul style="list-style-type: none"> <li>Exemption from corporate income tax of up to 459,000,000 Baht</li> <li>Dividends received from promoted businesses are tax-free.</li> </ul>	TMS has received this Promotion Certificate.

### 1.5 Insurance Contract

The Company Group has a policy in place to protect the lives of seafarers and the company's main assets. As a result, in the case of an accident, the Company Group has purchased insurance to protect and cure individuals who have been injured, as well as to recover property that has been damaged. There are 2 main types of insurance:

- (1) Hull and Machinery Insurance: H&M Insurance – It covers important areas such as ship collisions, pirate theft and looting, and other incidents that might damage the hull and machinery. The most of the Company Group’s vessels have insurance coverage not less than the vessel’s book value.
- (2) Protection and Indemnity Insurance: P&I Insurance - It covers important areas such as product pollution (crude oil, refined oil products and petrochemicals), ship collisions and other incidents that might damage to other persons or the environment with a limited amount of insurance.

The Company Group has entered into significant insurance contract as follows:

Type of Insurance	Insured	Beneficiary	Period of Insurance		Important Sum Insured <sup>1</sup>
H&M Insurance	The Company and its subsidiaries	The Company Group, Mortgagee, and Charterer	<b>Vessel Name</b>	<b>Period of Insurance</b>	<ul style="list-style-type: none"> <li>• <b>Small Trading Vessel (Not more than 10,000 DWT capacity)</b></li> </ul>
			<b>1) Small Trading Vessel (Not more than 10,000 DWT capacity)</b>		The total insured limit is approximately 4,254.4 million Baht.
			Siri Thana	1 Year (1 January - 31 December 2021)	<ul style="list-style-type: none"> <li>• <b>Aframax Size Vessel (Capacity ranges from 80,000 to 120,000 DWT)</b></li> </ul>
			Sri Nara	1 Year (1 January - 31 December 2021)	
			Sri Phuket	1 Year (1 January - 31 December 2021)	
			Sri Bandon	1 Year (1 January - 31 December 2021)	The total insured limit is approximately USD 20.9 million or 622.2 million Baht.
			Sri Tah Chana	1 Year (1 January - 31 December 2021)	<ul style="list-style-type: none"> <li>• <b>FSU Vessel</b></li> </ul>
			Sri Tapi	1 Year (1 January - 31 December 2021)	
			Sri Khiri Chad	1 Year (1 January - 31 December 2021)	<ul style="list-style-type: none"> <li>• <b>Accommodation Work Barge</b></li> </ul>
			Siri Pipat	1 Year (1 January - 31 December 2021)	
			Sri Kanchanadit	1 Year (1 January - 31 December 2021)	
			Sri Don Sak	1 Year (1 January - 31 December 2021)	<ul style="list-style-type: none"> <li>• <b>Crew Boat</b></li> </ul> The total insured limit is approximately USD 44 million or 1,486.6 million Baht

Type of Insurance	Insured	Beneficiary	Period of Insurance		Important Sum Insured <sup>1</sup>
			Sri Surat	1 Year (1 January - 31 December 2021)	
			Sri Chaiya	1 Year (1 January - 31 December 2021)	
			Sri Phumriang	1 Year (1 January - 31 December 2021)	
			Sri Phunpin	1 Year (1 January - 31 December 2021)	
			Sri Tahphet	1 Year (1 January - 31 December 2021)	
			Sri Lumphu	1 Year (1 January - 31 December 2021)	
			Bhureemas	1 Year (21 September 2021 - 20 September 2022)	
			Big Sea 9	1 Year (1 July 2021 - 1 July 2022)	
			Big Sea 10	1 Year (1 July 2021 - 1 July 2022)	
			Big Sea 14	1 Year (26 August 2021 - 26 August 2022)	
			Big Sea 17	1 Year (26 August 2021 - 26 August 2022)	
			Big Sea 20	1 Year (1 July 2021 - 1 July 2022)	
			Big Sea 21	1 Year (1 July 2021 - 1 July 2022)	
			Big Sea 101	1 Year (26 August 2021 - 26 August 2022)	
			Big Sea 102	1 Year (26 August 2021 - 26 August 2022)	
			Big Sea 103	1 Year (26 August 2021 - 26 August 2022)	
			Big Sea 104	1 Year (26 August 2021 - 26 August 2022)	
			Big Sea 105	1 Year (26 August 2021 - 26 August 2022)	



Type of Insurance	Insured	Beneficiary	Period of Insurance		Important Sum Insured <sup>1</sup>
			Big Sea 106	1 Year (26 August 2021 - 26 August 2022)	
			Phubai Pattra 1	1 Year (1 July 2021 - 1 July 2022)	
			Phubai Pattra 2	1 Year (1 July 2021 - 1 July 2022)	
			Phubai Pattra 4	1 Year (1 July 2021 - 1 July 2022)	
			Phubai Pattra 5	1 Year (1 July 2021 - 1 July 2022)	
			Phubai Nadda 1	1 Year (1 July 2021 - 1 July 2022)	
			<b>2) Aframax Size Vessel (Capacity ranges from 80,000 to 120,000 DWT)</b>		
			Radiant Star	1 Year (21 September 2021 - 20 September 2022)	
			<b>3) FSU Vessel</b>		
			Aquarius Star	1 Year (21 September 2021 - 20 September 2022)	
			Crystal Star	1 Year (21 September 2021 - 20 September 2022)	
			Phoenix Star	1 Year (21 September 2021 - 20 September 2022)	
			Fortune Star	1 Year (21 September 2021 - 20 September 2022)	
			Grace Star	1 Year (21 September 2021 - 20 September 2022)	

Type of Insurance	Insured	Beneficiary	Period of Insurance		Important Sum Insured <sup>1</sup>
			4) Accomodation Work Barge		
			Nava Thanee	1 Year (1 January - 31 December 2021)	
			5) Crew Boat		
			TMS 1	1 Year (1 July 2021 - 1 July 2022)	
			TMS 2	1 Year (1 July 2021 - 1 July 2022)	
			TMS 4	1 Year (1 July 2021 - 1 July 2022)	
			TMS 5	1 Year (1 July 2021 - 1 July 2022)	
			TMS Andaman	1 Year (1 July 2021 - 1 July 2022)	
			TMS 7	1 Year (1 July 2021 - 1 July 2022)	
			TMS 8	1 Year (1 July 2021 - 1 July 2022)	
			TMS 9	1 Year (1 July 2021 - 1 July 2022)	
			TMS 10	1 Year (1 July 2021 - 1 July 2022)	
			TMS 11	1 Year (1 July 2021 - 1 July 2022)	
			TMS 12	1 Year (1 July 2021 - 1 July 2022)	
			TMS 14	1 Year (1 July 2021 - 1 July 2022)	
			TMS 111	1 Year (1 July 2021 - 1 July 2022)	

Type of Insurance	Insured	Beneficiary	Period of Insurance		Important Sum Insured“
P&I Insurance	The Company and its subsidiaries	The Company Group and Mortgagee	Vessel Name	Period of Insurance	<ul style="list-style-type: none"><li>• <b>Small Trading Vessel (Not more than 10,000 DWT capacity)</b></li></ul> The insured limit per vessel is approximately USD 1,000 million or 33,500 million Baht. <ul style="list-style-type: none"><li>• <b>Aframax Size Vessel (Capacity ranges from 80,000 to 120,000 DWT)</b></li><li>- The insured limit in the case of cargo pollution.</li></ul> The insured limit per vessel is approximately USD 1,000 million or 33,500 million Baht. <li>- The insured limit in the case of damage to passenger/ seafarer.</li> The insured limit per vessel is approximately USD 3,000 million or 100,500 million Baht or the mount specified in the insurance contract. <li>- The insured limit in the case of war.</li> The amount insured per vessel is approximately USD 500 million or 16,750 million Baht. <ul style="list-style-type: none"><li>• <b>FSU Vessel</b></li><li>- The insured limit in the case of cargo pollution.</li></ul> The amount insured per vessel is approximately USD 1,000 million or 33,500 million Baht.
			1) Small Trading Vessel (Not more than 10,000 DWT capacity)		
			Siri Thana	1 Year (20 February 2021 - 20 February 2022)	
			Sri Nara	1 Year (20 February 2021 - 20 February 2022)	
			Sri Phuket	1 Year (20 February 2021 - 20 February 2022)	
			Sri Bandon	1 Year (20 February 2021 - 20 February 2022)	
			Sri Tah Chana	1 Year (20 February 2021 - 20 February 2022)	
			Sri Tapi	1 Year (20 February 2021 - 20 February 2022)	
			Sri Khiri Chad	1 Year (20 February 2021 - 20 February 2022)	
			Siri Pipat	1 Year (20 February 2021 - 20 February 2022)	
			Sri Kanchanadit	1 Year (20 February 2021 - 20 February 2022)	
			Sri Don Sak	1 Year (20 February 2021 - 20 February 2022)	
			Sri Surat	1 Year (20 February 2021 - 20 February 2022)	
			Sri Chaiya	1 Year (20 February 2021 - 20 February 2022)	

Type of Insurance	Insured	Beneficiary	Period of Insurance		Important Sum Insured <sup>1</sup>
			Sri Phumriang	1 Year (20 February 2021 - 20 February 2022)	<ul style="list-style-type: none"> <li>- The insured limit in the case of damage to passenger/ seafarer. The insured limit per vessel is approximately USD 3,000 million or 100,500 million Baht or the mount specified in the insurance contract.</li> <li>- The insured limit in the case of war. The insured limit per vessel is approximately USD 500 million or 16,750 million Baht.</li> <li>• <b>Accomodation Work Barge</b> The insured limit per vessel is approximately USD 500 million or 16,750 million Baht.</li> <li>• <b>Crew Boat</b> The insured limit per vessel is approximately USD 500 million or 16,750 million Baht.</li> <li>- The insured limit in the case of damage to passenger/ seafarer. The insured limit per vessel is approximately USD 3,000 million or 100,500 million Baht or the mount specified in the insurance contract.</li> </ul>
			Sri Phunpin	1 Year (20 February 2021 - 20 February 2022)	
			Sri Tahphet	1 Year (20 February 2021 - 20 February 2022)	
			Sri Lumphu	1 Year (20 February 2021 - 20 February 2022)	
			Bhureemas	1 Year (20 February 2021 - 20 February 2022)	
			Big Sea 9	1 Year (20 February 2021 - 20 February 2022)	
			Big Sea 10	1 Year (20 February 2021 - 20 February 2022)	
			Big Sea 14	1 Year (20 February 2021 - 20 February 2022)	
			Big Sea 17	1 Year (20 February 2021 - 20 February 2022)	
			Big Sea 20	1 Year (20 February 2021 - 20 February 2022)	
			Big Sea 21	1 Year (20 February 2021 - 20 February 2022)	
			Big Sea 101	1 Year (20 February 2021 - 20 February 2022)	
			Big Sea 102	1 Year (20 February 2021 - 20 February 2022)	

Type of Insurance	Insured	Beneficiary	Period of Insurance		Important Sum Insured <sup>1</sup>
			Big Sea 103	1 Year (20 February 2021 - 20 February 2022)	
			Big Sea 104	1 Year (20 February 2021 - 20 February 2022)	
			Big Sea 105	1 Year (20 February 2021 - 20 February 2022)	
			Big Sea 106	1 Year (20 February 2021 - 20 February 2022)	
			Phubai Pattra 1	1 Year (20 February 2021 - 20 February 2022)	
			Phubai Pattra 2	1 Year (20 February 2021 - 20 February 2022)	
			Phubai Pattra 4	1 Year (20 February 2021 - 20 February 2022)	
			Phubai Pattra 5	1 Year (20 February 2021 - 20 February 2022)	
			Phubai Nadda 1	1 Year (20 February 2021 - 20 February 2022)	
			2) Aframax Size Vessel (Capacity ranges from 80,000 to 120,000 DWT)		
			Radian Star	1 Year (20 February 2021 - 20 February 2022)	
			3) FSU Vessel		
			Aquarius Star	1 Year (20 February 2021 - 20 February 2022)	

Type of Insurance	Insured	Beneficiary	Period of Insurance	Important Sum Insured <sup>1</sup>
			Crystal Star	1 Year (20 February 2021 - 20 February 2022)
			Phoenix Star	0.5 Year (15 September 2021 - 20 February 2022)
			Fortune Star	1 Year (20 February 2021 - 20 February 2022)
			Grace Star	1 Year (20 February 2021 - 20 February 2022)
			<b>4) Accomodation Work Barge</b>	
			Nava Thanee	1 Year (20 February 2021 - 20 February 2022)
			<b>5) Crew Boat</b>	
			TMS 1	1 Year (20 February 2021 - 20 February 2022)
			TMS 2	1 Year (20 February 2021 - 20 February 2022)
			TMS 4	1 Year (20 February 2021 - 20 February 2022)
			TMS 5	1 Year (20 February 2021 - 20 February 2022)
			TMS Andaman	1 Year (20 February 2021 - 20 February 2022)
			TMS 7	1 Year (20 February 2021 - 20 February 2022)
			TMS 8	1 Year (20 February 2021 - 20 February 2022)

Type of Insurance	Insured	Beneficiary	Period of Insurance		Important Sum Insured <sup>/1</sup>
			TMS 9	1 Year (20 February 2021 - 20 February 2022)	
			TMS 10	1 Year (20 February 2021 - 20 February 2022)	
			TMS 11	1 Year (20 February 2021 - 20 February 2022)	
			TMS 12	1 Year (20 February 2021 - 20 February 2022)	
			TMS 14	1 Year (20 February 2021 - 20 February 2022)	
			TMS 111	1 Year (20 February 2021 - 20 February 2022)	

Remark: <sup>/1</sup> Insurance coverage for certain vessels which are at risk in such cases.

## 1.6 Investment in Subsidiaries and Associates Policy

The Company has a policy to invest in related businesses that are similar, generate benefits, and support the company's business operations in order to increase the Company's stability and operating results. The Company has established the following investment policies to serve as guidelines for its operations.

1. A business that has the potential to create stable revenue and profit, already prepared a project risk management plan and feasibility study.
2. A business that has enough cash flow to pay off its debts and interest.
3. A business with a reasonable return at an acceptable risk and has In the Equity Internal Rate of Return (EIRR) not less than 12% or considering the market conditions at that time.
4. The company must appoint executives and employees who have knowledge and experience in that field.
5. The company must not invest in illegal or immoral business.
6. The investment must be approved by the Chief Executive Officer, the Board of Executives, the Board of Directors, or shareholders meeting pursuant to laws, regulation, and article of association (as the case may be).



7. The Company will invest in marine transportation and offshore support for petroleum exploration and petroleum production. For the investing in other business must be approved by the Chief Executive Officer, the Board of Executives, the Board of Directors, or shareholders meeting pursuant to laws, regulation, and article of association (as the case may be).
8. The consideration to investing in subsidiaries and associates depends on the business relationship. If it is a business has a high number of business relationship, it may invest more than 50% and be considered a subsidiary of the Company. For another businesses, the Company may invest at between 20 percent and 49.99 percent. However, the Company may reconsider its investments in subsidiaries and associates to ensure that they are consistent with and appropriate for the Company's current business conditions.

In the supervision of subsidiaries and associates, the Company shall deliver the Company's representatives to be the directors in each subsidiary and associates. The Chairman of the Board, Chief Executive Officer, director, top management, or any other person with appropriate qualifications and experience in the businesses in which the Company invests, as well as no conflict of interest with the subsidiaries and associates' businesses, may serve as the Company's representatives. The Company's representative will manage the subsidiaries and associates' operations in order to ensure that they are in compliance with all applicable rules, articles of association, and laws.

## 1.7 Details of Significant Contract related to the Company's Business Operations

Nature of Contract	Period	Renewal of Contract	Termination	Significant Conditions
1. Contract to provide Floating Storage Unit (FSU) services (Most of them provide service to a customers who are legal entities incorporated in Singapore. It provides services through Nathalin Shipping Pte. Ltd. ("NSSG")).	6 - 12 months	The most of contracts stipulate that if a customer wishes to renew the contract, they must notify NSSG in writing 30 days before the contract expires.	The contract can be terminated if either party has appointed a liquidator, receiver in bankruptcy, or any person acting in the management of the property, whether whole or part to the creditor, or has become a bankrupt or is unable to pay the obligation, according to the contract's terms. The contract may be terminated by the other party.	The most of contracts specified - NSSG agrees to provide oil transportation and storage services by FSU vessels, with the amount of oil storage specified by each contract. - NSSG agrees to charge FSU vessels fees for the transportation and storage of crude oil and refined oil products services (Storage Fee), and other related service fees from customers such as Inter-Tank Transfer and Blending by Air-Agitation, etc.

Nature of Contract	Period	Renewal of Contract	Termination	Significant Conditions
				<ul style="list-style-type: none"> <li>- NSSG certifies that it has the authorization to take FSU vessels into transportation and storage of oil products, and that FSU vessels are meet the standards of the International Association of Classification Societies: IACS.</li> <li>- NSSG is assumed to have been received the cargo when the cargo is transported from customer's vessel to NSSG's FSU vessel through connecting flange.</li> <li>- NSSG agrees to provide cargo insurance for the period of service, except cargo damage caused by normal transportation.</li> <li>- The customer retains ownership of the cargo transported during the transportation period.</li> <li>- The customer is responsible for paying all cargo-related tax.</li> <li>- The customer cannot transfer the rights or use FSU vessels for third-party transportation and storage of good unless NSSG approves.</li> </ul>

Nature of Contract	Period	Renewal of Contract	Termination	Significant Conditions
2. Time Charter Contract	4 - 6 months	-	<p>The most of contracts specify that if the following events occur, the customer can terminate the contract by notifying NSSG in writing.</p> <ul style="list-style-type: none"> <li>- Due to the Off-hire period, the customer is unable to use the vessel.</li> <li>- The contract's specified vessel is lost.</li> <li>- The contract's specified vessel is under the control of a government officer because it is illegal or in violation of the rules.</li> </ul>	<p>The most of contracts specified the cargo to be transported, the trading area, and the following important details.</p> <ul style="list-style-type: none"> <li>- Do not make any changes to the vessel's ownership, structure, national flag, classification, or ship management provider unless the customer approves.</li> <li>- On a monthly basis, NSSG shall provide a vessel and environment incident for the customer.</li> <li>- In order to comply with relevant law, NSSG is obligated to oversee any activities under the contract, such as the work of ship operators, staffs, and seafarers. This examination must begin on the day the vessel is delivered and continue throughout the time of marine transportation services.</li> </ul>

Nature of Contract	Period	Renewal of Contract	Termination	Significant Conditions
				<ul style="list-style-type: none"> <li>- NSSG agrees that all employee and seafarer employment contracts will be governed by applicable laws and regulations.</li> <li>- The Customer may transport the Contractual Vessels to third parties. However, the Customer retains the contractual obligations and responsibilities to NSSG. If the customer needs to transfer the rights under the contract to others, NSSG must approve it.</li> </ul>

## 1.8 Significant Loan Agreement

Agreement	Long-term loan agreements for the purchasing of vessels, land, and buildings improvements for the Company's business operations.
Parties	The Company and its subsidiaries with commercial bank.
Significant Long-term Loan Amount (As of 31 December 2021)	<ul style="list-style-type: none"> <li>• The Company - The total loan amount is USD 46.9 million and 2,276.4 million Baht with the final repayment is due in March 2028</li> <li>• NTL - The total loan amount is 697.4 million Baht with the final repayment is due in October 2027</li> <li>• SHT - The total loan amount is USD 7.2 million with the final repayment is due in March 2024</li> <li>• Big Sea - The total loan amount is 173.6 million Baht with the final repayment is due in February 2025</li> <li>• TM - The total loan amount is 287.5 million Baht with the final repayment is due in September 2023</li> </ul>

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## Loan Covenants

The following are the requirements for maintaining important financial ratios in any loan agreement:

- The borrowers must maintain the debt service coverage ratio (DSCR1) at the ratio not less than 1.0 - 1.2 times (depending on the bank).
  - The borrower will not incur any obligations by borrowing or guaranteeing anyone until the borrower's debt-to-equity ratio (D/E2 ratio) exceeds the specified ratio (The specified ratio varies depending on the loan amount and the bank) which is usually between 2.0 - 3.0 times. The Debt-to-Equity Ratio is not less than zero. The capital includes loans from directors and related companies, and loans to businesses and related companies.
  - If the borrower and the borrower's project are unable to complete the project on time or unable to control construction costs and other processing fees (Cost Overrun) in accordance with the plan that the borrower has proposed to the lender, the borrower must be responsible for investing in this part to complete the construction without requiring the lender to provide additional credit line in any way.
  - If the borrower lacks liquidity to invest in shipbuilding and/or repay the lender's loan and/or incur cost overrun, the borrower must seek additional funds through a capital increase and/or borrowing money from directors or related companies. In the case of borrowing money from directors or related companies, the borrower must defer repayment of the loan to the directors or affiliates involved until the lender has been paid in full, allowing the loan to the directors or related affiliates to be treated as subordinated debt.
  - If a dispute or lawsuit arises, the borrower must notify the financial institution in writing immediately
  - If the borrower wishes to pay dividends to its shareholders, the borrower must notify the lender in advance. The borrower can pay dividends under the following conditions. 1) Such dividend payment must does not affect the borrower's ability to repay and 2) there is no event of default, The collateral property may not be transferred, sold, rented, disposed of, or encumbered by the borrower. (Borrower's vessel for each loan line), except in the case of borrower's normal business or the disposal of property that has depreciated due to the nature or condition of the property.
  - If the shipyard issued the letter of guarantee to the borrower, the borrower shall transfer the right under the letter of guarantee to the lender within 14 days after receiving the loan in each period.
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- If the borrower purchases additional vessels in any project, the borrower shall notify the bank in advance.
  - The borrower must deposit the income received from the collateral vessel in the account which opened with the lender and grant the lender the right to withdraw money from such deposit accounts as collateral or allow the borrower to deduct money from said deposit account to repay the lender when the debt is due immediately (Pledge and Assignment of Accounts)
  - Throughout the validity period of the loan agreement, the borrower must purchase Hull & Machinery (All Risks) insurance, Protection & Indemnity insurance, and any other necessary insurance by naming the lender as beneficiary, except for Protection & Indemnity insurance, which pays compensation to third parties. However, if the borrower provides sailing services in war-risk areas and privacy according to the announcement of Lloyd's Register, the borrower must purchase Wars and Privacy Insurance.
  - When there is a change in the following matters.
    - The borrower's authorized person or
    - Amendment of Memorandum of Association, Articles of Association, or the Company's stamp

The borrower must notify the bank in writing within 15 days after the changing date and attach the supporting documents.
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Remarks:

1. DSCR is calculated from earnings before interest, tax, depreciation, and amortization (EBITDA) divided by Current Portion of Long-Term Debt (CPLTD), including interest payments for both long-term and short-term loans.
2. D/E is calculated from total liabilities minus loan from directors/related company divide by capital plus loan from directors/related company minus loan to directors/related company.

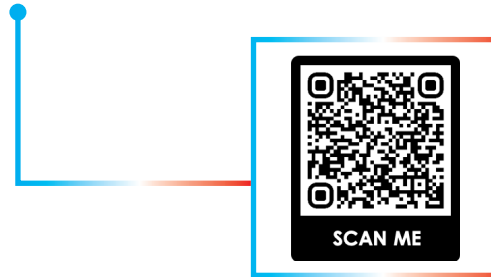
## 2. Details of Asset Appraisal

-None-

## Attachment 5 Full Version of Corporate Governance Policy and Code of Conduct

The Corporate Governance Policy, Code of Conduct, and other relevant policies have been published on the Company's website which can access by clicking here

<https://www.primamarine.co.th/th/corporate-governance/corporate-policies-documents>  
or scan the QR Code below



## Attachment 6 Charter of the Board of Director and Subcommittee

Charter of the Board of Director and Subcommittee have been published on the Company's website which can access by clicking here

<https://www.primamarine.co.th/th/corporate-governance/corporate-policies-documents>  
or scan the QR Code below





## Definitions

Otherwise specified in this report, the following words have meanings as per below.

The Company	means	Prima Marine Public Company Limited
The Company Group	means	Prima Marine Public Company Limited, its subsidiaries, associates and joint venture company
NTL	means	N.T.L. Marine Company Limited
TMT	means	Thaimarine Tanker Company Limited
PM	means	Phurich Marine Company Limited
PRO	means	Protea Investments Group Limited
NMC	means	Nathalin Management Company Limited
NSSG	means	Nathalin Shipping Pte Ltd.
AAM	means	Amity Assey Management Inc.
BSC	means	BSC Management Seafarer Recruitment Company Limited
Big Sea / BGS	means	Big Sea Company Limited
SHT	means	Singha Tankers Company Limited
BMS	means	Bongkot Marine Services Company Limited
TM	means	Truth Maritime Company Limited
TMS	means	Truth Maritime Services Company Limited
TNTL	means	TOP-NTL Pte. Ltd.
TST	means	TOP-NTL Shipping Trust
TNS	means	TOP Nautical Star Company Limited
TIM	means	T.I.M. Ship Management Company Limited
TMN	means	TMN Company Limited
Nathalin	means	Nathalin Company Limited
Trading Business	means	Oil and Petrochemical Tanker Business
FSU Business	means	Floating Storage Unit (“FSU”) Business
Offshore Business	means	Offshore Support Vessel Business
SM Business	means	Ship Management Business
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)
Tanker	means	Oil and Petrochemical Tanker
FSU Vessel	means	Floating Storage Unit Vessel for crude oil and refined oil product
FSO Vessel	means	Floating Storage and Offloading Vessel for petroleum exploration and production
AWB	means	Accommodation Work Barge for oil drilling rig staffs

## Definitions


AHTs Vessel	means	Anchor Handling Tugs Vessel
Double Hull Vessel	means	Vessel that has double layers of hull
Single Hull Vessel	means	Vessel that has single layer of hull
Medium Range (MR)	means	Tanker in the size between 25,000 - 45,000 DWT
Aframax	means	Tanker in the size between 80,000 - 120,000 DWT
VLCC	means	Very Large Crude Carrier in size of 160,000 - 320,000 Deadweight Tonnage
Cargo	means	Crude oil, refined oil product, and Liquefied Petroleum Gas
Seaman	means	All staffs who operate on board
SPOT Storage Contract	means	Cargo storage contract under Spot Charter
TC Storage Contract	means	Cargo storage contract under Time Charter
VOYAGE Shipment	means	Shipment under Voyage Charter
SPOT Shipment	means	Shipment under Spot Charter
TC Shipment	means	Shipment under Time Charter
COA Shipment	means	Shipment under Contract of Affreightment for continual shipment service
Bareboat	means	Shipment under Bareboat
NBTC	means	Office of the National Broadcasting and Telecommunication Commission
IMO	means	International Maritime Organization
MARPOL	means	The International Convention for the Prevention of Pollution from Ships, MARPOL
MLC	means	Maritime Labour Convention
OCIMF	means	Oil Companies International Marine Forum
STS Transfer	means	Ship-to-Ship Transfer
SIRE	means	Ship Inspection Report Program
SOLAS	means	International Convention for Safety of Life at Sea
STC	means	Strithai Capital Company Limited
STCW	means	Convention of Standard of Training, Certification and Watchkeeping for Seafarers (STCW)



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