



# บริษัท อาร์ ซี แอล จำกัด (มหาชน) Regional Container Lines Public Company Limited

## Press Release for Financial Results as at 31 December 2018

RCL's total revenues for the year 2018 grew 5% over 2017 to THB 12,262 Mil. RCL managed to clinch a year-on-year increase of 6.3% in freight income totalling THB 11,962.5 Mil. In addition, RCL's other income increased gain on exchange rate THB 41 Mil (123%), sale of assets THB 18 Mil increased 16% as well as in interest earned THB 2.3 Mil higher 57.6% compared to last year. Total liftings from the two core businesses for year 2018 were 869,325 TEUs for Shipper Owned Container (SOC) and 1,241,574 TEUs for Carrier Owned Container (COC), representing a year-on-year increase of 9.7% and 11.9%, respectively. Year-on-year average freight rate remained relatively unchanged at 0.5% more than that of the year 2017.

Total expenses posted was THB 12,721 Mil, an increase of 13%. These expenses comprising of administration cost and cost of freight & operations registered higher figures of THB 34 Mil (4%) and THB 1,316.2 Mil (13%), respectively on a year-on-year basis. Vis-à-vis 2017, there was a dramatic 33.6% surge in bunker cost which led to higher cost of freight & operation. Loss on impairment of vessels THB 50 Mil was also a contributing factor to the increase in total expenses for year 2018.

In 4Q 2018, SOC liftings was 249,792 TEUs, a rise of 14% over 4Q 2017 and a 20.7% increase when compared to 3Q 2018. COC liftings of 320,807 TEUs for 4Q 2018 also saw an improvement of 9% against 4Q 2017, and was 3% more than 3Q 2018. Total TEUs liftings amounted to 570,599 or 11% growth over and above Q4 2017 and was 10% higher, when compared with 3Q 2018. Average freight rate was marginally down by 0.6% against 4Q 2017, and it was 2.8% lower than the previous quarter. Though quarter-to-quarter increase was 2.9%, RCL saw a 34.9% jump in bunker cost when compared to 4Q 2017.

RCL Group reported a loss of THB 356 Mil for the year 2018 against a profit of THB 533.2 Mil in 2017. The unfavorable loss was substantially due to rise in cost of bunker, despite better performance in revenue and liftings, and containment of other costs.



# บริษัท อาร์ ซี แอล จำกัด (มหาชน) Regional Container Lines Public Company Limited

Moving forward, amid the on-going trade war and uncertainties in the geo-political front, RCL will continue to improve its efficiency by further reducing its costs, using new technology in operation and to increase other income in the areas where possible.

22 February 2019

*Founded in 1979, RCL is a Thai based container shipping line. Listed on the Thai Stock Exchange since 1988, its core business is in the carriage of Shipper owned containers (SOC) and its own Carrier container containers (COC) in a service network that is fully Asia centric. RCL currently owns and operates a fleet of 50 vessels with sizes ranging between 200 TEUs and 6621 TEUs. It also has a fleet of 110,100 TEUs to support its own COC carriage as well. RCL operates a network of 67 offices made up of both owned and agency partner offices to support its operations. Today, RCL is recognised as amongst the leading SOC and Intra Asian operator by both peers and customers alike.*



# REGIONAL CONTAINER LINES GROUP

## QUARTERLY EARNING STATEMENTS IN THAI BAHT MILLION

(million baht)

	1st Quarter 2018	Half-Year 2018	9 months 2018	Year-End 2018
Freight income	2,829.2	5,662.5	8,713.4	11,962.6
Cost of freight and operations	(2,793.5)	(5,506.1)	(8,418.4)	(11,494.4)
<b>Gross Profit</b>	<b>35.7</b>	<b>156.4</b>	<b>295.0</b>	<b>468.2</b>
<b>Gross Profit Margin</b>	<b>1.3%</b>	<b>2.8%</b>	<b>3.4%</b>	<b>3.9%</b>
Other income	37.7	72.0	104.6	129.9
Unrealised gain from changes in the fair value of Derivatives	1.0	0.9	1.4	0.0
Gain on exchange	3.4	39.7	39.8	74.0
Gain on sale of assets	12.9	61.9	97.9	132.9
Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	73.2
Total other income	55.0	174.5	243.7	410.0
Admin expenses	(228.7)	(456.4)	(691.9)	(921.7)
Unrealised loss from changes in the fair value of Derivatives	0.0	0.0	0.0	(1.7)
Loss on sale of investments	(3.9)	(3.9)	(3.9)	(4.0)
Loss on impairment of Vessels	0.0	0.0	0.0	(49.9)
Total other expenses	(232.6)	(460.3)	(695.8)	(977.3)
Interest expenses	(50.1)	(102.6)	(166.8)	(249.5)
Profit / (loss) before taxation	(192.0)	(232.0)	(323.9)	(348.6)
Income tax	0.7	(2.3)	(3.7)	(7.7)
Profit / (loss) after taxation	(191.3)	(234.3)	(327.6)	(356.3)
Minority interest	(0.4)	(0.5)	(0.8)	(1.4)
<b>Net profit / (loss) attributable to members</b>	<b>(191.7)</b>	<b>(234.8)</b>	<b>(328.4)</b>	<b>(357.7)</b>

## COMPUTATION OF EBITDA

Profit / (loss) before taxation	(192.0)	(232.0)	(323.9)	(348.6)
Add: Impairment loss of assets	0.0	0.0	0.0	49.9
Less: Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	(73.2)
Less: Unrealised (Gain) / Loss from changes in fair value of derivatives	(1.0)	(0.9)	(1.4)	1.7
Add: Interest	50.1	102.6	166.8	249.5
<b>EBIT</b>	<b>(142.9)</b>	<b>(130.3)</b>	<b>(158.5)</b>	<b>(120.6)</b>
Add: Amortisation	0.0	0.0	0.0	0.0
Add: Depreciation	378.8	763.0	1,165.9	1,591.0
<b>EBITDA</b>	<b>235.9</b>	<b>632.7</b>	<b>1,007.4</b>	<b>1,470.4</b>

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
THAILAND

---

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018  
AND  
INDEPENDENT AUDITOR'S REPORT

---

EXPRESSED IN  
THAI BAHT

---



**A. M. T. & Associates**

สำนักงาน เอ. เอ็ม. ที. แอสโซซิเอท

Accounting Management & Tax Services

491/27 Silom Plaza, Silom Road, Bangruak, Bangkok 10500, Thailand.

Tel: +66 (0) 2234-1676, 2234-1678, 2237-2132 • Fax: +66 (0) 2237-2133

**INDEPENDENT AUDITOR'S REPORT**

**To The Shareholders and Board of Directors of  
Regional Container Lines Public Company Limited**

**Opinion**

I have audited the consolidated financial statements of Regional Container Lines Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Regional Container Lines Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2018, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Regional Container Lines Public Company Limited and its subsidiaries and of Regional Container Lines Public Company Limited as of December 31, 2018, and 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 in accordance with the Federation of Accounting Professions's Code of Ethics for Professional Accountants together with the ethical requirements that are 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 year. 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.

Key Audit Matters included Audited Procedures are as follows:

Impairment of vessels (the consolidated and separate financial statement)

As describe in Note 2.7, 2.15 and 10.2 to the financial statement, the Company and its subsidiary's vessels which are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any) are significant amount. The management exercise judgement in determining the impairment loss due to the recoverable amount of the vessels is determined on value in use by estimate future cash flows that the entity expects to derive from the assets which related to the projection of future operating performance, future plan and determination of an appropriate discount rate and key assumptions. Therefore, I have identified that considering the impairment loss of vessels is the significant matter that requires special attention in the audit.

My audit procedure on such matter

I verified the impairment of vessels by consider and assess the reasonable and supportable assumptions and approaches in preparation of the estimate of future cash inflows or outflows which the Group expected to derive from the continuing use of the vessels. Including assess the Group's reasonable discount rate which used for calculation of the recoverable amount of the vessels and considered the adequacy of the information disclosure related to impairment of vessels.

### **Other Information**

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

## **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 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 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 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 year 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.



(CHAIYUTH ANGSUWITHAYA)  
Certified Public Accountant  
Registration No. 3885

## Regional Container Lines Public Company Limited and its subsidiaries

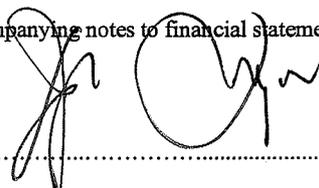
## Statements of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,202,343,114	1,639,979,798	21,118,599	77,813,272
Trade receivables - unrelated parties		2,271,165,948	1,633,591,376	2,943,783	10,973,647
Less: allowance for doubtful accounts		(56,105,502)	(56,384,722)	-	-
Trade receivables - unrelated parties, net	6	2,215,060,446	1,577,206,654	2,943,783	10,973,647
Trade receivables - related parties	6 and 19	43,697,106	49,003,459	725,253,004	187,174,100
Other receivables	19	488,115,562	766,950,290	958,439,934	401,890,610
Material supplies		332,237,177	240,076,159	17,984,273	13,078,696
Other current assets	7	42,457,173	33,544,485	1,127,847	2,701,331
<b>Total current assets</b>		<b>4,323,910,578</b>	<b>4,306,760,845</b>	<b>1,726,867,440</b>	<b>693,631,656</b>
<b>Non - current assets</b>					
Property investments held for					
long - term investment		5,064,616	5,182,451	-	-
Investments in subsidiaries, net	8	-	-	6,786,352,944	6,838,625,155
Investments in associates	9.1	353,353,178	354,430,907	53,782,173	54,164,550
Investments in joint venture	9.2	62,085,206	30,312,619	-	-
Other long - term investments		10,929,830	11,007,538	-	-
Property and premises, net	10.1, 12 and 14	307,837,647	315,589,787	423,515	426,526
Vessels and equipment, net	10.2, 13 and 14	12,949,722,250	11,943,365,743	5,264,904,503	4,024,138,246
Intangible assets, net	11	6	9,159	-	-
Other non - current assets					
- Advances for vessel constructions	25	267,535,530	438,458,269	267,535,530	438,458,269
- Other		15,651,277	4,449,268	2,504,180	2,428,918
<b>Total non - current assets</b>		<b>13,972,179,540</b>	<b>13,102,805,741</b>	<b>12,375,502,845</b>	<b>11,358,241,664</b>
<b>Total assets</b>	28	<b>18,296,090,118</b>	<b>17,409,566,586</b>	<b>14,102,370,285</b>	<b>12,051,873,320</b>

The accompanying notes to financial statements are an integral part of these financial statements.



Mr. Sumate Tanthuwani  
Director




Mr. Sutep Tranantasin  
Director

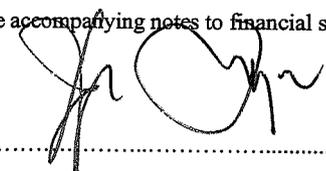
DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**  
**As at 31 December 2018**

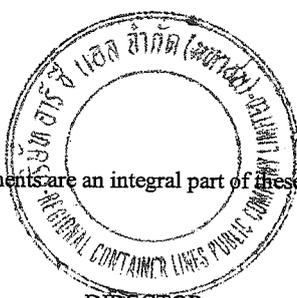
(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2018	2017	2018	2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short - term loans from financial institutions	12	932,300,000	1,379,895,000	350,000,000	801,600,000
Trade payables - unrelated parties		3,504,735,363	3,082,437,334	59,517,174	48,337,371
Trade payables - related parties	19	88,066,985	7,570,296	-	-
Other payables					
- Accrued expenses		79,860,530	80,272,228	15,922,322	22,180,641
- Advance receipt	19	4,260,174	2,423,952	4,296,703,314	2,026,622,940
- Payable on purchase of assets	19	77,237,048	-	104,485,998	86,674,556
Current portion of liabilities					
under financial lease agreement	13	326,335,542	229,545,290	-	-
Current portion of long - term loans	14	651,583,982	1,073,930,166	479,685,800	356,294,880
Provision for onerous contracts	24.1 (a)	46,125,866	120,267,027	-	-
Income tax payable		2,852,748	2,685,847	-	-
Other current liabilities		134,484,991	105,480,893	3,147,416	2,531,500
<b>Total current liabilities</b>		<b>5,847,843,229</b>	<b>6,084,508,033</b>	<b>5,309,462,024</b>	<b>3,344,241,888</b>
<b>Non - current liabilities</b>					
Liabilities under financial lease agreements,					
net of current portion	13	1,395,981,208	966,414,089	-	-
Long - term loans, net of current portion	14	2,600,087,215	1,398,517,019	1,763,781,306	1,242,954,148
Provisions for employee benefits	16	35,120,919	28,296,552	31,934,993	25,605,956
Deferred tax liabilities	22	8,632,945	8,560,845	-	-
<b>Total non - current liabilities</b>		<b>4,039,822,287</b>	<b>2,401,788,505</b>	<b>1,795,716,299</b>	<b>1,268,560,104</b>
<b>Total liabilities</b>	28	<b>9,887,665,516</b>	<b>8,486,296,538</b>	<b>7,105,178,323</b>	<b>4,612,801,992</b>

The accompanying notes to financial statements are an integral part of these financial statements.



**Mr. Sumate Tanthuwana**  
Director



DIRECTOR



**Mr. Sutep Tranantasin**  
Director

DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**  
**As at 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2018	2017	2018	2017
<b>Shareholders' equity</b>					
Share capital					
Registered					
828,750,000 ordinary shares of Baht 1 each		828,750,000	828,750,000	828,750,000	828,750,000
Issued and fully paid - up					
828,750,000 ordinary shares of Baht 1 each		828,750,000	828,750,000	828,750,000	828,750,000
Share premium		4,982,964,187	4,982,964,187	4,982,964,187	4,982,964,187
Retained earnings					
Appropriated - legal reserve	17	66,300,000	66,300,000	66,300,000	66,300,000
Unappropriated		2,987,147,230	3,427,763,783	1,481,616,857	1,869,950,228
Other components of equity		(464,367,906)	(384,125,418)	(362,439,082)	(308,893,087)
Total equity of parent Company's shareholders		8,400,793,511	8,921,652,552	6,997,191,962	7,439,071,328
Non - controlling interests		7,631,091	1,617,496	-	-
<b>Total shareholders' equity</b>		8,408,424,602	8,923,270,048	6,997,191,962	7,439,071,328
<b>Total liabilities and shareholders' equity</b>	28	18,296,090,118	17,409,566,586	14,102,370,285	12,051,873,320

The accompanying notes to financial statements are an integral part of these financial statements.

**Mr. Sumate Tanthuwani**  
Director

DIRECTOR

**Mr. Sutep Tranantasin**  
Director

DIRECTOR

## Regional Container Lines Public Company Limited and its subsidiaries

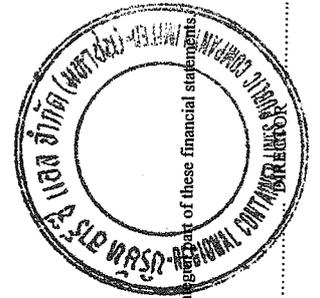
## Statements of changes in equity

For the year ended 31 December 2018

(Unit: Baht)

## Consolidated financial statements

	Equity holders of parent company										Total equity of parent Company's shareholder	Non - controlling interests	Total shareholder's equity
	Issued and fully paid - up share capital	Share premium	Appropriated - legal reserve	Retained earnings		Other components of equity			Total	Total equity of parent Company's shareholder			
				Unappropriated	Exchange differences on translating financial statement on defined employee benefit plans	Other comprehensive income (loss)	Actuarial gains (losses)						
Note													
<b>Balance as at 1 January 2017</b>	828,750,000	4,982,964,187	66,300,000	2,877,943,240	474,707,794	-	-	474,707,794	9,230,665,221	19,974,646	9,250,639,867		
Subsidiaries dissolve and liquidate	-	-	-	-	(6,337,397)	-	-	(6,337,397)	(6,337,397)	(18,363,246)	(24,700,643)		
Total comprehensive income (loss) for the year	-	-	-	533,258,437	(852,493,815)	15,226,364	-	(837,269,451)	(304,011,014)	6,096	(304,004,918)		
Transferred to retained earnings	-	-	-	15,226,364	-	(15,226,364)	-	-	-	-	-		
Reversal of unpaid dividend to shareholders	-	-	-	1,335,742	-	-	-	-	1,335,742	-	-		
<b>Balance as at 31 December 2017</b>	828,750,000	4,982,964,187	66,300,000	3,427,763,783	(384,125,418)	-	-	(384,125,418)	8,921,652,552	1,617,496	8,923,270,048		
<b>Balance as at 1 January 2018</b>	828,750,000	4,982,964,187	66,300,000	3,427,763,783	(384,125,418)	-	-	(384,125,418)	8,921,652,552	1,617,496	8,923,270,048		
Subsidiaries dissolve and liquidate	-	-	-	-	9,453,967	-	-	9,453,967	9,453,967	-	9,453,967		
Purchase of investment in subsidiary	5	-	-	(357,741,773)	-	-	-	-	(447,438,228)	4,604,971	4,604,971		
Total comprehensive income (loss) for the year	-	-	-	(82,874,780)	(89,656,455)	-	-	(89,696,455)	(82,874,780)	1,408,624	(446,029,604)		
Dividend paid	-	-	-	2,987,147,230	(464,367,906)	-	-	(464,367,906)	8,400,793,511	7,631,091	(82,874,780)		
<b>Balance as at 31 December 2018</b>	828,750,000	4,982,964,187	66,300,000	2,987,147,230	(464,367,906)	-	-	(464,367,906)	8,400,793,511	7,631,091	8,408,424,602		



The accompanying notes to financial statements are an integral part of these financial statements

*(Signature)*

Mr. Sumate Tanthuwatit  
Director

DIRECTOR

Mr. Sutep Trauantasin  
Director

*(Signature)*

## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of changes in equity (continued)

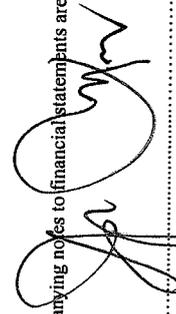
For the year ended 31 December 2018

(Unit: Baht)

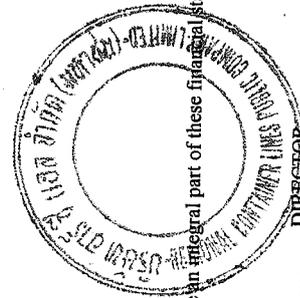
Note	Separate financial statements									
	Issued and fully paid - up share capital	Retained earnings		Other components of equity			Total	Total shareholder's equity	Total	Total
		Share premium	Appropriated - legal reserve	Unappropriated	Exchange differences on translating financial statement	Other comprehensive income (loss)				
<b>Balance as at 1 January 2017</b>	828,750,000	4,982,964,187	66,300,000	2,299,515,279	463,669,533	-	-	463,669,533	8,641,198,999	
Total comprehensive income (loss) for the year	-	-	-	(446,127,157)	(772,562,620)	15,226,364	-	(757,336,256)	(1,203,463,413)	
Transferred to retained earnings	-	-	-	15,226,364	-	(15,226,364)	-	(15,226,364)	-	
Reversal of unpaid dividend to shareholders	-	-	-	1,335,742	-	-	-	-	1,335,742	
<b>Balance as at 31 December 2017</b>	828,750,000	4,982,964,187	66,300,000	1,869,950,228	(308,893,087)	-	-	(308,893,087)	7,439,071,328	
<b>Balance as at 1 January 2018</b>	828,750,000	4,982,964,187	66,300,000	1,869,950,228	(308,893,087)	-	-	(308,893,087)	7,439,071,328	
Total comprehensive income (loss) for the year	-	-	-	(305,458,591)	(53,545,995)	-	-	(53,545,995)	(359,004,586)	
Dividend paid	-	-	-	(82,874,780)	-	-	-	-	(82,874,780)	
<b>Balance as at 31 December 2018</b>	828,750,000	4,982,964,187	66,300,000	1,481,616,857	(362,439,082)	-	-	(362,439,082)	6,997,191,962	

18

The accompanying notes to financial statements are an integral part of these financial statements.



**Mr. Sumtate Tanthuwani**  
Director



DIRECTOR

DIRECTOR

  
**Mr. Sutep Tranantasin**  
Director

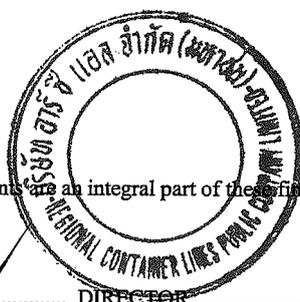
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of income**  
**For the year ended 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the years ended 31 December		For the years ended 31 December	
		2018	2017	2018	2017
<b>Revenues</b>					
Freight income	19	11,962,599,629	11,252,389,293	1,014,053,706	834,522,783
Others income					
Gain on exchange rate		74,043,647	33,268,665	1,231,439	-
Dividend income	9.1	-	-	67,886,521	66,422,750
Gain on sales of assets	10.2	132,886,013	114,670,959	-	-
Gain on dissolution of subsidiary, net	8	-	-	74,270,410	-
Reversal on impairment of vessels	10.2	-	27,462,696	-	-
Reversal of provision for loss under onerous contracts	24.1 (a)	73,256,334	263,723,287	-	-
Interest income		6,278,189	3,982,905	422,327	254,485
Unrealized gain on derivatives	7	-	1,340,564	-	1,340,564
Others		13,293,056	16,986,087	609	186,594
<b>Total revenues</b>		<b>12,262,356,868</b>	<b>11,713,824,456</b>	<b>1,157,865,012</b>	<b>902,727,176</b>
<b>Expenses</b>					
Cost of freight and operations	19	11,494,392,445	10,178,107,460	981,034,607	973,853,143
Administrative expenses	19	921,718,244	887,481,160	247,296,537	224,025,615
Others expense					
Net doubtful debt		-	4,539,453	-	-
Loss on exchange rate		-	-	-	27,701,894
Loss on dissolution of subsidiary	8	3,938,600	-	-	-
Loss on impairment of vessels, net	10.2	49,933,584	-	105,437,234	-
Unrealized loss on derivatives	7	1,719,184	-	1,719,184	-
Finance costs		249,540,463	197,412,208	127,836,041	123,273,681
<b>Total expenses</b>	20	<b>12,721,242,520</b>	<b>11,267,540,281</b>	<b>1,463,323,603</b>	<b>1,348,854,333</b>
Share of profit (loss) from investment in associates	9.1	78,335,297	79,170,708	-	-
Share of profit (loss) from investment in joint venture	9.2	31,970,958	20,529,437	-	-
<b>Profit (loss) before income tax expenses</b>		<b>(348,579,397)</b>	<b>545,984,320</b>	<b>(305,458,591)</b>	<b>(446,127,157)</b>
Tax expenses (income)	22	7,753,752	12,719,787	-	-
<b>Profit (loss) for the years</b>	28	<b>(356,333,149)</b>	<b>533,264,533</b>	<b>(305,458,591)</b>	<b>(446,127,157)</b>
<b>Profit (loss) for the year attributable to:</b>					
Equity holders of the parent		(357,741,773)	533,258,437	(305,458,591)	(446,127,157)
Non - controlling interests		1,408,624	6,096	-	-
		<b>(356,333,149)</b>	<b>533,264,533</b>	<b>(305,458,591)</b>	<b>(446,127,157)</b>
<b>Basic earnings (loss) per share</b>					
Profit (loss) attributable to equity holders of the parent	2.19	(0.43)	0.64	(0.37)	(0.54)
The weighted average number of ordinary shares (share)		828,750,000	828,750,000	828,750,000	828,750,000

The accompanying notes to financial statements are an integral part of these financial statements.

  
**Mr. Sumate Tanthuwant**  
 Director



  
**Mr. Sutep Tranantasin**  
 Director

DIRECTOR

10

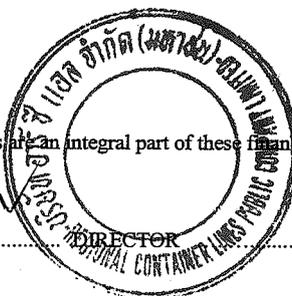
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of comprehensive income**  
**For the year ended 31 December 2018**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	For the years ended 31 December		For the years ended 31 December		
	Note	2018	2017	2018	2017
<b>Profit (loss) for the years</b>		(356,333,149)	533,264,533	(305,458,591)	(446,127,157)
<b>Other comprehensive income (loss) :</b>					
<b>Item that will be reclassified subsequently to profit or loss :</b>					
Exchange differences on translating financial statement		(89,696,455)	(852,495,815)	(53,545,995)	(772,562,620)
<b>Total item that will be reclassified subsequently to profit or loss</b>		(89,696,455)	(852,495,815)	(53,545,995)	(772,562,620)
<b>Item that will not be reclassified subsequently to profit or losses :</b>					
Actuarial gains (losses) on defined employee benefit plans	16	-	15,226,364	-	15,226,364
<b>Total item that will not be reclassified subsequently to profit or losses</b>		-	15,226,364	-	15,226,364
<b>Other comprehensive income (loss) for the years</b>		(89,696,455)	(837,269,451)	(53,545,995)	(757,336,256)
<b>Total comprehensive income (loss) for the years</b>		(446,029,604)	(304,004,918)	(359,004,586)	(1,203,463,413)
<b>Total comprehensive income (loss) for the years attributable to :</b>					
Equity holders of the parent		(447,438,228)	(304,011,014)	(359,004,586)	(1,203,463,413)
Non - controlling interests		1,408,624	6,096	-	-
		(446,029,604)	(304,004,918)	(359,004,586)	(1,203,463,413)

The accompanying notes to financial statements are an integral part of these financial statements.

**Mr. Sumate Tanthuanit**  
Director



**Mr. Sutep Tranantasin**  
Director

DIRECTOR

## Regional Container Lines Public Company Limited and its subsidiaries

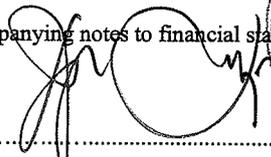
## Statements of cash flows

For the year ended 31 December 2018

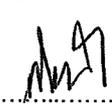
(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax expenses	(348,579,397)	545,984,320	(305,458,591)	(446,127,157)
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (used in) operating activities:				
Depreciation	1,591,025,760	1,537,669,239	438,988,244	449,830,782
Amortization	8,930	20,913	-	-
Loss (gain) on sales and write - off of assets	(132,886,013)	(114,670,959)	1,966,581	-
Loss (gain) on dissolution of subsidiary, net	-	-	(74,270,410)	-
Loss on impairment of vessels (reversal)	49,933,584	(27,462,696)	105,437,234	-
Provision for loss under onerous contracts (reversal)	(73,256,334)	(263,723,287)	-	-
Increase (decrease) in allowance for doubtful accounts	(279,220)	(5,635,199)	-	-
Dividend income	-	-	(67,886,521)	(66,422,750)
Unrealized loss (gain) on derivatives	1,719,184	(1,340,564)	1,719,184	(1,340,564)
Unrealized loss (gain) on exchange rate	(74,760,899)	(51,035,819)	(17,050,984)	16,082,215
Share of loss (profit) from investment in associates	(78,335,297)	(79,170,708)	-	-
Share of loss (profit) from investment in joint venture	(31,970,958)	(20,529,437)	-	-
Provisions for employee benefits	6,824,367	7,208,521	6,329,037	6,697,995
Interest income	(6,278,189)	(3,982,905)	(422,327)	(254,485)
Finance costs	249,540,463	197,412,208	127,836,041	123,273,681
Profit (loss) from operating activities before changes in operating assets and liabilities	1,152,705,981	1,720,743,627	217,187,488	81,739,717
Operating assets decrease (increase)				
Trade receivables - unrelated parties	(576,309,362)	17,402,957	8,029,864	12,521,487
Trade receivables - related parties	5,577,163	(36,918,147)	(538,078,904)	(64,303,010)
Other receivables	281,623,130	(407,108,274)	(556,580,082)	41,697,035
Material supplies	(92,161,018)	3,038,787	(4,905,577)	14,724,796
Other current assets	(5,984,337)	16,848,968	(145,700)	(55,058)
Other non - current assets	(8,087,598)	23,067	(75,262)	(24,050)
Operating liabilities increase (decrease)				
Trade payables - unrelated parties	422,329,661	497,964,585	10,994,492	(19,721,382)
Trade payables - related parties	78,193,995	(173,786,610)	-	-
Other payables - accrued expenses	(10,144,251)	(26,092,046)	(5,230,365)	(11,798,684)
Advance receipt	1,836,222	(4,665,570)	2,361,407,882	754,397,020
Other current liabilities	27,595,474	17,972,087	615,916	50,456
Employee benefit obligation paid	-	(1,047,940)	-	(1,047,940)
Cash from operating activities	1,277,175,060	1,624,375,491	1,493,219,752	808,180,387
Cash received (paid) for income tax expenses	(15,379,997)	(17,145,156)	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>1,261,795,063</b>	<b>1,607,230,335</b>	<b>1,493,219,752</b>	<b>808,180,387</b>

The accompanying notes to financial statements are an integral part of these financial statements.



Mr. Sumate Tanthuwani  
Director



Mr. Sutep Tranantasin  
Director

DIRECTOR

12

## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of cash flows (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Cash received from sales of assets	201,172,465	148,014,735	-	-
Purchase of property, premises, vessels and equipment	(1,646,643,527)	(962,540,492)	(1,488,132,447)	(2,561,082)
Payment of payable on purchase of assets	-	(22,035,970)	-	(8,725,984)
Payment of advances for vessel constructions	(140,654,799)	(288,720,589)	(140,654,799)	(288,720,589)
Dividend received	67,886,521	69,346,519	67,886,521	86,422,726
Interest received	6,149,877	4,154,662	453,085	222,203
Proceeds from subsidiaries dissolve and liquidate	-	48,060,467	-	-
Net cash and equivalents received from business combination	13,140,475	-	-	-
Proceeds from purchase of non - controlling interests	4,074,526	-	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>(1,494,874,462)</b>	<b>(1,003,720,668)</b>	<b>(1,560,447,640)</b>	<b>(213,362,726)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short - term loans				
from financial institutions	(438,702,963)	203,958,510	(446,786,513)	(300,000,000)
Payment of liabilities under financial lease agreements	(227,813,424)	580,131,264	-	-
Increase (decrease) in long - term loans	796,500,966	(783,623,668)	655,187,894	(354,315,072)
Finance costs paid	(248,088,956)	(188,425,409)	(128,863,995)	(114,143,590)
Dividend paid	(82,874,780)	-	(82,874,780)	-
Payment of liquidated subsidiaries to non - controlling interests	-	(18,363,246)	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(200,979,157)</b>	<b>(206,322,549)</b>	<b>(3,337,394)</b>	<b>(768,458,662)</b>
Exchange differences on translating financial statement	(3,578,128)	(12,659,597)	13,870,609	215,522,413
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(437,636,684)</b>	<b>384,527,521</b>	<b>(56,694,673)</b>	<b>41,881,412</b>
<b>Cash and cash equivalents at beginning of years</b>	<b>1,639,979,798</b>	<b>1,255,452,277</b>	<b>77,813,272</b>	<b>35,931,860</b>
<b>Cash and cash equivalents at end of years</b>	<b>1,202,343,114</b>	<b>1,639,979,798</b>	<b>21,118,599</b>	<b>77,813,272</b>

The accompanying notes to financial statements are an integral part of these financial statements.



Mr. Sumate Tanthuwani  
Director

Mr. Sutep Tranantasin  
Director

DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2018**

1. General information

1.1 Corporate information

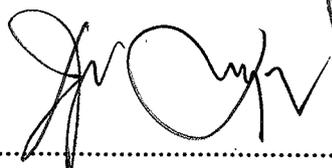
Regional Container Lines Public Company Limited (“the Company”) was incorporated as a public limited company under Thai laws. The Company operates its business in Thailand and other countries in South China Sea and its principal activity is in the business of international vessel operations. The Company’s registered address is 127/35 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok.

1.2 Basis for preparation of financial statements

These financial statements have been prepared in accordance with financial reporting standards and guidelines promulgated by the Federation of Accounting Professions.

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

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.



.....  
**Mr. Sumate Tanthuwaniit**  
**Director**



.....  
**DIRECTOR**

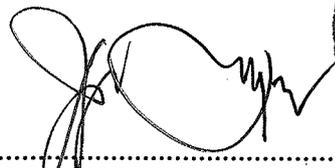
  
.....  
**Mr. Sutep Tranantasin**  
**Director**

.....  
**DIRECTOR**

1.3 Basis for consolidation of financial statements

(a) These consolidated financial statements include the financial statements of Regional Container Lines Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

<u>Company's Name</u>	<u>Type of business</u>	<u>Place of incorporation</u>	<u>Holding of investment</u>
<u>Subsidiaries operating in Thailand</u>			
a) Asian Bulk Shipping Co., Ltd. (The company has ceased its operations)	Ship operating	Thailand	51% owned by the Company
b) RCL Logistics Co., Ltd.	Logistics services	Thailand	100% owned by the Company
<u>Group of subsidiaries operating in Singapore</u>			
c) RCL Investment Pte. Ltd.	Holding company,	Singapore	100% owned by the Company
d) Regional Container Lines Pte. Ltd.	Ship owning and operating	Singapore	100% owned by the Company
e) RCL Feeder Pte. Ltd. and its subsidiaries, RCL Agencies (M) Sdn Bhd. (100% owned), RCL Feeder Phils., Inc. (100% owned) Regional Container Lines Shipping Co., Ltd. (100% owned) RCL (Vietnam) Co., Ltd. (80% owned) RCL (Myanmar) Co., Ltd. (65% owned) and Regional Logistics Co., Ltd. (100% owned)	Holding company, cargo consolidation and operating	Singapore	73% owned by Regional Container Lines Pte. Ltd. and 27% owned by the Company
f) RCL Services S.A. (The company has ceased its operations and completeness of liquidation in year 2018)	Ship operating	Panama	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
g) RCL Holdings Ltd. (The company has ceased its operations and completeness of liquidation in year 2017)	Ship operating	Singapore	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
h) RCL Shipmanagement Pte. Ltd.	Ship management	Singapore	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
<u>Group of subsidiaries operating in Hong Kong</u>			
i) Regional Container Lines (H.K.) Ltd. and its subsidiaries, Regional Merchants Maritime Ltd. (80% owned and the company has ceased its operations and completeness of liquidation in year 2017) and Regional Merchants International Freight Forwarding Co., Ltd. (80% owned and the company has ceased its operations and completeness of liquidation in year 2017)	Holding company, shipping agent and the provision of transportation and cargo handling services	Hong Kong	100% owned by the Company




DIRECTOR



DIRECTOR

Mr. Sumate Tanthuanit  
Director

Mr. Sutep Tranantasin  
Director

In the 1<sup>st</sup> quarter of year 2018, a subsidiary in Singapore made an additional investment in RCL (Vietnam) Co., Ltd. (RCV) from 49% to 80% of share capital, resulting status of RCV change from an associate to be a subsidiary of the Company. As a result, the Company's consolidated financial statement have included RCV's statement of financial position as of 31 December 2018 and statement of income and comprehensive income for the period from 1 February 2018 to 31 December 2018.

On 15 June 2018, a subsidiary in Singapore incorporated a subsidiary, RCL (Myanmar) Co., Ltd. in the Republic of the Union of Myanmar, to provide general and commercial representation for maritime transportation as well as freight - forwarding services, logistics services, warehouse, and any ancillary activities. The subsidiary in Singapore is holding 65% of share capital amounting USD 250,000. On 17 July 2018, the subsidiary in Singapore paid the capital investment of USD 162,500.

On 18 May 2018, a subsidiary in Singapore incorporated a wholly - owned subsidiary of share capital amounting USD 850,000 (850,000 share of USD 1 each), Regional Logistics Co., Ltd. in The People's Republic of China to undertake international logistics, to provide inbound and outbound international transportation both cargo land and marine transportation, customs declarations, warehousing and dispatching. At the present, the subsidiary in Singapore paid the capital investment of USD 170,000 (170,000 shares of USD 1 each).

(b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

(c) Investments in associates and joint ventures are accounted for using the equity method and is recognised initially at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investee from the date that significant influence incurs until the date that significant influence ceases.

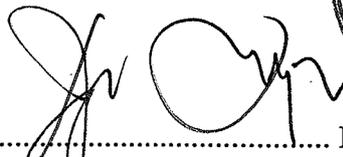
(d) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.

(e) The financial statements of the subsidiaries, the associates and joint ventures are translated into the Group's functional currency and into the presentation currency as stated in note 2.13

(f) Material outstanding balances and transactions between the Company and its subsidiaries ("the Group") have been eliminated from the consolidated financial statements.

(g) No Thai income tax has been accrued for undistributed net income of the overseas subsidiaries, since the net income are intended to be retained by those subsidiaries for long - term reinvestment purposes.

(h) Non - controlling interest represent the portion of net income or loss and net assets of the subsidiaries that are not held by the group's Company and are presented separately in the consolidated statements of income and within equity in the consolidated statements of financial position.



Mr. Sumate Tanthuwant  
Director



DIRECTOR



Mr. Sutep Tranantasin  
Director

DIRECTOR

1.4 Adoption of new financial reporting standards

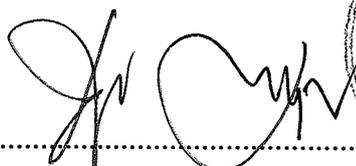
1.4.1 Financial reporting standards which are effective for the current year

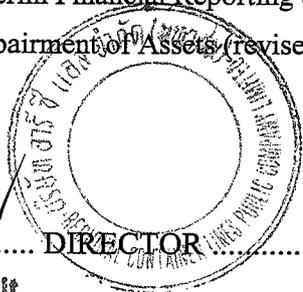
During the year, the Company adopted a number of revised and new accounting standards and financial reporting standards including their interpretations, issued by the Federation of Accounting Professions, which are effective for financial statements year beginning on or after January 1, 2018. Adoption of the above financial reporting standards in the current year do not have material effect on the financial statements.

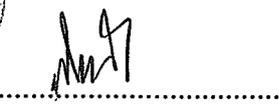
1.4.2 Financial reporting standards which are not effective for the current year

During the year, the Federation of Accounting Professions has issued the revised and new accounting standard, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1 in the year indicated as follows:

Accounting Standard	<u>Year effective</u>
TAS 1 Presentation of Financial Statements (revised 2018)	2019
TAS 2 Inventories (revised 2018)	2019
TAS 7 Statement of Cash Flows (revised 2018)	2019
TAS 8 Accounting Policics, Changes in Accounting Estimates and Errors (revised 2018)	2019
TAS 10 Events after the Reporting Period (revised 2018)	2019
TAS 12 Income Taxes (revised 2018)	2019
TAS 16 Property, Plant and Equipment (revised 2018)	2019
TAS 17 Leases (revised 2018)	2019
TAS 19 Employee Benefits (revised 2018)	2019
TAS 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2018)	2019
TAS 21 The Effects of Changes in Foreign Exchange Rates (revised 2018)	2019
TAS 23 Borrowing Costs (revised 2018)	2019
TAS 24 Related Party Disclosures (revised 2018)	2019
TAS 26 Accounting and Reporting by Retirement Benefit Plans (revised 2018)	2019
TAS 27 Separate Financial Statements (revised 2018)	2019
TAS 28 Investments in Associates and Joint Ventures (revised 2018)	2019
TAS 29 Financial Reporting in Hyperinflationary Economies (revised 2018)	2019
TAS 32 Financial Instruments: Presentation	2020
TAS 33 Earnings per Share (revised 2018)	2019
TAS 34 Interim Financial Reporting (revised 2018)	2019
TAS 36 Impairment of Assets (revised 2018)	2019

  
 Mr. Sumate Tanthuanit  
 Director



  
 Mr. Sutep Tranantasin  
 Director

DIRECTOR

Accounting Standard

TAS 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2018)	2019
TAS 38 Intangible Assets (revised 2018)	2019
TAS 40 Investment Property (revised 2018)	2019
TAS 41 Agriculture (revised 2018)	2019

Financial Reporting Standard

TFRS 1 First - time Adoption of Thai Financial Reporting Standards	2019
TFRS 2 Share - based Payment (revised 2018)	2019
TFRS 3 Business Combinations (revised 2018)	2019
TFRS 5 Non - current Assets Held for Sale and Discontinued Operations (revised 2018)	2019
TFRS 6 Exploration for and Evaluation of Mineral Resources (revised 2018)	2019
TFRS 7 Financial Instruments : Disclosures	2020
TFRS 8 Operating Segments (revised 2018)	2019
TFRS 9 Financial Instruments	2020
TFRS 10 Consolidated Financial Statements (revised 2018)	2019
TFRS 11 Joint Arrangements (revised 2018)	2019
TFRS 12 Disclosure of Interests in Other Entities (revised 2018)	2019
TFRS 13 Fair Value Measurement (revised 2018)	2019
TFRS 15 Revenue from Contracts with Customers	2019

Accounting Standard Interpretations

TSIC 10 Government Assistance - No Specific Relation to Operating Activities (revised 2018)	2019
TSIC 15 Operating Leases - Incentives (revised 2018)	2019
TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2018)	2019
TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2018)	2019
TSIC 29 Service Concession Arrangements: Disclosures (revised 2018)	2019
TSIC 32 Intangible Assets - Web Site Costs (revised 2018)	2019



*[Handwritten Signature]*

DIRECTOR

**Mr. Sumate Tanthuwanit**  
Director

*[Handwritten Signature]*

DIRECTOR

**Mr. Sutep Tranantasin**  
Director

Financial Reporting Standard Interpretations

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2018)	2019
TFRIC 4	Determining whether an Arrangement contains a Lease (revised 2018)	2019
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2018)	2019
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies (revised 2018)	2019
TFRIC 10	Interim Financial Reporting and Impairment (revised 2018)	2019
TFRIC 12	Service Concession Arrangements (revised 2018)	2019
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (revised 2018)	2019
TFRIC 16	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 17	Distributions of Non - Cash Assets to Owners (revised 2018)	2019
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	2020
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine (revised 2018)	2019
TFRIC 21	Levies (revised 2018)	2019

The management of the Company has assessed TAS, TFRS, TSIC and TFRIC which are effective for financial statements year beginning on or after January 1, 2019 that TAS 1, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 19, TAS 21, TAS 23, TAS 24, TAS 27, TAS 28, TAS 33, TAS 34, TAS 36, TAS 37, TAS 38, TAS 40 and TFRS 3, TFRS 8, TFRS 10, TFRS 11, TFRS 12, TFRS 13 and TFRS 15 will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Group business, therefore they do not have impact on the financial statement when they are applied.

And the management of the Company is currently evaluating the impact of TAS, TFRS and TFRIC which are effective for financial statements year beginning on or after January 1, 2020 to the financial statements when they are adopted.



*[Handwritten signature of Mr. Sumate Tanthuanit]*

Mr. Sumate Tanthuanit  
Director

DIRECTOR

*[Handwritten signature of Mr. Sutep Tranantasin]*

Mr. Sutep Tranantasin  
Director

DIRECTOR

2. Significant accounting policies

2.1 Revenue recognition

*Freight income*

Freight income is recognised when services have been rendered taking into account the stage of completion.

*Interest income*

Interest income is recognised on an accrual basis based on the effective rate method.

*Dividends*

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

*Other income*

Other income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

2.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks and all short - term highly liquid investments and not subject to withdrawal restrictions.

2.3 Trade receivables

Trade receivables are stated at their net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

2.4 Material supplies

Material supplies are valued at cost, on a first - in, first - out basis.

2.5 Investments

- (a) Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in carrying amounts of securities are included in determining earnings.
- (b) Investments in available - for - sale securities are stated at fair value. Changes in the carrying amounts of securities are recorded as separate items in shareholders' equity until the securities are sold, when the changes are then included in determining earnings.
- (c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortized cost. The premium/discount on debt securities is amortized by the effective rate method with the amortized amount presented as an adjustment to the interest income.
- (d) Other long - term investments in non - marketable equity securities are stated at cost.
- (e) Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method.
- (f) Investments in subsidiary, associated and joint ventures companies are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

Provision for loss is set aside only for any permanent diminution in the value of the investments.

  
.....  
**Mr. Sumate Tanthuanit**  
Director

  
.....  
**Mr. Sutep Tranantasin**  
Director

..... DIRECTOR

2.6 Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, other than those with entities under common control.

The Group controls an entity when it is exposed to, or has rights to, variables returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquire at its acquisition - date fair value and recognize the resulting gain or loss in the statements of income.

The Group measures goodwill at the acquisition date as :

- The fair value of the consideration transferred ; plus
- The recognized amount of and non - controlling interest in the acquire ; plus
- In a business combination achieved in stages, the acquisition - date fair value of the acquirer's previously held equity interest in the acquiree ; less
- The fair value of the identifiable assets acquired and liabilities assumed

When the excess is positive, goodwill is recognized and if the excess is negative, a gain on business acquisition is recognized immediately in the statements of income.

Consideration transferred includes the fair value of the assets transferred, liabilities incurred by the Group to the previous owners of the acquire, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share - based payment awards of the acquire that are replaced mandatorily in the business combination.

A contingent liability of the acquire is assumed in a business combination only if such a liability represent a present obligation and arises from a past event, and its fair value can be measured reliably.

At the acquisition date, the non - controlling interest in the acquire was measured at the non - controlling interest's proportionate share of the acquiree's identifiable net assets.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

2.7 Property, premises, vessels and equipment/Depreciation and amortization

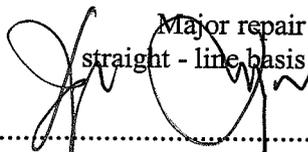
Property, premises, vessels and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of fixed assets is calculated by reference to their costs after deducting residual value on the straight - line basis over the following estimated useful lives of assets.

Vessels	25 years
Condominiums and leasehold buildings	20, 50 years
Long - term leasehold land and leasehold improvements	The term of the lease
Other fixed assets	3 - 10 years

No depreciation is provided for land and vessels installation.

Major repair and maintenance costs of vessels are capitalized when incurred and amortized on a straight - line basis over a period of 30 months.



DIRECTOR

Mr. Sumate Tanthuwanit  
Director



DIRECTOR

Mr. Sutep Tranantasin  
Director

2.8 Borrowing costs

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

2.9 Intangible assets

Intangible assets are measured at cost on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

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

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 years

2.10 Financial instruments

Financial instruments carried in the statements of financial position principally comprise cash and cash equivalents, trade receivables, trade payables and loans. The particular recognition methods adopted are disclosed in the individual policy associated with each item.

Cross interest rate swap contracts

Cross interest rate swap contracts protect the Group from fluctuations in interest rates. The Group recognizes the total amount of interest received from/paid to the counterparties, according to derivatives under cross interest rate swap contracts in finance costs using the accrual basis and recognizes derivative assets/liabilities of cross interest rate swap contracts at fair value at the end of reporting period, in the statements of financial position. The Group recognizes movements in the fair value of derivatives in profit or loss.

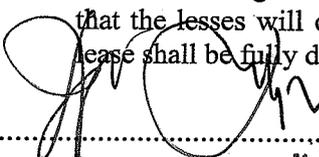
2.11 Related party transactions

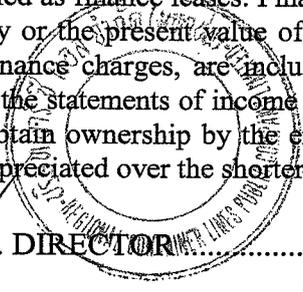
Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

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

2.12 Long - term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased property or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long - term payables, while the interest element is charged to the statements of income over the lease period. If there is no reasonable certainty that the lessees will obtain ownership by the end of the lease term, the asset acquired under finance lease shall be fully depreciated over the shorter of the useful life of the asset or the lease term.

.....  
  
Mr. Sumate Tanthuwani  
Director

.....  
  
DIRECTOR

.....  
  
Mr. Sutep Tranantasin  
Director

.....  
DIRECTOR

2.13 Foreign currencies

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

a) Translation of foreign currency transactions and balances

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

Monetary assets and liabilities in foreign currencies outstanding on the statement of financial position date are translated into their functional currency at the exchange rates ruling at the reporting date. The exchange differences arising on the translation are recognized in the statement of income.

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

b) Translation into the Group's functional currency

As Group's functional currency is USD, The assets and liabilities of each entity in the Group whose functional currency is not USD are translated into USD at the exchange rates ruling at the reporting date and the items in their statements of income and statements of comprehensive income are translated at the average exchange rates of each year.

The exchange differences arising on the translation are recognized in other comprehensive income.

The USD functional currency statements are disclosed in note 28 to the financial statements.

c) Translation into the presentation currency

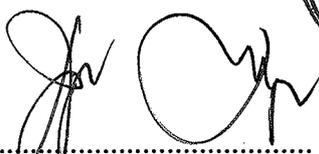
The assets and liabilities of each entity in the Group are translated into the Thai Baht presentation currency financial statements at the exchange rate ruling at the reporting date and the items in their statements of income and statements of comprehensive income are translated at the average exchange rates of each year.

The exchange differences arising on the translation are recognized in other comprehensive income.

2.14 Property investments held for long - term investment

Property investments held for long - term investment are stated at fair value.



  
.....

Mr. Sumate Tanthuwant  
Director

  
.....

Mr. Sutep Tranantasin  
Director

DIRECTOR

2.15 Impairment of assets

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

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the lower of its recoverable amount (if determinable) and the carrying amount that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

2.16 Employee benefits

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Severance Payment as specified in Labor Law are recognized as expenses in the statements of income along the service period of employees. The Group's post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method.

However, the actual benefit obligation may be different from the estimate.

The Group shall recognize the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

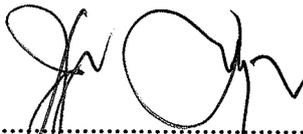
The Group recognized termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Past service costs are recognized in the statement of income when The Group plan amendment or curtailment occurs, or recognition in related restructuring costs or termination benefits.

2.17 Provisions

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

Provision for cargo claims is made based on the estimated amounts that are unrecoverable from insurance companies.

  
.....  
Mr. Sumate Tanthuwanit  
Director

DIRECTOR

  
.....  
Mr. Sutep Tranantasin  
Director

DIRECTOR

2.18 Income tax

Income tax for the year comprises current and deferred tax. Current and deferred tax are recognized in the statement of income except to the extent that they relate to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date.

Deferred tax is recognized 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 measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. 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 realized.

2.19 Basic earnings (loss) per share

Basic earnings per share are determined by dividing profit (loss) for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding.

3. Significant accounting judgments and estimates

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

3.1 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

3.2 Premises, vessels and equipment

In determining depreciation of premises, vessels and equipment, the management is required to make estimates of useful lives and salvage values of the Group's premises, vessels and equipment and to review estimated useful lives and salvage values when there are any changes.

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

  
.....  
**Mr. Sumate Tanthuwani**  
Director



DIRECTOR

  
.....  
**Mr. Sutep Tranantasin**  
Director

DIRECTOR

3.3 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

3.4 Intangible assets

The initial recognition and measurement of intangible assets and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

3.5 Litigation

The Group has contingent liabilities as a result of litigation. The management has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the statements of financial position date.

3.6 Provision for onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the Group's obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.7 Provisions for employee benefits

Provisions for employee benefits is estimated using the actuarial method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

4. Change in accounting estimation

During the current year, the Group changed the estimated residual value of the vessels. This change was made so that the residual value of the vessels would approximate market value. The effect of the change is to decrease net income of the Company and the Group for the year ended 31 December 2018 by Baht 9.0 million and Baht 31.6 million, respectively (Baht 0.011 per share and Baht 0.038 per share, respectively).

  
..... DIRECTOR



  
..... DIRECTOR

5. Business acquisitions

On 1 February 2018, a subsidiary in Singapore purchased 31% of the registered share capital of RCL (Vietnam) Co., Ltd. (“RCV”) from the existing shareholders. (Registered capital of VND 4,748 million), totalling USD 0.1 million or approximately Baht 3.2 million. The Group’s equity interest in RCV increased from 49% to 80%, resulting in the change of its status from an associate to a subsidiary.

RCL (Vietnam) Co., Ltd. operates as Shipping Agent. As a result of obtaining control of RCV shall increase capacities in expanding business in Vietnam.

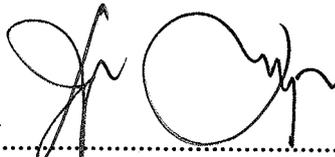
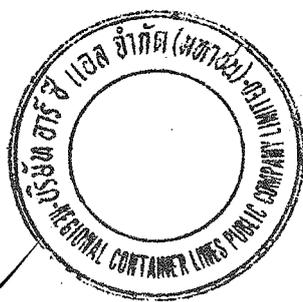
The acquisition qualifies for treatment as a business combination in accordance with TFRS 3 (revised 2017) Business Combinations, which requires that the assets acquired and liabilities assumed be record at their fair value, together with goodwill, if any. At the acquisition date the fair value of the identifiable assets acquired and liabilities incurred is close to the carrying amount and the fair value of the subsidiary’s previously held equity interest in the acquiree was measured based on the price at which the subsidiary paid for additional investment.

At the acquisition date, the non - controlling interest in the acquire was measured at the non - controlling interest’s proportionate share of the acquiree’s identifiable net assets.

At the acquisition date, the fair value of investments in RCL (Vietnam) Co., Ltd., which the subsidiaries previously held equity interest in the acquiree, is as follows:

	(Unit : Thousand Baht)
Fair value of the subsidiary’s previously - held in the acquiree before business combination	5,052
<u>Less</u> Carrying amount of investment at equity method	<u>(6,320)</u>
Gain (loss) on fair value adjustments of investment	<u><u>(1,268)</u></u>

The subsidiary recognized the loss on fair value adjustment in the statements of income for the 1<sup>st</sup> quarter of 2018.

Mr.Sumate Tanthuwanit  
Director

DIRECTOR



Mr.Sutep Tranantasin  
Director

DIRECTOR

At the acquisition date, the consideration transferred and the recognition of amounts of assets acquired and liabilities assumed, non - controlling interest in the acquiree and the Group's previously - held equity interest in the acquiree are as follows :

	(Unit : Thousand Baht)
	<u>Recognized Value</u>
Consideration transferred	3,158
<u>Add</u> Fair value of the subsidiary's previously - held equity interest in the acquiree before business combination	<u>5,052</u>
Total	<u>8,210</u>
<u>Less</u> Net amounts of assets acquired and liabilities assumed	
<u>Identifiable Assets</u>	
- Cash and cash equivalents	20,373
- Trade receivables	264
- Other receivables	2,597
<u>Identifiable liabilities</u>	
- Trade payables	(2,248)
- Other payables	(8,086)
- Non - controlling interests	<u>(2,580)</u>
Net identifiable assets and liabilities - acquired	<u>10,320</u>
Gain from purchase	<u>(2,110)</u>

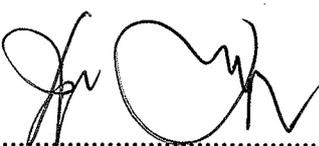
The subsidiary recognized the gain from purchase in the statements of income for 1<sup>st</sup> quarter of 2018.

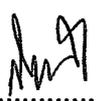
Net cash payment for acquisition in RCL (Vietnam) Co., Ltd. as follows :

	(Unit : Thousand Baht)
Consideration transferred	3,158
<u>Less</u> Cash and cash equivalents in proportionate to the share holding (20,373 x 80%)	<u>(16,298)</u>
Net cash and cash equivalents received from business combination	<u>(13,140)</u>

The subsidiary does not have any acquisition costs.







DIRECTOR
DIRECTOR

**Mr. Sumate Tanthuanit**  
 Director
 
**Mr. Sutep Tranantasin**  
 Director

6. Trade receivables

The balances of trade receivables - unrelated parties as at 31 December 2018 and 2017 are classified by aging as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Under 90 days	2,036,573	1,543,307	2,417	2,155
91 - 180 days	97,959	21,578	-	-
181 - 365 days	54,557	12,596	527	8,004
Over 365 days	82,077	56,110	-	815
Total	2,271,166	1,633,591	2,944	10,974
<u>Less</u> Allowance for doubtful accounts	(56,106)	(56,385)	-	-
Net	2,215,060	1,577,206	2,944	10,974

The balances of trade receivables - related parties as at 31 December 2018 and 2017 are classified by aging as follows:

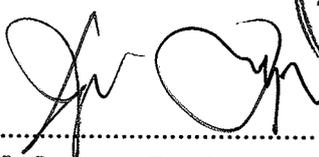
(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Under 90 days	28,677	49,003	206,438	79,559
91 - 180 days	15,020	-	144,366	64,330
181 - 365 days	-	-	188,596	43,285
Over 365 days	-	-	185,853	-
Total	43,697	49,003	725,253	187,174

7. Unrealized gain (loss) from changes in the fair value of derivatives

(Unit: Thousand Baht)

	Note	Consolidated financial statement	Separate financial statement
Beginning balance as at 31 December 2017		2,282	2,282
Unrealized gain (loss) on derivatives		(1,719)	(1,719)
Exchange differences on translating financial statement		(17)	(17)
Ending balance as at 31 December 2018	26.1 (2)	546	546

  
 DIRECTOR  
 Mr. Supate Tanthuanit  
 Director

  
 DIRECTOR  
 Mr. Sutep Tranantasit  
 Director

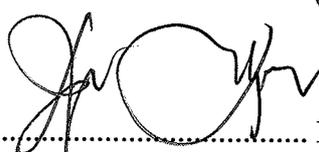
8. Investments in subsidiaries, net

(Unit: Million Baht)

Company's name	Separate financial statements						Dividend for the years ended 31 December	
	Paid - up capital		Percentage directly owned by the Company		Cost		2018	2017
	2018	2017	2018	2017	2018	2017	2018	2017
			Percent	Percent				
<u>Subsidiaries operating in Thailand</u>								
a) Asian Bulk Shipping Co., Ltd.	Baht 25 Million	Baht 25 Million	51	51	12	13	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	5	5	-	-
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	230	232	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	5,120	5,156	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	27	27	1,107	1,115	-	-
f) RCL Service S.A.	-	USD 10,000	-	49	-	2	-	-
g) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	79	80	-	-
<u>Subsidiary operating in Hong Kong</u>								
h) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	235	236	-	-
					6,788	6,839	-	-
<u>Less</u> : Allowance for impairment					(2)	-	-	-
Total investments in subsidiaries, net					6,786	6,839	-	-

Movement in the investments in subsidiaries for the year ended 31 December 2018 are summarized below:

	(Unit: Thousand Baht)
Investment as at 31 December 2017	6,838,625
<u>Less</u> : Subsidiaries dissolve and liquidate	(1,584)
<u>Less</u> : Allowance for impairment	(2,409)
Exchange differences on translating financial statement	(48,279)
Investment as at 31 December 2018	6,786,353



Mr. Sumate Tanthuanit  
Director



DIRECTOR



Mr. Sutep Tranantasin  
Director

DIRECTOR

During the first quarter of 2018, RCL Service S.A. the debt of the Company of USD 2.42 million (approximately Baht 78.26 million) and liquidated. As a result, the Company recognized gain from dissolution of the subsidiary as follows:

	(Unit: Thousand Baht)
Gain from debt remitted	78,263
<u>Less</u> : Loss on dissolution of subsidiary	(1,584)
<u>Less</u> : Allowance for impairment of investments in subsidiary that invested in the dissolved subsidiary	(2,409)
Gain on dissolution of subsidiary, net for the year ended 31 December 2018	74,270

9. Investments in associates and joint venture

9.1 Investments in associates

	(Unit: Million Baht)									
	Paid - up capital		Percentage directly owned by the Company		Cost method		Equity method		Dividend for the years ended 31 December	
Company's name	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			Percent	Percent						
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd. (Port operating)	Baht 100 Million	Baht 100 Million	22	22	54	54	341	331	68	66
Total investment in associates of the Company					54	54	341	331	68	66
<u>Investment in associates of the subsidiaries</u>										
RCL (Vietnam) Co., Ltd. (Ship agency)	-	VND 4,748 Million	49	49	-	5	-	10	-	3
PT Daerah Indah Shipping (Ship agency)	USD 0.75 Million	USD 0.75 Million	49	49	12	12	12	13	-	-
Pu Chao Container Terminal Co., Ltd. (Port operating)	Baht 30 Million	Baht 30 Million	49	49	15	15	-	-	-	-
Total investment in associates of the subsidiaries					27	32	12	23	-	3
Total investment in associates					81	86	353	354	68	69




Mr. Sumate Tanthuanit  
Director

DIRECTOR



Mr. Sutep Tranantasin  
Director

DIRECTOR

Movements in the investment in associates for the year ended 31 December 2018 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2017	354,431	54,165
Dividend income	(67,887)	-
Share of profit under equity method	78,335	-
Changed from associate to subsidiary	(10,245)	-
Exchange differences on translating financial statement	(1,281)	(383)
Investment as at 31 December 2018	<u>353,353</u>	<u>53,782</u>

## 9.2 Investments in joint venture

Company's name	(Unit: Million Baht)							
	Consolidated financial statements						Dividend for the years ended 31 December	
	Paid - up capital		Percentage directly owned by the Company		Equity method			
	2018	2017	2018	2017	2018	2017	2018	2017
			Percent	Percent				
<u>Investment in joint venture of the subsidiaries</u>								
RCL Agencies (India) Private Limited	INR	INR						
(Shipping agent and providing transportation and cargo handling services)	40 Million	40 Million	55	55	62	30	-	-
Total investment in joint venture					<u>62</u>	<u>30</u>	<u>-</u>	<u>-</u>

Movements in the investment in joint venture for the year ended 31 December 2018 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2017	30,313	-
Dividend income	-	-
Share of profit under equity method	31,971	-
Exchange differences on translating financial statement	(199)	-
Investment as at 31 December 2018	<u>62,085</u>	<u>-</u>



DIRECTOR

**Mr. Sumate Tanthuanit**  
Director




DIRECTOR

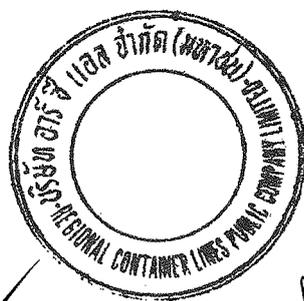
**Mr. Sutep Tranantasin**  
Director

Financial information of the associates and joint venture is summarised below. (2017: Audited financial statements, 2018: Management's accounts).

(Unit: Million Baht)

Company's name	Paid - up capital		Total assets		Total liabilities		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd.	Baht 100	Baht 100								
	Million	Million	1,830	1,798	257	267	1,666	1,729	343	361
<u>Investment in associates of the subsidiaries</u>										
RCL (Vietnam) Co., Ltd.	-	VND 4,748								
		Million	-	19	-	8	-	29	-	2
PT Daerah Indah Shipping	USD 0.67	USD 0.75								
	Million	Million	22	25	-	-	-	-	-	-
Pu Chao Container Terminal Co., Ltd.	Baht 30	Baht 30								
	Million	Million	36	33	53	52	206	152	3	(15)
<u>Investment in joint venture of the subsidiaries</u>										
RCL Agencies (India) Private Limited	INR 40	INR 40								
	Million	Million	119	67	15	12	101	91	54	37

On 10 November 2017, the Board of Director of the Company approved RCL Feeder Pte Ltd., a wholly owned subsidiary to buy shares from the two existing shareholders of RCL (Vietnam) Co., Ltd. amounting to USD 0.17 million accounted for 31% of total registered shares (total registered share of RCL (Vietnam) Co., Ltd. is VND 4,748 million equivalent to Baht 5.38 million). Eventually, RCL Feeder Pte Ltd., will hold 80% of share of RCL (Vietnam) Co., Ltd. and therefore RCL (Vietnam) Co., Ltd. will become a subsidiary of the Company.



*[Signature]*  
 DIRECTOR

*[Signature]*  
 DIRECTOR

**Mr. Sumate Tanthuanit**  
 Director

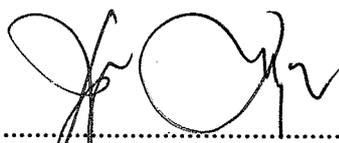
**Mr. Sutep Tranantasin**  
 Director

10. Property, premises, vessels and equipment, net10.1 Property and premises, net

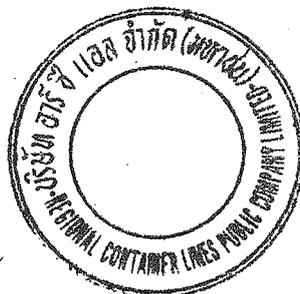
(Unit: Baht)

	Building in Bangkok	Building in Singapore	Building in Hong Kong	Improvement of buildings in Singapore	Improvement of buildings in Hong Kong	Total
<u>Cost</u>						
As at 31 December 2017	58,253,559	162,474,911	254,770,163	64,199,118	5,683,200	545,380,951
Acquisitions	-	-	-	1,281,213	-	1,281,213
Write - off	-	-	-	-	-	-
Exchange differences on translating financial statement	(411,244)	(1,147,000)	(2,402,583)	(1,501,237)	(53,594)	(5,515,658)
As at 31 December 2018	57,842,315	161,327,911	252,367,580	63,979,094	5,629,606	541,146,506
<u>Accumulated depreciation</u>						
As at 31 December 2017	(57,827,033)	(43,039,106)	(59,525,745)	(63,716,080)	(5,683,200)	(229,791,164)
Depreciation for the year	-	(3,292,003)	(2,663,432)	(350,223)	-	(6,305,658)
Write - off	-	-	-	-	-	-
Exchange differences on translating financial statement	408,233	302,228	558,042	1,465,866	53,594	2,787,963
As at 31 December 2018	(57,418,800)	(46,028,881)	(61,631,135)	(62,600,437)	(5,629,606)	(233,308,859)
<u>Allowance for loss on impairment</u>						
As at 31 December 2017	-	-	-	-	-	-
Increase	-	-	-	-	-	-
Reversal	-	-	-	-	-	-
Exchange differences on translating financial statement	-	-	-	-	-	-
As at 31 December 2018	-	-	-	-	-	-
<u>Net book value</u>						
As at 31 December 2017	426,526	119,435,805	195,244,418	483,038	-	315,589,787
As at 31 December 2018	423,515	115,299,030	190,736,445	1,378,657	-	307,837,647

The subsidiaries have mortgaged the above properties to secure credit facilities.



Mr. Sumate Tanthuwant  
Director



DIRECTOR



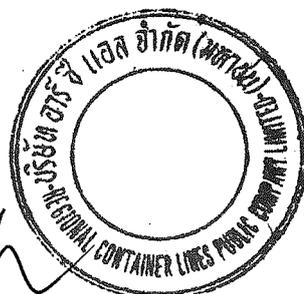
Mr. Sutep Tranantasin  
Director

DIRECTOR

10.2 Vessels and equipment - Consolidated financial statement

(Unit: Baht)

	Vessels	Major repair and maintenance cost	Container	Office furniture, fixtures and equipment	Motor vehicles	Total
<b>Cost</b>						
As at 31 December 2017	26,876,175,551	608,948,479	1,679,126,061	185,536,400	17,595,344	29,367,381,835
Acquisitions	1,642,967,433	351,356,163	791,771,815	7,729,038	1,610,939	2,795,435,388
Disposals	(585,249,020)	(15,892,664)	(105,895,278)	(28,789,070)	-	(735,826,032)
Write - off	-	(308,729,341)	-	(883,099)	-	(309,612,440)
Exchange differences on translating financial statement	(189,216,739)	(4,285,836)	(11,518,714)	(2,032,971)	(514,529)	(207,568,789)
As at 31 December 2018	27,744,677,225	631,396,801	2,353,483,884	161,560,298	18,691,754	30,909,809,962
<b>Accumulated depreciation</b>						
As at 31 December 2017	(14,500,694,053)	(397,518,422)	(515,419,498)	(172,027,624)	(13,420,350)	(15,599,079,947)
Depreciation for the year	(1,066,471,431)	(219,118,147)	(291,427,229)	(6,786,115)	(917,180)	(1,584,720,102)
Disposals	536,397,453	13,158,140	105,507,708	27,846,035	-	682,909,336
Write - off	-	290,757,942	-	1,363,771	-	292,121,713
Exchange differences on translating financial statement	102,109,293	2,847,737	3,547,779	1,750,100	437,298	110,692,207
As at 31 December 2018	(14,928,658,738)	(309,872,750)	(697,791,240)	(147,853,833)	(13,900,232)	(16,098,076,793)
<b>Allowance for loss on impairment</b>						
As at 31 December 2017	(1,824,936,145)	-	-	-	-	(1,824,936,145)
Increase	(103,316,257)	-	-	-	-	(103,316,257)
Reversal	53,382,673	-	-	-	-	53,382,673
Exchange differences on translating financial statement	12,858,810	-	-	-	-	12,858,810
As at 31 December 2018	(1,862,010,919)	-	-	-	-	(1,862,010,919)
<b>Net book value</b>						
As at 31 December 2017	10,550,545,353	211,430,057	1,163,706,563	13,508,776	4,174,994	11,943,365,743
As at 31 December 2018	10,954,007,568	321,524,051	1,655,692,644	13,706,465	4,791,522	12,949,722,250



Mr. Sumate Tanthuanit  
Director

DIRECTOR

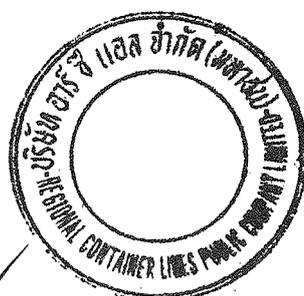
Mr. Sutep Tranantasin  
Director

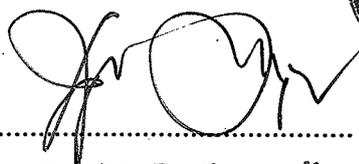
DIRECTOR

Vessels and equipment - Separate financial statements

(Unit: Baht)

	Vessels	Major repair and maintenance cost	Office furniture, fixtures and equipment	Motor vehicles	Total
<b>Cost</b>					
As at 31 December 2017	8,900,056,393	201,319,694	41,065,150	5,862,698	9,148,303,935
Acquisitions	1,642,967,433	169,392,631	2,586,964	-	1,814,947,028
Disposals	-	-	-	-	-
Write - off	-	(147,290,688)	-	-	(147,290,688)
Exchange differences on translating financial statement	(62,027,524)	(1,410,424)	(288,638)	(41,388)	(63,767,974)
As at 31 December 2018	10,480,996,302	222,011,213	43,363,476	5,821,310	10,752,192,301
<b>Accumulated depreciation</b>					
As at 31 December 2017	(4,910,019,666)	(170,303,264)	(37,980,061)	(5,862,698)	(5,124,165,689)
Depreciation for the year	(368,420,739)	(68,785,676)	(1,781,829)	-	(438,988,244)
Disposals	-	-	-	-	-
Write - off	-	145,324,107	-	-	145,324,107
Exchange differences on translating financial statement	34,482,481	1,239,664	267,251	41,388	36,030,784
As at 31 December 2018	(5,243,957,924)	(92,525,169)	(39,494,639)	(5,821,310)	(5,381,799,042)
<b>Allowance for loss on impairment</b>					
As at 31 December 2017	-	-	-	-	-
Increase	(105,437,234)	-	-	-	(105,437,234)
Reversal	-	-	-	-	-
Exchange differences on translating financial statement	(51,522)	-	-	-	(51,522)
As at 31 December 2018	(105,488,756)	-	-	-	(105,488,756)
<b>Net book value</b>					
As at 31 December 2017	3,990,036,727	31,016,430	3,085,089	-	4,024,138,246
As at 31 December 2018	5,131,549,622	129,486,044	3,868,837	-	5,264,904,503



  
.....

DIRECTOR

Mr. Sumate Tanthuanit  
Director



DIRECTOR

Mr. Sutep Tranantasin  
Director

The Group has mortgaged most of their vessels to secure credit facilities granted to the Group.

As at 31 December 2018 and 2017, certain vessels and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 1,185 million and Baht 1,330 million (The Company: Baht 497 million and Baht 522 million), respectively.

As at 31 December 2018 and 2017, the subsidiary in Singapore has containers acquired under finance lease agreements, with net book value amounting to USD 51.2 million (approximately Baht 1,655.7 million) and USD 35.7 million (approximately Baht 1,163.7 million), respectively (the Company only: amounted to approximately Baht - million and Baht - million, respectively).

Transactions occurred in year 2017:

During the year 2017, a subsidiary in Singapore sold containers which the gain on the sale was USD 3.4 million (approximately Baht 114.4 million).

At the end of year 2017, the management determined the recoverable amount of the Company and the Subsidiary in Singapore vessels according to value in use by reference the revenue information of the independent professional appraiser. The result of this determination, the Group and the Company's recoverable amount was higher than the carrying amount. Hence, the Group recorded the reversal on impairment of vessels amounting to USD 0.8 million or approximately Baht 27.5 million (The Company: USD - million or approximately Baht - million) in the statements of income for the year 2017.

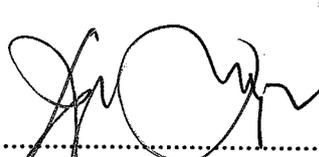
The discount rate (before tax) of the determination is 7.5% per annum.

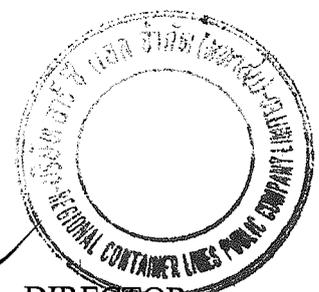
Transactions occurred in year 2018:

During the year 2018, a subsidiary in Singapore sold containers which the gain on the sale was USD 3.7 million (approximately Baht 118.8 million).

At the end of year 2018, the management determined the recoverable amount of the Company and the Subsidiary in Singapore vessels according to value in use by reference the revenue information of the independent professional appraiser. The result of this determination, the Group and the Company's recoverable amount was higher than the carrying amount. Hence, the Group recorded the reversal on impairment of vessels amounting to USD 1.7 million or approximately Baht 53.4 million (The Company: USD - million or approximately Baht - million) in the statement of income for the year 2018 and recorded the loss on impairment of the vessels which the Company had signed a memorandum of agreement to sell are disclosed in Note 29 to the financial statement amounting to USD 3.2 million or approximately Baht 103.3 million (The Company : USD 3.3 million or approximately Baht 105.4 million).

The discount rate (before tax) of the determination is 8.0% per annum.

  
..... DIRECTOR

  
..... DIRECTOR

  
..... DIRECTOR

**Mr. Sumate Tanthuanit**  
Director

**Mr. Sutep Tranantasin**  
Director

Depreciation in the statements of income for the years 2018 and 2017 consisted of the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation included in				
Cost of freight and operations	1,577,016,807	1,522,265,713	437,206,415	448,560,950
Administrative expenses	14,008,953	15,403,526	1,781,829	1,269,832
Total	<u>1,591,025,760</u>	<u>1,537,669,239</u>	<u>438,988,244</u>	<u>449,830,782</u>

(Unit: USD)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation included in				
Cost of freight and operations	48,772,408	44,856,165	13,521,485	13,217,616
Administrative expenses	433,255	453,891	55,107	37,418
Total	<u>49,205,663</u>	<u>45,310,056</u>	<u>13,576,592</u>	<u>13,255,034</u>

11. Intangible assets, net

(Unit: Baht)

	Consolidated financial statements
	Computer software
<u>Cost</u>	
As at 31 December 2017	342,610,809
Increase	-
Decrease	-
Transfer in (out)	-
Exchange differences on translating financial statement	(2,681,104)
As at 31 December 2018	<u>339,929,705</u>
<u>Accumulated amortization</u>	
As at 31 December 2017	(342,601,650)
Increase	(8,930)
Decrease	-
Exchange differences on translating financial statement	2,680,881
As at 31 December 2018	<u>(339,929,699)</u>
<u>Net book value</u>	
As at 31 December 2017	9,159
As at 31 December 2018	<u>6</u>

As at 31 December 2018 and 2017, computer software have been fully amortized but are still in use. The original cost of those asset amounted to approximately Baht 340 million and Baht 343 million, respectively.

Mr. Sumate Tanthuanit  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

12. Short - term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Loans from financial institution no. 1	350,000	150,000	350,000	150,000
Loans from financial institution no. 2	-	651,600	-	651,600
Loans from financial institution no. 3	-	122,175	-	-
Loans from financial institution no. 4	582,300	456,120	-	-
Total	932,300	1,379,895	350,000	801,600

As at 31 December 2018 and 2017, loans from financial institution no. 1 are promissory note with interest at the rate of MLR% p.a., which is unsecured.

As at 31 December 2017, loans from financial institution no. 2 are promissory note amounting to USD 20 million, with interest at the rate of 4.50% - 4.52% p.a., which is unsecured.

As at 31 December 2017, loans from financial institution no. 3 is short - term loan amounting to USD 3.75 million, with interest at the rate of LIBOR+6% p.a., is secured by office building subsidiaries.

As at 31 December 2018 and 2017, loans from financial institution no. 4 is short - term loan amounting to USD 18 million and USD 14 million, respectively, with interest at the rate of LIBOR+1.80% p.a., which is unsecured.



*[Handwritten signature of Mr. Sumate Tanthuwani]*

..... DIRECTOR .....

**Mr. Sumate Tanthuwani**  
Director

*[Handwritten signature of Mr. Sutep Tranantasin]*

..... DIRECTOR .....

**Mr. Sutep Tranantasin**  
Director

13. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		Financial statements	
	2018	2017	2018	2017
Liabilities under finance lease agreements	1,987,216	1,300,826	-	-
<u>Less</u> : deferred interest	(264,899)	(104,867)	-	-
	1,722,317	1,195,959	-	-
<u>Less</u> : current portion due within one year	(326,336)	(229,545)	-	-
Liabilities under finance lease agreements net of current portion	1,395,981	966,414	-	-

(Unit: Thousand Baht)

	Consolidated financial statements					
	2018			2017		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
1 - 5 years	1,134,852	168,207	1,303,059	861,793	64,487	926,280
Over 5 years	261,129	13,408	274,537	104,621	2,591	107,212
Total	1,395,981	181,615	1,577,596	966,414	67,078	1,033,492

(Unit: Thousand Baht)

	Separate financial statements					
	2018			2017		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
1 - 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	-	-	-	-	-	-



*[Signature]*  
.....

DIRECTOR

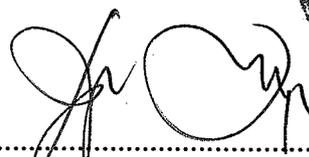
*[Signature]*  
.....

DIRECTOR

14. Long - term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b><u>Loans of the Company</u></b>				
1) USD 5.3 million loan (2017: USD 8.3 million), repayable quarterly until the year 2020.	169,837	268,785	169,837	268,785
2) USD 15.5 million loan (2017: USD 21.4 million), repayable quarterly until the year 2021.	499,915	697,060	499,915	697,060
3) USD 17.4 million loan (2017: USD 19.4 million), repayable quarterly until the year 2027.	564,427	633,404	564,427	633,404
4) USD 31.2 million loan (2017: USD - million), repayable quarterly until the year 2026.	1,009,288	-	1,009,288	-
<b><u>Loans of the Singapore Subsidiaries</u></b>				
5) USD - million loan (2017: USD 8.1 million), repayable quarterly until the year 2018.	-	263,898	-	-
6) USD - million loan (2017: USD 5.4 million), repayable semi - annually until the year 2018.	-	174,629	-	-
7) USD - million loan (2017: USD 5.5 million), repayable quarterly until the year 2018.	-	179,190	-	-
8) USD - million loan (2017: USD 5.2 million), repayable semi - annually until the year 2019.	-	170,719	-	-
9) USD 7.6 million loan (2017: USD - million), repayable quarterly until the year 2023.	244,566	-	-	-
10) USD 7.5 million loan (2017: USD - million), repayable quarterly until the year 2025.	243,321	-	-	-
11) USD 5.8 million loan (2017: USD - million), repayable quarterly until the year 2025.	187,171	-	-	-
12) USD 8.1 million loan (2017: USD - million), repayable quarterly until the year 2025.	263,597	-	-	-
<b><u>Loan of the Hong Kong Subsidiary</u></b>				
13) HKD 16.8 million loan (2017: HKD 20.3 million), repayable monthly until the year 2023.	69,549	84,762	-	-
Total	3,251,671	2,472,447	2,243,467	1,599,249
<u>Less</u> : Current portion	(651,584)	(1,073,930)	(479,686)	(356,295)
Long - term loans, net of current portion	2,600,087	1,398,517	1,763,781	1,242,954

The above loans carry interest at rates based on LIBOR or SIBOR.




DIRECTOR

Mr. Sumate Tanthuanit  
Director



DIRECTOR

Mr. Sutep Tranantasin  
Director

Movements in the long - term loans during the year ended 31 December 2018 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Beginning balance as at 31 December 2017	2,472,447	1,599,249
<u>Add</u> Borrowings	2,031,299	1,040,256
<u>Less</u> Repayments	(1,234,798)	(385,068)
Exchange differences on translating financial statement	(17,277)	(10,970)
Ending balance as at 31 December 2018	3,251,671	2,243,467

These loans have been secured by the mortgage of most of the vessels of the Group and the property of subsidiaries, and guaranteed by the Company.

The loan agreements contain certain covenants and restrictions pertaining to matters such as the maintenance of financial ratios and shareholding structure.

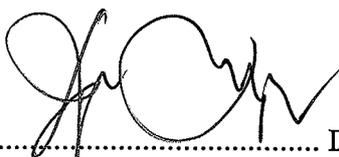
In October 2017, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 27.4 million (31 December 2018: approximately Baht 887.7 million) which is for the payment of 2 container vessels' construction, at present, the Company has not drawn down the loan.

In October 2018, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 6.5 million (31 December 2018: approximately Baht 210.3 million) which is for the project of purchase and installation "Sulphur Dioxide Scrubber", at present, the Company has not drawn down the loan.

15. Debenture

At the Annual General Meeting of Shareholders held on 24 April 2015, the shareholders approved issue and offer debentures not exceeding Baht 3,000 million and not longer than 7 years from the date of each issuance. The terms and conditions of the debentures shall be determined by the Board of Directors. Currently, the Company has not issued and offered the said debentures.



  
.....

Mr. Sumate Tanthuanit  
Director

DIRECTOR



..... DIRECTOR

Mr. Sutep Tranantasin  
Director

16. Provisions for employee benefits

- Movement in the present value of the provisions for employee benefits for the years ended 31 December 2018 and 2017

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Provisions for employee benefits at beginning of year	28.30	37.36	25.60	35.18
Benefits paid	-	(1.05)	-	(1.05)
Current service cost and interest	6.82	7.22	6.33	6.70
Actuarial losses (gain) on defined employee benefit plans	-	(15.23)	-	(15.23)
Provisions for employee benefits at ending of year	<u>35.12</u>	<u>28.30</u>	<u>31.93</u>	<u>25.60</u>

- Expenses recognized in the statements of income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current service costs	6.03	5.87	5.61	5.43
Interest cost	0.79	1.35	0.72	1.27
Total	<u>6.82</u>	<u>7.22</u>	<u>6.33</u>	<u>6.70</u>

- Principal actuarial assumptions as at 31 December 2018 and 2017 are as follows:

	Percent	
	Consolidated	Separate
	financial statements	financial statements
Discount rate	2.81	2.81
Salary increase rate	5 - 6.00	6.00
Employee turnover rate	0 - 24.00*	2 - 24.00*
Mortality rate	TMO2017**	TMO2017**

\* Based on the weighted average by age group of employees

\*\* Reference from TMO2017 : Thai Mortality Ordinary Table 2017

Mr. Sumate Tanthuanit  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

- Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate, employee turnover rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of 31 December 2018 as follows:

- If the discount rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 2.99 million (increase Baht 3.42 million) and Separate financial statements would decrease Baht 2.72 million (increase Baht 3.12 million).
- If the salary increase rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would increase Baht 3.79 million (decrease Baht 3.35 million) and Separate financial statements would increase Baht 3.45 million (decrease Baht 3.05 million).
- If the employee turnover rate increases (decrease) by 10%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 1.40 million (increase Baht 1.55 million) and Separate financial statements would decrease Baht 1.33 million (increase Baht 1.47 million).
- If the mortality rate increases (decrease) by one year for all employees, the provisions for employee benefits in Consolidated financial statements would increase Baht 0.13 million (decrease Baht 0.14 million) and Separate financial statements would increase Baht 0.12 million (decrease Baht 0.13 million).

In presenting the above sensitivity analysis, the present value of the provisions for employee benefits has been calculated by using the same method that applied in calculating the provisions for employee benefits recognized in the statement of financial position.

On December 13, 2018, the National Legislative Assembly approved draft of Labour Protection Act. The main point is increasing the rate of benefit of an employee who has past service 20 years or more from 300 days to 400 days. At the present, the draft is in the process of announcement in the Government Gazette. If the Act is effective, the provisions for employee benefits of the Company and a Subsidiary in Thailand which calculated up to December 31, 2018 approximately amount of Baht 9.13 million (The Company amounted Baht 8.31 million). The amount shall be recorded as expense in the statement of income on the effective date of the Act.

17. Legal reserve

Under the Public Limited Companies Act., the Company is required to set aside to a legal reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. The legal reserve is not available for dividend payment.

18. Dividend paid

At the Annual General Meeting of Shareholders held on 27 April 2018, the shareholders approved pay dividend amounted Baht 82.88 million at Baht 0.10 per share.





Mr. Sumate Tanthuwant  
Director

DIRECTOR



Mr. Sutep Tranantasin  
Director

DIRECTOR

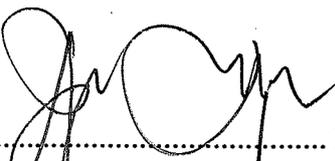
19. Related party transactions

- a) The Group has business dealings with its customers through regional shipping agents (third parties and related companies) of which a substantial part is through its related companies, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Group and those companies.
- b) In addition to the matter discussed in a), during the years, the Group had other significant business transactions with its related parties. The transactions are summarised below:

(Unit: Million Baht)

	For the years ended 31 December				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2018	2017	2018	2017	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	539	261	Market price as at agreement date
Ship management fee	-	-	9	8	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	169	152	-	-	Price approximates market price
Terminal operating service	225	242	-	-	Price per tariff minus volume discount
Logistic service fees	12	10	-	-	Price approximates market price
Office rental	10	10	9	9	Contract price



  
 .....  
**Mr. Sumate Tanthuanit**  
 Director

DIRECTOR



**Mr. Sutep Tranantasin**  
 Director

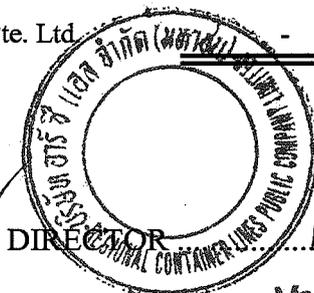
DIRECTOR

The outstanding balances of the above transactions have been presented in the statements of financial position as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Trade receivables - related parties</b>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	725	187
<u>Related parties</u>				
Ngow Hock Co., Ltd.	-	38	-	-
Siam Paetra International Co., Ltd	44	7	-	-
RCL Agencies (India) Private Limited	-	4	-	-
	44	49	-	-
<b>Other receivables - related parties</b>				
<u>- Receipt on behalf of the Company</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	899	348
Regional Container Lines Pte. Ltd.	-	-	6	6
	-	-	905	354
<u>- Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	30	24
<b>Trade payables - related parties</b>				
<u>Related parties</u>				
Ngow Hock Co., Ltd.	77	2	-	-
RCL (Vietnam) Co., Ltd.	-	5	-	-
RCL Agencies (India) Private Limited	7	-	-	-
Others	4	1	-	-
	88	8	-	-
<b>Advance from related parties</b>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	3,713	1,792
RCL Shipmanagement Pte. Ltd.	-	-	570	144
Regional Container Lines Pte. Ltd.	-	-	9	9
RCL Service S.A. Limited	-	-	-	79
	-	-	4,292	2,024
<b>Payable on purchase of assets</b>				
<u>Subsidiary</u>				
Regional Container Lines Pte. Ltd.	-	-	86	87

Mr. Sumate Tanthuanit  
Director



Mr. Sutep Tranantasin  
Director

DIRECTOR

c) Management benefit expenses

Management benefit expenses consist 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.

Management benefit expenses for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short - term employee benefits	32	30	18	15

20. Expenses by nature

Significant expenses by nature for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Employee benefits expenses	1,429	1,413	454	429
Management benefit expenses	32	30	18	15
Depreciations	1,591	1,538	439	450
Net doubtful debt	-	5	-	-
Loss on impairment of vessels	50	-	105	-

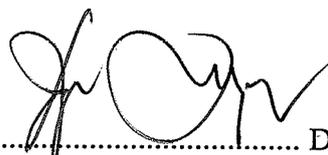
21. Provident Fund

The Company, its subsidiaries and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed to by both the Company, its subsidiaries and its employees, at a rate of 5 percent of the employees' basic salaries on a monthly basis. The fund will be paid to the employees upon termination in accordance with the rules of the fund.

The Singaporean subsidiaries contribute to the Central Provident Fund which is managed by the Government of Singapore. In addition, the Hong Kong subsidiary operate provident fund schemes for their employees.

During the year 2018, the Group's contributions to these funds totaled Baht 45 million (2017 : Baht 44 million).





DIRECTOR

Mr. Sumate Tanthuwani  
Director



DIRECTOR

Mr. Sutep Tranantasin  
Director

22. Tax expenses

The Company has been granted various tax privileges by the Board of Investment under the Investment Promotion Act. B.E. 2520. These include exemption from corporate income tax on profits for a period of 8 years for certain operations. In addition, since 1999 shipping profits have been exempted from income tax.

The corporate income tax rate being used by the Company and its subsidiaries in Thailand 20% on the net income of those operations which are not eligible for the above tax exemption.

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

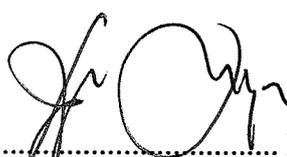
As at 31 December 2018 and 2017 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, employee benefit obligation and unused tax losses totaling Baht 129.86 million and Baht 149.61 million, respectively, (Separate Baht 22.12 million and Baht 52.58 million, respectively). However, the Group did not recognize deferred tax assets as the Group believes that it is not probable that future taxable profit will be available to allow the entire deferred tax assets to be utilized including almost income of the Group being exempted from income tax, except a subsidiary in Thailand which recognized deferred tax assets amounted Baht 3.58 million and Baht 0.54 million, respectively.

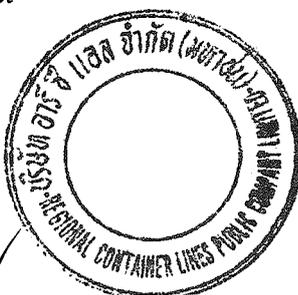
Tax expense (income) for the year ended 31 December 2018 and 2017, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Current tax expense	10,640	12,086	-	-
Deferred tax expense (income) of temporary differences	(2,886)	634	-	-
Tax expense (income) reported in the statement of income	<u>7,754</u>	<u>12,720</u>	<u>-</u>	<u>-</u>

As at 31 December 2018 and 2017 the components of deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2018	2017
<u>Deferred tax assets</u>		
Allowance for impairment of investment	2,940	-
Provisions for employee benefits	637	538
Total	<u>3,577</u>	<u>538</u>
<u>Deferred tax liabilities</u>		
Property and premises, net	<u>8,633</u>	<u>8,561</u>

  
 ..... DIRECTOR .....  
**Mr. Sumate Tanthuanit**  
 Director



  
 ..... DIRECTOR .....  
**Mr. Sutep Tranantasin**  
 Director

The Company's operating results for the year 2018 can be divided into BOI promoted activities and non - BOI promoted activities as follows:

(Unit: Baht)

For the year ended 31 December 2018

	Functional currency				Difference	USD currency (b)
	Baht currency (a)		Tax payer number			
	BOI Promoted	Non - BOI Promoted	3101120028	3105114177		
			Tax exempted	Tax exempted	Total	
<b>Revenues</b>						
Freight income	244,836,727	-	764,962,505	764,962,505	1,009,799,232	1,014,053,706
Gain on exchange rate	16,066,885	-	35,244,497	35,244,497	51,311,382	1,231,439
Dividend income	-	66,666,600	-	-	66,666,600	67,886,521
Gain on dissolution of subsidiary	-	72,423,963	-	-	72,423,963	74,270,410
Interest income	-	422,326	-	-	422,326	422,327
Other income	-	625	-	-	625	609
<b>Total revenues</b>	<b>260,903,612</b>	<b>139,513,514</b>	<b>800,207,002</b>	<b>800,207,002</b>	<b>1,200,624,128</b>	<b>1,157,865,012</b>
<b>Expenses</b>						
Cost of freight and operations	177,452,859	-	836,406,837	836,406,837	1,013,859,696	981,034,607
Administrative expenses	59,775,169	685,046	186,760,228	186,760,228	247,220,443	247,296,537
Loss on impairment of vessels	-	-	106,352,231	106,352,231	106,352,231	105,437,234
Unrealized loss on derivatives	-	-	1,736,132	1,736,132	1,736,132	1,719,184
Finance costs	59,386,981	-	68,841,987	68,841,987	128,228,968	127,836,041
<b>Total expenses</b>	<b>296,615,009</b>	<b>685,046</b>	<b>1,200,097,415</b>	<b>1,200,097,415</b>	<b>1,497,397,470</b>	<b>1,463,323,603</b>
<b>Profit (loss) before income tax expense</b>	<b>(35,711,397)</b>	<b>138,828,468</b>	<b>(399,890,413)</b>	<b>(399,890,413)</b>	<b>(296,773,342)</b>	<b>(305,458,591)</b>
Tax expenses (income)	-	-	-	-	-	-
<b>Profit (loss) for the years</b>	<b>(35,711,397)</b>	<b>138,828,468</b>	<b>(399,890,413)</b>	<b>(399,890,413)</b>	<b>(296,773,342)</b>	<b>(305,458,591)</b>

(a) Increase the Company's functional currency is Baht currency which is prepared in accordance with the revenue Code.

(b) Increase the Company's functional currency is USD currency which is prepared in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates (revised 2017)".



..... DIRECTOR

..... DIRECTOR

Mr. Sumate Tanthurwanit  
Director

Mr. Sutep Tranantasin  
Director

23. Financial information by segment

The Group's operations involve mainly a single industry segment, the business of feeder and vessel operations, and are carried on in geographic areas in Thailand, Singapore, Hong Kong, The People's Republic of China, Taiwan and other countries around the South China Sea. Financial information of the Group presented by geographical segment are as follows:

(Unit: Million Baht)

	Consolidated financial statements											
	For the years ended 31 December											
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	647	731	11,268	10,463	48	58	11,963	11,252	-	-	11,963	11,252
Inter - segment revenues	539	261	911	886	22	23	1,472	1,170	(1,472)	(1,170)	-	-
Freight income	1,186	992	12,179	11,349	70	81	13,435	12,422	(1,472)	(1,170)	11,963	11,252
Segment gross profit (loss)	76	(104)	379	1,168	60	59	515	1,123	(47)	(49)	468	1,074
Gain (loss) on exchange rate											74	33
Gain on sales of assets											133	115
Others income											19	22
Share of profit (loss) from investments in associates											78	79
Share of profit (loss) from investments in joint venture											32	21
Administrative expenses											922	887
Net doubtful debt											-	5
Loss on impairment of vessels, net (reversal)											50	(27)
Loss under onerous contract (reversal)											(73)	(264)
Loss on dissolution of subsidiary											4	-
Finance costs											249	197
Tax expenses (income)											8	13
Profit (loss) for the years											(356)	533

(Unit: Million Baht)

	Consolidated financial statements											
	As at 31 December											
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Property, premises, vessels and equipment, net	5,269	4,030	7,549	7,622	191	195	13,009	11,847	248	412	13,257	12,259
Others											5,039	5,151
Total assets											18,296	17,410



Mr. Sumate Tanthuwant  
Director




Mr. Sutep Tranantasia  
Director

DIRECTOR

DIRECTOR

24. Commitments and contingent liabilities

24.1 Commitments

- (a) As at 31 December 2018, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for buildings of approximately Baht 15 million (31 December 2017: Baht 10 million) in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 30 million or approximately Baht 955 million (31 December 2017: USD 35 million or approximately Baht 1,121 million) in respect of the following agreements.

(Unit: Million Baht)

Payment period	Charter hire	Container lease	Other rental	Total
Within 1 year	651	-	33	684
During 1 - 5 years	241	-	30	271
Over than 5 years	-	-	-	-
Total	892	-	63	955

- (b) As at 31 December 2018, a subsidiary in Singapore has bunker purchase commitments amounting to USD 23.5 million or approximately Baht 758.8 million covering the period of January 2019 - June 2019 at 6,000 - 11,000 MT per month (31 December 2017 : USD - million, or approximately Baht - million at - MT per month).
- (c) As at 31 December 2018, the Company and the Group has sulphur scrubber purchase commitments amounting to USD 1.5 million or approximately Baht 47.1 million and amounting to USD 2.4 million or approximately Baht 79.2 million, respectively.

24.2 Guarantees

As at 31 December 2018, the Company has guarantee obligations of USD 121 million, SGD 6 million and HKD 35 million, or approximately Baht 4,186 million (31 December 2017: USD 253 million, SGD 6 million and HKD 35 million or approximately Baht 8,551 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totaling USD 44 million and HKD 17 million, or approximately Baht 1,497 million (31 December 2017: USD 46 million and HKD 20 million, or approximately Baht 1,598 million).



DIRECTOR

Mr. Sumate Tanthuanit  
Director




DIRECTOR

Mr. Sutep Tranantasin  
Director

25. Shipbuilding contracts

On 5 July 2017, the Company entered into 2 optional vessel building contracts amount of USD 39.2 million (as at 31 December 2018 approximately Baht 1,268 million). The payment term of vessel was scheduled in 5<sup>th</sup> installment periods with different percentages based on the contract price: 10% for the 1<sup>st</sup> and 2<sup>nd</sup> installment, 0% for the 3<sup>rd</sup> installment, 5% for the 4<sup>th</sup> installment and 75% for the 5<sup>th</sup> installment (payment upon delivery of the vessel). On 4 January 2018, the Company postponed the delivery date of both vessels to July 2019 and August 2019, respectively.

As at 31 December 2018, the Company had made payment for the above - mentioned contract amounting to USD 7.8 million (approximately Baht 253.6 million).

26. Financial instruments

The Group could be exposed to the market risk, including primarily changes in interest rates and currency exchange rates. The Group uses derivatives and other instruments to manage and hedge such risk but not for speculative or trading purposes.

26.1 Financial risk management

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, trade payables and loans. The financial risks associated with these financial instruments and how they are managed is described below.

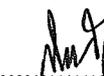
(1) Credit risk

Credit risk arises from the inability of customers to meet the payment terms in the normal course of business. Credit limits are set for specific amounts and due care is taken in granting credit. Furthermore, it is the Group's policy to evaluate customer's credit worthiness based on its latest financial performance. Therefore, the Group does not anticipate incurring material credit losses from its debt collection.

  
.....  
**Mr. Sumate Tanthuwant**  
Director



DIRECTOR

  
.....  
**Mr. Sutep Tranantasin**  
Director

DIRECTOR

(2) Interest rate risk

Significant financial assets and liabilities as at 31 December 2018 and 2017 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

Consolidated financial statements

2018

Million Baht

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	78	-	-	629	495	1,202	0 - 2.63% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	-	-	-	932	-	932	Note 12
Financial lease agreement	326	1,135	261	-	-	1,722	Note 13
Long - term loans	161	315	-	2,776	-	3,252	Note 14
Total	487	1,450	261	3,708	-	5,906	

2017

Million Baht

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	207	-	-	849	584	1,640	0 - 1.45% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	652	-	-	728	-	1,380	Note 12
Financial lease agreement	230	862	104	-	-	1,196	Note 13
Long - term loans	98	171	-	2,203	-	2,472	Note 14
Total	980	1,033	104	2,931	-	5,048	



*[Signature]*  
 DIRECTOR

Mr. Symate Tanthuwanit  
 Director

*[Signature]*  
 DIRECTOR

Mr. Sutep Tranantasin  
 Director

DIRECTOR

Separate financial statements

2018

Million Baht

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	12	9	21	0 - 1.0% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	-	-	-	350	-	350	Note 12
Long - term loans	161	315	-	1,767	-	2,243	Note 14
Total	161	315	-	2,117	-	2,593	

2017

Million Baht

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	39	39	78	0 - 1.0% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	652	-	-	150	-	802	Note 12
Long - term loans	98	171	-	1,330	-	1,599	Note 14
Total	750	171	-	1,480	-	2,401	

The Group could be exposed to risk in interest rates due primarily to the Group's long - term loan obligations. However, derivative and other financial instrument hedging are used for its long - term loan interest obligations.

The Group's policy is to manage its interest cost using a mix of fixed and variable interest rate debt. To manage this mix in a cost - efficient manner, the Group enters into interest rate swaps in which the Group agrees to exchange at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed - upon notional principal amount. These swaps are designated to hedge underlying debt obligations at the statements of financial position date. The Group does not hold or issue derivative instruments for speculative or trading purposes.

As at 31 December 2018, the Company had a period - by - period knock out swap and interest rate swap agreement covering the notional amount of USD 14.72 million (31 December 2017: USD 8.30 million), an interest rate of LIBOR is to be swapped for a fixed interest rate, with the notional amount base used for determination of the interest to be amortized at a rate of USD 1.25 million per quarter over the period from 2020 to 2023.

As at 31 December 2018, the Company had unrealized loss from changes in the fair value of derivatives of USD 0.05 million, or approximately Baht 1.72 million (31 December 2017: gain of USD 0.03 million, or approximately Baht 1.34 million). The Company recorded the unrealized gain loss in the statements of income.

  
Mr. Surtate Tanthuwant  
Director



  
Mr. Sutep Tranantasin  
Director

DIRECTOR

(3) Foreign currency risk

The Group business spans across the Asian region and, as a result, is exposed to foreign currency exchange rates. For that reason, the freight charges are prices in US dollars and payable in local currency equivalents, a natural foreign currency hedge is created by matching the currency of income flow (linked to US dollars) to the currency of indebtedness. This mechanism functions as a key factor for the Group's ability to manage its foreign exchange exposures. Most of the loans extended to the Group, are thus denominated in currencies similar to that of its income flow. In addition, the Group uses derivative instruments, as and when it considers appropriate, to manage such risks. The Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at 31 December 2018 and 2017, the Group does not hedge such exposures to foreign movement risk as it is minimal.

Whenever possible, it is the Group's policy to negotiate the terms of the hedged derivatives to match the terms of the hedged financial assets or liabilities item to maximise hedge effectiveness.

(4) Commodity price risk

Bunker cost represents a major component of the operational costs of a subsidiary in Singapore. Hence the said subsidiary is exposed to bunker price fluctuations. As at 31 December 2018, a subsidiary in Singapore has taken protection against the higher price risk with the physical bunker forward purchase contract within the certain limit in accordance with the Group's policy. The physical bunker forward purchase policy which blends interval forward with spot purchase has provide the Group with a less risk exposure to bunker price. And a subsidiary has outstanding commitments under the above purchase contract as described in note 24.1 (b) to the financial statements.

26.2 Fair value

Other than the long - term loans, which carry interest at rates which closely approximate market interest rates, the majority of financial assets and liabilities are short - term, and their carrying values do not materially differ from their fair values.

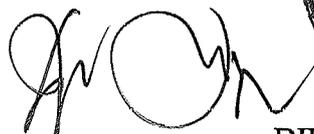
27. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Company manages its capital position with reference to its debt - to - equity ratio also to comply with a condition in the long - term loan agreements, which require the Company to maintain a consolidated debt - to - equity ratio of not more than 1.5 : 1.

As at 31 December 2018, the Group's debt - to - equity ratio was 1.18 : 1 (31 December 2017 : 0.95 : 1) and the Company's was 1.02 : 1 (31 December 2017 : 0.62 : 1).





DIRECTOR

Mr. Sumate Tanthuwant  
Director



DIRECTOR

Mr. Sutep Tranantasin  
Director

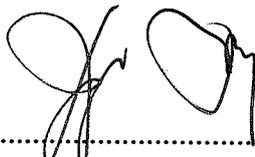
28. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2018 and 2017 and the statements of income for the years ended 31 December 2018 and 2017 are as follows:

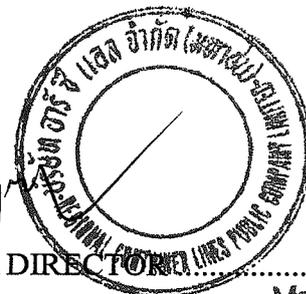
**Regional Container Lines Public Company Limited and its subsidiaries****Statements of financial position****As at 31 December 2018**

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2018	2017	2018	2017
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	37,166,711	50,337,010	652,816	2,388,375
Trade receivables - unrelated parties	70,206,057	50,140,926	90,998	336,822
<u>Less:</u> allowance for doubtful accounts	(1,734,328)	(1,730,654)	-	-
Trade receivables - unrelated parties, net	68,471,729	48,410,272	90,998	336,822
Trade receivables - related parties	1,350,761	1,504,096	22,418,949	5,745,061
Other receivables	15,088,580	23,540,525	29,627,200	12,335,501
Material supplies	10,270,083	7,368,820	555,928	401,433
Other current assets	1,312,432	1,029,604	34,864	82,914
<b>Total current assets</b>	<b>133,660,296</b>	<b>132,190,327</b>	<b>53,380,755</b>	<b>21,290,106</b>
<b>Non - current assets</b>				
Property investments held for long - term investment	156,557	159,068	-	-
Investments in subsidiaries, net	-	-	209,779,071	209,902,552
Investments in associates	10,922,818	10,878,788	1,662,509	1,662,509
Investments in joint venture	1,919,172	930,406	-	-
Other long - term investments	337,862	337,862	-	-
Property and premises, net	9,515,847	9,686,611	13,092	13,092
Vessels and equipment, net	400,300,533	366,585,811	162,748,207	123,515,600
Intangible assets, net	-	281	-	-
Other non - current assets				
- Advance for vessel constructions	8,270,032	13,457,897	8,270,032	13,457,897
- Other	483,811	136,564	77,409	74,552
<b>Total non - current assets</b>	<b>431,906,632</b>	<b>402,173,288</b>	<b>382,550,320</b>	<b>348,626,202</b>
<b>Total assets</b>	<b>565,566,928</b>	<b>534,363,615</b>	<b>435,931,075</b>	<b>369,916,308</b>



Mr. Sumate Tanthuanit  
Director



DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

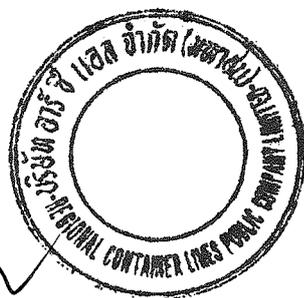
## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of financial position (continued)

As at 31 December 2018

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2018	2017	2018	2017
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Short - term loans from financial institutions	28,819,165	42,354,052	10,819,165	24,604,052
Trade payables - unrelated parties	108,338,033	94,611,336	1,839,789	1,483,652
Trade payables - related parties	2,722,318	232,360	-	-
Other payables				
- Accrued expenses	2,468,641	2,463,850	492,189	680,805
- Advance receipt	131,690	74,400	132,819,268	62,204,510
- Payable on purchase of assets	2,387,544	-	3,229,861	2,660,361
Current portion of liabilities				
under financial lease agreement	10,087,652	7,045,589	-	-
Current portion of long - term loans	20,141,700	32,962,866	14,828,000	10,936,000
Provision for onerous contracts	1,425,838	3,691,437	-	-
Income tax payable	88,184	82,439	-	-
Other current liabilities	4,157,186	3,237,596	97,293	77,700
<b>Total current liabilities</b>	<b>180,767,951</b>	<b>186,755,925</b>	<b>164,125,565</b>	<b>102,647,080</b>
<b>Non - current liabilities</b>				
Liabilities under financial lease agreements,				
net of current portion	43,152,433	29,662,802	-	-
Long - term loans, net of current portion	80,373,639	42,925,630	54,521,833	38,150,833
Provisions for employee benefits	1,085,654	868,525	987,171	785,941
Deferred tax liabilities	266,861	262,764	-	-
<b>Total non - current liabilities</b>	<b>124,878,587</b>	<b>73,719,721</b>	<b>55,509,004</b>	<b>38,936,774</b>
<b>Total liabilities</b>	<b>305,646,538</b>	<b>260,475,646</b>	<b>219,634,569</b>	<b>141,583,854</b>



.....  
**Mr. Sumate Tanthuanit**  
 Director

DIRECTOR

.....  
**Mr. Sutep Tranantasin**  
 Director

DIRECTOR

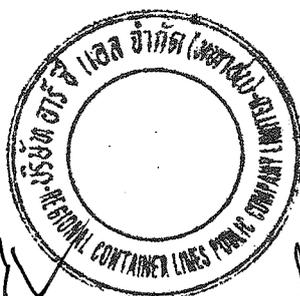
Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2018

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2018	2017	2018	2017
<b>Shareholders' equity</b>				
Share capital				
Registered				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Issued and fully paid - up				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Share premium	173,890,186	173,890,186	173,890,186	173,890,186
Retained earnings				
Appropriated - legal reserve	1,943,097	1,943,097	1,943,097	1,943,097
Unappropriated	100,709,071	114,361,981	14,629,260	26,665,208
Other components of equity	(42,691,819)	(42,190,905)	-	-
Total equity of parent Company's shareholders	259,684,498	273,838,322	216,296,506	228,332,454
Non - controlling interests	235,892	49,647	-	-
<b>Total shareholders' equity</b>	259,920,390	273,887,969	216,296,506	228,332,454
<b>Total liabilities and shareholders' equity</b>	565,566,928	534,363,615	435,931,075	369,916,308



*[Signature]*  
 DIRECTOR

*[Signature]*  
 DIRECTOR

Mr. Sumate Tanthuan  
 Director

Mr. Sutep Tranantasin  
 Director

A.M.T. & ASSOCIATES

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the year ended 31 December 2018

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017
<b>Revenues</b>				
Freight income	369,967,391	331,570,909	31,361,645	24,590,642
Others income				
Gain on exchange rate	2,289,948	980,318	38,085	-
Dividend income	-	-	2,099,527	1,957,260
Gain on sales of assets	4,109,767	3,378,976	-	-
Gain on dissolution subsidiary, net	-	-	2,296,961	-
Reversal on impairment of vessels	-	809,235	-	-
Reversal of provision for loss under onerous contracts	2,265,599	7,771,058	-	-
Interest income	194,166	117,363	13,061	7,499
Unrealized gain on derivatives	-	39,502	-	39,502
Others	411,114	500,524	19	5,498
<b>Total revenues</b>	<b>379,237,985</b>	<b>345,167,885</b>	<b>35,809,298</b>	<b>26,600,401</b>
<b>Expenses</b>				
Cost of freight and operations	355,487,145	299,915,356	30,340,463	28,696,249
Administrative expenses	28,505,986	26,151,151	7,648,142	6,601,298
Other expenses				
Net doubtful debt	-	133,763	-	-
Loss on exchange rate	-	-	-	816,284
Loss on dissolution of subsidiary	121,809	-	-	-
Loss on impairment of vessels, net	1,544,296	-	3,260,858	-
Unrealized loss on derivatives	53,169	-	53,169	-
Finance costs	7,717,539	5,817,088	3,953,586	3,632,470
<b>Total expenses</b>	<b>393,429,944</b>	<b>332,017,358</b>	<b>45,256,218</b>	<b>39,746,301</b>
Share of profit (loss) from investment in associates	2,422,676	2,332,900	-	-
Share of profit (loss) from investment in joint ventures	988,766	604,935	-	-
<b>Profit (loss) before income tax expenses</b>	<b>(10,780,517)</b>	<b>16,088,362</b>	<b>(9,446,920)</b>	<b>(13,145,900)</b>
Tax expenses (income)	239,800	374,810	-	-
<b>Profit (loss) for the years</b>	<b>(11,020,317)</b>	<b>15,713,552</b>	<b>(9,446,920)</b>	<b>(13,145,900)</b>
<b>Profit (loss) for the year attributable to:</b>				
Equity holders of the parent	(11,063,882)	15,713,372	(9,446,920)	(13,145,900)
Non - controlling interests	43,565	180	-	-
	<b>(11,020,317)</b>	<b>15,713,552</b>	<b>(9,446,920)</b>	<b>(13,145,900)</b>
<b>Basic earnings (loss) per share</b>				
Profit (loss) attributable to equity holders of the parent	(0.013)	0.019	(0.011)	(0.016)
The weighted average number of ordinary shares (share)	828,750,000	828,750,000	828,750,000	828,750,000

  
**Mr. Sumate Tanthuanit**  
 Director



  
**Mr. Sutep Tranantasin**  
 Director

DIRECTOR

29. Events after the reporting period

On 8 January 2019, the Company had signed a memorandum of agreement to sell 2 vessels which has net book value as at 31 December 2018 of USD 7.0 million to a company in Singapore at USD 3.8 million. The various conditions are required in the memorandum of agreement.

30. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 22 February 2019.



..... DIRECTOR .....

**Mr. Sumate Tanthuwanit**  
Director

..... DIRECTOR .....

**Mr. Sutep Tranantasin**  
Director