



V.L. ENTERPRISE PUBLIC COMPANY LIMITED

**REVIEWED REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**



บริษัท สอบบัญชีธรรมนิติ จำกัด
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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To The Shareholders and Board of Directors of
V.L. Enterprise Public Company Limited

I have reviewed the accompanying statement of financial position of V.L. Enterprise Public Company Limited (the Company) as at March 31, 2021 and the related statement of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and the condensed notes to financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

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

CONCLUSION

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

(Mr. Peradate Pongsathiansak)

Certified Public Accountant

Registration No. 4752

Dharmniti Auditing Company Limited
Bangkok, Thailand
May 12, 2021

V.L. ENTERPRISE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

ASSETS

		Baht	
		As at March	As at December
	Notes	31, 2021	31, 2020
CURRENT ASSETS			
Cash and cash equivalents	5	150,967,405.43	171,972,851.20
Trade and other receivables	6	70,277,284.79	63,626,376.74
Vessel supplies and spare parts	7	21,562,358.19	16,131,383.30
Other current financial assets	8	100,224,270.88	100,058,285.72
Other current assets		103,359.25	76,591.05
Total current assets		343,134,678.54	351,865,488.01
NON-CURRENT ASSETS			
Vessels and equipment	9	1,609,415,217.82	1,389,169,721.98
Right-of-use assets	10	19,745,277.30	20,327,464.58
Intangible assets	11	2,658,543.78	2,219,777.29
Other non-current assets		87,100.00	87,100.00
Total non-current assets		1,631,906,138.90	1,411,804,063.85
TOTAL ASSETS		1,975,040,817.44	1,763,669,551.86

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

V.L. ENTERPRISE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT MARCH 31, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht	
		As at March	As at December
	Notes	31, 2021	31, 2020
CURRENT LIABILITIES			
Trade and other payables		34,804,164.08	32,580,161.62
Purchase of fixed assets payable		8,749,590.63	133,927.50
Current portion of lease liabilities	10	2,125,044.66	2,095,914.67
Current portion of long-term loans from financial institutions	14	120,088,900.00	146,023,800.00
Corporate income tax payable		5,109,958.69	3,879,311.92
Other current liabilities		527,041.38	665,670.72
Total current liabilities		171,404,699.44	185,378,786.43
NON-CURRENT LIABILITIES			
Lease Liabilities	10	16,226,162.72	17,021,196.46
Long-term loans from financial institution	14	930,595,226.61	710,332,000.00
Deferred tax liabilities	12	11,256,300.13	11,134,195.40
Employee benefit obligations	15	3,352,062.91	3,205,026.36
Total non-current liabilities		961,429,752.37	741,692,418.22
TOTAL LIABILITIES		1,132,834,451.81	927,071,204.65

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

V.L. ENTERPRISE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT MARCH 31, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht	
		As at March	As at December
	Notes	31, 2021	31, 2020
SHAREHOLDERS' EQUITY			
Share capital			
Registered share capital			
800,000,000 ordinary shares of Baht 0.50 each		400,000,000.00	400,000,000.00
Issued and fully paid-up share capital			
800,000,000 ordinary shares of Baht 0.50 each		400,000,000.00	400,000,000.00
Share premium on ordinary shares		231,587,782.52	231,587,782.52
Surplus on business combination under common control		13,524,246.75	13,524,246.75
Retained earnings			
Appropriated - Legal reserve	17	21,319,000.00	21,319,000.00
Unappropriated		175,775,336.36	170,167,317.94
TOTAL SHAREHOLDERS' EQUITY		842,206,365.63	836,598,347.21
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,975,040,817.44	1,763,669,551.86

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

V.L. ENTERPRISE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

		Baht	
	Notes	2021	2020
REVENUES	19		
Freight charges		139,462,289.08	173,834,258.71
Other income			
Gain on disposal of assets		-	3,887,256.90
Gain on exchange rate		1,640,004.24	4,323,445.15
Others		864,132.31	190,370.45
Total revenues		141,966,425.63	182,235,331.21
EXPENSES			
Cost of freight		114,683,487.39	128,647,895.53
Administrative expenses	4	7,012,376.67	9,123,479.65
Management benefit expenses	4	4,850,665.08	2,733,178.53
Total expenses		126,546,529.14	140,504,553.71
Income before finance costs and income tax expenses		15,419,896.49	41,730,777.50
Finance costs	4	8,228,513.16	10,823,737.08
Income before income tax expenses		7,191,383.33	30,907,040.42
Income tax expenses	16	1,583,364.91	1,440,254.02
Income for the period		5,608,018.42	29,466,786.40
Other comprehensive income for the period		-	-
Total comprehensive income for the period		5,608,018.42	29,466,786.40
Basic earnings per share (Baht per share)	20	0.01	0.04

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V.L. ENTERPRISE PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

		Baht					
		Share capital	Share premium	Surplus on business	Retained earnings		Total
		issued and	on ordinary	combination under	Appropriated	Unappropriated	
	Notes	paid-up	shares	common control	- Legal reserves		
Beginning balance as at January 1, 2021		400,000,000.00	231,587,782.52	13,524,246.75	21,319,000.00	170,167,317.94	836,598,347.21
Total comprehensive income for the period		-	-	-	-	5,608,018.42	5,608,018.42
Ending balance as at March 31, 2021		400,000,000.00	231,587,782.52	13,524,246.75	21,319,000.00	175,775,336.36	842,206,365.63
Beginning balance as at January 1, 2020		400,000,000.00	231,587,782.52	13,524,246.75	17,089,000.00	123,164,680.03	785,365,709.30
Total comprehensive income for the period		-	-	-	-	29,466,786.40	29,466,786.40
Ending balance as at March 31, 2020		400,000,000.00	231,587,782.52	13,524,246.75	17,089,000.00	152,631,466.43	814,832,495.70

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V.L. ENTERPRISE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

Notes	Baht	
	2021	2020
<u>Cash flows from operating activities :</u>		
Income for the period	5,608,018.42	29,466,786.40
Adjustments to reconcile income for the period to net cash provided by (used in) operating activities :		
Depreciation and amortization	26,182,496.95	26,575,547.22
Bad debts	(202,525.78)	-
Gain from other current financial assets measured at fair value	(165,985.16)	-
(Gain) loss on disposal of vessels and equipment	211,233.38	(4,013,169.70)
(Gain) loss on write-off of intangible assets	-	125,912.80
Unrealized (gain) loss on exchange rates	156,721.37	(2,244,770.07)
Gain on change of payment under the lease agreement	(248,060.67)	-
Employee benefit expenses	136,929.96	79,377.07
Interest income	(464.74)	(1,479.80)
Interest expenses	8,228,513.16	10,823,737.08
Income tax expenses	1,583,364.91	1,440,254.02
Income from operating before changes in operating assets and liabilities	41,490,241.80	62,252,195.02
(Increase) decrease in operating assets		
Trade and other receivables	(6,449,392.83)	7,342,120.87
Vessel supplies and spare parts	(5,430,974.89)	3,745,101.70
Other current assets	(26,768.20)	(17,919.40)
Other non-current assets	-	(10,700.00)
Increase (decrease) in operating liabilities		
Trade and other payables	1,912,539.09	(9,319,821.45)
Other current liabilities	(138,629.34)	(249,137.85)
Cash generated from operations	31,357,015.63	63,741,838.89
Payment for income tax	(230,613.41)	(233,472.49)
Net cash provided by operating activities	31,126,402.22	63,508,366.40

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

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V.L. ENTERPRISE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONT.)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

	Baht	
Notes	2021	2020
<u>Cash flows from investing activities :</u>		
Cash paid for purchase of the vessels and equipment	(237,632,009.25)	(114,630,219.40)
Cash paid for purchase of the intangible assets	(248,133.00)	-
Cash received from sales of vessels and equipment	-	129,269,692.40
Cash received from interest income	464.74	1,479.80
Net cash provided by (used in) investing activities	(237,879,677.51)	14,640,952.80
<u>Cash flows from financing activities :</u>		
Cash received from long-term loans from financial institution	227,162,126.61	78,072,116.20
Cash payment of long-term loans from financial institution	(32,833,800.00)	(121,282,500.00)
Cash payment of lease liabilities	(517,843.08)	(959,006.47)
Cash paid for interest expenses	(7,977,195.47)	(11,112,695.16)
Net cash provided by (used in) financing activities	185,833,288.06	(55,282,085.43)
Net increase (decrease) in cash and cash equivalents	(20,919,987.23)	22,867,233.77
Cash and cash equivalents at the beginning of period	171,972,851.20	269,313,304.77
Adjustments to gain (loss) on translation of foreign currency	(85,458.54)	2,381,650.86
Cash and cash equivalents at the end of period	150,967,405.43	294,562,189.40

Supplementary disclosure of cash flow statement data :

Non-cash items as follows :

Interest expense recorded as cost of the assets	227,162.13	754,604.70
Increase (decrease) in purchase of fixed assets payable		
Vessels and equipment	8,374,913.13	(81,863,546.60)
Intangible assets	240,750.00	-
Acquisition of right-of-use assets under lease contracts	-	18,651,874.54

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

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V.L. ENTERPRISE PUBLIC COMPANY LIMITED
NOTES TO INTERIM THE FINANCIAL STATEMENTS
MARCH 31, 2021

1. GENERAL INFORMATION

(a) Address and legal status

The Company was incorporated as a limited company under Thai law and was registered with the Ministry of Commerce on September 27, 1991 and converted from the Company under the provision of the Civil and Commercial Code to be a Company in accordance with the Public Company Act B.E.2535 on September 7, 2018. The head office is located at 41 Asoke-Dindang Rd., Makkasan, Ratchatevee, Bangkok, 10400.

(b) Nature of the Company's operations

The Company operates a tanker fleet business and provides logistical cargo shipping locally and regionally.

2. CORONAVIRUS DISEASE 2019 PANDEMIC

The pandemic of coronavirus disease 2019 (COVID-19) situation with extensive effect on the businesses and industries has resulted in an economic slowdown. The above situation causes the uncertainty in the operations of the business. However, the management of the Company has been continuously monitoring the progress of the situation and assessing the financial impact in respect of the valuation of assets, provisions and contingent liabilities. The management has adopted certain estimates and judgments in accordance with changing situation.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis for the preparation of interim financial statements

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

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

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

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3.2 Significant accounting policies

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

3.3 Financial reporting standards that become effective in the current year

The Federation of Accounting Professions issued a notification of the Federation of Accounting Professions and published in the Government Gazette for the conceptual framework of financial reporting (new) and several revised financial reporting standards from the year 2019 by becomes effective for the accounting period beginning on or after January 1, 2021 onwards. Which such adjustments are improve/revise principles the financial reporting is as follows:

Adjustment is reference to the conceptual framework in the financial reporting standards

Several financial reporting standards are reference to "IASC's Framework for the Preparation and Presentation of Financial Statements." The adjustment of reference project on the conceptual framework in the financial reporting standards has updated reference or partial reference adjustment and other to describe clearly whether each document is reference to "the conceptual framework" of which year.

Conceptual Framework for Financial Reporting

The conceptual framework for financial reporting consisted of revised definitions of assets and liabilities. Criteria for recognition assets and liabilities in the financial statements. It also includes the following new principles and guidance:

1. Measurement, including factors that must be considered in selecting the valuation criteria.
2. Presentation and disclosure which includes when the income and expenses are classified into other comprehensive income.
3. Reporting entities
4. When the assets and liabilities derecognition from the financial statements.

In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

Business definition revised in the financial reporting standard No. 3 "Business Combination" describes more clearly on definition of business. The objective is for the business to establish that such transaction has to be recorded as "business combination" or "purchase of assets" or not. Adjustments are as follows:

1. Describe clearly on the consideration of "business", activity group and acquired assets must include input data factor, key process that at least combined will significantly generate outputs.

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2. Eliminate the assessment that the market partner can substitute input factor or missing process and generate further outputs from the standards.
3. Add practice guide and example to support understanding and help the company assess whether the key process is acquired.
4. Narrow down the definition of business and definition of outputs by placing interest in the product and service provided to the customer and eliminate the reference on ability to reduce cost from the standards.
5. Add the intention test as an alternative which allows to make assessment easily whether the activity group and acquired assets are business or not.

Definition of significance

The definition of significance resulted in revising the accounting standard No.1 "Presentation of Financial Statements, Presentation of Financial Statements and Accounting Standards No.8 – Accounting Policy, Change of Accounting Estimates and Error and the revision that resulted in other financial reporting standards. The adjustment creates better understanding of the definition of significance by

1. For the definition to follow the same direction of the financial reporting standards and conceptual framework to avoid the confusion that may arise from the definition difference.
2. Include the requirements together of the accounting standard No. 1 "Presentation of financial statements" in the definition for it to become clearer and describe how the materiality can be clearly applied.
3. Applying existing practice guidance of the definition of the materiality in the same place as the definition.

Reform of swap interest rate

The reform of swap interest rate resulted in the adjustment of the financial reporting standards No. 9 financial instruments and financial reporting standards No.7 financial instrument disclosure. Such adjustment has changed the hedge accounting requirements, especially to reduce the impact arising from the uncertainty as a result of the swap interest rate reform such as interbank offer rates-IBORs. In addition, the adjustment requires the business to provide additional information to investors regarding the relation of hedging directly impacted from any uncertainties.

Thai Financial Reporting Standard No.16 "Leases"

The Federation of Accounting Professions has revised TFRS 16 lease agreements and published in the Government Gazette on January 27, 2021 with the following revisions.

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1. The Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. Such Rent Concessions related to COVID-19 due within June 30, 2021.
2. Added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted.

The management of the Company and its subsidiaries have assessed that such adjustments do not have any significant impact on the financial statements in the current year.

4. RELATED PARTIES TRANSACTIONS

The Company has certain transactions with related parties. The part of assets, liabilities, revenue, cost and expense of the Company occurred from transactions with related parties. These related parties are related through common shareholdings and/or directorships. The effects of these transactions are reflected in the accompanying financial statements on the basis determined by the Company and the parties concerned.

Nature of relationships between the Company and related parties:

<u>Name of persons or related company</u>	<u>Nature of relationships</u>
<u>Related persons</u>	
Mrs.Chutipa Klinsuwan	The Company's shareholders and directors

For the three-month periods ended March 31, 2021 and 2020, the significant transactions with persons or related parties can be summarized as follows :-

	<u>Pricing policy</u>	<u>Baht</u>	
		<u>2021</u>	<u>2020</u>
<u>Related persons</u>			
Office rental expenses			
Mrs.Chutipa Klinsuwan	Agreed price	466,296.87	466,296.87
Interest expense under the lease			
Mrs.Chutipa Klinsuwan	Effective rate	195,214.55	206,349.22

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The outstanding balances as at March 31, 2021 and December 31, 2020 are as follows :-

	Baht	
	As at March 31, 2021	As at December 31, 2020
<u>Lease liabilities - related person</u>		
Mrs.Chutipa Klinsuwan	17,079,655.73	17,597,501.85

Management benefit expenses

Management benefit expenses represent the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange Act.

For the three-month periods ended March 31, 2021 and 2020, management benefit expenses are as follows:-

	Baht	
	2021	2020
Management benefit expenses		
Short-term employee benefits	4,823,991.49	2,689,195.00
Post-employment benefits	26,673.59	43,983.53
Total	4,850,665.08	2,733,178.53

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :-

	Baht	
	As at March 31, 2021	As at December 31, 2020
Cash on hand	275,418.48	299,738.67
Cash at bank - current accounts	39,775,252.58	3,626,841.71
Cash at bank - savings accounts	110,916,734.37	168,046,270.82
Total	150,967,405.43	171,972,851.20

Savings accounts carry interest at the floating rates which are set by the banks.

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6. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of :-

	Baht	
	As at March	As at December
	31, 2021	31, 2020
<u>Trade receivables</u> , classified by age analysis :-		
- <u>Domestic</u>		
Not yet due	57,223,187.75	48,555,699.65
Overdue :		
Not over 3 months	3,887,598.61	3,563,504.14
Over 3 - 6 months	-	-
Over 6 - 12 months	-	-
Over 12 months	-	202,525.78
Total	61,110,786.36	52,321,729.57
- <u>Foreign</u>		
Not yet due	2,166,781.45	5,864,746.26
Total	2,166,781.45	5,864,746.26
Total trade receivables	63,277,567.81	58,186,475.83
<u>Less</u> Allowance for doubtful accounts	(7,360.15)	(209,885.93)
Total trade receivables - net	63,270,207.66	57,976,589.90
<u>Other receivables</u>		
- Advance payable	130,348.92	125,785.00
- Prepaid expenses	6,798,096.21	5,365,474.84
- Others	78,632.00	158,527.00
Total	7,007,077.13	5,649,786.84
Total trade and other receivables - net	70,277,284.79	63,626,376.74

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For the three-month period ended March 31, 2021 and for the year ended December 31, 2020 the movements of allowance for doubtful accounts were as follow :-

	Baht	
	As at March 31, 2021 (For the three-month)	As at December 31, 2020 (For the year)
Allowance for doubtful accounts		
Beginning balance	209,885.93	202,525.78
Increase (decrease) during the period	-	7,360.15
Bad debts written off during the period	(202,525.78)	-
Ending balance	7,360.15	209,885.93

7. VESSEL SUPPLIES AND SPARE PARTS

Vessel supplies and spare parts consisted of :-

	Baht	
	As at March 31, 2021	As at December 31, 2020
Fuel	13,204,568.37	8,805,542.95
Supplies and spare parts	8,357,789.82	7,325,840.35
Total	21,562,358.19	16,131,383.30

8. OTHER CURRENT FINANCIAL ASSETS

As at March 31, 2021 and December 31, 2020, details of other current financial assets consisted of :-

	Baht	
	As at March 31, 2021	As at December 31, 2020
<u>Investment in debt securities</u>		
KFSMART - open-end fixed income fund	100,000,000.00	100,000,000.00
<u>Add Unrealized gain (loss) on changes in the fair value</u> of financial assets	224,270.88	58,285.72
Investment in debt securities - at fair value	100,224,270.88	100,058,285.72

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9. VESSELS AND EQUIPMENT

Movements of the vessels and equipment account for the three-month period ended March 31, 2021 are summarized as follows :-

	Baht
At cost	
Balance as at December 31, 2020	2,017,308,106.23
Acquisitions during the period	246,006,922.38
Disposals and write-off during the period	(16,070,299.67)
Balance as at March 31, 2021	<u>2,247,244,728.94</u>
Accumulated depreciation	
Balance as at December 31, 2020	628,138,384.25
Depreciation for the period	25,550,193.16
Accumulated depreciation on disposals and write-off	(15,859,066.29)
Balance as at March 31, 2021	<u>637,829,511.12</u>
Net book value	
Balance as at March 31, 2021	<u>1,609,415,217.82</u>
Balance as at December 31, 2020	<u>1,389,169,721.98</u>

Some vessels with net book value as at March 31, 2021 and December 31, 2020 Baht 1,585.60 million and Baht 1,339.10 million, respectively, were pledged to guarantee against loan from financial institution (see Note 13 and 14).

For the three-month periods ended March 31, 2021 and 2020, the Company recorded interest as part of the cost vessels of Baht 0.23 million and Baht 0.75 million. Borrowing costs are the actual amount of the loan specific purposes for the each vessel by interest at the rate of 4.00% per annum.

As at March 31, 2021 and December 31, 2020, the Company had the fixed assets that have been fully depreciated but they are still in use, at cost of assets of Baht 449.90 million and Baht 436.82 million, respectively.

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

10.1 Right-of-use assets

The carrying amounts of right-of-use assets building and equipment and the movement for the three-month period ended March 31, 2021 are summarized as follows :-

	Baht
At cost	
As at December 31, 2020	23,020,874.54
Increase during the period	-
As at March 31, 2021	23,020,874.54
Accumulated depreciation	
As at December 31, 2020	2,693,409.96
Depreciation for the period	582,187.28
As at March 31, 2021	3,275,597.24
Net book value	
As at March 31, 2021	19,745,277.30
As at December 31, 2020	20,327,464.58

10.2 Lease liabilities

The carrying amounts of lease liabilities and the movement for the three-month period ended March 31, 2021 are presented below:

	Baht
As at December 31, 2020	19,117,111.13
Increase during the period	-
Increase of interest	214,099.92
Payments during the period	(731,943.00)
Decrease from changes in office rental payments	(248,060.67)
As at March 31, 2021	18,351,207.38
<u>Less: current portion</u>	<u>(2,125,044.66)</u>
Lease liabilities - net of current portion	16,226,162.72

The following are the amounts recognized in profit or loss for the three-month period ended March 31, 2021 are presented below:

	Baht
Depreciation of right-of-use assets	582,187.28
Interest expense on lease liabilities	214,099.92
Total	796,287.20

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11. INTANGIBLE ASSETS

Intangible assets consisted of :-

	Baht			Book value as at Mar 31, 2021
	Book value as at Jan 1, 2021	Additions	Deductions	
<u>Cost</u>				
Computer program	3,043,826.66	7,383.00	-	3,051,209.66
Assets in progress	1,005,410.52	481,500.00	-	1,486,910.52
Total	4,049,237.18	488,883.00	-	4,538,120.18
<u>Less</u> Accumulated amortizations				
Computer program	(1,829,459.89)	(50,116.51)	-	(1,879,576.40)
Intangible assets-net	2,219,777.29			2,658,543.78

12. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities for the three-month period ended March 31, 2021 are summarized as follows :-

	Baht			Balance per book as at March 31, 2021
	Balance per book as at December 31, 2020	Revenue (expenses) during the year In profit or loss	In other comprehensive income	
Deferred tax assets:				
Account receivables	41,977.19	(40,505.16)	-	1,472.03
Employee benefit obligations	264,456.86	57,254.12	-	321,710.98
Leases	63,657.36	14,675.88	-	78,333.24
Total	370,091.41	31,424.84	-	401,516.25
Deferred tax liability:				
Depreciation of fixed assets	(11,504,286.81)	(153,529.57)	-	(11,657,816.38)
Total	(11,504,286.81)	(153,529.57)	-	(11,657,816.38)
Deferred tax assets (liabilities) - net	(11,134,195.40)	(122,104.73)	-	(11,256,300.13)

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

As at March 31, 2021 and December 31, 2020, the Company has bank overdrafts and short-term loans from financial institution totaling credit lines of Baht 30 million were guaranteed by some vessels.

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14. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

Long-term loans from financial institution consisted of :-

	Baht	
	As at March 31, 2021	As at December 31, 2020
Long-term loans at the beginning of the period	856,355,800.00	998,649,283.80
Received loans during the period	227,162,126.61	78,072,116.20
Repayment of loans during the period	(32,833,800.00)	(220,365,600.00)
Long-term loans at the end of the period	1,050,684,126.61	856,355,800.00
<u>Less</u> Current portion of long-term loans	<u>(120,088,900.00)</u>	<u>(146,023,800.00)</u>
Long-term loans - net	<u>930,595,226.61</u>	<u>710,332,000.00</u>

The long-term loans above were guaranteed by each vessel.

In March 2020, the Company had approved from financial institution for principal debt suspension of a long-term loan for 6 months. The Company must comply with conditions in the former agreement when the principal suspension is due.

In March 2021, the Company had approval from a financial institution to reduce the amount of principal payment and interest rate at the rate 0.50 - 1.00 percent per annum for a period of 12 months of 7 long-term credit lines. The Company was the reduce of principal payment of Baht 3.81 million per month installment (6 credit lines) since from March 2021 and reduce the principal amount of Baht 0.56 million per month installment (1 credit line) since from April 2021.

Other important conditions under the agreement

The Company has to comply with the loan covenants and important terms such as maintain a proper debt-to-equity ratio not more than 2.5 times and grant beneficiary of the asset protection insurance to the lender and not to sell, distribute, transfer, mortgage, pledge, transfer claim entitlement and lay down collateral by any means that will commit an obligation. It does not decrease share capital.

15. EMPLOYEE BENEFIT OBLIGATION

Employee benefit obligations are as follows :-

The statements of financial position

	Baht	
	As at March 31, 2021 (For the three-month)	As at December 31, 2020 (For the year)
Defined benefit obligations at the beginning of the period	3,205,026.36	5,024,115.18
Current service cost and interest	147,036.55	270,248.18
<u>Less</u> Employee benefit paid by project	-	(3,549,723.00)
Actuarial loss from defined benefit plans	-	1,460,386.00
Defined benefit obligations at the end of the period	<u>3,352,062.91</u>	<u>3,205,026.36</u>

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16. **INCOME TAX EXPENSES (REVENUES)**

16.1 Major components of income tax expenses (revenues)

For the three-month periods ended March 31, 2021 and 2020 consisted of :-

	Baht	
	2021	2020
Income tax expenses (revenues) shown in profit or loss :		
Current tax expense :		
Corporate income tax expense for the period	1,461,260.18	2,279,418.89
Deferred tax expense :		
Changes in temporary differences relating to the original recognition and reversal	122,104.73	(839,164.87)
Total	1,583,364.91	1,440,254.02

16.2 A numerical reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rate

For the three-month periods ended March 31, 2021 and 2020 are summarized as follows :-

	Baht	
	2021	2020
Accounting profit for the period	7,191,383.33	30,907,040.42
The applicable tax rate (%)	20%	20%
Tax expense at the applicable tax rate	1,438,276.67	6,181,408.08
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	145,088.24	93,713.29
Tax effect of income or profit that are not required in determining taxable profit :		
- The exemption of profit of the promoted business (BOI)	-	(4,831,708.10)
- Expenses deducted as expenses added in tax	-	(3,159.25)
Total reconciliation items	145,088.24	(4,741,154.06)
Total income tax expense	1,583,364.91	1,440,254.02

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16.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the three-month periods ended March 31, 2021 and 2020 are summarized as follows :

	2021		2020	
	Tax amount	Tax rate	Tax amount	Tax rate
	(Baht)	(%)	(Baht)	(%)
Accounting profit before tax expense for the period	7,191,383.33		30,907,040.42	
Tax expense at the applicable tax rate	1,438,276.67	20.00	6,181,408.08	20.00
Reconciliation items	145,088.24	2.02	(4,741,154.06)	(15.34)
Tax expense at the average effective tax rate	1,583,364.91	22.02	1,440,254.02	4.66

17. LEGAL RESERVE

In compliance with the Public Company Act B.E.2535 (1992), the Company sets aside a legal reserve for at least 5% of its net profits until the reserve equaled 10% of the authorized share capital. This reserve is not available for dividend distribution.

18. DIVIDEND

For the year 2020

At the Board of Directors' Meeting No.3/2020, held on March 30, 2020, the board approved to pay the interim dividend from the net profit 2019 instead of the annual dividend payment and proposed to the Annual General Shareholders' Meeting 2020 which was paid from the retained earnings-unappropriated under promotional privileges by the Board of Investment (BOI) in the amount of Baht 16 million at the rate of 0.02 per share (payment in April 2020).

At the Board of Directors' Meeting No.5/2020, held on August 13, 2020, the board approved to pay the interim dividend from the operating results for the six-month period ended June 30, 2020 which was paid from the retained earnings-unappropriated under promotional privileges by the Board of Investment (BOI) in the amount of Baht 16 million at the rate of 0.02 per share (payment in September 2020).

Totaling pay dividends in the year 2020 amounting to Baht 32.00 million.

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19. PRIVILEGES AND BENEFITS UNDER INVESTMENT PROMOTION

The Company has been granted promotional privileges by the Board of Investment under Investment Promotion Act B.E. 2520 for the business of mass transportation and large goods as follows :-

	Vessel V.L.15	Vessel V.L.16	Vessel V.L.17	Vessel V.L.18	Vessel CTP.5	Vessel V.L.19	Vessel V.L.20	Vessel V.L.21	Vessel V.L.22
Promotion certificate number	2679(2)/2013	1707(2)/2015	59-0313-1-00-1-0	59-0312-1-00-1-0	60-0737-0-00-1-2	60-0721-1-00-1-0	60-0597-1-00-1-0	62-0240-1-00-1-0	62-0576-1-00-1-0
Dated	Nov 25, 2013	Jun 8, 2015	Feb 26, 2016	Feb 26, 2016	Jul 4, 2017	Jul 3, 2017	Aug 14, 2018	Mar 5, 2019	Apr 23, 2019
Key privileges and benefits under the promotion certificate									
1. Exemption of import duty on machinery (vessel) subject to import within date	May 25, 2016	Dec 8, 2017	Aug 26, 2018	Aug 26, 2018	Feb 24, 2016	Jan 3, 2020	Feb 14, 2021	Sep 5, 2021	Dec 7, 2021
2. Exemption of corporate income tax on net profit derived from									
Of 8 years, starting from the date income is first derived from such operation - dated	Dec 1, 2014	Sep 9, 2015	Aug 17, 2016	Dec 1, 2016	May 29, 2017*	Aug 10, 2017	Sep 30, 2018	Apr 4, 2019	Apr 25, 2020
3. Others	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate	As specified in the promotion certificate

* For vessel CTP.5 has been granted promotional privileges until February 20, 2024 which the original privileges before the transfer of business under the promotion certificate number 2169(2)/2012 on August 24, 2012.

The Company has to comply with the conditions and restrictions as specified in the promotion certificate.

Freight charges for the three-month periods ended March 31, 2021 and 2020 consisted of :-

	Freight charges (Baht)					
	2021			2020		
	BOI	Non BOI	Total	BOI	Non BOI	Total
Freight charges						
- Domestic	64,179,754.02	22,114,237.70	86,293,991.72	96,771,267.93	22,060,330.53	118,831,598.46
- Export	29,442,527.33	23,725,770.03	53,168,297.36	35,463,880.11	19,538,780.14	55,002,660.25
Other income	1,721,744.84	782,391.71	2,504,136.55	8,038,864.67	362,207.83	8,401,072.50
Total	95,344,026.19	46,622,399.44	141,966,425.63	140,274,012.71	41,961,318.50	182,235,331.21

20. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the income for the period by the weighted average number of ordinary shares which are issued and paid-up during the period as follows :-

For the three-month periods ended

	March 31	
	2021	2020
Income for the periods (Baht)	5,608,018.42	29,466,786.40
Weighted average number of ordinary shares (Share)	800,000,000	800,000,000
Basic earnings per share (Baht per share)	0.01	0.04

21. SEGMENT INFORMATION

The Company operates the main business operation that reports on a single segment which is the oil tanker fleet transportation service. The operating results were regularly reviewed by the highest operation decision maker that is the chief executive officer who decides on the allocation of resources to the segment and evaluates performance. The Company evaluates the performance results of the operating segment by using the basis for profit or loss of the operating segment which is the same basis used to measure profit or loss from operation in the financial statements. Therefore, all revenues, profits from operation and assets that are presented in the financial statements are already reported by the operating segment.

Geographic Information

The Company's freight services provide both domestic and international shipping services in Southeast Asia shown as follows:

Freight charges for the three-month periods ended March 31, 2021 and 2020, shown as follows:

	Baht	
	2021	2020
Domestic Freight Charges	86,293,991.72	118,831,598.46
Export Freight Charges	53,168,297.36	55,002,660.25
Total net income from freight charges	139,462,289.08	173,834,258.71

Information about major customers

For the three-month periods ended March 31, 2021 and 2020, the Company had revenue from four and three major customers, respectively, from transportation service revenue exceeding 10% totaling Baht 109.81 million and Baht 134.50 million, respectively.

22. FINANCIAL INSTRUMENTS

22.1 Foreign currency risk

The Company's exposure to foreign currency risk relates to transactions in foreign currency, which the Company has currently not hedged by derivative financial instruments.

As at March 31, 2021, the company had foreign currency as follows:

Transaction	Currency	Foreign amount (Unit)	Fair value (Baht)
Cash and cash equivalents	USD	84,378.96	2,630,387.51
Trade and other receivables	USD	61,507.16	1,917,393.45
Trade and other payables	USD	142,475.58	4,488,721.64
	JPY	926,411.00	265,830.86

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22.2 Forward foreign exchange contracts

The Company has entered into forward foreign exchange contracts to manage exposure to fluctuations in foreign currencies of trade receivables, other receivables, trade payables and other payables denominated in foreign currencies.

As at March 31, 2021, the Company has no outstanding forward foreign exchange buying contracts.

22.3 Fair value of financial instruments

The Company uses the market approach to measure the fair value of assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

- Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Use of inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (e.g. prices) or indirectly (e.g. derived from prices)
- Level 3 - Use of unobservable inputs such as estimates of future cash flows.

As at March 31, 2021, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Baht		
	Level 1	Level 2	Level 3
Total			
Financial assets measured at fair value			
Other current financial assets			
- Unit trusts	-	100,224,270.88	-
			100,224,270.88

During the current period, there were no transfers within the fair value hierarchy.

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Valuation techniques and inputs of fair value to level 2

The fair value of investments in unit trusts that not listed on the Stock Exchange of Thailand has been determined by using the net assets value per unit as announced by fund manager.

The fair value of forward foreign exchange contracts is determined by the market rate of each contract, which is calculated by financial institutions dealing with the Company at the date of the statement of financial position.

The fair values of derivative financial instruments, which are cross currency swap contracts, are the market prices adjusted by credit risk of the Company which is calculated by the financial institution of the Company as at the statement of financial position date. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates.

23. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, 2021, the Company had commitment and contingent liabilities as follows :-

- 23.1 The Company had contingent liability in respect of the letters of guarantee issued by the bank to Port Authority of Thailand, Marine Department and guarantee for normal course of business operations in the amount of Baht 17.42 million.
- 23.2 The Company had commitments and obligations to the contract of hiring 5 oil tankers with both local and foreign companies for the period of 1 - 5 years at the specified rates in the contracts.

24. EVENTS AFTER THE REPORTING PERIOD

On April 22, 2021, the Annual General shareholders' Meeting for 2021 of the Company passed the resolution approving as follows :-

- 24.1 To approve the dividend payment at the rate of Baht 0.07 per share, totaling Baht 56 million, from the retained earnings-unappropriated under promotional privileges by the Board of Investment (BOI) after deducting the interim dividend of Baht 0.02 per share, The remaining dividend balance of Baht 0.05 per share, totaling Baht 40 million will be paid in May 2021.
- 24.2 To approve the issuance of warrants to purchase the ordinary shares of the Company No.1 and to offer not more than of 400 million warrants with registered holders to the existing shareholders free of charge, at the ratio of 1 warrant for every 2 existing shares. These warrants can be exercised for a period of 2 years from the issue date with an exercise ratio of 1 warrant per 1 ordinary share and an exercise price of Baht 0.50 per share.
- 24.3 To approve the share capital increase of the Company's registered share capital of Baht 200 million from the registered capital of Baht 400 million to Baht 600 million. It had resulted in an increase in the number of shares 400 million at the par value of Baht 0.50 Baht per share to be reserved for the exercise of warrants. The warrants are valid for 2 years from the issuance date (April 28, 2021) and the exercise will be divided into 4 times, with the first exercise date on October 27, 2021 and the last exercise date on April 27, 2023.

25. APPROVAL OF FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company's directors on May 12, 2021.

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